

**Date and Time:** Tuesday 1 October 2024 00:01:00 CEST

**Job Number:** 234829453

**Documents (100)**

1. [*Overseas Business Risk - Latvia*](https://advance.lexis.com/api/document?id=urn:contentItem:5RPP-PDM1-JDG9-Y0KY-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

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2. [*Summary of Russian press for Thursday 12 October 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5PPB-4GR1-JC8S-C1MT-00000-00&idtype=PID&context=1516831)

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3. [*Council of the European Union: PRELIMINARY DRAFT REPLY TO QUESTION FOR WRITTEN ANSWER P-002893/2017 - José Inácio Faria (PPE) 'Drug-related deaths in Europe' ST 10441 2017 INIT*](https://advance.lexis.com/api/document?id=urn:contentItem:5P52-B041-F0YC-N33F-00000-00&idtype=PID&context=1516831)

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4. [*Construction and industry drive growth in Atlántico , Colombia*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-731T-00000-00&idtype=PID&context=1516831)

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5. [*Ukraine : Lviv Region media highlights 4-10 Nov 17*](https://advance.lexis.com/api/document?id=urn:contentItem:5PY0-25Y1-DYRV-34JV-00000-00&idtype=PID&context=1516831)

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6. [*Indonesia enacts major reforms in strategic areas*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-73JV-00000-00&idtype=PID&context=1516831)

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7. [*Stakeholder collaboration: A means to the success of rural tourism destinations? A critical evaluation of the existence of stakeholder collaboration within the Mournes , Northern Ireland*](https://advance.lexis.com/api/document?id=urn:contentItem:6BM4-FYP1-JBMY-H065-00000-00&idtype=PID&context=1516831)

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8. [*A look at how PE firms are trying to boost senior women*](https://advance.lexis.com/api/document?id=urn:contentItem:5RDT-SY61-JCM7-G351-00000-00&idtype=PID&context=1516831)

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9. [*Chinese envoy to Russia upbeat on cooperation prospects*](https://advance.lexis.com/api/document?id=urn:contentItem:5NXC-YHD1-JC8S-C2KN-00000-00&idtype=PID&context=1516831)

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10. [*Council of the European Union: 2651st meeting of the PERMANENT REPRESENTATIVES COMMITTEE held in Brussels on 6, 8 and 11 December 2017 ST 15751 2017 INIT*](https://advance.lexis.com/api/document?id=urn:contentItem:5RH6-4TW1-F0YC-N005-00000-00&idtype=PID&context=1516831)

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11. [*Tourism a pillar of diversifying the Trinidad and Tobago economy*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-7343-00000-00&idtype=PID&context=1516831)

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12. [*Experts say Russia -led economic union lacks common values*](https://advance.lexis.com/api/document?id=urn:contentItem:5RCB-BTY1-JC8S-C089-00000-00&idtype=PID&context=1516831)

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13. [*The region pulls together to become more prosperous by boosting productivity*](https://advance.lexis.com/api/document?id=urn:contentItem:5PYR-PMS1-DYY4-33VP-00000-00&idtype=PID&context=1516831)

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14. [*The region pulls together to become more prosperous by boosting productivity*](https://advance.lexis.com/api/document?id=urn:contentItem:5PYR-PMS1-DYY4-33T4-00000-00&idtype=PID&context=1516831)

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15. [*Ringing in the new 2017 was a year of big change at senior level: some planned, others enforced. Here we look at the new faces leading some of Ireland 's largest companies, and the challenges they face in 2018. By Brian Carey, Gavin Daly and Niall Brady*](https://advance.lexis.com/api/document?id=urn:contentItem:5R9C-6BS1-F021-611F-00000-00&idtype=PID&context=1516831)

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16. [*BTR and housebuilders – ideal partners look to a bright future COMMENT: Increasing collaboration between the build-to-rent sector and major housebuilders will be beneficial to all parties, says Greystar's Mark Allnutt*](https://advance.lexis.com/api/document?id=urn:contentItem:5S51-CF51-JCF2-H2DR-00000-00&idtype=PID&context=1516831)

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17. [*Towards a water balanced utilization through circular economy*](https://advance.lexis.com/api/document?id=urn:contentItem:5YJX-P231-DY4C-F13C-00000-00&idtype=PID&context=1516831)

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18. [*Investment in transport infrastructure will unlock PNG 's potential*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-73D1-00000-00&idtype=PID&context=1516831)

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19. [*BRIEF NEWS BULLETIN NO. 10240*](https://advance.lexis.com/api/document?id=urn:contentItem:5PXB-T1N1-F12K-R047-00000-00&idtype=PID&context=1516831)

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20. [*End of Apartheid in South Africa ? Not in Economic Terms*](https://advance.lexis.com/api/document?id=urn:contentItem:5PTC-JVF1-DYR7-C39R-00000-00&idtype=PID&context=1516831)

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21. [*BRIEF NEWS BULLETIN NO. 10124*](https://advance.lexis.com/api/document?id=urn:contentItem:5P15-JXJ1-JDKJ-13YF-00000-00&idtype=PID&context=1516831)

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22. [*The UK MBA programme list: Canterbury to Hatfield Your guide to every MBA course in the UK*](https://advance.lexis.com/api/document?id=urn:contentItem:5PH0-3GC1-F021-60DW-00000-00&idtype=PID&context=1516831)

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23. [*Ethiopia livestock plan offers route to middle-income*](https://advance.lexis.com/api/document?id=urn:contentItem:5P0B-9M01-F039-63SM-00000-00&idtype=PID&context=1516831)

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24. [*Belgium - Q1 2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5PRX-8BT1-JD33-J3D4-00000-00&idtype=PID&context=1516831)

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25. [*Field Site Spotlight: Fayetteville, Arkansas*](https://advance.lexis.com/api/document?id=urn:contentItem:5RP3-6201-F0YC-N2F0-00000-00&idtype=PID&context=1516831)

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26. [*Annex\* LIFE programme: 2016 projects*](https://advance.lexis.com/api/document?id=urn:contentItem:5NYF-9F81-F0YC-N2J2-00000-00&idtype=PID&context=1516831)

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27. [*Belgium - Q4 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5P2P-WXG1-F0J5-82P6-00000-00&idtype=PID&context=1516831)

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28. [*Register of Commission documents: India and prospects for closer EU ties Document date: 2017-09-08 EPRS\_BRI(2017)608679 Briefing*](https://advance.lexis.com/api/document?id=urn:contentItem:5PTJ-KD01-F0YC-N0VT-00000-00&idtype=PID&context=1516831)

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29. [*Higher commodity prices boost Ghana's mining sector*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-742P-00000-00&idtype=PID&context=1516831)

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30. [*Sufficiency Economy and Backdated Claims of its Application: Phooyai (Headman) Wiboon’s Agroforestry and Self-narrative*](https://advance.lexis.com/api/document?id=urn:contentItem:6BH2-VXY1-JBMY-H403-00000-00&idtype=PID&context=1516831)

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31. [*BRIEF NEWS BULLETIN NO. 10312*](https://advance.lexis.com/api/document?id=urn:contentItem:5RF8-2241-F12K-R0CS-00000-00&idtype=PID&context=1516831)

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32. [*BRIEF NEWS BULLETIN NO. 10292*](https://advance.lexis.com/api/document?id=urn:contentItem:5R90-K841-JDKJ-1033-00000-00&idtype=PID&context=1516831)

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33. [*Register of Commission documents:RECOMMENDATION on the draft Council decision on the conclusion, on behalf of the Union, of the Political Dialogue and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Cuba , of the other part Document date: 2017-06-22 P8\_A(2017)0232 Reports*](https://advance.lexis.com/api/document?id=urn:contentItem:5P38-RVR1-JDG9-Y40M-00000-00&idtype=PID&context=1516831)

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34. [*Imports and exports ensure the Philippines remains a major player in global trade*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-72JD-00000-00&idtype=PID&context=1516831)

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35. [*Is globalisation finished?*](https://advance.lexis.com/api/document?id=urn:contentItem:5RF1-VC01-JDG9-Y1BJ-00000-00&idtype=PID&context=1516831)

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36. [*QMS and its aims to highlight the industry's strengths*](https://advance.lexis.com/api/document?id=urn:contentItem:5RHT-9321-F0JC-M1N1-00000-00&idtype=PID&context=1516831)

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37. [*Egypt sees local production and export growth*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-74JB-00000-00&idtype=PID&context=1516831)

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38. [*BRIEF NEWS BULLETIN NO. 10396*](https://advance.lexis.com/api/document?id=urn:contentItem:5S35-D7T1-JDKJ-13M0-00000-00&idtype=PID&context=1516831)

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| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

39. [*P8\_TA(2016)0049 Special situation of islands European Parliament resolution of 4 February 2016 on the special situation of islands (2015/3014(RSP))*](https://advance.lexis.com/api/document?id=urn:contentItem:5RK3-P7W1-JDG9-Y0WD-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

40. [*Jordan 's growing coastal city Aqaba continues to attract investment*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-74XC-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

41. [*Distributing dollars for democracy: changing foreign policy contexts and the shifting determinants of US democracy aid, 1975–2010*](https://advance.lexis.com/api/document?id=urn:contentItem:671W-P2V1-F0C0-342F-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

42. [*Summary of Russian press for Friday 18 August 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5P8K-RCW1-JC8S-C0DT-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

43. [*BRIEF NEWS BULLETIN NO. 10342*](https://advance.lexis.com/api/document?id=urn:contentItem:5RNG-G6X1-F12K-R130-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

44. [*Afrinvest Limited - Afrinvest Banking Sector Report 2017: " Nigeria Reopens For Business", Oct 27, 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5PV6-P011-JDVR-02SC-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

45. [*New Year Honours*](https://advance.lexis.com/api/document?id=urn:contentItem:5R95-F171-JBVM-Y26R-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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46. [*BRIEF NEWS BULLETIN NO. 10250*](https://advance.lexis.com/api/document?id=urn:contentItem:5R01-VN41-JDKJ-1469-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

47. [*M and A Navigator: Deal pipeline -29 June*](https://advance.lexis.com/api/document?id=urn:contentItem:5NX4-4PJ1-F0K1-N222-00000-00&idtype=PID&context=1516831)

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48. [*BRIEF NEWS BULLETIN NO. 10276*](https://advance.lexis.com/api/document?id=urn:contentItem:5R5K-2FW1-F12K-R537-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

49. [*Register of Commission documents: European Parliament resolution of 16 November 2017 on the EU-Africa Strategy: a boost for development (2017/2083(INI)) Document date: 2017-11-16 P8\_TA-PROV(2017)0448 Texts adopted (provisional edition)*](https://advance.lexis.com/api/document?id=urn:contentItem:5R6T-YHX1-JDG9-Y2F1-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

50. [*BRIEF NEWS BULLETIN NO. 10426*](https://advance.lexis.com/api/document?id=urn:contentItem:5SCN-HS21-JDKJ-146J-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

51. [*BRIEF NEWS BULLETIN NO. 10284*](https://advance.lexis.com/api/document?id=urn:contentItem:5R78-TR41-JDKJ-11SH-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

52. [*Comment New year honours*](https://advance.lexis.com/api/document?id=urn:contentItem:5R95-F171-JBVM-Y289-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

53. [*Register of Commission documents: to Commission Implementing Decision modifying Commission Implementing Decision C(2016) 6633 final on the Annual Action Programme 2016 (Part 2) and Annual Action Programme 2017 (Part 1) in favour of Egypt to be financed from the general budget of the European Union Document date: 2018-02-05 COM-AC\_DI(2018)O055261-01 Comitology - Documents for information*](https://advance.lexis.com/api/document?id=urn:contentItem:5RP3-61R1-F0YC-N557-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

54. [*Miratorg rapidly expands beef exports*](https://advance.lexis.com/api/document?id=urn:contentItem:5RXX-F131-DYNP-M535-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

55. [*US Court rejects union attempt to overturn Norwegian 's permit E A US appellate court rejected an attempt by four employee unions to overturn a foreign air carrier permit awarded to Norwegian Air International , dealing a severe blow to labour’s 1.5-year-old campaign to block the low-cost-carrier’s so-called “flag of convenience” business model..*](https://advance.lexis.com/api/document?id=urn:contentItem:5S9G-S891-JCF2-H35H-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

56. [*New Year honours*](https://advance.lexis.com/api/document?id=urn:contentItem:5R95-F161-JBVM-Y4H1-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

57. [*BRIEF NEWS BULLETIN NO. 10279*](https://advance.lexis.com/api/document?id=urn:contentItem:5R62-9K81-F12K-R4XX-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

58. [*M and A Navigator: Deal pipeline -1 June*](https://advance.lexis.com/api/document?id=urn:contentItem:5NP1-8VX1-F0K1-N37T-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

59. [*Amazon tribe saves plant lore with 'healing forests' and encyclopedia In a bid to safeguard knowledge the Matsés in Peru have been planting "medicinal agroforestry" plots and written a 1,044-page two-volume book.*](https://advance.lexis.com/api/document?id=urn:contentItem:5R1H-T0J1-F021-62S6-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

60. [*Russia : Khabarovsk Territory media highlights 2-8 Oct 17*](https://advance.lexis.com/api/document?id=urn:contentItem:5PR6-V6Y1-JC8S-C0TY-00000-00&idtype=PID&context=1516831)

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61. [*The crisis in applications for teacher training*](https://advance.lexis.com/api/document?id=urn:contentItem:5RC2-YST1-JCJY-G2M8-00000-00&idtype=PID&context=1516831)

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62. [*Africa THE BANKER AWARDS 2017AFRICA WINNERS*](https://advance.lexis.com/api/document?id=urn:contentItem:5RG4-BBV1-DY9P-N4GK-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

63. [*M and A Navigator: Deal pipeline â(EURO)"29 June*](https://advance.lexis.com/api/document?id=urn:contentItem:5NX4-4R31-F0K1-N2W1-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

64. [*BRIEF NEWS BULLETIN NO. 10374*](https://advance.lexis.com/api/document?id=urn:contentItem:5RXG-74P1-K06Y-30T8-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

65. [*Ghana Monthly Briefing December 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5T0T-P8P1-JC8V-4062-00000-00&idtype=PID&context=1516831)

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66. [*Green and pleasant The first in a series on the future of the British countryside looks at changes in agriculture andwhat these mean for the landscape. By Laura Battle ; House Home ; House Home*](https://advance.lexis.com/api/document?id=urn:contentItem:5PGS-B1W1-DY9P-N2V4-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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67. [*Planners' perceptions of the influence of leadership on coordinating plans*](https://advance.lexis.com/api/document?id=urn:contentItem:6BGY-HK51-JBMY-H3SP-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

68. [*UK farmlands: green and pleasant?*](https://advance.lexis.com/api/document?id=urn:contentItem:5PGM-BY01-JCM7-G3YT-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

69. [*Green and pleasant The first in a series on the future of the British countryside looks at changes in agriculture andwhat these mean for the landscape. By Laura Battle ; House Home ; House Home*](https://advance.lexis.com/api/document?id=urn:contentItem:5PGR-JC41-JBVM-Y1K8-00000-00&idtype=PID&context=1516831)

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70. [*Belt and Road: New Silk Road offers a path to success for CIS states*](https://advance.lexis.com/api/document?id=urn:contentItem:5PR5-RJY1-F0GS-H1KF-00000-00&idtype=PID&context=1516831)

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71. [*M and A Navigator: Deal pipeline â(EURO)"1 June*](https://advance.lexis.com/api/document?id=urn:contentItem:5NP1-92X1-JD3Y-Y37D-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

72. [*Bridging the Bay of Bengal: Toward a Stronger BIMSTEC*](https://advance.lexis.com/api/document?id=urn:contentItem:5RRR-NPW1-F0YC-N3F0-00000-00&idtype=PID&context=1516831)

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73. [*That Was The Year That Was - 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5RDB-F9W1-JD39-X12C-00000-00&idtype=PID&context=1516831)

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74. [*Ukraine : Odessa Region media highlights 12-18 May 18*](https://advance.lexis.com/api/document?id=urn:contentItem:5SFD-7RK1-JC8S-C2F4-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

75. [*Assisted suicide and protecting the vulnerable*](https://advance.lexis.com/api/document?id=urn:contentItem:5RDJ-RY41-F021-610V-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

76. [*BRIEF NEWS BULLETIN NO. 10191*](https://advance.lexis.com/api/document?id=urn:contentItem:5PHF-BW61-F12K-R098-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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77. [*Zimbabwe Monthly Briefing October 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5T0T-P8R1-DYRW-V3HG-00000-00&idtype=PID&context=1516831)

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78. [*Register of Commission documents: RAP East2017-part 1-AD1: Commission Implementing Decision on the Neighbourhood East Regional Action Programme 2017 Part I (including 1 action on budget 2018 and 2019), to be financed from the general budget of the European Union Document date: 2017-09-26 COM-AC\_DR(2017)D053173-01 Comitology - Right of scrutiny*](https://advance.lexis.com/api/document?id=urn:contentItem:5R13-MHW1-JDG9-Y0JB-00000-00&idtype=PID&context=1516831)

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79. [*P8\_TA(2016)0034 Mid-term review of the EU's Biodiversity Strategy European Parliament resolution of 2 February 2016 on the mid-term review of the EU’s Biodiversity Strategy (2015/2137(INI))*](https://advance.lexis.com/api/document?id=urn:contentItem:5RK3-P7W1-JDG9-Y0VY-00000-00&idtype=PID&context=1516831)

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80. [*Green and pleasant The first in a series on the future of the British countryside looks at changes in agriculture andwhat these mean for the landscape. By Laura Battle*](https://advance.lexis.com/api/document?id=urn:contentItem:5PGR-JC41-JBVM-Y144-00000-00&idtype=PID&context=1516831)

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81. [*Who got what? The full list of those given gongs in the New Year Honours - from Ringo Starr to the selfless volunteers working across Britain*](https://advance.lexis.com/api/document?id=urn:contentItem:5R96-R441-F021-63WB-00000-00&idtype=PID&context=1516831)

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82. [*The importance of urban rainwater harvesting in circular economy: the case of Guadalajara city*](https://advance.lexis.com/api/document?id=urn:contentItem:5YJX-P231-DY4C-F13B-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

83. [*Register of Commission documents: European Parliament resolution of 12 September 2017 on the impact of international trade and the EU’s trade policies on global value chains (2016/2301(INI)) Document date: 2017-09-12 P8\_TA-PROV(2017)0330 Texts adopted (provisional edition*](https://advance.lexis.com/api/document?id=urn:contentItem:5PW1-NXC1-JDG9-Y555-00000-00&idtype=PID&context=1516831)

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84. [*Away from fossil-fuels and toward a bioeconomy: Knowledge versatility for public policy?*](https://advance.lexis.com/api/document?id=urn:contentItem:6BGY-HK51-JBMY-H3PJ-00000-00&idtype=PID&context=1516831)

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85. [*BRIEF NEWS BULLETIN NO. 10363*](https://advance.lexis.com/api/document?id=urn:contentItem:5RVG-D3B1-FJP0-T46D-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

86. [*Foreign Secretary keynote speech at the Lowy Institute*](https://advance.lexis.com/api/document?id=urn:contentItem:5P3Y-Y5V1-JDKC-R2XS-00000-00&idtype=PID&context=1516831)

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87. [*Putin speaks of Skripal case, Syria , S-400 at Turkey presser - Kremlin text*](https://advance.lexis.com/api/document?id=urn:contentItem:5S1F-WGP1-DYRV-3003-00000-00&idtype=PID&context=1516831)

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88. [*Our Oceans - Our Future*](https://advance.lexis.com/api/document?id=urn:contentItem:5SB0-DCY1-JDG9-Y0DM-00000-00&idtype=PID&context=1516831)

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89. [*Register of Commission documents: Parliament resolution of 13 December 2017 on the Annual Report on the implementation of the Common Foreign and Security Policy (2017/2121(INI)) Document date: 2017-12-13 P8\_TA-PROV(2017)0493 Texts adopted (provisional edition*](https://advance.lexis.com/api/document?id=urn:contentItem:5R8Y-T851-JDG9-Y559-00000-00&idtype=PID&context=1516831)

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90. [*Register of Commission documents: European Parliament resolution of 12 September 2017 on the impact of international trade and the EU’s trade policies on global value chains (2016/2301(INI)) Document date: 2017-09-12 P8\_TA-PROV(2017)0330 Texts adopted (provisional edition*](https://advance.lexis.com/api/document?id=urn:contentItem:5PW1-VNW1-F0YC-N4VW-00000-00&idtype=PID&context=1516831)

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91. [*IO public communication and discursive inclusion: how the UN reported the Arms Trade Treaty process to a global audience*](https://advance.lexis.com/api/document?id=urn:contentItem:671W-P2V1-F0C0-343J-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

92. [*FEDERAL REGISTER: Endangered and Threatened Wildlife and Plants; 12 Month Findings on Petitions To List the Holiday Darter, Trispot Darter, and Bridled Darter; Threatened Species Status for Trispot Darter Pages 46183 - 46197 [FR DOC # 2017-21350]*](https://advance.lexis.com/api/document?id=urn:contentItem:5PN7-THJ1-F0YC-N4YR-00000-00&idtype=PID&context=1516831)

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93. [*Fisheries and natural resources are at the heart of push to boost industry in PNG*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-73DX-00000-00&idtype=PID&context=1516831)

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94. [*BRIEF NEWS BULLETIN NO. 10271*](https://advance.lexis.com/api/document?id=urn:contentItem:5R4H-6W61-F12K-R1F5-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

95. [*PAKISTAN - ITALY POLITICAL, ECONOMIC AND TRADE RELATIONS AND THE PROSPECTS FOR FUTURE TRADE AND BUSINESS OPPORTUNITIES (2004-2014)*](https://advance.lexis.com/api/document?id=urn:contentItem:5P2C-WX81-JCH9-G1FJ-00000-00&idtype=PID&context=1516831)

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96. [*Register of Commission documents:Global Trends to 2035' Geo-politics and international power Document date: 2017-09-20 EPRS\_STU(2017)603263 Study*](https://advance.lexis.com/api/document?id=urn:contentItem:5PX3-MST1-JDG9-Y362-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

97. [*Government wins vote on EU withdrawal bill with majority of 36 - Brexit live Rolling coverage of the day's political developments as they happenSenior Tories warn May over Brexit bill after MPs vote for second reading https://www.theguardian.com/politics/2017/sep/12/theresa-may-eu-withdrawal-bill-brexit-stance-conservativesNo 10 lobby briefing - SummaryCorbyn's World at One interview - Summary and analysisAfternoon summary*](https://advance.lexis.com/api/document?id=urn:contentItem:5PFX-DHK1-F021-64SF-00000-00&idtype=PID&context=1516831)

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98. [*FEDERAL REGISTER: Endangered and Threatened Wildlife and Plants; 12 Month Findings on Petitions To List the Holiday Darter, Trispot Darter, and Bridled Darter; Threatened Species Status for Trispot Darter Pages 46183 - 46197 [FR DOC # 2017-21350]*](https://advance.lexis.com/api/document?id=urn:contentItem:5PN7-THJ1-F0YC-N4XT-00000-00&idtype=PID&context=1516831)

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99. [*NORTHERN IRELAND 'S TOP 100 COMPANIES IN PROFILE TOP 100 Northern Ireland Companies 2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5S8N-V1H1-JBVM-Y346-00000-00&idtype=PID&context=1516831)

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100. [*BISICHI MINING - Annual Financial Report*](https://advance.lexis.com/api/document?id=urn:contentItem:5SBJ-CWS1-JB72-13JV-00000-00&idtype=PID&context=1516831)

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# [***Overseas Business Risk - Latvia***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RPP-PDM1-JDG9-Y0KY-00000-00&context=1516831)

Impact News Service

February 21, 2018 Wednesday

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**Length:** 4003 words

**Body**

London: UK Government has issued the following news release:

Information on key security and political risks which UK businesses may face when operating in Latvia. 1. Political and Economic 1.1 Overview

The Republic of Latvia is located at the crossroads of northern and eastern Europe, on the East Coast of the Baltic Sea. The Baltic country of Latvia borders Estonia to the north, Russia and Belarus to the east and Lithuania to the south and has a maritime border with Sweden to the west. Other neighbouring countries include Finland, Poland and Germany. The ***strategic*** location of Latvia has been the major influence on the country’s diverse historical and cultural experiences.

Latvia first gained independence in 1918 (18 November). In 1940 to 1941 it was occupied by the Soviet Union under the provisions of the 1939 Molotov-Ribbentrop Pact with Nazi Germany, by Nazi Germany from 1941 to 1944, and again by the Soviet Union from 1944 to 1991.

The more tolerant political atmosphere in the Soviet Union under Gorbachev in the late 1980s allowed pro-independence and reform groups to come to the fore. Independence was proclaimed on 4 May 1990, but it was not until the attempted Moscow coup on 19 August 1991 which allowed Yeltsin and his followers to come to power that Latvia approved the constitutional law and fully proclaimed itself an independent country once again. This announcement was made on 21 August 1991 and Iceland became the first country to officially recognise the re-independence on 23 August. 1.2 Political and Economic

Latvia is a unitary parliamentary republic and is divided into 119 municipalities (110 counties and 9 cities). The capital and largest city, both in Latvia and in the Baltic states, is Riga. With a population of 1.98 million Latvia is one of the least-populous members of the European Union. Latvia has been a member of the United Nations since September 17, 1991; of the European Union since May 1, 2004 and of NATO since March 29, 2004. In July 2016 Latvia became a member of OECD. The 100-seat unicameral Latvian parliament, the Saeima, is elected by direct popular vote every 4 years. The last elections took place in October 2014, with the next scheduled for 6 October 2018.

The President is elected by the Saeima every four years. The current President of Latvia (since 8 July 2015) is Raimonds Vējonis. The president nominates a Prime Minister who, together with his cabinet, needs to receive a confidence vote by the Saeima. Prime Minister Māris Kučinskis was appointed as the Prime Minister of Latvia in February 2016. The highest civil servant is the Director of the State Chancellery, and most senior civil servants in ministries are known as State Secretaries.

After years of economic stagnation in the early 1990s and following Latvia’s accession to the EU in 2004, Latvia enjoyed a period of record-breaking growth: annual real GDP peaked at 12.2% in 2006, and all the more impressive wage increases hit 19.9% in 2007. But domestic demand grew excessively, especially private consumption and real estate investment, fuelled by cheap credit. The economy developed dangerous imbalances that were exacerbated by the global financial crisis. GDP growth turned negative in 2008 and the 18% contraction in 2009 was Europe’s highest. In December 2008, the Latvian Government secured a 7.5 billion EUR loan from IMF/EU and began measures to stabilise the economy, including structural reforms. In 1st quarter of 2010, after exports and industrial production picked up, GDP recorded its first quarter-on-quarter growth in nearly 2 years. In 2014 Latvia joined the Eurozone. In the 3rd quarter of 2017 GDP growth reached 6.2% (y-o-y).

Historically, Latvia has been one of the main transit points for east-west trade flows. Its geographical location remains central to strategically relevant transportation flows connecting major world economies like the EU, Russia, the CIS, USA and the Far East. Main sectors of Latvian economy have been transit sector and timber processing with financial services increasingly gaining prominence. Other major sectors in Latvia are; manufacturing of chemicals and pharmaceuticals, electronics and electrical engineering industry, ***agriculture*** and food processing, and the textile and clothing sector.

According to Latvian Statistics bureau, in 2017 Latvia’s biggest trading partners were Lithuania, Estonia, Germany and Russia. The UK was Latvia’s 6th largest export partner in goods representing 6.2% of Latvia’s total exports of goods and Latvia’s 11th largest import partner in goods representing 2.9% of Latvia’s total imports of goods in 2016.

The main exports to the UK are wood products. Latvia imports from the UK machinery and mechanical appliances, food products, transport vehicles, chemical products, optical equipment and textiles (data for 2016).

According to 2016 Latvian statistics, Latvian exports to the UK reached £514 million and imports from the UK were £204 million.

In 2016, the total trade in goods and services between Latvia and the UK was £1,207 million, while Latvian export exceeded import by £445 million.

In 2016, Latvian exports of services to the UK reached £312 million. The imports of services to Latvia were £170 million. The main types of services in trade between Latvia and the UK are transportation and travel.

Read the guidance Exporting to Latvia for further information.

In the World Bank Ease of doing Business ranking takes the 19th place.

The government can provide finance or credit insurance specifically to support UK exports through UK Export Finance – the UK’s export credit agency. For up-to-date country specific information on the support available see UK Export Finance’s country cover policy and indicators.

More information on political risk, including political demonstrations is available in FCO Travel Advice. 2. Business and Human rights

As a member state of the EU, OSCE and the UN Latvia is actively engaging on human rights issues with those organisations. Freedom House ranked Latvia as “Free” in Freedom status, “Free” in Political Rights and Civil Liberties (with a score of 2.0 in both) in its 2018 report. Latvia is a member state of the ILO since 1991 and has ratified 47 ILO International Labour Standards (Conventions), including the eight fundamental Conventions.

The law entitles all workers, except uniformed members of the military, to form and join independent unions and recognises the right to strike, subject to limitations related to public safety. The law provides for collective bargaining and prohibits anti-union discrimination or employers’ interference in union functions. Yet membership rates are relatively low.

The law prohibits forced or compulsory labour, including by children, and the government generally enforces such laws effectively. Women enjoy the same rights as men, but although the law prohibits employment discrimination, in practice women may face hiring and pay discrimination, particularly in the private sector. According to the 2017 World Economic Forum Global Gender Gap Index Latvia ranks in the 60th place out of 144 countries in a self-assessment survey on wage equality for similar work. While the majority of employers believe in equal attitude towards all employees regardless of religious beliefs, citizenship, place of residence, gender or the knowledge of the official state language, there are cases when this attitude depends on the acquaintance or relations with the enterprise’s/agency’s management.management 3. Bribery and Corruption

Bribery is illegal. It is an offence for British nationals or someone who is ordinarily resident in the UK, a body incorporated in the UK or a Scottish partnership, to bribe anywhere in the world.

In addition, a commercial organisation carrying on a business in the UK can be liable for the conduct of a person who is neither a UK national or resident in the UK or a body incorporated or formed in the UK. In this case it does not matter whether the acts or omissions which form part of the offence take place in the UK or elsewhere.

According to the NGO Transparency International Corruption Perception Index (CPI), Latvia was ranked in 44th place in 2016.

Latvia is represented in Transparency International by the local NGO Delna. Transparency International Latvia/ Delna promotes an open, just and democratic society, free from corruption in politics, in business and interpersonal relations; works to increase the awareness for democratic principles in society in order to enhance its participation in fighting corruption; fights for an increase of the transparency and accessibility of information from national and local private and public institutions; analyses what causes and promotes corruption, develops and implements high profile ***programs*** aimed at the reduction of corruption, consistently lobbies for legislative reforms; targets any opaque or inadequate behaviour of government officials or anyone with entrusted power in every suitable way; promotes the cooperation between non-governmental organisations and national and local agencies.

The main anti-corruption authority in Latvia is the Corruption Prevention and Combating Bureau (KNAB). KNAB regularly collects information about progress achieved in implementation and reports to the Cabinet of Ministers. For more information on KNAB responsibilities and activities, please visit their web-site [*www.knab.gov.lv*](http://www.knab.gov.lv).

Read the information provided on our Bribery and corruption page. 4. Terrorism Threat

According to information provided by the Ministry of Foreign Affairs of the Republic of Latvia, there is a low threat of terrorism. In strengthening the capability of the state to fight terrorism, a Government Action ***Plan*** for fighting terrorism has been prepared, and was introduced in April 2003. The ***Plan*** sought to improve the co-operation of state institutions in the prevention and fighting of terrorism. The main aim of the ***Plan*** was to prevent opportunities for terrorists to use the territory of Latvia, its banking system and other means, to achieve their goals. Legislative changes were made, including increasing the authority of law enforcement agencies for monitoring financial transactions. Co-operation between state security services was strengthened, improving the monitoring of import, export and transit of strategically important goods. All the measures and stipulations set out in the Action ***Plan*** have been implemented and completed.

In order to strengthen co-ordination among the various state institutions involved in fighting terrorism, a Counter-Terrorism Centre was established under the auspices of the Security Police, and started operations on 1 February 2005. The tasks of this central Latvian counter-terrorism institution include co-ordination of actions of institutions fighting terrorism, ensuring the timely exchange of information, and the compilation and analysis of information on counter-terrorist activities. More recently in 2015 the National Security Concept was adopted along with the National Counter-terrorism ***Plan***, which provide the main legal framework for counter-terrorism. The ***plan*** sets out preventative actions that need to be taken by the relevant counter-terrorism agencies according to the existing level of terrorism threat.

Latvia has participated in the efforts of international organisations including the UN, NATO, EU, OSCE, and the Council of Europe, to combat global terrorism. Latvia has ratified and introduced all 13 UN Conventions and Protocols which form the basis of international legislation on issues of counter-terrorism, including most recently, the International Convention for the Suppression of Acts of Nuclear Terrorism.

Within the EU, Latvia has become involved in a range of practical counter-terrorism initiatives which provide for an increased level of co-operation between investigatory and security services, as well as in judicial matters. According to the EU Declaration on Combating Terrorism (adopted 25 March 2004) and the EU ***Plan*** of Action on Combating Terrorism (passed by the European Council on 17-18 June 2004), Latvia has introduced a number of provisions in its legislation aimed at promoting practical co-operation among EU member states in combating terrorism. Latvia is actively involved in the preparation of EU legislation, and fully supports EU efforts to combat terrorism. In response to the EU’s efforts to improve internal security and the adoption of the Passenger Name Record Directive, Latvia introduced the Aircraft Passenger Data Processing Law.

Considering the constant development of the technologies and methods used by terrorists, fighting these requires appropriate measures, and close co-operation among participating institutions, at the national and international levels. The fight against terrorism demands constant progress, and in recognising this, the responsible Latvian institutions work to improve the capability of the state to react to the threat of terrorism, and to improve the mechanism of mutual co-operation.

Read the information provided on our Terrorism threat page. 5. Protective Security Advice

When walking you should be alert to the threat of pick pocketing and other forms of theft. Try also to avoid unlit streets and parks at night and be vigilant if walking alone. Caution should also be observed when using taxis - if using taxis please ensure that you only use official registered vehicles. Such vehicles display yellow licence plates. Even when using official taxis it is advisable to determine the price of the journey before starting your journey as reports have been received of some taxis using meters which have been adapted to clock up higher rates.

There have been reports of foreign tourists being charged extortionate prices for drinks in bars or having fraudulent transactions debited against credit/debit cards; some have then been assaulted or forced to withdraw money from a cash point to pay for the bill. In recent years such incidents have diminished significantly. Municipal police forces are represented widely and a video surveillance system was introduced in the central part of Riga city.

You can help avoid situations like this by ensuring that you check the price of drinks before ordering, pay for one round at a time and seek recommendations for bars from trustworthy sources like your hotel or other holidaymakers. When paying by credit/debit card ensure the transaction is completed in your presence. A search of the internet can also reveal good and bad feedback on individual bars and clubs. The Riga City Council has also committed itself to prevent fraud in city bars and has introduced various mechanisms to do so.

Car theft is rife. Wherever possible guarded car parks should be used and valuables kept out of sight.

If you are the victim of a crime you should:

* make a list of the items stolen;

1. contact the local police as soon as possible and insist on a police report (needed for any insurance and/or compensation claim);
2. cancel your credit cards and travellers’ cheques immediately and re-book your travel tickets;
3. contact the British Embassy if your passport has been stolen.

Alongside 112, the following emergency numbers are available:

* 110 Police

1. 113 Medical service
2. 114 Gas emergency
3. 01 Fire

Read the information provided on our Protective security advice page. 6. Intellectual Property

Several government institutions are responsible for the protection of intellectual property rights in Latvia. The Ministry of Justice is in charge of the Patent Office which is responsible for the protection of industrial property rights: the protection of trademarks, brands, industrial designs, semiconductor topography and indications of geographical origin. The Patent Office shall admit and examine applications for the legal protections of inventions, industrial designs and trademarks, grant patents and certificates of trademark registration. The Patent Office shall adopt regulations, advise legal entities and natural persons, compile and publish its official publication and cooperate with foreign and international organizations involved in the legal protection of industrial property. Copyrights and related rights fall within the competence of the Ministry of Culture and non-governmental organization AKKA/LAA Copyright and Communication Consultations Agency/ Latvian Copyright Agency. The current Copyright Law came into force in 2000. It covers the bundle of rights defined in the Berne Convention, Rome Convention for the Protection of Performers, ***Producers*** of Phonograms, TRIPS Treaty, WIPO Treaties, and EU Directives. The term of protection of copyrights is 70 years.

The Ministry of ***Agriculture*** is responsible for the protection of plant varieties and the geographical indications of foodstuffs and ***agricultural*** ***produce***.

The Economic Police, reporting to the Ministry of the Interior, is concerned with infringements of intellectual property rights.

Cases of unfair competition are reviewed by the Ministry of Economics and the Competition Council.

The Ministry of Transport is responsible for issues related to domains, servers and downloads.

The State Revenue Service takes care of cases of infringement, seizure of faked goods and industrial intelligence.

The Prosecutor’s Office and courts take charge of the investigation and trial of infringement cases.

Read the information provided on our Intellectual Property page. 7. Organised Crime

An important feature of the region is the existence of borders between the EU and Russia and Belarus. This border separates two very different types of legislation and sometimes makes cross-border law enforcement cooperation lengthy and cumbersome. Therefore the border can be seen to facilitate certain Organised Crime groups and markets. A further facilitator for trade fraud in this region is the large volume of transport across the borders and other vulnerabilities of the logistics sector.

EUROPOL’s crime report ‘Organized Crime Threat Assessment 2011’, which assesses the trends in organized crime in the EU, mentions Latvia only once under Annex 6: EU criminal hubs (North East – centre of gravity: Lithuania, Estonia, Latvia and the Kaliningrad exclave (Russian Federation)). Criminal hubs are concentrations of criminal logistics which receive illicit flows from numerous sources, and whose influence extends throughout the EU.

Criminal groups active in the Baltic countries, work as a bridge between criminals operating, in particular, in Russia, Belarus and Ukraine and the EU criminal environment. They look both towards the west and the rest of the EU, and towards the east and beyond the borders of the EU.

The institutions, which fight against various forms of organised crime in Latvia are as follows:

Tax and Customs Police Department (VID Nodokļu un muitas policijas pārvalde)

On January 1, 2018, a new investigative body - the Tax and Customs Police Department (TCPD) started to work in the structure of State Revenue Service of the Republic of Latvia. The institution was established by merging Financial Police Department and Customs Police Department.

TCPD functions include all the functions and tasks previously assigned to both administrations - the detection, investigation and prevention of criminal offenses in tax and customs matters. It conducts criminal and administrative investigations of smuggling cases, also at the request of other law enforcement agencies, performs customs control activities on the internal and external frontiers of the EU to disclose and prevent customs offences, and manages information important for customs enforcement. To ensure the effective exchange of risk information at national and international level, the National Contact Point (NCP) a special unit within the Department operates 24 hours a day, 7 days a week. Moreover, the new Department also investigates criminal offences in the area of state revenue and in the activities of the officials and employees of the state revenue service. If necessary, it can also provide security services to other officials and employees of the state revenue service performing their duties. This Department is well organised with strong intelligence and investigation capacities aimed at detecting and preventing criminal offences in the area of state revenue.

State Border Guard (Valsts robežsardze)

The State Border Guard was founded in 1919, and revived in 1991 when the Latvian Minister of Defence signed an order for the formation of seven border guard battalions and an individual border control point for the city of Riga. In 1997, supervision of the State Border Guard was transferred to the Minister of the Interior. The Guard comprises a headquarters and nine territorial departments. Border Guards are trained at the State Border Guard College. The Border Guard’s main tasks are to protect and keep watch over the state border and ensure that foreigners observe the conditions for residence within the state. It fulfils these tasks in collaboration with other Latvian institutions. Border control is executed in accordance with Latvian law and international agreements. State Border Guards participate in international missions and operations based on resolutions, recommendations or requests by international organisations, associations or communities, with which the Republic of Latvia has concluded international agreements.

State Police (Valsts policija)

The Latvian State Police protects the state and society from criminal and other illegal threats to life, health, rights and freedoms, property and interests. The State Police consists of a central administrative body and 27 subordinated regional police units. The State Police is currently a member of several international organisations. This means that certain responsibilities and obligations have been delegated to its staff, not only in the performance of daily operations but also while representing the State Police at international events. The main priority of the Latvian State Police is to improve the professional skills among its employees and to study modern technologies. Its most important objective is to establish a high degree of public trust in the police. Public support will enable the State Police to reach its primary goals: to establish order in the country and to prevent criminal activities.

Security Police (Drošības policija) The Security Police is a state security institution falling under the Minister of the Interior. It was officially founded in December 1994. State security institutions perform tasks for national security, including intelligence, counterintelligence and investigations.

The activities of the Security Police include:

* fighting organised and economic crime, terrorism, subversive activities, sabotage, gang crimes, corruption, the counterfeit of money and the illegal distribution of narcotics and other strong chemicals or radioactive substances, firearms and other types of weapons and explosives

1. protecting the subdivisions of the Ministry of the Interior;
2. protecting state secrets within its jurisdiction, as specified by the Cabinet of Ministers;
3. making inquiries related to crimes in the sphere of its jurisdiction and in other cases at the request of the Prosecutor General;
4. co-ordinating state institutions, local authorities and the private sector in the field of counterterrorism.

There is a hotline – automatic answering machine - for those with information about organised crime, offenses and perpetrators: +371 67075444. When calling the number, please report as clearly as possible what has happened, where it has happened and what are the names of the persons involved. In case of emergency, please call Police Emergency Number 110 or General Emergency Number 112.

In addition, you can e-mail to report at: ([*uzticiba@vp.gov.lv*](mailto:uzticiba@vp.gov.lv))

The Corruption Prevention and Combating Bureau (KNAB) prevents and combats corruption, and controls the fulfilment of financing provisions of political organisations (parties). To report about corruption, please use the Free Hotline number: +371 8000 2070.

**Load-Date:** February 22, 2018

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[***Summary of Russian press for Thursday 12 October 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PPB-4GR1-JC8S-C1MT-00000-00&context=1516831)

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**Length:** 3235 words

**Body**

By BBC Monitoring

USA-Iran

Newspapers look at the USA's threats to abandon the Iran nuclear deal

Nezavisimaya Gazeta: Igor Subbotin article headlined "US demarche will loosen leash of Iranian nuclear engineers" says that strengthening Iran's nuclear potential and stepping up its missile ***programmes*** are likely to be Tehran's response to the US withdrawal from the US-Iranian nuclear deal; pp 1, 7 (691 words; [*http://bit.ly/2yd9r63*](http://bit.ly/2yd9r63)).

Kommersant: Sergei Strokan article headlined "Donald Trump disturbs Iran" focuses on Iranian top officials' reaction to the US "hostile rhetoric" and says that according to experts, the US policy aimed at aggravation, is likely to result in the stepped up activities of the Iranian conservatives demanding that the nuclear ***programme*** should be restored; p 6 (1,200 words; [*http://bit.ly/2i4yYdD*](http://bit.ly/2i4yYdD)).

CIS summit in Sochi

Moskovsky Komsomolets: Elena Yegorova article headlined "Does Lukashenko prepare escape?" says that the CIS summit in Sochi has "demonstrated once more that there is no concord among the partners": presidents of Ukraine and Kyrgyzstan have ignored the summit, while Belarusian leader Alexander Lukashenko has criticised the CIS's "sloth-like pace and ineffectiveness". According to Lukashenko, the CIS should be reformed; p 2 (831 words; [*http://bit.ly/2g2UD1s*](http://bit.ly/2g2UD1s)).

Nezavisimaya Gazeta: Viktoria Panfilova article headlined "Russia ready to come to Afghan border" says that a problem of "threats to the Central Asian countries coming from Afghanistan" has topped the agenda of the CIS summit. Tajikistan has been recognised Central Asia's weakest link, the article says; pp 1, 6 (731 words; [*http://bit.ly/2z0hnXy*](http://bit.ly/2z0hnXy)).

Rossiyskaya Gazeta: Kira Latukhina report headlined "Common language talk" says that only nine presidents have come to the CIS summit in Sochi, with leaders of Moldova and Uzbekistan attending such an event for the first time. Kyrgyzstan was represented by its prime minister while Ukraine has failed to delegate anyone to take part in the summit, the report says; p 2 (850 words; [*http://bit.ly/2yi4VVR*](http://bit.ly/2yi4VVR)).

Kommersant: Andrei Kolesnikov report headlined "Tail turned over, tail taken over" says that silent standoff between the Kyrgyz prime minister and the Kazakh president was a key event of the CIS summit, as well as the signing of an agreement to bring the CIS in accordance with modern reality; p 2 (2,000 words; [*http://bit.ly/2gxgNtl*](http://bit.ly/2gxgNtl)).

Syria

Kommersant: Alexandra Dzhordzhevich article headlined "Treacherous coincidence" says that the Defence Ministry has blamed Pentagon for allegedly thwarting a peace agreement in the southern de-escalation zone in Syria's Daraa; p 6 (700 words; [*http://bit.ly/2yicHyD*](http://bit.ly/2yicHyD)).

Rossiyskaya Gazeta: Yuri Gavrilov report "'Black hole' around At Tanf" says that according to Defence Ministry spokesman Igor Konashenkov, the "USA has created a 'black hole' around a military base that it has illegally set uo in the south of Syria". "Militants are freely operating in the

US zone of responsibility," article says; p 4 (550 words). unavailable online

INF treaty anniversary

RBC: Andrei Baklitsky report "How Russia and USA got tired of disarmament" says that the Intermediate-Range Nuclear Forces Treaty "may not live as long as 2021 given the current state of Russian-US relations and the absence of verification mechanisms"; p 5 (1,200 words). [*http://bit.ly/2wPcwaI*](http://bit.ly/2wPcwaI)

Rossiyskaya Gazeta: Op-ed by former President of the Soviet Union Mikhail Gorbachev headlined "One has to search for way out" looks at Russian-US relations in the light of the upcoming 30th anniversary of the Intermediate-Range Nuclear Forces Treaty (INF Treaty); p 8 (850 words; [*http://bit.ly/2ycvpIA*](http://bit.ly/2ycvpIA)).

Prime minister visits Morocco

Rossiyskaya Gazeta: Vladimir Kuzmin article headlined "Gas and ice cream" says that Prime Minister Dmitry Medvedev has discussed cooperation in energy and ***agriculture*** with his Moroccan counterpart; p 3 (600 words; [*http://bit.ly/2i6O8Pj*](http://bit.ly/2i6O8Pj)).

Media watchdog 'fraud'

RBC: Dmitry Serkov report "Lump under snow" says that embezzlement charges have been brought against Roskomnadzor press secretary Vadim Ampelonsky and several high ranking employees of the agency; pp 1, 3 (950 words). [*http://bit.ly/2xAp8Ct*](http://bit.ly/2xAp8Ct)

SCO contact group meeting on Afghanistan

Nezavisimaya Gazeta: Vladimir Skosyrev article headlined "Kabul wants to overcome isolation at the expense of Moscow" looks at the outcomes of a Shanghai Cooperation Organization (SCO) contact group meeting on Afghanistan, which has been held in Moscow. The Afghan authorities have raised a question of their country's becoming the SCO's fully-fledged member, as it would make easier cooperation with Russia and China in the fight against Taleban, the article says; p 7 (574 words; [*http://bit.ly/2i4GDse*](http://bit.ly/2i4GDse)).

Presidential election 2018

Nezavisimaya Gazeta: Daria Garmonenko article headlined "Undeclared race goes according to clear rules" says that next week President Putin will speak at a Valdai discussion club session and then meet participants in the 19th World Festival of Youth and Students. Both events are likely to be a part of Putin's election campaign, the article says noting that despite the fact that it has yet to be officially announced, Putin already carries it out according to the rules of political strategy; pp 1, 3 (1,240 words; [*http://bit.ly/2gb4UfE*](http://bit.ly/2gb4UfE)).

Nezavisimaya Gazeta: Editorial headlined "If not Putin, then who?" focuses on a recent poll conducted by the independent pollster Levada Centre to find out Russians' sentiments about the upcoming presidential election. According to results of the poll, most Russians "regard Putin as the only politician in the country" and other politicians will appear in Russia only after Putin "blesses" them, the article says; p 2 (536 words; [*http://bit.ly/2xA3azn*](http://bit.ly/2xA3azn)).

Vedomosti: Anastasia Kornya article headlined "CEC against phantoms" says that the Central Electoral Commission (CEC) has decided to give up an idea to establish special polling stations during the presidential election for voters who removed their names from a list of voters in their residential area less than five days before voting; p 3 (850 words; [*http://bit.ly/2kHziQj*](http://bit.ly/2kHziQj)).

Opposition

Moskovsky Komsomolets: Mikhail Zubov article headlined "Yabloko turns into 'punchbag'" looks ahead at the congress of the political international federation for liberal political parties Liberal International (LI), which is to take place in Moscow on 14 October. During the congress, founder of the Yabloko party Grigory Yavlinsky will present the so-called liberal manifesto, the article says warning that the presentation is likely to end up in a scandal due to existing conflicts within the party; pp 1, 7 (1,063 words; [*http://bit.ly/2hCzKKQ*](http://bit.ly/2hCzKKQ)).

Nezavisimaya Gazeta: Alexei Gorbachev article headlined "Khodorkovsky calls for 'taking away from power Putin's 100 friends'" looks at exiled Russian tycoon Mikhail Khodorkovsky speaking at the Paul H. Nitze School of Advanced International Studies in Washington. Khodorkovsky believes that Russian society has stopped receiving financial profit from Putin's policy. The only beneficiaries of his policy are "100 people" within his entourage, who "usurped the authority in Russia", Khodorkovsky says; p 3 (634 words; [*http://bit.ly/2gxihUq*](http://bit.ly/2gxihUq)).

Nemtsov case

Kommersant: Maria-Luiza Tirmaste article headlined "PACE takes up Boris Nemtsov case" focuses on the Parliamentary Assembly of the Council of Europe (PACE) holding first hearings of the killing of opposition politician Boris Nemtsov. The daughter of the slain politician, Zhanna Nemtsova, lawyers and representatives of the Boris Nemtsov Foundation participated in the hearings; p 3 (600 words; [*http://bit.ly/2gddCdy*](http://bit.ly/2gddCdy)).

Human rights

Moskovsky Komsomolets: Eva Merkacheva interview with the former governor of Kirov Region, Nikita Belykh, headlined "'They cannot provide me with proper medical treatment in Lefortovo'", who complains about "horrid conditions" in the Lefortovo detention centre and says that it seems to him that law enforcers deliberately prevent his transition to hospital despite the fact that all the required permissions have already been collected; p 3 (383 words; [*http://bit.ly/2g3Uefm*](http://bit.ly/2g3Uefm)).

High-profile cases

Rossiyskaya Gazeta: Ivan Petrov report headlined "It was not law enforcers who mistaken it all" gives an update on a trial of the former governor of Kirov Region, Nikita Belykh, charged with corruption. The questioning of Belykh has taken three days, the report says; p 6 (750 words; [*http://bit.ly/2g358Sk*](http://bit.ly/2g358Sk)).

Vedomosti: Pavel Kantyshev et al. article headlined "Supervision investigated" says that the Russian Investigations Committee suspects several employees from the Russian media watchdog Roskomnadzor of large-scale fraud; p 2 (650 words; [*http://bit.ly/2hDuK8P*](http://bit.ly/2hDuK8P)).

Domestic political

RBC: Natalya Galimova report "Kremlin looks for talented people" says that the Kremlin has launched a new all-Russia competition for managers, the Leaders of Russia. The winners of the contest will be trained as civil servants, article says; pp 2-3 (1,000 words). [*http://bit.ly/2xAS4yO*](http://bit.ly/2xAS4yO)

Vedomosti: Olga Churakova article headlined "Staff damage" says that Pskov Region governor Andrei Turchak is likely to become the secretary of the United Russia party's general council. However, his nomination for the post has provoked serious disagreements within the party, the article says; p 2 (700 words; [*http://bit.ly/2hD1Gy7*](http://bit.ly/2hD1Gy7)).

Kommersant: Irina Nagornykh and Natalia Korchenkova article headlined "United Russia gathers staff" looks at the situation in the ruling United Russia party, a general council session of which has already been postponed three times. During the session the secretary of the party's general council is to be approved, the article says; pp 1, 3 (450 words; [*http://bit.ly/2yhep3H*](http://bit.ly/2yhep3H)).

Domestic economic

Vedomosti: Editorial by Vladimir Ruvinsky headlined "Putin and Bitcoin" says that the Russian authorities have finally made up their mind about their attitude to cryptocurrency: President Putin has announced the state's intention to take control over the issuing and operations involving cryptocurrency. Officials' vision and understanding of the things which they will have to supervise remain doubtful, the article says; pp 1, 6 (450 words; [*http://bit.ly/2ydaAua*](http://bit.ly/2ydaAua)).

Rossiyskaya Gazeta: Tatiana Zamakhina article headlined "Bitcoin in law" says that according to Finance Minister Anton Siluanov, the authorities have decided to take control over issuing cryptocurrency and over operations with it. The Finance Ministry and the Central Bank are to draft a bill on the basic regulation of cryptocurrency before 2018, the article says; p 3 (400 words; [*http://bit.ly/2zhSKXi*](http://bit.ly/2zhSKXi)).

Kommersant: Yulia Polyakova and Veronika Goryacheva article headlined "Words being chosen carefully for digital money" says that according to experts, upcoming restrictions which the authorities intend to impose on the cryptocurrency market in Russia, are likely to narrow down the market many times; pp 1, 8 (750 words; [*http://bit.ly/2ybQ2Vq*](http://bit.ly/2ybQ2Vq)).

Moskovsky Komsomolets: Inna Degotkova article headlined "Loans and admirers" focuses on the report "Monitoring of the economic situation in Russia" presented by the RANEPA. According to the research, as from September 2017, Russians had almost R13,000bn in debt to domestic banks. That is an unprecedented level in contemporary Russian history, the article says; pp 1-2 (719 words; [*http://bit.ly/2wOM94G*](http://bit.ly/2wOM94G)).

Moskovsky Komsomolets: Marina Ozerova article headlined "Federation of debtors" looks at Deputy Prime Minister Dmitry Kozak speaking at the State Duma about financial situation in the regional budgets. The government is ready to restructure regional budgetary debts worth R748bn, Kozak said; p 2 (754 words; [*http://bit.ly/2gwL9fI*](http://bit.ly/2gwL9fI)).

Moskovsky Komsomolets: Igor Nikolayev article headlined "Ideas ex adverso" says that despite the fact that the authorities tend to criticise the opposition for inability to offer useful and effective economic ideas, they often take economic solutions proposed exactly by the non-systemic opposition and find nothing better to do than just to spoil them; p 3 (1,114 words; [*http://bit.ly/2zhuRyX*](http://bit.ly/2zhuRyX)).

Nezavisimaya Gazeta: Anastasia Bashkatova article headlined "Rosstat sugar coats industry" looks ahead at the Federal Statistics Service (Rosstat) assessment of the dynamics of domestic industrial growth in autumn. The dynamics of industrial production is one of the most inconvenient indices for officials, the article says noting that according to experts, manufacturers tend to mark down their own reports; pp 1, 4 (1,016 words; [*http://bit.ly/2hCdkto*](http://bit.ly/2hCdkto)).

Vedomosti: Olga Adamchuk article headlined "Government to register import" says that the government forces state-owned companies to support import substitution: their subsidiaries will have to coordinate import procurements just as the companies themselves; p 4 (450 words; [*http://bit.ly/2z15LDs*](http://bit.ly/2z15LDs)).

Russia-USA

Izvestia: Syuzanna Farizova interview headlined "'Hysteria in USA is based on domestic political problems"' with Federation Council speaker Valentina Matviyenko who has talked to the paper ahead of the 137th assembly of the Inter-Parliamentary Union opening in St Petersburg on 14 October. She looks at the "USA's groundless rhetoric in relation to Russia", the role of parliamentary diplomacy in the settlement of the Syrian crisis and about her possible appointment as prime minister, among other things. The hysteria in the USA has "transformed virtually into priorities of the country's international policy as the USA has invented an information attack allegedly carried out by Russia against the US electoral system," Matviyenko says; pp 1, 3 (2,900 words). [*http://bit.ly/2zhD4mQ*](http://bit.ly/2zhD4mQ)

Vedomosti: Kirill Kharatyan article in the Company of Week regular column headlined "Kaspersky Lab" focuses on the situation with Kaspersky Lab which, according The Wall Street Journal, has modified its software to scan any computers using it for US government documents and data, searching for specific terms for the Russian government because it supposedly ran anti-virus checks. It is all about Russian-US relations, the article says; p 7 (400 words; [*http://bit.ly/2wPDRty*](http://bit.ly/2wPDRty)).

Russia-Saudi Arabia

Izvestia: Arseny Pogosyan report "Russian-Saudi project to oust Americans" says that the oil company Saudi Aramco ***plans*** to set up a joint oil services company with the Russian Direct Investment Fund; pp 1, 4-5 (700 words). [*http://bit.ly/2hCtH9c*](http://bit.ly/2hCtH9c)

Russia-West

Moskovsky Komsomolets: Vladimir Bykov article headlined "Phantoms of our table" explores the situation with trans-national corporations "trying to exert pressure of the domestic authorities to lobby their own interests". Russia ***plans*** to introduce electronic veterinary certification in 2018, the article says, but corporations such as PepsiCo, Nestle et al. are against the move since it is likely to make their business in Russia difficult. The "West has declared a trade war on Russia", the article says; pp 1, 4 (1,270 words; [*http://bit.ly/2zfYQaz*](http://bit.ly/2zfYQaz)).

Russia-Turkey

Rossiyskaya Gazeta: Sergei Kulikov article headlined "Tomatoes fail to reach destination point" says that Turkey has toughen rules of supplies of Russian ***agricultural*** ***produce*** for the second time in 2017. ***Agriculture*** Minister Alexander Tkachev has not ruled out the introduction of retaliatory measures, the article says; p 4 (650 words; [*http://bit.ly/2xAJVdX*](http://bit.ly/2xAJVdX)).

Kommersant: Natalia Skorlygina and Anastasia Vedeneyeva article headlined "Transporting not for rouble" says that new restrictions on export of Russian food imposed by Turkey are likely to cause a decrease in freight tariffs in the Azov and Black Sea areas; p 7 (550 words; ttp://bit.ly/2i5jiXi).

Russia-Ukraine

Nezavisimaya Gazeta: Ekaterina Trifonova article headlined "Benefits to be given for citizens of Donetsk and Luhansk people's republics" says that the ruling United Russia party will ask the authorities to pay attention to migration problems of residents of Crimea and the self-proclaimed Donets and Luhansk people's republics. The authorities ***plan*** to allow migrants from the eastern Ukrainian regions to work in Russia without restrictions; pp 1, 3 (573 words; [*http://bit.ly/2zgLESN*](http://bit.ly/2zgLESN)).

Rossiyskaya Gazeta: Natalia Kozlova article headlined "They will pay for flag" says that according to the Russian Investigations Committee, four Ukrainian citizens have been arrested in absentia for alleged participation in attacks on Russian diplomatic missions; p 7 (400 words; [*http://bit.ly/2i5nhDp*](http://bit.ly/2i5nhDp)).

Catalonia

RBC: Darya Gavrilova report "Independence for eight seconds" says that the Catalan authorities have postponed a decision on independence and offered Madrid to start dialogue. "Madrid has cautiously agreed," article says. Many people in Barcelona expected much more, author adds; pp 6-7 (1,200 words). [*http://bit.ly/2xAnF3C*](http://bit.ly/2xAnF3C)

Moskovsky Komsomolets: Lyubov Glazunova article headlined "Once promised secession does not necessarily have to happen" gives comments of Russian expert Alexander Tevdoy-Burmuli, who says that the Spanish authorities are likely to dismiss the Catalan parliament to settle the situation in Catalonia. The outcome of the move will depend on whether Madrid will behave with particular care or apply power to protesters again, the expert says; p 5 (493 words; [*http://bit.ly/2kIliG2*](http://bit.ly/2kIliG2)).

Moskovsky Komsomolets: Lyubov Glazunova interview with Spanish ambassador to Russia Ignacio Ibanez Rubio, headlined "'We are ready for dialogue with Catalonia within the law'", who speaks about the situation in Catalonia and shares his vision of the Spanish authorities' probable moves aimed at settling the situation. He also looks at Russian-Spanish relations and prospects for tourism in Catalonia; p 5 (1,543 words; [*http://bit.ly/2g4vGD1*](http://bit.ly/2g4vGD1)).

Nezavisimaya Gazeta: Yevgeny Pudovkin article headlined "Madrid puts an end to Catalan independence" says that the Spanish authorities are "one step away from stripping Catalonia of a right to self-government"; pp 1, 7 (618 words; [*http://bit.ly/2gyobF4*](http://bit.ly/2gyobF4)).

Rossiyskaya Gazeta: Yevgeny Shestakov article headlined "Independence loses voice" looks at Spanish and European media outlets discussing the prospects for the situation between Catalonia and the Spanish authorities. Only the use of "vague and woolly wording" has prevented Catalan leader Carles Puigdemont from being arrested immediately after his speech on Catalan independence, the article says; p 8 (850 words; [*http://bit.ly/2yiDF9n*](http://bit.ly/2yiDF9n)).

USA-Turkey

Kommersant: Sergei Strokan article headlined "Turkey and USA close entrance for each other" looks at recent developments in a US-Turkish row over non-immigration visas and says that "Ankara and Washington are losing their status of ***strategic*** allies"; p 6 (750 words; w[*http://bit.ly/2yhUWj8*](http://bit.ly/2yhUWj8)).

International economic

Vedomosti: Elizaveta Bazanova article headlined "R1.4bn for working with Browder" says that following a Moscow court ruling that has found American-born CEO and founder of the Hermitage Capital Management fund William Browder guilty of non-payment of taxes by the company Dalnyaya Step located in Russia's Kalmykia, the HSBC has paid the company a debt worth R1.4bn. Dalnyaya Step belongs to the fund. According to lawyers, the move sends a negative signal to international companies working in Russia; p 4 (850 words; [*http://bit.ly/2yGBQVc*](http://bit.ly/2yGBQVc)).

Sources: as listedInclusion of items in this list of significant reports from some of the day's main Russian newspapers does not necessarily mean that BBC Monitoring will file further on them

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[***Council of the European Union: 2651st meeting of the PERMANENT REPRESENTATIVES COMMITTEE held in Brussels on 6, 8 and 11 December 2017 ST 15751 2017 INIT***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RH6-4TW1-F0YC-N005-00000-00&context=1516831)

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**Body**

Brussels: Council of the European Union has issued the following document:

15751/17 1 DPG EN Council of the European Union Brussels, 10 January 2018 (OR. en) 15751/17 CRS CRP 46 SUMMARY RECORD Subject: 2651st meeting of the PERMANENT REPRESENTATIVES COMMITTEE held in Brussels on 6, 8 and 11 December 2017 I. Adoption of the agenda 15319/17 OJ CRP1 41 + COR 1 15396/2/17 REV 2 OJ CRP2 41 + CM 5399/1/17 REV 1 The Committee adopted the agenda. II. Approval of the 'I' items The Committee approved the 'I' items as set out in the Annex. III.

Discussion items COREPER (PART 1) WEDNESDAY 6 DECEMBER 2017 Employment, Social Policy, Health and Consumer Affairs 2. Meeting of the Council (Employment, Social Policy, Health and Consumer Affairs) on 7 and 8 December 2017: Preparation European Semester 2018 Exchange of views a) Annual Growth Survey (AGS), Alert Mechanism Report (AMR), draft Joint Employment Report (JER), draft Employment Guidelines (EGL) and draft Recommendation on the economic policy of the euro area Presentation by the Commission 14990/17 14824/17 14826/17 14805/17 + ADD 1 14812/17 14823/17 15751/17 2 DPG EN b) Recommendation on the economic policy of the euro area Approval of the contribution on the employment and social aspects 15092/17 The Committee took note of the intentions for Council and submitted the contribution on the employment and social related aspects of the euro area recommendation to Council for approval. Employment and Social Policy 3. Revision of Directive 96/71 on Posting of Workers Presidency debriefing on the outcome of the trilogue The Committee took note of the information provided by the Presidency on the outcome of the trilogue of 4 December 2017. Education 4. Decision on Europass Preparation for the trilogue 14921/17 The Committee agreed on a revised mandate for the forthcoming trilogue. ***Agriculture*** and Fisheries 5. Meeting of the Council (***Agriculture*** and Fisheries) on 11 and 12 December 2017: Preparation Regulation on Atlantic and North Sea TACs and Quotas for 2018 Political agreement 14842/17 + COR 1 13780/17 + ADD 1-2 The Committee prepared and submitted the item to Council for political agreement. Fisheries 6. Regulation on the North Sea ***plan*** Preparation for the trilogue 15078/17 The Committee agreed on a slightly revised mandate for the forthcoming trilogue. Transport 7. Regulation on EASA Presidency debriefing on the outcome of the trilogue The Committee took note of the information provided by the Presidency on the outcome of the trilogue of 29 November 2017. The Committee will revert to the analysis of the final compromise text on 20 December 2017. Internal Market and Industry 8. Regulation on type approval Preparation for the trilogue 15136/17 15137/17 The Committee agreed on a revised mandate for the forthcoming trilogue. 15751/17 3 DPG EN Energy 9. Directive on the energy performance of buildings Presidency debriefing on the outcome of the trilogue The Committee took note of the information provided by the Presidency on the outcome of the trilogue of 5 December 2017. Transport, Telecommunications and Energy 10. Meeting of the Council (Transport, Telecommunications and Energy) on 18 December 2017: Preparation Clean Energy Package a) Directive on electricity 14572/17 + ADD 1 Based on the comments by delegations the Presidency will prepare a revised version which will be referred to Ministers in order to reach a general approach. b) Regulation on electricity (recast) General approach 14625/17 + ADD 1 Based on the comments by delegations the Presidency will prepare a revised version which will be referred to Ministers in order to reach a general approach. 15751/17 4 DPG EN FRIDAY 8 DECEMBER 2017 Telecommunications 11. Directive on the European Electronic Communications Code (Recast) Presidency debriefing on the outcome of the trilogue The Committee took note of the information provided by the Presidency on the outcome of the trilogue of 6 December 2017. 116. Regulation on BEREC Presidency debriefing on the outcome of the trilogue The Committee took note of the information provided by the Presidency on the outcome of the trilogue of 6 December 2017. Fisheries 6. (continuation) Regulation on the North Sea ***plan*** Presidency debriefing on the outcome of the trilogue The Committee took note of the information provided by the Presidency on the outcome of the trilogue of 7 December 2017. Education 4. (continuation) Decision on Europass (poss.) Presidency debriefing on the outcome of the trilogue The above-mentioned item was withdrawn. Internal Market and Industry 8. (continuation) Regulation on type approval Presidency debriefing on the outcome of the trilogue The Committee took note of the information provided by the Presidency on the outcome of the trilogue of 7 December 2017. Transport 12. Qualification and periodic training of drivers Preparation for the trilogue 14719/17 The Committee agreed on a revised mandate for the forthcoming trilogue. 15751/17 5 DPG EN Environment 13. Regulation on effort sharing Preparation for the trilogue 15122/17 The Committee discussed a revised mandate and agreed with the conclusions of the Presidency on a way forward. 14. Regulation on LULUCF Preparation for the trilogue 15123/17 The Committee agreed on a slightly amended revised mandate for the forthcoming trilogue. Transport, Telecommunications and Energy 10. (continuation) Meeting of the Council (Transport, Telecommunications and Energy) on 18 December 2017: Preparation Clean Energy Package c) Regulation on governance of the Energy Union 7204/7/17 REV 7 The Committee examined the draft and agreed to forward a revised text to Council in view of reaching a general approach. d) Directive on renewable energy (recast) General approach 8697/5/17 REV 5 + REV 5 COR 1 + ADD 1 REV 2 The Committee examined the draft and agreed to forward a revised text to Council in view of reaching a general approach. 15751/17 6 DPG EN COREPER (PART 2) WEDNESDAY 6 DECEMBER 2017 General Affairs 39. Meeting of the Council (General Affairs) on 12 December 2017: Preparation a) Draft conclusions for the European Council Exchange of views 13862/17 The Committee discussed the draft conclusions. b) European Council follow-up State of play The Committee prepared this item for the Council. c) Legislative ***programming*** - Joint declaration on legislative priorities Approval 15073/17 The Committee asked the Presidency to propose to the European Parliament and the Commission to make two amendments to the text in view of its approval in GAC and subsequent signing by the three institutions. The Committee also agreed to add a Council statement recalling the Council conclusions of 17 June 2016 on the Banking Union. d) European Semester 2018 - Annual Growth Survey Presentation by the Commission 14826/17 The Committee prepared this item for the Council. e) Other items in connection with the Council meeting No new items were raised under this heading. Justice and Home Affairs 40. Selection of the Executive Director of Europol Agreement in principle 13340/17 R-UE The Committee agreed to put forward Catherine De Bolle as the candidate to be selected by the Council and to inform thereafter the LIBE Committee accordingly. 15751/17 7 DPG EN 41. Meeting of the Council (Justice and Home Affairs) on 7 - 8 December 2017: Preparation a) Reform of the Common European Asylum System and Resettlement a) Dublin Regulation b) Reception Conditions Directive c) Qualification Regulation d) Asylum Procedure Regulation e) Eurodac Regulation f) EU Asylum Agency Regulation g) Resettlement Framework Regulation Progress report 15057/17 The Committee prepared this item for the Council. b) JHA ***Strategic*** Guidelines Information from the Presidency 15224/17 The Committee prepared this item for the Council. c) Other items in connection with the Council meeting No new items were raised under this heading. 42. EU Asylum Agency Regulation Endorsement 14985/17 The Committee took note of the text agreed with the European Parliament. In addition a number of delegations made additional pledges of experts to the asylum reserve pool. 43. Regulation on Data Protection by EU institutions Preparation for the trilogue 15087/17 + COR 1 The Committee agreed on a mandate for the forthcoming trilogue. Foreign Affairs 44. Fifth African Union - European Union Summit (Abidjan, 29-30 November 2017) Debrief The Committee was debriefed on the outcomes of the Summit. 15751/17 8 DPG EN 45. Meeting of the Council (Foreign Affairs) on 11 December 2017: Preparation a) Current Affairs The Committee prepared this item for the Council. b) Iraq Exchange of views The Committee prepared this item for the Council. c) Middle East: Recent Developments in the Region Exchange of views The Committee prepared this item for the Council. d) Africa in the light of the AU-EU Summit Exchange of views The Committee prepared this item for the Council. e) Achieving Prosperity through Trade and Investment Exchange of views 14962/17 The Committee prepared this item for the Council. The Committee also agreed to add the adoption of Council conclusions to this item in the Council and approved the draft text of these conclusions. f) Other items in connection with the Council meeting The EEAS provided further information regarding the Council. General Affairs 46. Proposal for the European Defence Industrial Development ***Programme*** (EDIDP) General approach 15165/17 The Committee discussed this item. Furthermore, at the continuation of this session on Monday 11 December 2017, as a non-discussion item based on a new Presidency compromise proposal, the Committee agreed to forward the text to the Council for confirmation of the General approach. 15751/17 9 DPG EN Statement by Italy 'The Italian interpretation of Article 6.5 of the Proposal for Regulation is that the reference to “undertakings established in the Union and controlled by third countries or third countries entities” is applicable only to undertakings which are not eligible according to Article 6.4 Only the costs related to their participation to an eligible action shall not be eligible for funding under the ***Programme***. Even if these undertakings are identified by using the same definition used in Article 6.4, they have to be considered as a different category of undertakings, without interfering with the application of Article 6.4 that authorizes “an undertaking controlled by third countries or third countries entities” to be eligible as a beneficiary or subcontractor under the specific conditions indicated.' Foreign Affairs 115. Permanent Structured Cooperation (PESCO) - Council Decision Preparation for the adoption 15465/17 The Committee discussed the draft Council Decision. The Council Legal Service noted that in point 20 of the annex to the Council Decision establishing PESCO the requirement that cooperation ***programmes*** must only benefit entities 'which demonstrably provide added value on EU territory' does not limit such entities to those established in the Union. The Committee was able to approve the draft Council Decision as a non-discussion item at the continuation of this session on Monday 11 December 2017. Statement by Germany 'Having regard to the principles of Permanent Structured Cooperation (PESCO), as set out in Annex I to the Notification on Permanent Structured Cooperation of 13 November 2017, in particular the following principles: Participating Member States will meet their binding commitments confirming that the establishment and implementation of Permanent Structured Cooperation will be undertaken in full compliance with the provisions of the TEU and the protocols attached thereto and respecting constitutional provisions of the member States; Participation in PESCO is voluntary and leaves national sovereignty untouched; Germany declares its understanding that the provisions of the Council Decision, in particular Article 3 paragraph 1, which reads: 'To achieve the objectives set out in Article 1 of Protocol No 10 and the undertakings referred to in Article 2 of that Protocol, the participating Member States shall make contributions which fulfil the more binding commitments which they have made to one another as set out in the Annex.' do not alter the substance of the commitments that Member States have made to one another according to Article 46 paragraph 1 TEU and Article 2 Protocol No 10. 15751/17 10 DPG EN Germany agrees to the Council Decision on the understanding that such agreement is without prejudice to future budgetary decisions of the German Bundestag and that it cannot limit or restrict the constitutional authority of the legislature to adopt the budget, and that such agreement to the Council Decision cannot in any way be construed as an agreement to a transfer of sovereign rights of the Federal Republic of Germany to the European Union. Germany is fully committed to PESCO as an ambitious, binding and inclusive European legal framework for investments in the security and defence of the EU’s territory and its citizens. PESCO also provides a crucial political framework for all Member States to improve their respective military assets and defence capabilities through well-coordinated initiatives and concrete projects based on more binding commitments. As a Participating Member State, Germany will meet the more binding commitments as agreed in the Notification of 13 November 2017.' Statement by Sweden 'Having regard to the principles of PESCO, as set out in Annex I to the Notification on Permanent Structured Cooperation of 13 November 2017, in particular the following principles: Participating Member States will meet their binding commitments confirming that the establishment and implementation of Permanent Structured Cooperation will be undertaken in full compliance with the provisions of the TEU and the protocols attached thereto and respecting constitutional provisions of the member States; Participation in PESCO is voluntary and leaves national sovereignty untouched; Sweden declares its understanding that the provisions of the Council Decision, in particular Article 3 paragraph 1, which reads: 'To achieve the objectives set out in Article 1 of Protocol No 10 and the undertakings referred to in Article 2 of that Protocol, the participating Member States shall make contributions which fulfil the more binding commitments which they have made to one another as set out in the Annex.' do not alter the substance or scope of the commitments that Member States have made to one another according to Article 46 paragraph 1 TEU and Article 2 Protocol No 10. Sweden agrees to the Council decision in the understanding that such agreement is without prejudice to future budgetary decisions of the National Parliament and that the decision does not limit or restrict the constitutional authority of the legislature, and that Sweden's agreement to the Council Decision cannot in any way be construed as an agreement to a transfer of sovereign rights of Sweden to the European Union. Sweden is fully committed to PESCO, as described in the Notification of 13 November 2017, as an ambitious, binding and inclusive European legal framework for investments in the security and defence of the EU's territory and its citizens, which also provides a crucial political framework for all Member States to improve their respective military assets and defence capabilities through well-coordinated initiatives and concrete projects based on more binding commitments. As a participating State, Sweden will meet the more binding commitments as agreed in the Notification of 13 November 2017.' 15751/17 11 DPG EN 47. Meeting of the Council (Foreign Affairs/Trade) on 10 December 2017: Preparation a) Council conclusions at the start of the 11th World Trade Organization Ministerial Conference Adoption 15085/17 The Committee prepared this item for the Council. b) Council conclusions at the end of the 11th World Trade Organization Ministerial Conference Adoption 15086/17 The Committee prepared this item for the Council. c) Council Decision on the position to be taken on behalf of the EU in the WTO Ministerial Conference Adoption 14476/17 The Committee prepared this item for the Council. d) Other items in connection with the Council meeting No new items were raised under this heading. General Affairs 48. Electoral law State of play 15241/17 The Committee discussed this issue and authorised the Presidency to inform orally the European Parliament on the state of play in the Council. Economic and Financial Affairs 49. Meeting of the Council (Economic and Financial Affairs) on 5 December 2017: Follow up The above-mentioned item was withdrawn. MONDAY 11 DECEMBER 2017 Foreign Affairs 106. Transferred from part I DRC - Draft Council conclusions Adoption 15306/1/17 REV 1 The Committee returned to this item following the events in North Kivu on 7 December 2017 and agreed to amend paragraph 6 of the draft Council conclusions accordingly, before forwarding them to the Council for adoption. 15751/17 12 DPG EN IV. Any other business COREPER (PART 1) None. COREPER (PART 2) - Preparation of the Euro Summit The Committee was informed on the preparations of the Euro Summit. 15751/17 13 DPG EN ANNEX 'I' items approved COREPER (PART 1) Institutional Affairs 15. Written questions Adoption by silence procedure 15158/17 a) E-005946/2017 - Italian macro-prudential authority 14296/17 b) E-006192/2017 - What vision for the financial transaction tax? 14301/17 c) P-006278/2017 - Application of Common Position 2001/931/CFSP 14244/17 Appointments 16. Appointment of one alternate members for the Advisory Committee on Safety and Health at Work (SE) Adoption 15133/1/17 REV 1 17. Appointment of one member and one alternate member for the Advisory Committee on Freedom of Movement for Workers (SK, AT) Adoption 15129/17 15128/17 18. Appointment of one alternate member for the Management Board of the European Institute for Gender Equality (PL) Adoption 15205/17 Other 19. List of Working Parties which will be officially organised in Bulgaria under the Bulgarian Presidency (first half of 2018) Information note for the Permanent Representatives Committee (Part 1) 14457/17 20. Chairing of certain Working Parties by other delegations, at the request of the Bulgarian Presidency Approval 14460/17 15751/17 14 DPG EN Delegated and Implementing Acts 21. Commission Regulation (EU) …/… of XXX amending Annex VII to Regulation (EC) No 882/2004 of the European Parliament and of the Council as regards the European Union reference laboratory for monitoring the viral and bacteriological contamination of bivalve molluscs Decision not to oppose adoption 14920/17 13995/17 22. Commission Regulation (EU) …/… of XXX amending Regulation (EC) No 999/2001 of the European Parliament and of the Council and Regulation (EC) No 882/2004 of the European Parliament and of the Council as regards the European Union reference laboratory for transmissible spongiform encephalopathies Decision not to oppose adoption 14925/17 13996/17 23. Commission Regulation (EU) …/… of XXX amending the Appendices to Annex XVII to Regulation (EC) No 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) as regards CMR substances Decision not to oppose adoption 15070/17 + ADD 1 13395/17 + ADD 1 Statement by Germany 'Germany assumes that the German version of recital 1 will be corrected as follows: The word „krebserzeugend“ will be replaced by „karzinogen“,the word „erbgutverändernd“ will be replaced by „keimzellenmutagen“ and the word „fortpflanzungsgefährdend“ will be replaced by „reproduktionstoxisch“. Also, Germany assumes that in the German version of the annex in entry 28 the word „krebserzeugend“ will be replaced by „karzinogen“, in entry 29 the word „erbgutverändernd“ will be replaced by „keimzellenmutagen“ and in entry 30 the word „fortpflanzungsgefährdend“ will be replaced by „reproduktionstoxisch“.' EU positions for international negotiations 24. IMO - Draft Union submission to be submitted to the 5th session of the Sub-Committee on Ship Systems and Equipment (SSE 5) of the IMO in London from 12 - 16 March 2018 concerning a proposal to amend the 'Guidelines for the approval of fixed dry chemical powder fire-extinguishing systems for the protection of ships carrying liquefied gases in bulk' (MSC.1/Circ.1315) Endorsement 14819/17 14578/17 15751/17 15 DPG EN 25. IMO – Draft Union submission to be submitted to the 5th session of the Sub-Committee on Ship Systems and Equipment (SSE 5) of the IMO in London from 12 - 16 March 2018 concerning proposals on electrical connections to vehicle and cargo units in ro-ro and special category spaces Endorsement 14815/17 14576/17 26. IMO - Draft Union submission to be submitted to the 5th session of the Sub-Committee on Ship Systems and Equipment (SSE 5) of the IMO in London from 12 - 16 March 2018 concerning measures to address enhanced fire risks caused by the transport of vehicles with electrical drives Endorsement 14814/17 14573/17 27. IMO - Draft Union information paper to be submitted to the 5th session of the Sub-Committee on Ship Systems and Equipment (SSE 5) of the IMO in London from 12 - 16 March 2018 concerning studies of relevance to the review of SOLAS Chapter II-2 and associated Codes to minimize the incidence and consequences of fires on ro-ro spaces and special category spaces of new and existing ro-ro passenger ships Endorsement 14825/17 14582/17 28. IMO - Draft Union submission to be submitted to the 5th session of the Sub-Committee on Ship Systems and Equipment (SSE 5) of the IMO in London from 12 - 16 March 2018 concerning a proposed unified interpretation (UI) of the Life-Saving Appliances (LSA) Code Paragraph 4.4.8.1 and the Standardized Life-Saving Appliances Evaluation and Test Report Forms MSC/Circ.980/Add.1, Section 4.4.1 Endorsement 14831/17 14584/17 Statement by the Commission for items from 24 to 28 'The Commission considers that the above mentioned 'Union submissions' to be submitted to the IMO is covered by EU exclusive competence. Submission of proposals to the IMO on issues of EU competence is an act of external representation and should be made by the Commission on behalf of the EU to IMO and should therefore be sent to the IMO by the Commission. In the view of the Commission, the procedural arguments against presenting submissions to the IMO by the Commission on behalf of the EU are not convincing as there is no evidence to suggest that the IMO, as a specialized agency of the United Nations, would be in a position to reject such a submission. The Commission thus maintains its position that the Treaty provisions on external representation of the Union should be applied and, consequently, to present the submission in question to the IMO by the European Commission on behalf of the European Union is the only legally correct way forward. In case of non-respect of the above rules, the Commission reserves all its rights in this regard.' 15751/17 16 DPG EN 29. Energy Community - coordination of the EU position Adoption 15124/17 30. UNISPACE + 50: Thematic Priorities 2 to 7 Endorsement 13766/17 + COR 1 31. SPA and biodiversity Protocol to the Barcelona Convention Council Decision on Annex II Amendment Adoption 15146/17 14694/17 Environment 32. Council conclusions on Eco-innovation Adoption 15159/1/17 REV 1 + REV 1 ADD 1 Statement by the Czech Republic 'In the spirit of consensus, the Czech Republic supported the Council Conclusions as approved. However, during the whole negotiations procedure, the Czech Republic has been raising its concern regarding the references to new initiatives (particularly establishing of “product sustainability and circularity criteria and their use”) across the whole text. The Czech Republic would like to stress the importance of existing instruments and their administrative efficiency. Any new instruments should be established only after the existing instruments had been analysed concerning their impact on sustainability and circularity of products. The Czech Republic believes that existing instruments already fulfil the necessary requirements. Moreover, it should be taken into account that establishing new instruments could not only be costly but also confusing for both companies and consumers. Stressing that EU Ecolabel and EMAS have existed for 25 years, the Czech Republic is convinced that the experience with the implementation instruments with such a long history should be used. In this context, the Czech Republic is persuaded that it is necessary to use primarily already existing instruments which proved to be efficient1. In this respect, the Czech Republic would also like to invite the Commission to evaluate the results of the pilot phase on the development of the Product Environmental Footprint (PEF) and Organisation Environmental Footprint (OEF). In this regard, the Czech Republic would like to emphasize that it is crucial to ensure that the voluntary schemes PEF and OEF have to provide accurate environmental data which can be measured and compared.' '1 […] REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL on the review of implementation of Regulation (EC)No 122/2009 of the European Parliament and of the Council on 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS) and the Regulation (EC) No 66/2010 of the parliament and of the Council of 25 November 2009 on the EU Ecolabel. ' Fisheries 33. Black Sea TACs and Quotas Regulation for 2018 Adoption 15058/17 + ADD 1 14897/17 34. Council Decision denouncing the SFPA EU/Comoros Request for the consent of the European Parliament 14611/17 + ADD 1 14423/17 15751/17 17 DPG EN Research 35. Research Fund for Coal and Steel - Decision on the financial provisions Request for the consent of the European Parliament 14538/17 + COR 1 14532/17 Employment and Social Policy 36. Interinstitutional Proclamation on the European Pillar of Social Rights Adoption of German and Swedish language versions 15403/17 13129/17 REV 1 (sv) + REV 3 (de) Transport 37. EU-US ATM MoC - SESAR-NextGEN Adoption 14028/17 14030/17 14031/17 Culture 38. EU Youth Orchestra (EUYO) Creative Europe Mandate for negotiations with the European Parliament 14319/1/17 REV 1 + ADD 1 REV 1 15751/17 18 DPG EN COREPER (PART 2) Judicial Affairs 50. Case T-639/16 P Authorisation to ***produce*** a copy of or an extract from a Council document for use in legal proceedings 15349/17 51. Judgment in Case C-660/13 Information note for the Permanent Representatives Committee (Part 2) 15367/17 52. Case T-721/17 Information note for the Permanent Representatives Committee (Part 2) 15110/17 53. Case T-722/17 Information note for the Permanent Representatives Committee (Part 2) 15113/17 Institutional Affairs Appointments 54. Appointment of a member to the Committee of the Regions (MT) Adoption 15117/17 15116/17 Transparency 55. Ombudsman Own-Initiative Inquiry OI/2/2017/AB Inspection by the Ombudsman of documents held by the Council in the framework of her inquiry Approval of a letter 15255/17 56. Public access to documents Reply to confirmatory application No 25/c/01/17 Adoption 12805/17 + COR 1 Economic and Financial Affairs 57. Ranking of Unsecured Debt Instruments in Insolvency Hierarchy (BRRD-CR) Adoption of the legislative act 15140/17 PE-CONS 57/17 58. Transitional arrangements as regards the regulatory capital impact of IFRS 9 and for the large exposures exemption for certain exposures Adoption of the legislative act 15135/17 PE-CONS 59/17 15751/17 19 DPG EN 59. EFSI 2.0 Regulation Preparation for the adoption of the legislative act 15354/17 + ADD 1 Joint Statement by Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Netherlands, Slovenia, Sweden and United Kingdom 'Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union contains clear rules for the possible use of reflows from financial instruments. According to art. 140(6), annual repayments to financial instruments can only be used for the same financial instrument or budgetary guarantee, while revenues shall be entered in the budget as general revenue. In the context of the ongoing discussions on the revision of the financial regulation, the Council general approach does not propose any changes to this general rule. While, according to a new provision proposed in art. 202(2), it may be possible to re-assign an outstanding amount of assigned revenue under a basic act which is to be repealed or terminated to another financial instrument pursuing similar objectives, this provision constitutes a clear exception and derogates from the general rule. It should also be noted that this provision is not yet applicable. As such, the above Member States would like to emphasize that the financing of EFSI 2.0 by an amount of 25 mn euro from the repayments and revenues from financial instruments in heading 1a set up under previous multiannual financial framework (MFF) constitutes an absolute exception and should not in any way be seen as a precedent for the future treatment of revenues and repayments from financial instruments set up under the previous MFF. Possible future proposals on the use of reflows from financial instruments should be fully aligned with the general rule on repayments and revenues in the financial regulation.' 60. Omnibus proposal (***agricultural*** provisions) Preparation for the adoption of the legislative act 15358/17 + ADD 1 61. ESGAB Appointing the Chairperson - Decision Adoption 13115/17 13081/17 + COR 1 62. ESGAB Appointing three members - Decision Adoption 13114/17 13079/17 + COR 1 63. Council conclusions on CoA SR No 10/2017 Adoption 15238/17 15751/17 20 DPG EN General Affairs 64. Regulation on European Medicine Agency Relocation Mandate for negotiations with the European Parliament 15263/17 15265/17 Postponed to Monday 11 December 2017. 65. Regulation on European Banking Authority Relocation Mandate for negotiations with the European Parliament 15264/17 15266/17 Postponed to Monday 11 December 2017. 66. EP Resolutions and decisions (November) 15100/17 67. Implementation of the Interinstitutional Agreement on Better Law-Making Work undertaken during the Presidency Information from the Presidency 15084/17 68. Update of the population figures of the Union - Decision Adoption 14964/17 69. Non-binding delineation criteria between delegated and implementing acts - Draft position to be taken on behalf of the Council Endorsement 15294/17 70. Draft Action ***Plan*** for implementation of the Council Conclusions on building strong cybersecurity for the EU Approval 14965/17 14435/17 + COR 1 71. EU-China Ocean Partnership Authorization to open negotiations 14339/17 14919/17 72. Presidency progress report concerning RPS Adaptation Information from the Presidency 14916/17 15751/17 21 DPG EN 73. Transparency Register Mandate for negotiations with the European Parliament and the Commission 15173/17 74. CPR Technical adjustment Adoption of the legislative act 15139/17 PE-CONS 53/17 75. Draft EU Common Position on Chapter 2, Montenegro Adoption 15179/17 Joint statement by Germany, France, Austria and Luxembourg 'Germany, France, Austria and Luxembourg welcome the preparedness of the EU to consider that transitional measures will be required vis-à-vis Montenegro with regard to Article 1 to 6 of Regulation (EU) No 492/2011 of the European Parliament and of the Council on freedom of movement for workers within the Union, as well as to the freedom to provide services involving temporary movement of workers as defined in Article 1 of Directive 96/71/EC. However, Germany, France, Austria and Luxembourg clearly see the need to examine before the closure of chapter 2 whether transitional measures are required vis-à-vis Montene

gro with regard to Article 49 TFEU. Therefore, Germany, France, Austria and Luxembourg are prepared to consent to the opening of negotiations on chapter 2 with Montenegro in the understanding that this examination of transitional measures vis-à-vis Montenegro with regard to Article 49 TFEU will be discussed at a later stage of the negotiations.' 76. Draft EU Common Position on Chapter 6, Serbia Adoption 15180/17 77. Draft EU Common position on Chapter 30, Serbia Adoption 15181/17 78. (poss.) Draft EU Common position on Chapter 33, Serbia Adoption 15182/17 The above-mentioned item was withdrawn. 79. Draft Council conclusions on the CVM for Bulgaria and Romania Adoption 15183/17 15751/17 22 DPG EN 80. Council Decision on amending Protocol 2 to Decision No 1/98 of the EC-Turkey Association Council on trade in ***agricultural*** products Adoption 15184/17 14375/17 Statement by Cyprus, supported by Greece 'The Republic of Cyprus notes with deep regret that, despite repeated calls by the Council, Turkey has not revoked its unilateral declaration not to implement the Additional Protocol to the Association Agreement towards the Republic of Cyprus. In numerous occasions since its conclusions of 11 December 2006 and the declaration of the EC and its Member States of 21 September 2005, the Council has strongly urged Turkey to remove, without any further delay, all restrictions to trade with all EU Member States, including the Republic of Cyprus. This would include, the establishment of direct transport links and the lifting of restrictions for Cypriot vessels of any nationality being related to the Republic of Cyprus in terms of ownership or management or having landed in Cypriot ports. Turkey's Negotiating Framework with the EU, also calls on the candidate country to urgently implement fully and on a non – discriminatory basis the Additional Protocol and to proceed with the normalization of bilateral relations with all EU Member States, including the Republic of Cyprus. Despite the abovementioned clear obligations and repeated calls, Turkey continues to discriminate one Member-State and refuses the remove all obstacles to the free movement of goods, including restrictions on means of transport to the Republic of Cyprus. For all the above and considering Turkey's persistent flagrant breach of its obligations towards the EU, the Republic of Cyprus has no option but to vote against the Decision on amending Protocol 2 to Decision No 1/98 of the EC-Turkey Association Council on trade in ***agricultural*** products.' Justice and Home Affairs 81. United States v. Microsoft - amicus brief Information note for the Permanent Representatives Committee (Part 2) 15407/1/17 REV 1 82. e-Law (e-Justice) - Interconnection of registers of wills - Council conclusions Adoption 13887/17 83. Council Decision on full implementation of SIS in BG/RO Agreement in principle 15249/17 84. Council conclusions on the development of the SIRENE Bureaux Adoption 15222/17 85. Council conclusions on identity management Adoption 15216/17 15751/17 23 DPG EN 86. PNR Canada Agreement / Decision on opening negotiations Adoption 14763/17 13672/1/17 REV 1 + REV 1 ADD 1 + REV 1 ADD 1 COR 1 Statement by the United Kingdom 'The United Kingdom and Ireland have a special position under Protocol 21 to the Treaty on the Functioning of the European Union. Article 3 of Protocol 21 provides the United Kingdom and Ireland with a period of 3 months to consider whether to take part in a measure. That Protocol applies to the proposed Council Decision authorising the opening of negotiations on an Agreement between the European Union and Canada for the transfer and use of Passenger Name Record (PNR) data to prevent and combat terrorism and other serious transnational crime. The United Kingdom regrets that it has not been given the full three months, in accordance with the Treaties, to take a decision on whether to participate in this measure. Nevertheless, in this case, the United Kingdom has informed the Presidency that it is taking part in the adoption of the Council Decision.' 87. Council Decision on the declaration of acceptance of the accession of certain States to the 1980 Hague Convention - Georgia and South Africa Adoption 15090/17 + ADD 1 13581/17 Joint Statement by Belgium, Germany, Spain, France, Italy, Luxembourg, Austria and Poland 'Where the European Union adopts internal legislative acts and on this basis, it exercises external exclusive competence, the Member States bound by those legislative acts take part in the acts that the Union adopts as part of this external competence. In the context of this decision, all the Member States of the European Union bound by Council Regulation (EC) No 2201/2003 of 27 November 2003 concerning jurisdiction and the recognition and enforcement of judgments in matrimonial matters and the matters of parental responsibility, repealing Regulation (EC) No 1347/2000 consequently take part in the adoption of the decision authorising Austria and Romania to accept, in the interest of the European Union, the accession of Panama, Uruguay, Colombia and El Salvador to the 1980 Hague Convention on the Civil Aspects of International Child Abduction.' 15751/17 24 DPG EN 88. Council Decision on the declaration of acceptance of the accession of certain States to the 1980 Hague Convention - San Marino Adoption 15091/17 + ADD 1 13585/17 Joint Statement by Belgium, Germany, Spain, France, Italy, Luxembourg, Austria and Poland 'Where the European Union adopts internal legislative acts and on this basis, it exercises external exclusive competence, the Member States bound by those legislative acts take part in the acts that the Union adopts as part of this external competence. In the context of this decision, all the Member States of the European Union bound by Council Regulation (EC) No 2201/2003 of 27 November 2003 concerning jurisdiction and the recognition and enforcement of judgments in matrimonial matters and the matters of parental responsibility, repealing Regulation (EC) No 1347/2000 consequently take part in the adoption of the decision authorising Austria and Romania to accept, in the interest of the European Union, the accession of Panama, Uruguay, Colombia and El Salvador to the 1980 Hague Convention on the Civil Aspects of International Child Abduction.' 89. Council Decision on the declaration of acceptance of the accession of certain States to the 1980 Hague Convention - Chile, Iceland and the Bahamas Adoption 15094/17 + ADD 1 13586/17 Joint Statement by Belgium, Germany, Spain, France, Italy, Luxembourg, Austria and Poland 'Where the European Union adopts internal legislative acts and on this basis, it exercises external exclusive competence, the Member States bound by those legislative acts take part in the acts that the Union adopts as part of this external competence. In the context of this decision, all the Member States of the European Union bound by Council Regulation (EC) No 2201/2003 of 27 November 2003 concerning jurisdiction and the recognition and enforcement of judgments in matrimonial matters and the matters of parental responsibility, repealing Regulation (EC) No 1347/2000 consequently take part in the adoption of the decision authorising Austria and Romania to accept, in the interest of the European Union, the accession of Panama, Uruguay, Colombia and El Salvador to the 1980 Hague Convention on the Civil Aspects of International Child Abduction.' 15751/17 25 DPG EN 90. Council Decision on the declaration of acceptance of the accession of certain States to the 1980 Hague Convention - Panama, Uruguay, Colombia and El Salvador Adoption 15095/17 + ADD 1 13587/17 Joint Statement by Belgium, Germany, Spain, France, Italy, Luxembourg, Austria and Poland 'Where the European Union adopts internal legislative acts and on this basis, it exercises external exclusive competence, the Member States bound by those legislative acts take part in the acts that the Union adopts as part of this external competence. In the context of this decision, all the Member States of the European Union bound by Council Regulation (EC) No 2201/2003 of 27 November 2003 concerning jurisdiction and the recognition and enforcement of judgments in matrimonial matters and the matters of parental responsibility, repealing Regulation (EC) No 1347/2000 consequently take part in the adoption of the decision authorising Austria and Romania to accept, in the interest of the European Union, the accession of Panama, Uruguay, Colombia and El Salvador to the 1980 Hague Convention on the Civil Aspects of International Child Abduction' Foreign Affairs 91. IcSP - capacity building in support of security and development (CBSD) amendment Adoption of the legislative act 15138/17 + ADD 1 PE-CONS 54/17 92. (poss.) PSC Decision EUBAM Rafah/2/2017 - appointment of Head of Mission Decision to publish in the Official Journal 15267/17 14878/17 The above-mentioned item was withdrawn. 93. 19th Annual Report on EU Exports of Military Technology and Equipment Adoption 14979/17 14770/17 + ADD1-6 94. Fissile material - Decision Adoption 15066/17 14554/17 95. Draft EU China Statement on climate change and clean energy Approval 15056/17 96. Draft Council conclusions on Thailand Adoption 15220/17 97. EU-Afghanistan Cooperation Agreement on Partnership and Development - Joint Committee's rules of procedure Approval 14157/17 14456/17 15751/17 26 DPG EN 98. Support to the clean-up operations at the former chemical weapons storage site in Libya - Decision Adoption 15215/17 14467/17 99. Libya restrictive measures UN transposition - Implementing Decision Adoption 15302/17 15189/17 100. Support to the destruction of Syrian chemical weapons - Decision Adoption 15219/17 14914/17 101. Restrictive measures Tunisia - review of the restrictive measures - pre-notifications Approval 15337/17 102. EU-Cuba Joint Council Council Decision on the position to be adopted by the EU as regards the rules of procedure of the Joint Council and those of the Joint Committee Approval 14300/17 14298/17 103. EU-Ukraine Association Council - draft EU position Approval 15114/17 104. Council Decision on the EU position in the EU-Georgia Customs Sub-Committee, as regards the replacement of Protocol I to the EU-Georgia Association Agreement by a new Protocol Approval 15208/17 14140/17 105. Council Decision on EU position in the EU-Moldova Association Committee in Trade configuration concerning the comprehensive roadmap on the implementation of the EU-Moldova Association Agreement in the area of public procurement Approval 15213/17 14583/17 106. DRC - Draft Council conclusions Adoption 15306/17 15751/17 27 DPG EN Delegated or Implementing Acts 107. Commission Delegated Regulation (EU) No …/.. of 14.11.2017 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodologies for valuation of difference in treatment in resolution Delegated act - Intention not to raise objections 14904/17 14377/17 108. Commission Delegated Regulation (EU) No …/.. of 14.11.2017 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodology for assessing the value of assets and liabilities of institutions or entities Delegated act - Intention not to raise objections 14905/17 14379/17 109. Commission Delegated Regulation (EU) …/... of 17.11.2017 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on the trading obligation for certain derivatives Delegated act - Intention not to raise objections 14909/17 14544/17 + ADD 1 110. Commission Delegated Regulation (EU) …/... of 18.10.2017 amending Annex IIIb to Council Regulation (EC) No 1236/2005 concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment. Delegated act - Intention not to raise objections 15218/17 13463/17 Environment 111. ETS Aviation Preparation for the adoption of the legislative act 15355/17 + ADD 1 15751/17 28 DPG EN MONDAY 11 DECEMBER 2017 General Affairs 46. Transferred from part II Proposal for the European Defence Industrial Development ***Programme*** (EDIDP) General approach 15536/17 Statement by Italy 'The Italian interpretation of Article 6.5 of the Proposal for Regulation is that the reference to “undertakings established in the Union and controlled by third countries or third countries entities” is applicable only to undertakings which are not eligible according to Article 6.4 Only the costs related to their participation to an eligible action shall not be eligible for funding under the ***Programme***. Even if these undertakings are identified by using the same definition used in Article 6.4, they have to be considered as a different category of undertakings, without interfering with the application of Article 6.4 that authorizes “an undertaking controlled by third countries or third countries entities” to be eligible as a beneficiary or subcontractor under the specific conditions indicated.' 64. Regulation on European Medicine Agency Relocation Mandate for negotiations with the European Parliament 15263/17 15265/17 Joint Statement by the United Kingdom and the Commission 'Concerning the relocation of the European Medicines Agency and the European Banking Authority, the Commission and the UK wish to record that the consideration and adoption of the relevant legislative proposals will be without prejudice to the UK or EU positions on the costs of relocating these two agencies, as referenced in the Joint Report from the negotiators of the European Union and the United Kingdom Government published on 8 December 2017.' 65. Regulation on European Banking Authority Relocation Mandate for negotiations with the European Parliament 15264/17 15266/17 Joint Statement by the United Kingdom and the Commission 'Concerning the relocation of the European Medicines Agency and the European Banking Authority, the Commission and the UK wish to record that the consideration and adoption of the relevant legislative proposals will be without prejudice to the UK or EU positions on the costs of relocating these two agencies, as referenced in the Joint Report from the negotiators of the European Union and the United Kingdom Government published on 8 December 2017.' Foreign Affairs 115. Transferred from part II Permanent Structured Cooperation (PESCO) - Council Decision Adoption 15511/17 14866/17

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[***Ukraine: Lviv Region media highlights 4-10 Nov 17***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PY0-25Y1-DYRV-34JV-00000-00&context=1516831)

BBC Monitoring Kiev Unit

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**Body**

The following are media highlights from Lviv Region's Hazeta Po-Ukrayinsky, Vysokyy Zamok, Lvivska Hazeta, Lvivska Poshta, Ekspres and Ratusha newspapers, Independence and Lvivska Khvylya radio stations, Lviv Regional Radio, Mediastar, Hal-Info news agency website and Vholos, ZIK, Zaxid.net and Lvivskyy Portal websites for 4-10 November 2017:

Political

Representatives of local NGOs have announced the beginning of an indefinite protest outside the Khust regional state administration of Transcarpathian Region against "inaction and arbitrariness of law-enforcement agencies", ZIK news agency website, owned by Lviv businessman Petro Dyminskyy, reported. The organiser of the rally, public activist Vitaliy Hrehor, said that the protesters demand a change of the leadership of the local police and the prosecutor's office. "There are dozens of criminal cases which are not investigated from six months to two years, embezzlement of the budget which runs into millions, forgery of decisions of state bodies, beating of people and abuse of office, but not a single guilty verdict has been passed. We arrive at a conclusion that the local police and the prosecutor's office are in collusion with the local authorities, and, therefore, do nothing or intentionally cover up their criminal-corruption schemes. It seems that firmness of the frankpledge ensured by subordinates is more important for the leadership of the regional directorates of the law-enforcement agencies than the prevention and counteraction to crime. Therefore, we use the right to protest guaranteed by the constitution," he explained. The activist added that the rally would last until their demand is fulfilled. (ZIK news agency website, zik.com.ua, 0813 gmt 8 Nov 17)

On 6 November, representatives of the Lviv regional branch of the National Movement "Yarosh's Statehood Initiative" and a number of NGOs picketed the Lviv regional directorate of the State Fiscal Service of Ukraine protesting against the appointment of former police officer Ihor Tsymbrylo, who served under deposed President Viktor Yanukovych, to one of the key posts at the directorate, popular daily Vysokyy Zamok reported, quoting the press service of the movement. According to the activists, during the antigovernment Euro-Maydan protests in 2014, the official working as a police officer exerted pressure on Euromaidan activists, prevented the departure of protesters to Kiev, as well as persecuted clerics who assisted people on Maidan [Kiev's Independence Square]. "Earlier, we already prevented Tsymbrylo from being appointed to one of the key posts at the directorate. Now we see that Yanukovych's henchmen return to power again without problems. We decided to come to the leadership of the directorate and listen to its arguments regarding the appointment of this person. It is unacceptable that such people as Tsymbrylo work in state bodies," the head of the branch, Valentyn Seredyuk, noted. Commenting on the picket, Tsymbrylo said that he did not persecute activists during the Euromaidan, saying that he was framed by the then leadership of the Ukrainian Interior Ministry. "The leadership gave us an instruction to bring someone to justice. I forbade my subordinates to draw such reports and then it deliberately made me a scapegoat," he explained. (Vysokyy Zamok daily, Lviv, 7 Nov 17, p 7)

On 10 November, several dozen Ukrainian motorists, members of the Auto Euro Force NGO, owning cars with foreign number plates picketed the Lviv customs office of the State Fiscal Service of Ukraine, demanding that the tax and customs duty on used cars imported from the EU be lowered, ZIK reported. During the protest, a group of activists met the leadership of the customs office and handed it a letter with their demands and complaints about allegedly illegal actions of customs officers regarding drivers of cars with foreign number plates. The protesters said that a car should not be a luxury in Ukraine, but a means of transport, therefore, they would defend their rights to own cheap vehicles imported from the EU. (ZIK news agency website, zik.com.ua, 1546 gmt 10 Nov 17)

The head of the Volyn regional branch of the nationalist Freedom party and Volyn regional councillor, Anatoliy Vitiv, is convinced that against the background of "anti-Ukrainian statements" of the Polish authorities over the controversial historical issues, Polish President Andrzej Duda should not visit Ukraine, Vholos news website reported. "A ***planned*** visit of the Polish president to Ukraine after his attempts to impose on Ukraine a revision of its own history is inappropriate and undesirable. Duda's demands to the Ukrainian president 'to remove from the Ukrainian politics people with nationalistic and anti-Polish views' testify to the deep chauvinism of this person. The head of a European state should not allow himself such attacks on an independent country," he stressed. The politician suggested that Poland "intensified the blackmail of Ukraine" because the Ukrainian authorities are reluctant to protect the national interests of the state. "Because of a passive position of the Ukrainian authorities led by President Petro Poroshenko on defending the national interests of Ukraine, Poland allows itself to systematically interfere in the internal affairs of our country and to tell us which historical figures we should respect. Some diplomats, like the vice-consul of the Polish Consulate General in Lutsk, Marek Zapur, even tell a barefaced lie that Lviv is a Polish city," Vitiv said. According to him, Poland played with fire fomenting anti-Ukrainian sentiments. (Vholos website, vgolos.com.ua, 1434 gmt 8 Nov 17)

Political pundit Kostyantyn Bondarenko has said that the "New European ***Plan*** for Ukraine for 2017-20" (the so-called "Marshall ***Plan*** for Ukraine") initiated by Lithuania will not be successful as the Ukrainian government does not have a clear idea of what can be a driver of economic development, ZIK reported. "No matter how much money will be allocated to Ukraine by its partners under a new 'Marshall ***Plan***', this will have a minimal effect. The service sector in Ukraine is underdeveloped, although in many countries it ensures more than one third of budget revenues and GDP. The Ukrainian industry is ruined, and a significant part of enterprises is unlikely to be restored due to the loss of markets and their backwardness. ***Agriculture*** will also require serious innovative approaches. In fact, the government does not have a ***plan*** defining which sector of economy should be a locomotive of the country's development. It is the worst if the ***plan*** is offered to us by Europe because it will mean that we are not able to manage the economy in our own right and we wait until someone tells us what to do," the pundit stressed. (ZIK news agency website, zik.com.ua, 1722 gmt 6 Nov 17)

Commenting on an amendment to the bill on Donbass reintegration proposed by the Petro Poroshenko Bloc-Solidarity MP, Ivan Vinnyk, providing for breaking off diplomatic relations between Ukraine and Russia, the director of the International Centre for Baltic-Black Sea Studies, Iryna Vereshchuk, has said that such a step would not help Ukraine to resolve the armed conflict in the east, ZIK reported. "Breaking off diplomatic relations is no longer expedient because this should have been done in 2014. Besides symbolic significance, such a step will bring nothing to Ukraine as it will not resolve the military conflict in Donbass," she noted. The expert said that it was necessary to gradually review relations with Russia by denouncing agreements on partnership and cooperation. (ZIK news agency website, zik.com.ua, 1454 gmt 8 Nov 17)

Political pundit Mykhaylo Basarab has suggested that in response to the hybrid aggression of Russia, Ukraine should sever diplomatic relations with Russia and denounce a number of bilateral agreements, Vholos reported. "Ukraine is still tied to the Kremlin by hundreds of normative acts. All these agreements were concluded when there was no open armed conflict and had to be abolished at the beginning of the aggression. The current friendly relations with the Kremlin show that the country's leadership is ready to a broad political compromise with the aggressor state and to make significant concessions, that is, to settle the Ukrainian-Russian conflict on Russian terms," he explained. According to him, after breaking off diplomatic relations with Russia, Ukraine might suffer economic losses, but it was necessary for the sake of the national interests. "Sometimes it is necessary to take tactfully losing steps to gain a ***strategic*** advantage and prevent the enemy from using force. Ukraine gradually reorients to other markets and carries out sanctions policy. However, this was mainly done contrary to the will and interests of President Petro Poroshenko, who is now responsible for the friendship with Russia. Even if we do not take into account business interests of the president and his entourage, and ignore enormous influence of 'shadow foreign minister' Viktor Medvedchuk [the head of the pro-Russian Ukrainian Choice party] on him, we see the unwillingness of the authorities to defend the immutable principles that every nation would advocate at any price during the struggle against the aggressor. Unfortunately, the current government is not a leader in the fight against Russia. The Ukrainian people who defend the national interests are the only protector from handing the country over to the enemy," the expert noted. (Vholos website, vgolos.com.ua, 1636 gmt 10 Nov 17)

Economic

On 6 November, the head of the Lviv regional state administration, Oleh Synyutka, and the president of the Ukrainian-Arab Business Council, Sheikh Imad Abu Al-Rub, signed a memorandum of cooperation in the socio-economic development of rural areas of Lviv Region, ZIK news agency website, owned by Lviv businessman Petro Dyminskyy, reported. The press service of the administration said that, according to the memorandum, the parties would promote cooperation in introducing innovations in the management of ***agricultural*** enterprises located in Lviv Region in order to develop the appropriate infrastructure. In addition, the parties would contribute to the implementation of the most up-to-date standards of quality and safety of ***agricultural*** products manufactured by regional enterprises to strengthen the export potential of Lviv Region. The memorandum also provided for support in the implementation of investment projects directed at using the latest technologies and developing business relations in the agro-industrial area. "We are convinced that Ukraine and the Arab countries have a considerable potential for expanding cooperation. The signing of the memorandum is a good signal for the business of our countries," the signatories said. (ZIK news agency website, zik.com.ua, 1537 gmt 6 Nov 17)

Military

On 8 November, a delegation of the Swedish Armed Forces visited the Ukrainian Defence Ministry's Mine Clearance Centre in Kamyanets-Podilskyy of Khmelnytskyy Region, Vholos news website reported, quoting the Defence Ministry of Ukraine. The foreign guests met the acting head of the centre, Lt-Col Oleh Havryluk, and got acquainted with the educational and material resources of the centre. During the meeting, the parties discussed further development of bilateral cooperation, the possibility of providing material and technical assistance to the centre by Sweden, as well as the prospects of joining the Ukrainian Armed Forces to the Explosive Ordnance Disposal Information System (EOD-IS) in the near future. In addition, representatives of the Swedish delegation were interested in the work of the military personnel of the centre in the security operation (ATO) area in eastern Ukraine, namely in the process of detection of improvised explosive devices, their technical characteristics, as well as methods of installation, control and neutralisation. (Vholos website, vgolos.com.ua, 1721 gmt 8 Nov 17)

A delegation of the Swedish Armed Forces on an official visit has arrived at the newly created training centre of the Ukrainian Armed Forces Military Police (VSP) in Lviv, Vholos reported. The Ukrainian Defence Ministry said that the main purpose of the visit was to discuss a long-term ***plan*** of cooperation between the Swedish army and Ukraine's VSP. Representatives of the Canadian Armed Forces who trained Ukrainian servicemen at the centre also participated in the discussion. The foreign servicemen got acquainted with the infrastructure of the training centre and the ***programme*** of training of the Ukrainian army taking place within the framework of the Joint Multinational Training Group-Ukraine (JMTG-U) at the International Centre for Peacekeeping and Security of the Lviv Ground Troops Academy in Lviv Region. (Vholos website, vgolos.com.ua, 1547 gmt 8 Nov 17)

On 8 November, a tactical training for servicemen of the West Operational Command of the Armed Forces of Ukraine took place at the Rivne firing ground, ZIK news agency website, owned by Lviv businessman Petro Dyminskyy, reported. The press service of the command said that servicemen of the 24th separate mechanised brigade of the Ukrainian Armed Forces practised their actions in defence and offence, forced a water barrier, repelled a counterattack of a conventional enemy, as well as tactics of restoring the combat capability of units. (ZIK news agency website, zik.com.ua, 0726 gmt 8 Nov 17)

Narcotics

The law-enforcement agencies of Ivano-Frankivsk Region have busted an organised criminal ring which ***produced*** and sold amphetamine in large quantities in August-November 2017, ZIK news agency website, owned by Lviv businessman Petro Dyminskyy, reported. The press service of the Ivano-Frankivsk regional prosecutor's office said that police detained members of the group after they tried to sell 1 kg of narcotics. During the searches in detainees' houses, law enforcers seized a large batch of amphetamine and laboratory equipment used to manufacture the drugs. (ZIK news agency website, zik.com.ua, 1330 gmt 9 Nov 17)

Source: Lviv region media highlights 10 Nov 17

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[***Stakeholder collaboration: A means to the success of rural tourism destinations? A critical evaluation of the existence of stakeholder collaboration within the Mournes, Northern Ireland***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BM4-FYP1-JBMY-H065-00000-00&context=1516831)

Tourism and Hospitality Research

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**ABSTRACT**

Tourism has long been pursued by governments as a means of development in rural areas. Negatively, rural areas have certain characteristics that inhibit their ability to achieve the full benefits of tourism. Consequently, many rural tourism destinations to date have found that the benefits to be gained are over-stated. Stakeholder collaboration has been deemed critical for the success of sustainable tourism. In fact, in the context of rural tourism destinations stakeholder collaboration can be particularly advantageous in addressing specific factors relevant to rural tourism destinations that may inhibit the success of the destination. However, successful attempts to implement stakeholder collaboration have been limited. A growing body of literature reveals that successful stakeholder collaboration relies on numerous elements, which have to be incorporated for the success of the process. The paper reveals how simply attempting to implement stakeholder collaboration is not enough for its success, instead various components need to be incorporated throughout the continuous process, in particular attention is paid to establishing trust across the various stakeholder group.

**FULL TEXT**

**Introduction**

Tourism research relating to rural areas can be traced back to the 1970s; however, it was referred to as recreation or leisure instead of tourism specifically. This was because it was not regarded as a subject of its own at this time (Gartner, 2004). Subsequently, research relating to rural areas was undertaken by a variety of different disciplines. Issues up until this point included rural resource management (Pigram, 1983), the positive and negative impacts of tourism (Pevetz, 1970), perception of rural tourism (Perdue, 1987) and concept of ‘rurality’ (Hoggart, 1990). From the 1990s onwards rural tourism became recognised as its own subject area, a specific type of tourism (Gartner, 2004; Sharpley and Roberts, 2004). Rural tourism as an area of tourism research, received increased attention corresponding with the increase in visitors to rural areas along with the increased development of tourism as a means for rural development among policy makers (Randelli et al., 2014; Sharpley and Roberts, 2004). Issues from this time dealt with the likes of niche types of rural tourism (e.g. ecotourism Gurung and Seeland, 2008), marketing issues (Devesa et al., 2010; Park and Yoon, 2009; Sharpley and Sharpley, 1997), the application of sustainable development to rural tourism development (Aslam et al., 2012; Travis, 2000; Zhou and Huang, 2004) and additional issues relating to farm diversification (Henderson and Hoggart, 2003; Sharpley and Vass, 2006). A review of rural tourism literature indicates a shift in perception.

Initially, rural tourism was viewed as an alternative economic development tool (Dernoi, 1991; Wickens, 1999), a panacea for the economic and sociocultural problems caused by the decline in traditional sectors such as out-migration of higher educated youth, high levels of unemployment and restructuring of the ***agricultural*** sector.

More recently, such positive perceptions and expectations have given way to more critical views of tourism as a viable development tool. Researchers have questioned the use of tourism development for rural areas given the fragile nature of the environment which could be easily changed or damaged through tourism development (Duffield and Long, 1981; Hall and Boyd, 2005; Hall and Lew, 2009; Lane, 1994).

Others have been critical because of the underachievement of benefits as initially promised with rural tourism development (Briedenhann and Wickens, 2004; Canoves et al., 2004). For example, tourism is widely praised as a way of supplementing farmers' incomes; however, studies have shown in reality this is not the case. For instance, Sharpley (2002) observed in Cyprus that income gained through agritourism was not only lower than expected but also failed to cover the initial investment.

Regrettably, the tourism industry is not a panacea for rural areas but a paradox. On the one hand, tourism can ***produce*** significant environmental, sociocultural and economic benefits; however, when inefficiently controlled and ***planned*** it can equally cause negative impacts (Gunn, 2002; OECD, 1991). Thus tourism can be a contributing factor to the destruction of a destinations' natural resource base (Lebe and Milfelner, 2006; Mbaiwai, 2005; Plog, 1974). The response has often been to implement sustainable forms of tourism in rural regions to combat any negative consequences (Garrod et al., 2006; Lane, 1994; Sharpley and Sharpley, 1997). However, much research to date suggests that sustainable tourism has had only limited success in practice (Liu, 2003; Mbaiwa, 2005; Tosun, 1998, 2001). Stakeholder collaboration deemed a prerequisite of sustainable tourism in recent times (Bramwell and Lane, 1999; Hall, 2000; Selin, 1999), has much to offer rural destinations when carried out effectively. Stakeholder collaboration should be concerned with allowing for greater consideration of issues affecting the host community (Bramwell and Lane, 1993), conflict control (Yuksel et al., 1999) and increased competitiveness (Murdoch, 2000; Saxena, 2005). Simply put it can positively affect many components that allow for sustainability to occur.

Unfortunately, the success of stakeholder collaboration in practice is limited (Fyall and Garrod, 2004). In fact, Spyriadis (2002) explains how over half of all collaborative relationships result in failure. Consequently, research looking at the process of stakeholder collaboration in practice, its effects and limitations is critical in order to look at how to improve stakeholder collaboration. Thus, the purpose of this paper is to critically evaluate the stakeholder collaboration attempts within the case study region of the Mournes in Northern Ireland; a rural area declared as an Area of Outstanding Natural Beauty (AONB) in 1966. Using a set of conditions for successful collaboration as taken from the extant literature (Bramwell and Sharman, 1999; Byrd, 2007; Gunn, 1994; Healey, 1998; Jamal and Getz, 1995; Nicodemus, 2004), the paper aims to highlight the difficulties of stakeholder collaboration within a rural context, as well as show the affects when certain factors are not present. In short, the paper explores how the theory of stakeholder collaboration can be made operational and effective in a real life context, namely the Mournes. The overall aim is to provide insight that will aid in the future attempts of stakeholder collaboration and allow for greater success in its implementation.

**Stakeholder collaboration and rural tourism**

**Stakeholder collaboration**

Stakeholder collaboration has its origins in stakeholder theory, a concept popularised by Freeman (1984) who expanded on the original work by the Stanford Research Institute in 1963. Stakeholder theory has been adopted by many disciplines over the years to include manufacturing (Vachan and Klassen, 2008), natural resource management (Reed et al., 2009) and tourism (Graci, 2013). Early adopters of the theory by tourism scholars included Murphy (1983) who was one of earliest to argue that tourism was essentially resource-based and in order for the industry and destination communities to benefit a mutually symbiotic relationship should be developed. Other scholars later recognised the need for the involvement of residents in tourism development due both to the lack of benefits they received and the negative consequences they had to address (Hardy et al., 2002; Simmons, 1994).

The idea of stakeholder involvement in the tourism industry has grown in popularity largely due to the belief that it can play a positive impact in sustainable tourism (Bramwell and Lane, 1999; Selin, 1999; UNEP and UNWTO, 2005), recognising the need for multiple legitimate stakeholders beyond only residents to be involved (Sautter and Leisen, 1999), and embracing activities that support participation, engender empowerment and allow for a more inclusive type of stakeholder involvement to take place (Carmin et al., 2003). As a consequence, scholars value its merits across a range of tourism environments and types, including urban (Ladkin and Bertramini, 2002), heritage (Aas et al., 2005; Landorf, 2009) and rural (Bramwell and Sharman, 1999).

**Rural tourism with reference to collaboration**

Rural tourism is a contested area of on-going debate as multiple definitions have emerged over time. Prior to the 1970s, rural tourism consisted of specific types of tourism and businesses mainly agritourism and rural lodging establishments (Sznajder et al., 2009). Currently, rural tourism is much broader; including multiple activities, businesses and sub types of tourism that take place in rural areas (Lebe and Milfelner, 2006). The key components forming the rural tourism product, however, have not substantially changed. These include the natural resources of rural environments and the local residents/hosts involved in the industry (Hernandez-Maestro and Gonzalez-Benito, 2014). Lebe and Mifelner (2006) consider these as the competitive advantage over other environments as they offer an authentic opportunity for meaningful engagement combined with a specialised understanding of the interrelationships between this setting, residents involved and their culture.

These elements are continuously being threatened by tourism development. There is established agreement that peripheral/rural areas are vulnerable to tourism damage (Hall and Boyd, 2005; Hall and Lew, 2009). Furthermore, the favourable attitude of local residents towards tourists relies hugely on whether local residents have a favourable attitude towards tourism (Rodriguez, 2007). Tourism developed incorrectly can lead to residents being hostile towards tourists. Additionally, rural tourism destinations are limited compared to urban destinations with regards to their capacity to benefit from tourism. This is because rural tourism destinations lack many of the factors necessary for successful tourism development (Gunn, 1988), facing too often a poor infrastructure, inadequate services, a lack of accessibility, the absence of appropriate knowledge and skills and presenting an unclear and fragmented destination image (Dolli and Pinfold, 1997; Getz, 2005; Hall and Boyd, 2005; Lebe and Milfelner, 2006).

Stakeholder collaboration can be of significant benefit to rural tourism destinations as it offers two competitive assets; first, the active participation of stakeholders in tourism development and second, a form of management that can facilitate wider support for tourism development (Keogh, 1990; Lankford and Howard, 1994). According to Rodriquez (2007), local residents are perceived as being more open and friendly towards tourists. Effective stakeholder collaboration can also contribute towards the prevention of the degradation of natural resources. Lebe and Milfelner (2006) observed that local residents often contribute to the destruction of their own natural resources through the combination of high levels of motivation towards economic benefits that accrue from tourism, alongside a lack of knowledge which can result in the development of tourism that ignores the needs and characteristics of their own destination. Stakeholder collaboration can reduce this problem, through the active participation of stakeholders. Accordingly, local residents can gain greater awareness and understanding of the key issues affecting their destination (WTO, 2004). It is equally feasible to suggest that stakeholder collaboration can also address the limiting factors affecting the competitiveness of rural destinations; in particular an unclear and fragmented destination image (Dolli and Pinfold, 1997). Stakeholder collaboration can act as a means to create a competitive destination image.

Despite the body of research that has been undertaken on stakeholder collaboration, often focused on community-driven tourism and stakeholder participation, successful implementation in practice has been somewhat limited (Fyall and Garrod, 2004). In fact, Spyriadis (2002) explains how over half of all collaborative relationships shown in empirical studies have resulted in failure. Arguably, this lies partially with the complexity of the stages involved; first, the identification of legitimate stakeholders, second, stakeholder participation and third, effective collaboration. For this process to work, it requires the incorporation of a set of criteria, including the identification of legitimate stakeholders, and providing the necessary level of education and knowledge to allow for full and equal participation in the decision-making and collaborative process (Jamal and Getz, 1995; Nicodemus, 2004). The absence of relevant stakeholders early on may lead to the failure of the process (Clarkson, 1995).

**Case study of the Mournes AONB**

The Mournes AONB is located on the Southeast coast of Northern Ireland, south of Belfast and in close proximity to the city of Newry (Figure 1). The area is approximately 570 km2 in size and encompasses the jurisdictions of three District Council areas of Down, Banbridge, and Newry and Mournes. As a peripheral destination, the Mournes landscape is known for its significant biological value, its diverse habitats and landscapes, priority species and its rich cultural heritage and traditions; resulting in its designation as an AONB in 1966. Figure 1.Study area: Mournes (AONB), Northern Ireland.

The economy of the Mournes is fragmented; dependant on multiple sectors including: farming, fishing, mineral extraction, water supply, forestry and more recently tourism. Of these, tourism and farming are the two most significant, the former taking on increasing importance as of late with the decline of the other sectors.

The Northern Ireland National Assembly has recognised the significance of the natural resources within the Mournes and the need to protect these from tourism development. Mourne Heritage Trust is a major Environmental Non-Governmental Organisation set up in 1997, has taken on responsibility toward effective management of the region, including tourism. Since 2003, a model of tourism has been developed around the European Charter for Sustainable Tourism (MHT, 2012).

The Mournes hold several difficulties related to tourism development but common to rural areas. These include a fragmented economy, high levels of outmigration, a lack of skilled human resources, a poor transport network, a dependence on tourism, but one where the industry lacks the basic infrastructure of adequate car parks, quality star grading hotels and food and beverage outlets (Northern Ireland Tourism Board (NITB), 2013). Its competitive advantage, however, is the unspoilt natural resources and the diverse mix of landscapes present. This is increasingly threatened with the continuous rise in tourist numbers and heightened pressure being placed on the natural resources in the form of trampling damage and litter left in the countryside. Management find it difficult to implement the necessary measures required given financial restraints (McAreavey, 2010). Moreover, the increasing dependence on tourism presents a significant threat to the area as extant literature entails when residents are more dependent on tourism they are likely to be positive and accepting of tourism development, even when tourism causes negative consequences. Consequently, the success of sustainable tourism is imperative in this scenario (McAreavey and McDonagh, 2010). Stakeholder collaboration thus is highly beneficial to the Mournes if sustainable tourism is to be achieved.

The Mournes AONB was selected as the study site for several reasons. Firstly, the area has much to gain from improvements to the concept of sustainable tourism as at present the concept appears to be having limited effect in migrating the negative impacts of tourism given the continuous rise in tourism damage (Bell and Stockdale, 2007; McAreavey and McDonagh, 2010). Secondly, although many stakeholder collaboration activities have taken place, there is evidence that stakeholder collaboration is non-existent as there is much conflict among stakeholders; thus critically evaluating the stakeholder collaboration attempts in such a destination may indicate the possible reasons behind the limited success. Finally, scholars have argued that where destinations are fragmented, a collaborative approach is favourable (Jamal and Getz, 1999). The Mournes (AONB) is a fragmented destination because the economic structure is made up of multiple sectors while tourism development is undertaken by numerous stakeholders; this has given rise to conflicts among stakeholders.

**Methodology**

The researchers used a mixed method approach, involving the use of qualitative (in the form of content analysis) and quantitative date (in the form of a questionnaire to a number of stakeholder groups). The questionnaire was designed around the extant literature on stakeholder collaboration and participation (e.g. Bramwell and Sharman, 1999; Byrd, 2007; Gunn, 1994; Healey, 1998; Jamal and Getz, 1995; Nicodemus, 2004).

The sample consisted of the key stakeholders within 10 towns/villages as identified in reports as being part of the Mournes AONB. The identification of key stakeholders was undertaken in accordance with a refined definition of a stakeholder as provided by Freeman (1984); for this particular research a stakeholder was defined as any individual or group who either has an impact or is impacted by tourism development. Altogether five stakeholder groups were identified; these included the host community, tourists, non-governmental organisations, the tourism industry and governmental bodies. A stratified sampling approach was used. Respondents from each stakeholder group were identified through a mix of secondary sources; websites, yell.com, Discover Ireland, Government management and special interest reports. Altogether a total of 242 responses were gathered.

Content analysis was undertaken among previous stakeholder collaboration attempts to critically identify the presence of conditions proposed by scholars to allow for the success of stakeholder collaboration. Reports, management ***plans***, documents were some of the secondary research used to undertake this as shown in Tables 1 and 2 below. Table 1.Trust reports used for secondary data.

|  |
| --- |
| Trust • Annual report and accounts: April to March 2011–2012 (Mourne Heritage Trust, 2012) (MHT) • Report on the outcome of the Mourne National Park consultation exercise: Independent report on the nominees of the Mourne Trustees (Mourne Trustees, 2007) • Mourne Mountain Landscape Partnership conservation ***plan*** (The Mourne Heritage Trust, 2010) • Destination Mourne Mountains Tourism ***Plan*** (Northern Ireland Tourism Board, 2013) (NITB) |

Table 2.Government reports used for secondary data.

|  |
| --- |
| Government • Mourne National Park Working Party report to the minister (Mourne National Park Working Party, 2007) • Report to the Mourne National Park Working Party on the outcome of their public consultation “Your opportunity to have your say” (Inform Communications NI Limited, 2007) • National Parks: Stakeholder event at the Balmoral Show (Committee for the Environment, 2012) |

**Results and discussion**

**Mourne National Park Working Party consultation process**

Established in October 2004, the Mourne National Park Working Party (MNPWP) was set up at the request of the Environment Minister Angela Smith to aid in the development of a National Park in the Mournes. One of their tasks was to undertake a three month consultation process with two primary aims to inform people of the facts surrounding the National Park and to gain their opinions of it (Inform Communications, 2007).

On the surface without a critique against the conditions put forward by scholars it appears to be an example of stakeholder collaboration that could possibly be a success. Unfortunately, detailed examination of the process reveals this is not the case. Instead, as evident in Table 3, a large majority of conditions are not present which has led to many negative effects which have the ability to cause both short- and long-term consequences. Such effects include mistrust, question of legitimisation, conflict and disillusionment among stakeholders.Stakeholder collaboration has a common assumption of having the ability to address unbalanced power by involving numerous stakeholders (Reed, 1997), others disagree on the basis that it ignores the constraints of power and resource flow (Aas et al., 2005; Healey, 1998). The MNPWP demonstrates the inability of stakeholder collaboration to allow for power balances. In fact, there is evidence that collaboration can actually feed power unbalances between both the public and private sector but also among the private sector themselves primarily because of the collaboration process and how it was undertaken. Table 3.Critique of The Mourne National Working Party (MNPWP) consultation process.

| **The presence of conditions for effective stakeholder collaboration in the Mourne National Park Working Party consultation process** | **Present/Not Present** |
| --- | --- |
| Identification of legitimate stakeholders | X |
| Education and training provided for those lacking knowledge and skills to participate fully | X |
| Stakeholders involved throughout the process | X |
| Collaboration activities are fair, efficient, knowledgeable, wise and stable | X |
| Sufficient resources | X |
| Convener is legitimate with expertise and knowledge | X |
| Interests identified and understood of stakeholders not involved | X |
| Activities used allow for the active participation of stakeholders | X |
| Stakeholders believe their participation has the potential to influence decisions | X |
| Wide range of activities used to involve stakeholders | ✓ |

Key: Present (✓); Not Present (X).

In terms of power unbalances between the public and private sector, this can be seen throughout the process even before it actually begun. The idea of the proposed National Park came from vertical power, the government, not from local stakeholders within the Mournes (Bell, 2011; McAreavey and McDonagh, 2010). Likewise, the objectives of the consultation process itself amplified this power imbalance; the working party was not instructed to identify whether stakeholders wished for the proposed National Park as stakeholders commonly thought. Instead their role was to find possible boundaries and management structures for the park. This information was then to be fed back to the government who would make the final decision (McDonagh et al., 2009). This led stakeholders to believe that even with their input they would not be able to influence the end decision and that important decisions were being made outside the control of the local stakeholders (McAreavey and McDonagh, 2010). Thus the legitimacy of the working party was raised by some stakeholders with the MNPWP viewed as both a ‘smoke screen and a done deal’ (Meeting 2, 28 October (2004) item 3f). This perception had a negative influence on the willingness and ability to have multiple stakeholders involved in the process (Bell, 2011). Likewise, the absence of being able to identify legitimate stakeholders had a significant impact in terms of ensuring the process of stakeholder involvement had credibility.

Within the Mournes there are 1500 landowners the biggest of which is the Mourne Trustees (Haydon, 2007). In line with the definition of a stakeholder, the Mourne Trustees is most definitely a key stakeholder within the Mournes. Unfortunately, throughout the consultation process their involvement was less than adequate. From the outset of the process the nominees for the trustee were excluded from the committee with its initial establishment (The Mourne Trustees, 2007). Further, the nominees were not part of the group sent to the Department of ***Agriculture*** and Rural Development to discuss issues affecting farmers, although the Mourne Trustees both represent and have a close relationship with farming communities. Even within the committee, power imbalances led to the overthrow of the Mourne Trustees opinions regarding the information being put into the report and presented to the minister. This eventually led to the loss of confidence on behalf of trustees in the process and resign from the committee (The Mourne Trustees, 2007).

There was also an issue with power imbalances among private stakeholders. Of all the stakeholder groups, the farming and landowning community held the majority of the power. Many stakeholders complained that they had limited opportunity to express their opinion within public consultation meetings as a result of the behaviour of this stakeholder group. Research undertaken by Bell (2011) on stakeholder opinions at the public meetings found one interviewee describing the meetings as ‘farcical’ another explained that with the farming community shouting and opposing, others did not get an equal chance to express their opinion. However, it is arguable that this behaviour by the farming and landowner community lies with the failure of other conditions deemed critical for effective collaboration such as power balance among the public and private sector and adequate information provided by the convenor, in this case the working party.

Bell (2011) argues that the use of vertical power from the government to initiate the idea of the National Park led to the vociferous and dominating nature of the anti-National Park voice. Consequently, greater involvement from stakeholders from the start of the process could have minimised this problem. Likewise, these stakeholders had a number of concerns over the designation of the Mournes as a National Park. Initially they requested information, however their questions remained unanswered as the working party lacked the information given that legislation forming the proposed National Park was not made public; thus what a National Park meant in practice was not known by both stakeholders and members on the working party (Johnson, 2009; McAreavey, 2010). Subsequently, this led some of the stakeholders in the farming and landowning community to disengage in the process and instead communicate their opposition in the way they did (Bell, 2011).

Collectively, this presents a threat to the Mournes as a tourism destination and also for sustainability. The failure of this stakeholder collaboration has caused disillusionment among the local community. Consequently, it is unlikely for some time that stakeholder collaborations attempts will be effective any time soon (Bell, 2011).

Further, Cassidy (2010) explains that there is a growing gap between supporters and critics regarding the National Park as such, this could cause increased conflict among stakeholders. The belief that stakeholder collaboration is hugely beneficial for tourism destinations is missing a very important point in that it can equally have a devastating impact if not carried out effectively. Further, for rural tourism destinations it can be particularly devastating in that it can have an impact on the two components deemed to be the region's competitive advantage.

Within regard to the results from the questionnaires, similar results were found as evident in Table 4. Opinions were divided in relation to the statement ‘I am involved in decision-making for tourism development in this community’. Of all stakeholder groups government respondents had the greatest involvement with (53%) being in agreement. With respect to this statement, there was insufficient involvement from the other stakeholder groups where only 14% of respondents from the host community and 22% of respondents from the tourism industry were in agreement. Table 4.Stakeholder's perception of stakeholder collaboration.

| **Statements stakeholder group** | **Agree (%)** | **Neutral (%)** | **Disagree (%)** |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **H** | **T** | **NG** | **G** | **H** | **T** | **NG** | **G** | **H** | **T** | **NG** | **G** |  |
| I am involved in the decision-making for tourism in this community | 14 | 22 | 31 | 53 | 20 | 34 | 36 | 20 | 66 | 44 | 36 | 27 |
| All necessary stakeholders are involved in the tourism development process | 15 | 22 | 43 | 47 | 34 | 38 | 14 | 20 | 51 | 41 | 43 | 33 |
| All stakeholders have an equal part to play in the decision-making for tourism development | 49 | 53 | 43 | 40 | 20 | 25 | 36 | 27 | 31 | 22 | 22 | 33 |
| I have always understood the topics brought up through the tourism development process | 34 | 48 | 64 | 80 | 29 | 23 | 21 | 7 | 37 | 29 | 14 | 13 |
| Sufficient education/training has been provided for topics unknown to stakeholders | 12 | 16 | 14 | 13 | 40 | 39 | 43 | 20 | 48 | 45 | 43 | 67 |
| My needs and concerns are met with current tourism development ***plans*** | 19 | 19 | 21 | 33 | 36 | 36 | 36 | 53 | 45 | 45 | 43 | 13 |
| Planners and developers have used a range of activities to best involve all stakeholder groups in the tourism development process | 25 | 30 | 36 | 47 | 31 | 30 | 7 | 27 | 44 | 40 | 57 | 27 |
| Planners and developers have actively sought out input from all stakeholder groups | 22 | 19 | 29 | 67 | 36 | 45 | 21 | 20 | 42 | 36 | 50 | 13 |
| I have only been involved in the later stages of the development ***plans*** | 17 | 13 | 21 | 47 | 62 | 84 | 57 | 27 | 21 | 3 | 21 | 27 |

H=Host Community; T=Tourism Industry; NG=Non-Governmental; G=Government.Source: Authors own source.

This indicates that stakeholder collaboration is not evident in the Mournes. Scholarly opinion holds that as stakeholder collaboration is the joint decision-making amongst key stakeholders (Jamal and Getz, 1995), then joint decision-making is not possible without the inclusion of all necessary stakeholders. This finding is in line with previous collaboration attempts in the Mournes. The survey further disclosed some variations amongst stakeholder groups in relation to ‘my needs and concerns are not met with current tourism development ***plans***’. Only 13% of government respondents were in disagreement with the statement, other stakeholder groups showed a higher percentage of disagreement: the host community (45%), the tourist industry (45%) and Non-Governmental Organisation's (43%). A possible explanation behind these high percentages of disagreement is their lack of involvement in the decision-making process in contrast to government stakeholders. This is in line with the previous research that indicated when decisions are made from the top-down they are not perceived by the local community to be representative of the community interests and opinions (Byrd, 2007). This too was found to be evident in previous collaboration efforts with the development of the MNPWP report, the power imbalance of the public sector over the private sector resulted in numerous issues raised during the public consultations to be avoided in the main report (The Mourne Trustees, 2007). Both primary and secondary data found that the failure of stakeholder collaboration in the Mournes to be caused by the absence of the conditions put forward by scholars which supposedly allow for the success of stakeholder collaboration (e.g. Bramwell and Sharman, 1999; Byrd et al., 2009; Gunn, 1994; Healey, 1998; Jamal and Getz, 1995; Nicodemus, 2004).

In relation to ‘all necessary stakeholders are involved in the tourism development process’, opinions were evenly decided amongst the host community, the tourism industry and between the non-government and government stakeholder groups. The former two stakeholder groups had a lesser percentage of respondents who agreed, the latter two had a greater percentage. This matches the research found through the content analysis of previous collaboration attempts which identified the insufficient involvement of a key stakeholder group: the landowners and the farmers in the Mournes. The large ownership of the land and ability to reduce/increase access to visitors, their dissatisfaction with tourism can negatively affect tourists as found by previous studies (Gursoy and Rutherford, 2004; Rodriguez, 2007). Despite this, their active involvement in tourism development is insufficient. In many collaboration attempts they were largely unrepresentative. In addition to the examples identified earlier, it was also found that they were inadequately representative in the development of the eastern Mournes Special Area for Conservation ***plan*** in that they were not involved throughout the process. Also more recently, with regard to the Mourne Mountain landscape partnership they were not included as one of the key representatives as in the report (The Mourne Heritage Trust, 2010). In fact, on some occasions they had no involvement at all. For instance, the Mournes working party report indicated that the Northern Ireland Tourism Board, the three councils and the Mourne Heritage Trust were collectively working on a tourism strategy that addressed the growth of tourism and marketing, infrastructural requirements and visitor management issues, but there was no mention of the involvement from landowners and farmers (The Mourne National Park Working Party, 2007). Consequently, their needs and concerns were not taken into consideration on many occasions. In the Mourne National Park proposal, a fundamental concern of farmers and landowners was that of occupier's liability, however, this was not addressed by the ***plans***. Thus, the farmers and landowners felt there were more costs than benefits and opposed the proposed National Park. This matches previous studies (Husbands, 1989; Lankford and Howard, 1994; Madrigal, 1993) that indicates stakeholders who gain benefits from tourism will support tourism development and vice versa.

The study further disclosed issues not identified in the secondary research. In response to the statement ‘I have always understood the topics brought up through the tourism development process’ reactions were varied greatly between different stakeholder groups. A greater percentage of government respondents (80%) and non-government respondents (64%) agreed with the statement, whereas respondents from the host community and the tourism industry had significantly lower respondents in agreement at 34 and 48%, respectively. Likewise only 12% of host community respondents and 16% of tourist industry respondents were in agreement with the statement ‘Sufficient education/training has been provided for topics unknown to stakeholders’. Collectively, these findings indicate that although the members of the host community and tourism industry may be involved in the decision-making process, their lack of understanding of tourism topics makes it questionable whether they are fully able to participate in the decision-making process at an equal level. These findings may too indicate the possible reason behind the lack of stakeholder involvement from these two stakeholder groups, as past research found that the lack of knowledge and understanding of stakeholders often prevented them from putting forward their ideas (Jepson et al., 2013).

**Conclusion and recommendations**

The purpose of this research was to ascertain the success of stakeholder collaboration within the Mournes AONB through the presence of conditions put forward by several scholars (Bramwell and Sharman, 1999; Byrd et al., 2009; Gunn, 1994; ; Healey, 1998; Jamal and Getz, 1995; Nicodemus, 2004). The findings reveal several things. In the context of the Mournes stakeholder collaboration has not been successful because numerous conditions are not in place. Negatively, the absence of such conditions has led to many negative consequences which affect both the competitiveness of the destination and also the chances of effective stakeholder collaboration in the future. As such, the research brings to light the importance of carrying out stakeholder collaboration effectively with the conditions put forward by scholars as key requirements to its success.

On a broader level, the research also brings to light the complexity of the process and raises questions regarding the widespread notion that stakeholder collaboration is always beneficial as found in the extant literature. In fact, the research reveals the opposite to be true in that even when attempted many times, and not done correctly it is just as devastating as no stakeholder collaboration at all. As such it raises the question should stakeholder collaboration be attempted at all if it is not fully certain that it can be implemented correctly based on the conditions put forward by scholars.

In terms of further research numerous areas were identified through this study. Firstly, this research found that the conditions put forward by scholars when absent had a severe impact on other conditions and the entire process itself. Given that all destinations differ from each other in order to improve the process of stakeholder collaboration, research similar to this should be conducted in other types of tourism destinations to identify the presence of conditions and their effects when absent. This may highlight some problems taking place at destinations as a result of unsuccessful stakeholder collaboration attempts and allow for the necessary action to take place while also allowing for research that will help improve the effectiveness of stakeholder collaboration.

Secondly, it would be naïve to presume that the end outcome of stakeholder collaboration can be determined as simply effective or ineffective. Instead, a more plausible assumption is that stakeholder collaboration has varying degrees of effectiveness throughout the process. Subsequently, future research should also focus on the positioning of the participation of stakeholders in order to be as effective as possible, namely should this be at the point of conception of an idea, at the point of implementation, or between conception of an idea and its implementation. Future research questionnaires should be designed to elicit responses to this issue from stakeholders. Only by understanding the effectiveness of stakeholder involvement can solutions to problems be developed, existing problems mitigated and action taken by the requisite governing bodies.

In terms of the case study area an important follow-up study would be to conduct longitudinal research to ascertain the long-term consequences of failed stakeholder collaboration attempts. As such, this future research could bring to light observations regarding stakeholders' perception towards tourism development, sustainability as well as attitudes residents exhibit towards tourists.

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[***Construction and industry drive growth in Atlántico, Colombia***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-731T-00000-00&context=1516831)

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**Length:** 3335 words

**Body**

Located in northern Colombia, the Atlántico department is one of 32 departments in the country. It is part of the Colombian Caribbean region, with the port city of Barranquilla as its capital. According to the National Administrative Department of Statistics, the population is estimated at 2.5m. In recent years, Atlántico has stood out for its positive economic performance in both absolute and relative terms, as reflected by growth and employment data. The employment rate has been rising steadily since 2008, reaching 58.4% in 2015, whereas unemployment has been hovering between 7.5% and 8% since 2012, posting a rate of 8% in 2015. This compares favourably with the country as a whole, where unemployment reached 8.9% in 2015.

**Key Contributor**

The department's GDP, as measured by 2005 constant prices, registered an increase of 5.34% in 2015. By comparison, the Colombian Caribbean region grew by 2.49%, Colombia as a whole registered 3.05% growth and the capital, Bogotá, 4.05%. In 2015 Atlántico also accounted for 4.2% of the country's GDP and 28.1% of the Colombian Caribbean's GDP, up from 4.1% and 27.4%, respectively, in 2014. Atlántico's chief economic sectors in 2015 were services at 43% of GDP, industry (15%), commerce (12%) and construction (9%), with the remaining sectors representing 21% of GDP, according to the Chamber of Commerce of Barranquilla (Cámara de Comercio de Barranquilla, CCB). The highest levels of growth in 2015 were in construction (11.4%), manufacturing (10.6%) and mining (5.3%).

**Capital City**

Barranquilla, the capital of Atlántico, is home to about 50% of the department's population. Yet the city's metropolitan area, comprising the municipalities of Galapa, Malambo, Puerto Colombia and Soledad, is much bigger, encompassing 82% of the population. In addition to being Atlántico's capital, Barranquilla is also a major industrial and trading outpost, partly due to its ***strategic*** location on the Caribbean Sea and the mouth of the Magdalena River, which connects the Colombian Caribbean coast to the interior of the country. Barranquilla's port infrastructure consists of 20 port concessions and 10 terminals. The Port of Barranquilla is the main multipurpose port in the Colombian Caribbean, with infrastructure for containers, bulk, coal, general cargo and project cargo (ultra-heavy and over-sized). In 2016 it handled a total of 4.6m tonnes, 131,616 tonnes more than in 2015.

Atlántico has 18 industrial parks located in the Metropolitan Area of Barranquilla, including: Metroparque Industrial y Comercial del Caribe, Parque Industrial de Malambo and Kilómetro 3, located in Barranquilla, Malambo and Galapa, respectively. There are also three permanent free trade zones (FTZs); Barranquilla Free Trade Zone, Atlántico International Free Trade Zone and La Cayena Free Trade Zone, and three special FTZs - Sykes, Clinical Portoazul and Termoflores.

Together with Santa Marta, Cartagena and a number of surrounding municipalities, including Soledad and Malambo, Barranquilla reported a growth rate of 4.9% in industrial production during the fourth quarter of 2016, the highest level recorded in this period. By comparison, Bogotá's industry contracted by 3.1%. Furthermore, over the course of 2016 industrial production in Barranquilla, Soledad, Malambo, Santa Marta and Cartagena rose by 5%, with growth being driven by beverages at 14.9%, other manufacturing with 9.3% and chemical products at 6%.

**Trade**

Atlántico has had a negative commercial balance for at least 15 years, yet this has not been a major cause for concern as the majority of imports are utilised by the manufacturing industry. In 2015 the CCB reported that 60% of Atlántico's imports consisted of primary inputs, intermediate products and capital goods destined to supply local industrial manufacturing, and therefore contribute to the production of goods oriented towards sales in various foreign markets. In 2015 Atlántico's imports showed an increase of 4.57%. The department's chief imports comprised aircraft manufacture at 28%; followed by fertilisers and pesticides (9%); motor and turbines construction (5%); basic iron and steel (5%); ***agricultural*** products (4%); and basic industrial chemical substances (2%), except for fertilisers. In term of trade partners, the US accounted for the largest share of imported goods at 38%.

As for exports, Atlántico reported an 18% increase in 2015. Leading exports included ships for the transport of merchandise, and those to transport people and goods (above 1000 tonnes), which accounted for 10.16%; followed by pesticides, ready for retail sale (9.69%); tugboats and pusher crafts of 50-1000 tonnes, as well as doors, windows and aluminium-based framings (5.53%). The US was the chief destination for Atlá ntico's exports at 18.1%, followed by the Free Trade Area of Cartagena (16.2%) and Brazil (13.8%).

Atlántico's expanding export performance in 2015 stood in contrast to Colombia's overall exports that year, which declined 34.9%. This feat arguably reflects the diversified character of the department's economy and the fact that its exports are not dominated by extractive resources. In turn, the evolution and composition of Atlántico's imports suggest that, despite the local currency's devaluation when compared to the US dollar in 2015, the industrial sector relies strongly on foreign imports, particularly highly technical products.

**Attracting Investment**

The chief drivers of investment in Atlántico department and its capital include its ***strategic*** location; logistics, transport and industrial infrastructure; as well as quality human capital and higher education institutions. "Barranquilla has a cost-competitive port. Many Colombian companies in the interior have set up shop here because the cost of exporting to other markets from Barranquilla and its surroundings is comparatively cheaper," Diana Cantillo, investment promotion coordinator at local investment agency ProBarranquilla, told OBG. "The city has a ***strategic*** geographic location and its port is complementary to that of neighbouring cities, such as Cartagena and Santa Marta."

Human capital and accredited universities also attract foreign investment, according to Cantillo. "Bayer, the German pharma and chemicals company, for instance, installed its Andean region operations centre in Barranquilla, taking advantage of not only its ***strategic*** location and logistics, but also the presence of higher learning institutions with the capacity to provide required professional preparation, namely in chemical engineering," she added.

In 2016 Atlántico attracted a total of COP1.34trn ($402m) in net capital investment, up from COP621.2bn ($186.5m) in 2015. The industrial sector accounted for the largest share of this at 43.2%, followed by services at 24.5% and commerce at 21.6%.

**Investment Incentives**

Atlántico offers investment incentives to new incoming firms, as well as to those that may wish to resettle in the metropolitan area of Barranquilla. In terms of taxes, exemptions for up to 10 years are available in the industrial, commerce, property and urban ***planning*** sectors. Bancóldex, a state-owned export development bank, offers credits at special interest rates for industrial firms investing in innovation, labour capital and equipment renovation, while INNP ulsa and the ***Plan*** to Support Productivity and Employment offer support on innovation, productivity and employment. There are also a number of sector-specific schemes, including in tourism where tax exemptions of up to 30 years are offered for new hotels built between 2003 and 2018, as well as for ecotourism developments over a period of 20 years starting from 2003. The ***agricultural*** sector benefits from tax exemptions for the development of late-harvest crops, such as palm oil, rubber and forestall plantations, including timber trees and sawmills. Tax exemptions are also available for investments in software development.

**Government Priorities**

Eduardo Verano de la Rosa, member of the Liberal Party of Colombia and second-time governor of Atlántico since January 2016, currently runs the regional government. His administration has an unprecedented investment ***plan*** in place and is estimating capital input of up to COP10.91bn ($3.3m) until 2019, including funding from a mix of regional and national sources at 40.63% and 48.4%, respectively. Public-private partnerships (PPPs) are expected to contribute 7.3% and the Corporación Ambiental del Cuatrienio 3.56%. Regional government priorities under Verano de la Rosa range from supporting social services and economic development to focusing on environmental issues and basic needs.

Meanwhile, the 2016-19 development ***plan*** for Barranquilla foresees a total investment of COP17bn ($5.1m) during that period, up from COP7bn ($2.1m) between 2012 and 2015, and COP3.8bn ($1.1m) for the 2008-11 period. Funding sources include internal resources at 29%, followed by transfers (24%), capital resources (9%), national government investment (16%), regional government investment (2%) and public-private financing instruments (19%).

The government of Alejandro Char Chaljub, of the Radical Change political party and second-time mayor of Barranquilla since 2016, is now focusing on four priorities that cover a range of initiatives that address support for social services, infrastructure development, employment, entrepreneurship and investment in security, mobility, urban ***planning***, housing and climate change. While tax collection efforts have generally improved, dwindling extractive resource royalties and an increasingly austere fiscal policy at the national level have some wondering whether Atlántico and Barranquilla will be able to fully execute their development ***plans***, as they partly depend on national funds.

**Competitiveness**

According to the Department Competitiveness Index, which is a study conducted on a yearly basis by the Private Council of Competitiveness (Consejo Privado de Competitividad, CPC), a national non-profit organisation, Atlántico is not only the most competitive department in the Colombian Caribbean region, but it also figures among the top 10 most competitive departments of Colombia, out of a total 26 assessed by CPC. In 2016 Atlántico ranked ninth, unmoved from 2015. It is also considered to be one of the most developed departments of Colombia, alongside Antioquia, Bogotá DC, Bolivar, Boyacá, Cundinamarca, Santander and Valle del Cauca.

In 2016 Atlántico saw improvements in various areas assessed by CPC, including in terms of institutions, market size, basic and middle education, and environmental sustainability, as well as innovation and entrepreneurial dynamics. Its ranking worsened, however, in the areas of infrastructure, health care and market efficiency. Nevertheless, Atlántico continues to stand out for having good rankings in a number of areas that include: eighth in infrastructure, sixth in market size, third in health care, ninth in higher education and training, sixth in sophistication and diversification, and fifth in innovation and entrepreneurial dynamics.

**Energy Growth**

As previously mentioned, Atlántico has displayed strong levels of growth in recent years, offering opportunities for investment in a variety of sectors within its diverse economy. Energy is one such industry with strong potential. Opportunities in energy resource exploration, namely in hydrocarbons off the north coast of the country, are gaining traction (see analysis). There is also potential in renewable energies, including solar, wind and hydropower.

Alberto Vives de la Espriella, regional director at the National Business Association of Colombia (ANDI), told OBG, "A foreign company has been developing a pilot project in hydropower for about one year, having installed energy production equipment at 1000 metres of depth in Barranquilla's waters, with the capacity of generating of 5-10 MW. If successful, they will likely move into other areas of the country and the world, as well. The adoption of renewable energies could help to bring down energy costs in the region."

This is all the more relevant in the current context of the crisis affecting electricity distribution in the Colombian Caribbean, demonstrated by power cuts to individual and industrial customers alike, with the latter having to resort to alternative ad hoc solutions. In November 2016 the federal government intervened in Electricaribe, the region's electricity distributor, managed by Spain's Gas Natural Fenosa. While the situation may take some time to remedy, some companies are already looking at sustainable solutions. For instance, Tecnoglass, a major Colombian glass ***producer*** and the only company based in Barranquilla to be traded on NASDAQ, has invested $3m in solar power generation.

**Transport**

Transport infrastructure is a key driver of investment growth in Atlántico. In fact, the regional government's development ***plan*** foresees the financing of key ongoing or pending projects through PPPs, which include: a project aimed at improving navigation on the Magdalena River, which is the largest in the country; the construction of the new Pumarejo Bridge over the Magdalena River; the construction of the Puente de la Hermandad Bridge, connecting Salamina to Puerto Giraldo; the strengthening of the Canal del Dique channel; and the construction of the metropolitan area's Circunvalar Road, also known as Circunvalar de la Prosperidad. According to ProBarranquilla, a number of future ***plans*** are also in the works. These include a deepwater port in Barranquilla; a port corridor connecting Circunvalar Road and Pumarejo Bridge; rehabilitation and construction along the Sun Route; connecting Atlántico to Bogotá; and expanding and modernising Barranquilla's Ernesto Cortissoz International Airport.

While some of the aforementioned initiatives, such as the new Pumarejo Bridge or Circunvalar de la Prosperidad, are reported to be advancing well, other projects have either yet to begin or have run into obstacles. The dredging of the Magdalena River and the construction of the second section of the Sun Route in particular have hit walls in the form of corruption scandals involving Odebrecht, a Brazilian construction company working on both developments.

**Industry**

As demonstrated by its contribution to GDP and exports, the industrial sector plays a central role in the Atlántico department's economy. In 2016 the industrial sector attracted COP57.92bn ($17.4m) in net capital investment, which was 43.2% of the total registered for Atlántico at the time. Currently, there are investment opportunities in a variety of subsectors which include agri-business, chemicals and manufacturing.

The regional government seeks to promote the development of the agri-business sector. "***Agricultural*** production in Southern Atlántico declined in 2010 as a result of floods, and has been improving in recent years, although it is yet to recover past production levels," Carlos Mancera, communications director for Atlántico's government, told OBG. "The government wants to re-energise this area as an ***agricultural*** production base, establish an agri-business processing platform in Central Atlántico and export it through developing areas like Santo Tomás. In this context, it ***plans*** to support the development of technical centres in each relevant area of the department to enhance sector-specific education and training, in turn aiding the creation of up to 18 agri-business nodes in Atlántico."

In more general terms, "the trend in the industrial sector appears to be one of growth", according to Bernard Saby, director-general at Uniphos Colombia. "In the chemicals sector, there has been a number of investments in production capacity in recent years, such as with Bayer, Dow or ourselves, and there is room for growth in locally sourced inputs, as in product packaging. In manufacturing, Tecnoglass is setting the trend among larger companies, feeding growth through a company investment and debt fund," he said.

**Construction**

In addition to being the sector with the highest level of growth, at 11.4% in 2015, construction also attracted a significant share of investment in 2016. Bringing in COP99.87bn ($30m), construction accumulated 7.4% of all net capital investment inflows into the Atlántico department in 2016, making it the fourth-largest sector in terms of net capital investment in that year. Furthermore, 49.4% of all net capital investment in the industrial sector - a total of COP49.83m ($14,800) - went into construction materials, specifically cement, lime and plaster.

Aldryn Polo Saavedra, regional coast manager at local furniture company Milestone, told OBG, "The construction sector has been thriving for various reasons, including, among others, the signing of the peace agreements and associated growth and investment opportunities, combined with national and regional government ***programmes*** aimed at supporting infrastructure and housing development."

Saavedra expects the department's construction industry to continue expanding in 2017 and over the next two to three years as well. However, within this trajectory he notes a possible slowdown in social housing construction as government impetus in this area has been diminishing. While room for growth in Barranquilla and Cartagena may be more limited in the future, secondary cities are likely to offer opportunities for investment. In September 2016 Camacol Atlá ntico, the regional section of the Colombian Chamber of Construction, expected full-year growth of 7% for the construction sector in Barranquilla and Atlántico.

**Business Tourism**

A range of tourism destinations are present throughout the department, with Cartagena and Santa Marta particularly well known for cultural and historical tourism, and ecotourism, respectively. Barranquilla, for its part, is investing in business tourism. The inauguration of the Puerta de Oro Convention Centre - the only facility of its kind in the Colombian Caribbean region - in August 2016 is thus an important step. Cantillo told OBG, "Up to December 2016, six fairs had been organised, with double that number expected in 2017." According to a study from Fundesarrollo, a local think tank, Puerta de Oro is expected to create around 25,000 jobs and contribute COP2.2bn ($660,000) to the region's GDP, in addition to increasing international visits to Barranquilla by 40%.

**Outlook**

With a diversified economy and high levels of growth, Atlántico department and its capital, Barranquilla, have seen above-average growth compared to other regions in Colombia in recent years. A ***strategic*** location, expanding logistics and transport infrastructure, a significant industrial sector, and the development of human capital and accredited universities have drawn in investors and are likely to continue doing so in the future. Although construction, a key growth driver, may slow somewhat in the medium term, there are signs that the efforts to further diversify the economy while exploring niche sectors could lead to investment opportunities in related sectors. Areas of focus are likely to include renewable energies, business tourism and hydrocarbons offshore exploration.

Within this context, the outlook seems positive, albeit not without challenges. The adoption of a more austere fiscal policy at the national level could affect the disbursement of central government funds to the region, causing delays in regional projects. In more specific cases, surfacing corruption scandals could have a similar effect. Moreover, the energy crisis surrounding electricity distribution, despite government action, could also take some time fix. Because of this, as the department concludes a series of major infrastructure projects, the onus is expected to shift increasingly towards the quality of services provided. Ensuring high levels of service will be vital for Atlántico to remain competitive going forward, as will investing in key economic areas like innovation and entrepreneurship. Its competitiveness scores show that Atlántico is on track.

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[***Africa; THE BANKER AWARDS 2017AFRICA WINNERS***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RG4-BBV1-DY9P-N4GK-00000-00&context=1516831)

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**Section:** NEWS; Pg. 170,172,174,176,177,178,180,182,184,186,187,188,189

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**Body**

ALGERIA Citi Algeria Despite the difficulties posed by lower commodity prices, Algeria's 2016 economic perf o r m a n c e w a s r e l a t i v e ly re s i l i e n t. Nevertheless, the challenges that the country continues to endure are significant. Current account and fiscal deficits have grown in recent times, while the government has introduced a number of regulatory initiatives that have negatively impacted the fortunes of the country's banks. These include new import licences for construction material and consumer products as well as reductions to the foreign obligation to regulatory capital ratio, among others.

In this environment, Citi Algeria has once again scooped the country award. Above all, the judges were impressed with the bank's commitment to customer service in challenging circumstances. In addition, the bank's efforts to support community development and financial inclusion initiatives were also praised.

In terms of the numbers, Citi Algeria's return on equity remained relatively stable at 13% in 2016, down from the 14% registered in the previous year but up from the 12% recorded in 2014. In 2016, its cost-to-income ratio was constant year on year at 35%. Asset growth in 2016 hit 10% in local currency terms, although net profits and Tier 1 capital both fell by 6% and 5%, respectively.

Citi Algeria's commitment to social development saw the bank partner with Enactus, a global non-profit entity focusing on entrepreneurial action, to develop the employability and skills of 1500 young people in the country by 2018. This same ***programme*** is also being rolled out in two other Maghreb countries.

"Under an increasingly competitive environment, Citi in Algeria has been standing out as we have been able to strengthen our operations, to efficiently serve our clients with world-class products and to grow our market shares at a time where market is shrinking," says Ramz Hamzaoui, chief executive of Citibank Algeria.

ANGOLA Standard Bank Angola The winner of this year's Angola country award, Standard Bank Angola, has gone from strength to strength in recent times. A return on equity of 49% in 2016 was accompanied by a cost-to-income ratio of 59%, representing a massive reduction from the 71% registered at the end of 2014.

In local currency terms, net profits surged over the 2016 review period with an increase of 50%, while assets jumped by 23% and Tier 1 capital rose by 60%. These achievements have come despite the bank operating in the market for only seven years as of 2017.

"Standard Bank Angola celebrated seven years in operation in the Angolan market this year. The main challenge of setting up a new business in a foreign market with strong entrenched competitors has been access to skills and the creation of a unique Standard Bank Angola culture in the market," says Antonio Coutinho, chief executive of Standard Bank Angola.

Over the past 12 to 15 months, Standard Bank Angola has invested heavily in processes designed to improve its customer serv i c e p r o p o s i t i o n. T h i s i n c l u d e s improvements to its payments workflow, covering the automation of tasks and reducing the turnaround times, as well as the implementation of a new internet platform for private banking and commercial clients, among other improvements. "[We have refocused] the business on being a far more customer-centric business, [which was] achieved through the creation of a dedicated senior executive position," says Mr Coutinho.

On the personal and business banking front, Standard Bank Angola is driving forward with a multi-channel digital development strategy. This focuses on six key principles, including digital security, branch digitisation and new product development, among others.

BENIN Bank of Africa Benin Benin's economic performance has remained relatively robust despite a more challenging regional economic environment in recent years. The International Monetary Fund expects full-year gross domestic product growth of 5.4% in 2017. But serious challenges still exist, ranging from the impact of cooling economic fortunes of larger neighbours to a changing domestic political environment. This has required the country's banks to be adaptable, innovative and forward thinking.

The winner of the 2017 country award, Bank of Africa Benin has displayed all three of these qualities in abundance.

"In the past year, Bank of Africa Benin has faced [a number of ] challenges, [including] the large-scale slowdown of economic activities due to the economic downturn in Nigeria, Benin's main economic partner. [In addition], there has been a slowdown in private domestic and foreign investment due to the 2016 election and the change of the government," says Faustin Amoussou, managing director of Bank of Africa Benin.

Despite these difficulties, the bank registered impressive growth numbers across all key performance indicators. In local currency terms, net profits surged by 29% in 2016, while assets and Tier 1 capital increased by 9.7% and 6%, respectively. Return on equity, meanwhile, grew to 21.4% from 18.4% in the previous year.

Over the past 18 months, Bank of Africa Benin has taken a number of steps to improve its position in the market. This includes the introduction of a pricing task force to conduct market research on bank pricing in order to set competitive pricing for its own services, as well as a 'customer first' ***programme*** to improve the customer experience. "[Over the next year] we will develop products and services for real estate and home loans, consumer and home appliance loans, a customer loyalty ***programme*** and a proprietary solution for mobile banking," says Mr Amoussou.

BOTSWANA FNB Botswana Botswana's economic growth is slowly recovering from the lows of recent years, as an improving outlook in the mining and services sectors helps to spur a wider recovery across the country. In turn, this is providing the country's banks with a more positive growth trajectory. The winner of the 2017 country category, FNB Botswana, impressed the judges based on its customer-centric approach to growth, as well as its solid financial performance.

Over the review period, the bank saw its assets increase by 4%, while Tier 1 capital grew by 10%. Though net profits decreased, FNB Botswana's return on equity hit 20% and its non-performing loan ratio sat at a comfortable 3%. Looking ahead, the bank intends to pursue its overarching customer-centric strategy to achieve increased growth. This includes four ***strategic*** initiatives that cover the extraction of maximum value from the current business, by streamlining business processes, deploying more products from the group level (FirstRand), leveraging ***strategic*** partnerships and diversifying revenue streams.

In terms of innovative new offerings, FNB Botswana launched its eBucks rewards ***programme***, which helps customers to earn as they bank. Under eBucks, qualifying customers are rewarded when they use pre-paid airtime or pre-paid electricity through the bank's electronic channels. In addition, the bank's private clients can earn up to 1.5% back in eBucks through credit card transactions.

Meanwhile, FNB Botswana's multi-channel growth strategy continues at pace. This includes the development of a new digital offering known as the Integration Race that will see the bank integrate its systems with government, private companies and parastatals to facilitate access to new services. "Behind our customer-centricity strategy is the digital migration, and effort to encourage our customers to utilise our digital service platforms which are more convenient and cost-effective for them," says Steven Lefentse Bogatsu, chief executive of FNB Botswana.

BURKINA FASO Orabank Things are looking up for Burkina Faso. The country registered gross domestic product growth of 5.9% in 2016, up from 4% in 2015 according to the World Bank. Despite rising insecurity across the wider region, the government's investments in public infrastructure, coupled with an expanding mining sector, underline the brighter outlook for Burkina Faso relative to some of its regional peers. These improvements are having a tangible impact on the country's banks and the winner of this year's country award, Orabank Burkina Faso, is no exception.

"Burkina Faso is presenting glimmers of hope with positive events such as the normal functioning of all the institutions of the republic and the start of the PNDES, Burkina Faso's ***strategic*** ***plan*** for growth. We are confidant Burkina Faso will grow steadily in the coming years," says Martial Goeh-Akue, managing director of Orabank Burkina Faso.

This is the first time that Orabank has scooped the country award for Burkina Faso. The judges were impressed with the bank's excellent financial performance over the review period, as well as its investments in digital banking. Over the review period, Tier 1 capital increased by 29% in local currency terms, while assets and net profits both surged, by 58% and 35%, respectively. More encouraging still, Orabank's return on equity hit 34% in 2016, up from 32% in the previous year, as its cost-to-income ratio fell to 59% from 66%.

This truly impressive financial performance was achieved in tandem with a number of investments in the bank's digital capacity. In 2016, the bank implemented a new banking system called 'Sopra Amplitute Banking'. This new software promotes automated transaction processing while offering multi-channel availability 24/7 to offer customers a wide range of services. "It facilitates the production of statistics and [enable us] to meet the challenge of digitalisation," says Mr Goeh-Akue.

CAMEROON Ecobank Cameroon The winner of the 2017 Cameroon country award, Ecobank Cameroon, emerged as the standout entry in a competitive category. The bank's return on equity surged to 50% over the 2016 review period, up from 44% in the previous year. Net profits, meanwhile, increased by 18% as Tier 1 Capital grew by 5%. This performance was achieved with a cost-to-income ratio of 58% and a non-performing loan ratio of 3.9%.

The judging panel was particularly impressed with the bank's approach to customer service and the various innovations that it has introduced in the market. This includes the launch of the Ecobank mobile app, the first mobile app in Cameroon, which permits customers to check their balance, pay bills and transfer money anywhere, any time. The introduction of Masterpass QR allows the bank's corporate clients to better manage their cash by receiving instant payment alerts, while on the retail side, customers can pay merchants by scanning and validating a QR code on their mobile phones.

Meanwhile, the introduction of the lender's Rapid-Transfer Online service gives all Ecobank customers the opportunity to execute cross-border transfers through the bank's website.

Other market-shaping innovations have also helped to spur the bank's growth. This includes the launch of instant card and PINs for customers in the branch, as well as the introduction of pre-paid cards for both account and non-account holders to capture a larger segment of the unbanked population.

Indeed, Ecobank's efforts to promote financial inclusion have seen its agency banking model deploy pre-paid card offerings and remittances products throughout some of Cameroon's most remote regions. For these reasons, and others, Ecobank comfortably secured the 2017 country award.

CHAD United Bank for Africa Chad Chad's economic growth has cooled in recent years as the twin challenge of regional insecurity and lower oil prices have taken their toll on the country's prospects.

The International Monetary Fund expects gross domestic product growth of just 0.6% in 2017. But it is not all doom and gloom for the country's banks. Indeed, the winner of this year's country category, United Bank for Africa Chad (UBA Chad), has gone from strength to strength of late.

Between 2014 and 2016, the lender's return on equity climbed from 11% to 19%, just as its cost-to-income ratio fell from 76% to 66%. Meanwhile, in local currency terms, the bank saw its net profits surge by 105% in 2016 following a marginal contraction the previous year. Assets growth also jumped considerably, reaching 70% over the review period.

UBA Chad's success in a difficult market is a testament to the strength of its growth strategy. The bank has prioritised the diversification of its lending activities to the most resilient sectors of the economy. In particular, UBA Chad has targeted the massive development opportunities presented by intra-African trade initiatives which in turn has generated multiple revenue streams, including foreign exchange and fee-related incomes.

Over the review period, UBA Chad also upgraded its core banking system, from Finacle 7.0 to Finacle 10. This has helped to increase the bank's service delivery to support its rapidly growing retail business across the country. In the growing retail sector, the bank has a country-wide network of branches that act in tandem with an after sales service delivered through various e-channels designed to improve and ease the overall customer experience.

DEMOCRATIC REPUBLIC OF THE CONGO Trust Merchant Bank Recent times have not been kind to the Democratic Republic of the Congo (DRC). Political instability and the lingering impact of lower commodity prices have hit the country's economic fortunes hard; the value of the Congolese franc has slumped, inflation has spiked and economic growth has cooled. In these circumstances, the country's banks have suffered. But the winner of the 2017 country award, Trust Merchant Bank (TMB), impressed the judges based on its unique strategy, financial inclusion initiatives and commitment to investing in its capabilities during a challenging time.

"Despite the broader environment, TMB has achieved a number of successes during the past year. Chief among these is a partnership agreement with the Congolese Post Office which will see TMB provide banking services at post offices across the country, with a particular focus on remote areas. A wholesale redevelopment of the bank's IT infrastructure, critical to providing for ongoing sustainable growth, has been another major success of the year," says Oliver Meisenberg, chief executive of TMB.

Indeed, TMB's partnership agreement with the DRC's post office will offer the bank a number of unique advantages. For one, it will expose the lender to hundreds of thousands of potential new clients across the country. But it will also help to diversify TMB's revenue sources, loan portfolio risk and liquidity position. Under the terms of the partnership, the bank will initially restore 60 post office locations out of a total network of 350.

Meanwhile, TMB's progress in the digital banking space is progressing swiftly. "With Pepele Mobile, our revolutionary mobile banking product, we can say with some confidence that TMB is owning the fintech revolution here in the DRC," says Mr Meisenberg.

DJIBOUTI Exim Bank Djibouti Exim Bank Djibouti enjoyed a strong year in 2016, mirroring the economic conditions in a country that grew by about 6.5% over the period. Net profits at the bank surged, hitting $2m, which was an increase of 259% from the previous year. Total assets and Tier 1 capital increased by 76% and 74%, respectively, while the bank's cost-to-income ratio fell drastically over the same period from 77% to 58%. As a newer entrant in Djibouti's banking market, this performance was deeply impressive.

"The main challenge in the past year was to build the [bank's] name and the market's confidence in an industry predominantly dominated by two major players with a large market share and historic background," says Jacky Kayiteshonga, country managing director for Exim Bank Djibouti.

The lender's strategy is to focus on high-performing sectors of the economy with the objective of banking the entire value chain of each targeted segment. This includes large corporates, key suppliers and corporate clients, employees and other stakeholders.

Exim Bank Djibouti will continue this approach over the coming year as it broadens its clientele base to include major commercial houses ranging from cargo transit partners, fast-moving consumer goods groups, free zones and public institutions. In a mark of its growing role in Djibouti's banking market, the lender participated in the financing of fibre optic cable network for the country's national telecoms operator.

"The success over the past years from our ability to understand the peculiarities of the market we are playing in and tactically delivering products and services that fit our client base. Continuous interaction with our clientele, availability, expertise and knowledge of our human capital are the key drivers of our success story," says Mr Kayiteshonga.

EGYPT Arab African International Bank Arab African International Bank's (AAIB's) eye-catching list of recent achievements is impressive. But it was the lender's 179% increase in net profits in 2016 that best sums up its country award-winning performance. This was the highest increase in the Egyptian banking industry and builds on already impressive 19% growth in net profits in 2015. This was accompanied by a 75% increase in assets and a 170% jump in Tier 1 capital.

The judging panel was also impressed with AAIB's improving return on equity, which reached 18.2% in 2016, up from 15.6% in 2014, as well as its cost-to-income ratio, which was 19.9% over the review period.

"We achieved the highest increase in profit in the Egyptian banking sector while we ensured the growth of our clients in Egypt and the region. At the same time, AAIB expanded its client base to include a new segment, small and medium-sized enterprises, in addition to extending [our microfinance offering]," says Hassan Abdalla, chief executive of AAIB.

Beyond the numbers, AAIB's various business initiatives captured the attention of the judges. These include the bank's new partnership with the Suez Canal Economic Zone, in which it became the first lender in the country to sign a deal covering banking services, financial consultancy and the funding of mega-projects. In addition, AAIB is currently upgrading its core banking system to Temenos T24, which will improve its system architecture, operational activities and system security and control, among other features.

Meanwhile, AAIB's outlook remains bright. "Opportunities lie ahead in catering to international investors targeting Egypt, the Gulf and Africa. There is also growth potential in funding mega-projects that are currently booming in Egypt," says Mr Abdalla.

EQUATORIAL GUINEA Banco Nacional de Guinea Ecuatorial As is the case in other oil-***producing*** countries in the Gulf of Guinea, Equatorial Guinea has struggled to adapt to a lower global price environment. With hydrocarbons dominating the national economy, the outcome has been heightened fiscal and external imbalances and cooling growth. Nevertheless, the winner of this year's country award, Banco Nacional de Guinea Ecuatorial (BNEG), was better prepared than many of its peers for this reversal in fortunes.

In 2012, the bank's leadership radically restructured the lender's business priorities by focusing on the strongest retail segments, including public servants, as well as corporations with high revenues and cash flow, such as retailers. In terms of sectors, the bank looked to high-growth targets such as ***agriculture*** and fishing.

Cumulatively, this strategy has paid dividends and softened the blow for BNEG during a challenging time for the market as a whole.

"The recent crash in the market value of oil, the country's main source of revenue, could have had a severely damaging effect on the bank´s profit results for the years 2016 and 2017. However, our relentless pursuit to innovate our catalogue of financial products, as well as our highly efficient risk management procedures, has allowed us to maintain a stable track of profits, similar to previous years when the country's economy was in better shape," says Manuel Osa Nsue Nsua, chief executive of BNEG.

In recent times, BNEG has massively expanded its network of branches, from 13 to 22, to become the bank with the largest footprint in the country. In addition, it has also developed an online banking service for its clients as part of its 2015-17 ***strategic*** ***plan***.

GABON United Bank for Africa Gabon Gabon, Africa's fifth largest oil ***producer***, has been struggling to diversify its economy in a challenging economic climate. Gross domestic product growth slowed to 2.1% in 2016, down from 3.9% in 2015 as the country's current account deficit has increased and the fiscal deficit has widened. Though a $642m International Monetary Fund facility is expected to help the government over the medium to longer term, the country's immediate prospects are less promising. Nevertheless, it hasn't been all bad news for the country's banks. Our winner in the 2017 country award, United Bank for Africa Gabon (UBA Gabon), has performed particularly well despite these challenging circumstances.

The bank's net profits, in local currency terms, increased by 87% in 2016. Though this, in part, reflects a more difficult performance in 2015 when net profits fell by 54%. Total assets grew by 19% over the same period, marking a significant improvement on the 1% growth recorded in 2015. More impressively, UBA Gabon's return on equity increased over the review period by reaching 12%, up from the 6% it posted in the previous year. In addition, its cost-toincome ratio and non-performing loan ratio both fell by 1% year on year, hitting 73% and 1%, respectively.

UBA Gabon's financial inclusion initiatives also impressed the judging panel. In particular, the launch of the bank's prepaid cards for customers without bank accounts, representing one of the first offerings of this type in the country, stood out. UBA Gabon also provides an agency banking platform to microfinance institutions looking to bank underserved segments of the population as well as micro, small and medium-sized enterprises across the country.

GAMBIA Ecobank Gambia Ecobank Gambia has reason to be pleased with its recent performance. In 2016, the bank registered net profit growth of 3%, after achieving 64% growth in 2015, while total assets and Tier 1 capital increased by 8% and 31%, respectively. Return on equity was strong at 22% and the bank's cost-toincome ratio was more or less steady at 58%. Underscoring this performance is the bank's strategy; to build a simple and digital brand the helps customers to access their accounts 24/7 and ensure that they receive faster and more efficient service through the use of technology.

"Our mobile banking app provides retail customers with 'whenever and wherever banking' using their mobile phones and they can check account balances, transfer money, pay bills and generate statements from the comfort of their current location," says Josephine Anan-Ankomah, managing director of Ecobank Gambia.

Innovations such as Ecobank's Xpress Account also caught the attention of the judges. This account uses a customer's mobile phone number and the Ecobank mobile app to open a new bank account. This is the fastest means possible for a customer to open a new account.

"Our ***plan*** is to continue to innovate our products and services and, most especially, fully implement agency banking and the increased digitalisation of our products to significantly improve financial inclusion," says Ms Anan-Ankomah.

Meanwhile, Ecobank Gambia has also been pursuing a strategy of revenue diversification to improve risk management, augment shareholder value and increase the bank's operational efficiency. This is being executed in tandem with efforts to recruit and keep the country's best talent and to become the employer of choice in the banking industry.

GHANA Zenith Bank Ghana Though Ghana's economy has improved over the course of 2017, it registered gross domestic product growth of just 3.5% in 2016, its lowest level in two decades. But if the market as a whole was depressed over this period there is little evidence that it troubled the 2017 country winner, Zenith Bank Ghana, at all.

The lender's net profits increased by 76% in 2016 while its total assets and Tier 1 capital grew by 34% and 32%, respectively. Beyond this, Zenith Bank Ghana's return on equity increased to 40% from 29% year on year, while its cost-to-income ratio fell to 40% from 44%.

"The bank prides itself with the creation of a reputation for excellent customer service and a respectable corporate governance culture. Consequently, our balance sheet has grown by 45% year on year and we have maintained a customer retention rate of 99.97%. These have resulted in the bank winning notable awards across the globe," says Henry Oroh, managing director and chief executive of Zenith Bank Ghana.

Over the 2016 review period, the bank pursued a number of ***strategic*** initiatives. These included a greater emphasis on retail banking to minimise the reliance on volatile corporate deposits, the development of innovative products and services to cater to the unbanked population, and the development of a state-of-the-art 24/7 customer contact centre.

"The bank will continue to stay engaged with customers and focus on initiatives that will position it as a market leader in the Ghanaian banking industry. Opportunities are also expected to emerge from increased infrastructural spend, developments in the oil and gas sector, and expansions in trade services for private sector growth," says Mr Oroh.

GUINEA Ecobank Guinea Guinea's economy is slowly recovering from the shocks associated with the outbreak of Ebola across the region and the commodity price slowdown of recent years. Economic growth reached 6.6% in 2016, while the International Monetary Fund expects 6.7% growth in 2017 thanks to an improving ***agricultural*** output and stronger activity in the mining and construction sectors. This offered a fertile growth environment for the country's banks. The winner of the country award, Ecobank Guinea, saw its net profits increase by 30% in 2016, while total assets and Tier 1 capital grew by 22% and 9%, respectively.

Nevertheless, challenges for Guinea's banks remain. "In the market, we are facing disruption from big telecommunications firms deploying mobile payments, such as cash in-cash out and bill payments across the country. In fact, this is not really a surprise since the regulatory [environment is changing] and telcos and various fintech groups are attacking every aspect of the financial services sector [in the country]," says Moukaramou Chanou, managing director of Ecobank Guinea.

Ecobank Guinea has worked hard to improve its in-country distribution in recent times. This is done through eight branches in the capital, Conakry, and 12 across the country. This is accompanied by 39 ATMs country-wide, accepting Visa, MasterCard and China UnionPay. In addition, the bank boasts 56 electronic payment terminals in the country.

"We want to close 2017 with 50,000 new customers using mobile and by 2018 we want to double this figure. The target is to have more than 400,000 customers before 2020. We will continue our mission to create a truly world-class pan-African bank while contributing to Guinea's economic development. That's why our new campaign focuses on our mission to help people realise their dreams," says Mr Chanou.

KENYA KCB Group KCB Group, the winner of the 2017 Kenya country award, stood out in a competitive country category based on its strong financials, its commitment to customer service and technological innovation.

The bank's net profits surged by 19% in 2016, while assets and Tier 1 capital grew by 7% and 27%, respectively. KCB Group's return on equity, meanwhile, hit 24% over the review period, up from 21% in 2015. This striking growth was achieved despite a number of pressing challenges in the market. "The general operating environment has been fraught with difficulties, ranging from a prolonged electioneering period in Kenya to a change in market conditions occasioned by a cap in interest rates that was introduced in [the country]," says Joshua Oigara, chief executive of KCB Group.

KCB Group impressed the judging panel with its unique strength in the mobile banking space. Over the review period, the group as a whole boarded an additional 10 million customers onto its mobile bank offering. This allows customers to open an account through their mobile phone. KCB Group is also able to score each client, enabling customers to secure credit via the same means. Mobile banking now accounts for 57% of the group's total transactions. For customers who do not have smartphones, the bank has developed USSD banking, allowing them to benefit from the nearly 15,000 agency outlets the group boasts across the wider east Africa region.

"The bank continues to perform well despite these challenges as reflected in our exemplary 2017 half-year performance, which recorded a pre-tax profit of Ks14.75bn [$142.7m]. This was boosted by a strong performance of our core retail and corporate business, non-interest income and lower interest expense," says Mr Oigara.

MAURITIUS Mauritius Commercial Bank As an open and globally integrated country, Mauritius's economy has been buffeted by regional and international headwinds in recent years. But the sophistication and strength of its banking sector has meant that many of the country's lenders have nevertheless been able to post stellar growth numbers. Mauritius Commercial Bank (MCB), this year's country winner, is no exception. By year-end 2016, net profits had increased by 14.9%, while total assets and Tier 1 capital grew by 12% and 10%, respectively. These strong numbers were achieved despite an array of challenges at home and abroad.

"The bank pursued its business growth [strategy] in spite of challenging operating conditions that prevailed on both the domestic and regional fronts. In Mauritius, sluggish investment levels and growing recourse to non-bank financing by corporates continued to impact the demand for credit," says Alain Law Min, chief executive of MCB.

With a ***strategic*** outlook that focuses on an expansion of the bank's offerings and frontiers, and the completion of its transformation into a digital lender with a human touch, MCB is not short of ambition. Indeed, its cautious growth across the African continent is granting the bank a strong footprint in fast-growing markets in southern and eastern Africa.

In tandem, MCB's project finance business is branching out to new and swiftly developing markets including Kenya, Tanzania, Rwanda, Côte d'Ivoire and Ghana, among others. In doing so it is also widening its participation to new industries, including shipping, telecommunications, aviation and solar energy.

"MCB has sharpened its focus on growth pillars and pursued its regional market diversification agenda. Towards those ends, it has judiciously leveraged its human and physical resources, while furthering technological innovation," says Mr Law Min.

MOROCCO BMCE Bank of Africa In a competitive country category, BMCE Bank of Africa emerged as the clear winner in Morocco for 2017. The judging panel was impressed with the bank's support for social and economic development across its operating footprint, its commitment to digital innovation in terms of product and service offerings, as well as its strong regional growth across the African continent. These factors, coupled with its solid financial performance, ensured that it scooped the country award.

The bank's net profits grew by 4% in 2016 while its total assets and Tier 1 capital exhibited a similar upward trajectory, by expanding 9% and 5%, respectively.

In July 2016, the bank launched its first digital branch to improve the services available for customers living outside of Morocco. This digital branch permits customers to open a bank account through their computer, tablet or smartphone 24 hours a day, seven days a week. In addition, customers can subscribe to the bank's products and services and seek assistance in up to seven different languages with a bank adviser through the online chat system or by telephone.

BMCE Bank of Africa's African Entrepreneurship Award was a standout component of the bank's entry. This award helps to offer seed financing to launch and scale small businesses across Africa. The annual award provides seed financing to 21 small businesses across the continent and is applied for by businesses from all 54 African countries.

"Beyond its solid financial performance in 2016, our group continued to invest in sustainable development through a pioneering approach, best illustrated through the BMCE Bank Foundation's initiative in promoting education in rural areas, the support and development of entrepreneurship across Africa, in addition to setting up the first building blocks in positive impact finance," says Othman Benjelloun, chairman and chief executive of BMCE Bank of Africa.

MOZAMBIQUE Millennium bim Our winner for the 2017 Mozambique country award, Millennium bim, has gone from strength to strength in recent times. Stellar financial growth has been accompanied by investments in the bank's financial inclusion and outreach initiatives as well as support for small and medium-sized enterprises. In addition, Millennium bim's success on the digital banking front caught the judges' attention. Nevertheless, a difficult economic environment has not made this progress easy.

"Cost of funding has been the major challenge for the bank this past year, due to the economic slowdown and the devaluation of the national currency, the metical. Gross domestic product growth has been the lowest in the past 15 years, at 3.8% in 2016. This economic scenario has had a direct impact on the banking system," says José Reino da Costa, vice-chairman and CEO of Millennium bim.

In 2016, Millennium bim established a new agency banking channel in which it partners with local businesses, including shops and grocery stores, in remote and underserved areas of Mozambique to offer banking products and services. In addition, the lender has partnered with the country's state-owned postal services provider to offer banking services at post offices nationwide.

"The main successes were undoubtedly related to the expansion of our commercial network, not only by opening new branches but through our partnership project with Postal Service of Mozambique too, which helped implement banking services and postal services in rural areas as well as through our JáJá Banking Agents project, where we offer a range of financial services to rural and suburban areas. Millennium bim is the first bank with national coverage in Mozambique," says Mr Reino da Costa.

The bank's net profits increased by 33% in 2016, while total assets and Tier 1 capital grew by 14% and 25%, respectively.

NAMIBIA FNB Namibia On financial performance alone, FNB Namibia is a worthy country award winner. The bank's net profits surged by 22% in 2016, matched closely by the increase to its Tier 1 capital at 20% and total asset growth, which came in at 15%. In addition, the bank's return on equity was relatively steady at 31%, while its cost-to-income ratio was 43%. All of this was achieved despite a range of economic headwinds buffeting the domestic economy and that of the wider region.

"The macroeconomic environment remained tough in the past 12 months, globally, in the rest of the sub-Saharan region and locally. A number of countries, including Namibia, had to deal with ongoing commodity price challenges, weakening government finances and drought conditions," says Sarel Van Zyl, chief executive of FNB Namibia.

But beyond the numbers, the judges were impressed with the bank's ambitious growth ***plans*** as well as its efforts to innovate in order to improve the customer experience. In recent times, FNB Namibia has acquired a 100% stake in local financial services groups Pointbreak and EBank, giving the lender additional reach in very different market segments. Pointbreak provides investment wealth management services to institutional, corporate and private clients, while EBank offers innovative inclusive banking services to underserved areas of the country.

The acquisition of EBank, in particular, will augment the bank's focus on digital banking and financial inclusion through the use of mobile phones. Existing EBank customers will now be offered the use of FNB Namibia's innovative e-wallet product.

The bank continues to support the country's wider development. "OurHoldings Foundation Trust has made significant progress in 2017 in advancing our priority areas of skills development, education and financial literacy, community and health development, and has invested more than N$11m [$792,000] [this past year]," says Mr Van Zyl.

NIGERIA Guaranty Trust Bank In one of the most competitive country categories in Africa, Guaranty Trust Bank has emerged as Nigeria's Bank of the Year. The bank's leadership team has reason to be pleased after presiding over an outstanding growth story amid a challenging domestic and regional operating environment. Over the 2016 review period, net profits surged by 37% while total assets and Tier 1 capital both grew by 23%. But in a sign of just how well Guaranty Trust Bank has performed, its return on equity increased to 28% from 25%, while its cost-to-income ratio fell to 40% from 44%.

"The year 2016 was particularly challenging given the weakness of the naira, depressed oil earnings and inadequate supply of foreign exchange, all of which culminated in the eventual slide of the Nigerian economy into recession. However, we played to our strength by leveraging technology to deliver superior payment solutions, grow our customer base and enhance our service delivery channels to make banking with us simpler, faster and better," says Segun Agbaje, chief executive of Guaranty Trust Bank Nigeria.

The bank's outstanding success in the e-payments space is an example of the role that market-beating innovations are playing in its longer term growth story. About 10% of Guaranty Trust Bank's 2016 profit before tax came from e-payment services, of which 'Bank 737', a USSD delivery channel, has played no small part. This service allows any Nigerian to open an account without a minimum balance requirement and to execute transfers and pay bills remotely. Since its launch, the service has gained 3 million customers and facilitated N1000bn ($2.77bn)-worth of transactions.

"We are transforming our organisation into a platform for enriching lives by positioning ourselves at the centre of an extended ecosystem that offers our stakeholders benefits beyond banking," says Mr Agbaje.

REPUBLIC OF THE CONGO United Bank for Africa Congo The impact of falling oil prices continues to hit the Republic of the Congo's economy hard. Annual gross domestic product growth contracted by 2.8% in 2016 as both the oil and non-oil sectors shrank over the period. The country's immediate outlook is not much brighter; the World Bank expects economic growth to average about 0.9% between 2017 and 2019. In this environment it is all the more impressive that our country winner, United Bank for Africa Congo (UBA Congo), has performed so well.

In local currency terms, the bank's Tier 1 capital increased by 22% in 2016, while its assets and net profits jumped by 3% and 44%, respectively. Meanwhile, the bank's return on equity hit 41%, marking a dramatic rise from the 22% recorded in 2014. UBA Congo's cost-to-income ratio has achieved a similar feat, falling from 70% in 2014 to 54% in 2016.

Much of this success is down to the bank's multi-pronged growth strategy, which includes offering a holistic set of products and services along the corporate value chain, next-generation banking for the middle-class retail market, customised payments to facilitate trade and partnering with telecoms companies to offer mobile money. Moreover, UBA Congo is the only lender in the country to have partnered with Visa to develop a prepaid card for both customers and non-customers. The card can be used at ATMs, points of sale and online to carry out transactions.

UBA Congo's commitment to financial inclusion also caught the attention of the judges, as the bank has identified the most excluded groups in society, including women, students, artistic professions and small traders, and developed capacity-raising initiatives around their specific needs.

RWANDA Bank of Kigali Over the past few years, Rwanda's Bank of Kigali has worked hard to strengthen its leading position in the country's banking market. By December 2016 the bank had a 33.9% market share of loans and advances and 35.3% of total system deposits, firmly placing it as the dominant player in the country.

For 2016 as a whole, Bank of Kigali's performance metrics were strong; net profits increased by 1.3%, while total assets and Tier 1 capital grew by 13.7% and 1.9%. The lender's return on equity, cost-to-income ratio and non-performing loans all remained relatively stable year on year, sitting at 20%, 47% and 4%, respectively.

Despite its dominant position in the market, this growth story has not been free of challenges. "A challenge worth noting has been the stiffer price competition in the industry as banks jostled for big money corporate entities, for deposits, and for other business opportunities, although we believe this benefits the customer more and encourages innovation on our side," says Dr Diane Karusisi, chief executive of Bank of Kigali.

In terms of its strategy, Bank of Kigali has decided to slow its regional expansion over the short term and instead dedicate more energy to the untapped potential in the Rwandan market. This includes growing the retail component of its domestic business through the introduction of innovative products and services, particularly in the microcredit space, and by making full use of digital banking capabilities.

"For us, 2018 is going to be customercentric, and to achieve that we are going to optimise our efficiency in serving customers through digitising our operations," says Ms Karusisi.

SENEGAL UBA Senegal Senegal has enjoyed something of an economic renaissance over the past few years. While many of its regional peers have struggled as a result of cooling commodity prices, the Senegalese economy has powered ahead to become one of the continent's best performing markets. Much of this success is down to the government's '***Plan*** Senegal Emergent' (PSE), enacted in 2014, which is designed to tackle low economic growth and sluggish poverty reduction. The result has seen economic growth accelerate to about 6.5% over the past two years with the ***agricultural*** and industrial sectors playing a key role in this performance.

For the banks, this uptick in economic activity has been welcome news. The winner of our 2017 country award, UBA Senegal, is a case in point. Net profits at the bank grew by 12%, while total assets and Tier 1 capital increased by 42% and 22%, respectively. This strong year-on-year performance was accompanied by a return on equity of 27% and a cost-to-income ratio of 50%. Non-performing loans, meanwhile, were particularly healthy and remained below 1%.

The bank is increasingly looking to digital products and services to drive customer engagement and promote financial inclusion. The roll out of an e-commerce platform called Instant Bills, for example, permits customers to pay for goods and services and conduct other payments 24/7 online. In addition, UBA Senegal's U-Direct internet banking service is tailored to both corporate and retail users and affords them full account functionality on Android or iOS devices.

Meanwhile, UBA Senegal is positioning itself as the go-to bank for small and mediumsized enterprises in the country, particularly in the area of cross-border finance.

SIERRA LEONE Guaranty Trust Bank Sierra Leone Things are looking up for Sierra Leone. After rebounding from the twin challenges of an Ebola outbreak and a collapse in iron ore prices, the country registered gross domestic product growth of about 6.3% in 2016. Though the International Monetary Fund expects this figure to moderate somewhat in 2017, to 5.6%, it nevertheless anticipates a brighter medium-term outlook. For the country's banking sector, this bodes well.

Guaranty Trust Bank Sierra Leone, the winner of the 2017 country award, has shown that there are good profits to be made in the market. Net profits at the bank increased by 15% in 2016, as did total assets, which grew by 14%, and Tier 1 capital, which rose 20%. Meanwhile, the bank's return on equity was 49% and its cost-to-income ratio was 48%.

The bank's growth is attributable to its impressive innovations in the market. This includes offerings such as GT-Simpay which enables to interact and transact with their bank account using their mobile phones. Guaranty Trust Bank Sierra Leone has developed two platforms to deliver GT-Simpay. The first involves an overlay, essentially an ultra-thin SIM card, that is inserted alongside an existing SIM card. The second is through the bank's mobile app, which is an Android-enabled smartphone offering.

The judges were also impressed with Guaranty Trust Bank Sierra Leone's commitment to financial inclusion. This includes a financial literacy campaign and workshops on financial inclusion to assist those underserved by the financial services sector. In addition, the bank partners with various public institutions, including the central bank and government ministries, to promote financial inclusion initiatives in different regions and provinces of the country.

SOUTH AFRICA Standard Bank Standard Bank enjoyed a strong and steady year in 2016 despite facing a number of headwinds, both at home and across the wider African region. Net profits increased by 4% year on year while the lender's return on equity was 15.3%, which remained inside its target band of between 15% and 18%. Encouragingly, both its cost-to-income ratio and non-performing loan remained steady at 56% and 3.1%, respectively.

"In common with the industry as a whole, our biggest challenge remains the defence against cybercrime. As a South Africa-based bank with substantial businesses in the rest of the continent, we also had to deal with considerable currency volatility and increasingly difficult macroeconomic conditions in South Africa," says Sim Tshabalala, chief executive of Standard Bank.

Over the past 18 months, Standard Bank has continued to upgrade its core banking system, involving the simultaneous overhaul of both front-and back-office infrastructure across its regional footprint. At the time of writing, the completed upgrade was scheduled for completion by the end of 2017. "We made excellent progress in upgrading our systems and processes to improve customer experience and we have nearly completed a comprehensive IT upgrade," says Mr Tshabalala. Meanwhile, Standard Bank continued to invest and upgrade in its capabilities across the continent as part of a new continuous delivery model. This has contributed to the launch of a universal mobile banking app in Botswana, Ghana, Namibia, Swaziland, Uganda, Zambia and Zimbabwe.

"We remain firmly bullish about Africa. We expect [economic] growth to accelerate again to about 4% a year over the next two years and many countries - particularly those in east Africa - will continue to grow very fast indeed," says Mr Tshabalala.

SUDAN Omdurman National Bank Sudan's economic growth has been stable if not spectacular in recent years. The International Monetary Fund expects gross domestic product growth to hit 3.2% in 2017, a slight decrease from the 3.6% the country posted in 2016. But six years after the separation of South Sudan, the country continues to face an array of challenges, including difficulties in accessing external financing. Yet, the winner of the 2017 country award, Omdurman National Bank (ONB), has posted impressive growth figures despite these difficulties.

"Over the past few years, ONB has successfully overcome a number of challenges, the most important of which was the negative economic results of the separation of South Sudan and loss of oil resources," says Dr Abdel-Hamid Mohamed Jamil.Net profits increased by 21% over the 2016 review period, while total assets and Tier 1 capital grew by 11% and 16%, respectively. ONB's return on equity improved year on year to hit 29.7%, up from 27%, while its cost-to-income ratio continued to fall to 22.7% from 24.4%.

This stellar performance was, in part, helped by the installation of a new core banking system. The launch of this system has reduced waiting time for customers looking to secure new financing while making it cheaper and more effective for the bank to engage with its clients.

"ONB looks forward to continuing the development of banking technology, while striving to improve the quality of its services, its clients' loyalty, and its working environment. The bank is working to maintain its pioneering position in our sector and benefit from the available opportunities, such as the improvement in the political and economic environment as well as opportunities linked with geographic expansion," says Mr Jamil.

TANZANIA NMB Bank Plc Though Tanzania's economy was one of the fastest growing in Africa in 2016, expanding by about 7% according to the World Bank, by the end of the year and into early 2017 this growth had started to slow. For the banking sector, the impact of this incremental but downward shift in conditions has led to a higher degree of non-performing loans (NPLs).

"To a degree, economic growth has slowed and the private sector is struggling, which has made it difficult for companies to meet their loan obligations, thus increasing NPLs. NMB Bank plc has been fortunate in terms of its NPL rate, because it has a crosssection of public and private sector customers," says Ineke Bussemaker, chief executive of NMB Bank.

Indeed, NMB Bank's recent performance has been eye catching. The bank's net profits grew by 2% over the 2016 review period, while total assets and Tier 1 capital increased by 8% and 12%, respectively. The lender's return on equity and cost-to-income ratio remained healthy at 20% and 59%, respectively. These strong financials have been accompanied by the introduction of innovative products and services and an increase in the bank's footprint and distribution channels.

Today, NMB Bank has more than 190 branches and is present in 95% of the government's administrative districts, while 60% of all branch locations are in rural areas. In addition, the bank as more than 600 ATMs in the market, and its mobile offering, known as NMB Mobile, goes from strength to strength with more than 1 million registered users.

"Mobile and internet services have significantly increased financial inclusion, which, naturally, was not possible 10 to 15 years ago. With mobile banking and mobile services, however, there is a low-cost, scalable way to reach more people than ever before," says Ms Bussemaker.

TOGO Ecobank Unlike many of its west African peers, Togo's economy has achieved stable and robust growth in recent times. Over the past five years, gross domestic product growth has averaged about 5.5%, according to the World Bank. Driving much of this growth has been a well-structured public investment ***programme***, as well as the strong performance of the ***agricultural*** sector, the extractive industries and trade. Cumulatively, this has been a source of good news for the country's banking sector. Ecobank, the winner of the 2017 country award, and a lender that dominates the country's financial services sector, is no exception.

After a deeply challenging performance in 2015, which largely reflects the travails of a lender that operates across the wider region, Ecobank posted strong numbers in the 2016 review period. Net profits rose by no less than 292%, while total assets grew by 17%. The bank's return on equity hit 54%, while its cost-to-income ratio remained steady at 67%.

In Togo, the bank has leveraged its unique resources and expertise to achieve strong growth. This includes the bank's peerless ATM network, which currently numbers 77 nationwide, as well as the launch of its mobile app which has more than 40,000 clients in the country. Indeed, Ecobank's smartphone app allows customers to create an account online.

Looking ahead, the bank will soon adopt cardless payment technology that will enable customers to cash out at ATMs or sub-agent outlets. In addition, Ecobank will start an agency banking model in the country that will allow customers to cash in and cash out quickly and securely at a location that is convenient for them.

TUNISIA Attijari Bank Though Tunisia's economic growth has slowly improved in the years following the country's revolution, it remains sub-optimal. The International Monetary Fund expects gross domestic product growth of about 3.2% in 2017, down from the 3.5% registered in 2016. For the banks, this environment has had a tangible impact on their growth prospects, even if the winner of this year's country award, Attijari Bank, exhibited outstanding numbers by most key performance metrics.

"The Tunisian economic transition is still giving cause for concern, a situation that has had repercussions on almost all sectors. In spite of the difficult financial environment, 2017 was a key year for us, during which our new ***strategic*** ***plan*** was launched," says Hicham Seffa, chief executive of Attijari Bank.

The lender's net profits grew by 17.5% in 2016, while its total assets and Tier 1 capital increased by 13.6% and 10.8%, respectively. More impressively still, Attijari Bank's return on equity improved over the period by hitting 28%, up from the 26% it registered in 2015. Underscoring this amelioration was a reduction in the bank's cost-to-income ratio, which dropped to 50% from 54%.

In 2016 the bank launched its new strategy titled 'Excellence 2020'. As a feature of this strategy, the bank has worked to optimise the credit process by reducing the time it takes for retail clients to receive funds. This has lowered the waiting time from eight days to one day for personal loans and from 27 days to five days for mortgages.

"Attijari Bank will continue to fulfil its role as a driving force to the economic recovery by supporting different actors and financing structuring investments, says Mr Seffa.

UGANDA Ecobank Uganda Uganda's fortunes have taken a turn for the worse in recent years. While economic growth has ticked along at a relatively respectable pace, the economy has nonetheless performed below its potential. In the five years to 2016, average growth was about 4.5% according to the World Bank, compared with 7% in the early 2000s. Poor weather conditions, political volatility in neighbouring countries and private sector credit constraints have all conspired to dent Uganda's immediate economic fortunes.

But in the banking sector, good news stories have emerged and the 2017 country award winner, Ecobank Uganda, is the prime example. The bank's net profits surged by 206% over the 2016 review period while its Tier 1 capital grew by 6%. In addition, the lender was able to halve its level of non-performing loans (NPLs), which came in at 5.5% at the end of 2016, down from 10.2%.

"In 2016, we were faced with macroeconomic challenges, with the economy growing at about 3.4% and the banking industry experiencing the highest asset quality deterioration with the industry NPL standing at more than 10%. Coupled with that, the real estate market also plateaued, thereby slowing down private sector lending," says Clement Dodoo, managing director of Ecobank Uganda.

In the financial inclusion arena, the bank received regulatory approval to launch its Xpress Account, which uses standard mobile phones to permit customers to open accounts with the bank by using their phone number as the account number.

"Partnering with the telecoms and fintech companies will be an opportunity to extend our services to more persons who are currently unbanked," says Mr Dodoo.

ZAMBIA Stanbic Bank Zambia Recent years have not been easy for Zambia. The country has endured a decrease in copper output accompanied by a lower global price environment, electricity rationing and the depreciation of the Zambian kwacha, among other challenges. In 2015, the country's economy grew at its slowest rate since 1988 by registering just 2.9% gross domestic product growth for the year. But times are changing. According to the World Bank, the Zambian economy grew by 3.4% in 2016, while it is expected to increase further to 4.1% for 2017.

In this fast-changing environment, only the most innovative and customer-centric banks can prosper. And this is why Stanbic Bank Zambia has scooped the country award.

In September 2016, the bank officially upgraded its core banking system to Finacle, as part of its parent group's region-wide upgrade, drastically improving its ability to effectively serve its client base. With a total investment cost of $25m, the new system has already delivered significant and positive change to the bank's in-country operations. This includes an improved internet banking platform, automated account processes, a new accounts opening process and a worldclass mobile banking app.

Meanwhile, Stanbic Bank Zambia has become the first lender in the country to provide a dedicated banking package for women. Known as Anakazi Banking, the offering was designed and launched in partnership with the Global Banking Alliance for Women, meaning that it was devised by women for women. Since its launch, more than 1000 women have signed up for Anakazi Banking. A further 100 women have signed up for the Women in Business ***programmes*** run by the bank.

ZIMBABWE Standard Chartered Bank Zimbabwe Zimbabwe is a difficult place to do banking. Economic growth in 2016 was anaemic, at just 0.7% as the country battled back from the effects of an El Nino-related drought. Even though the financial sector has struggled in these conditions, Standard Chartered Bank Zimbabwe has emerged as the winner of this year's country award based on its overall resilience and its ability to continuously innovate in order to provide the best possible customer service.

"Standard Chartered Bank Zimbabwe continues to cement its more than 125-year history by supporting its customers and staff. We continue to play a key role in supporting critical sectors of the economy, notably the tobacco sector, which remains the leading generator of foreign currency. As a key player in the banking sector, we have helped industry and individual customers better manage the foreign currency and cash shortages," says Ralph Watungwa, CEO of Standard Chartered Bank Zimbabwe.

The bank has played a crucial role in supporting the country's corporate community in 2016. Throughout the year, it delivered $458m-worth of support to key sectors including ***agriculture***, commerce, manufacturing and commodities. In addition, the bank started catering to new business segments, including medium-market enterprises and high value small businesses, to provide expert assistance to an important component of the national economy.

And looking ahead, despite the challenges, Standard Chartered Bank Zimbabwe sees substantial opportunity for growth. "The bank seeks to cement its digital platforms and to lead the market in terms of compliance. We also see opportunities in ***agriculture***, where we can work with various value chains to create real value for our customers. Support for the mining sector will be key as this is a key source of the much-needed foreign currency," says Mr Watungwa.

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**Graphic**

Antonio Coutinho, chief executive, Standard Bank AngolaRamz Hamzaoui, chief executive, Citibank AlgeriaFaustin Amoussou, managing director, Bank of Africa BeninSteven Lefentse Bogatsu, chief executive, FNB BotswanaOliver Meisenberg, chief executive, TMBJacky Kayiteshonga, country managing director, Exim Bank DjiboutiManuel Osa Nsue Nsua, chief executive, BNEGJosephine Anan-Ankomah, managing director, Ecobank GambiaHenry Oroh, managing director and chief executive, Zenith Bank GhanaAlain Law Min, chief executive, MCBJosé Reino da Costa, vice-chairman and CEO, Millennium bimOthman Benjelloun, chairman and chief executive, BMCE Bank of AfricaSarel Van Zyl, chief executive, FNB NamibiaSegun Agbaje, chief executive, Guaranty Trust Bank NigeriaDiane Karusisi, chief executive, Bank of KigaliIneke Bussemaker, chief executive, NMB Bank PlcHicham Seffa, chief executive, Attijari BankClement Dodoo, managing director, Ecobank UgandaRalph Watungwa, CEO, Standard Chartered Bank Zimbabwe

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HINA Digest

13 December 2017

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**Body**

Zagreb, 13 December 2017 (Hina) - Croatia strongly supports efforts to slow down, stop climate change, says PMZAGREB, Dec 12 (Hina) - Croatia strongly supports efforts to stop and slow down global warming and it contributes concretely to climate protection targets, Prime Minister Andrej Plenkovic said on Tuesday at the end of a climate summit in Paris which brought leaders from several dozen countries, including 50 top-level officials.The summit was organised by French President Emmanuel Macron with the help of the UN and the World Bank, on the second anniversary of the Paris Agreement."We will continue with our activities when it comes to meeting the targets of the UN Convention on Climate Change. We supported Mr Macron's initiative in New York also three months ago. Croatia has been working on a new energy strategy, a low-carbon strategy and an action ***plan*** for adjustment to climate change. We are meeting our commitments both at the EU level and at the global level. Croatia's presence here today is important and it is important that our partners see how much we care about giving a concrete contribution in this field.

Croatia is not a major greenhouse gas emitter but we must do our best in all segments of industry and society and work on raising awareness of the importance of environmental protection, especially as our country is as beautiful as it is," Plenkovic said.Asked if he had any bilateral meetings during the summit, Plenkovic said that he had a brief meeting with Macron."He appreciates very much Croatia's contribution and is glad that we understand that in the current global circumstances - notably given the position of the United States - France, the UN, the World Bank and the EU should assume the leading role with regard to this topic," said the PM.Environmental Protection and Energy Minister Tomislav Coric, who accompanied PM Plenkovic at the summit, said that the conference confirmed the need for the global community to work together on reducing global warming."That can be done by increasing the use of energy from renewable sources and scaling down industries and energy sources that cause climate harm," said Coric.The share of renewables in the total energy consumption in Croatia in 2015 was 23.2%, which means that Croatia has met the EU's target of having renewables account for 20% of the total energy consumption by 2020. The current share of renewables in the total energy consumption in the EU is 17%.Two-thirds (67.3%) of the total energy ***produced*** in Croatia comes from renewables, including big hydroelectric power plants. In the EU that share is around 28%, with the target share to be achieved by 2030 being 50%.Initiatives for green production announced at Paris climate change summitZAGREB, Dec12 (Hina) - Leaders of dozens of countries gathered in Paris on Tuesday for a summit on climate change at which significant commitments and initiatives to abandon main sources of pollution were undertaken.The One Planet Summit was organised by French President Emmanuel Macron on the second anniversary of the Paris Agreement.Before the conference, the French president gave a formal dinner at the Elysee Palace for some 50 participating heads of state or government, including Croatian Prime Minister Andrej Plenkovic.The summit was organised to mobilise funds needed for concrete projects aimed at meeting the objectives of the Paris Agreement.The World Bank said at the summit that after 2019 it would stop financing oil and gas exploration and exploitation. The World Bank is the first multilateral bank that has taken on such a commitment in the energy sector.As of 2018 the World Bank will publish annually how much greenhouse gases the projects it finances emit in sectors that pollute the most, like the energy sector.Some banks and insurance companies such asING and Axahave said that they will stop investing in companies that participate in the construction of coal-fired power plants.Baumgarten blast disrupts gas supplies, Croatia not affectedZAGREB, Dec12(Hina) - An explosion at the Baumgarten natural gas transit hub in Austria on Tuesday has disrupted gas supplies to Slovakia, Hungary, Slovenia and Croatia,Austrian gas transport system operator Connect Austria said.The explosion occurred at 8.45 am on Tuesday, leaving one person killed and over 60 injured, according to police reports.About 40 billion cubic metres of mostly Russian gas is distributed annually through the Baumgarten hub to western, southern and southeastern Europe.According to unofficial sources, the gas supply system in Croatia is not at risk because the storage facilities are full and gas is mostly imported through theCroatia-Hungary interconnection and not through the Croatia-Slovenia interconnection which is connected with Baumgarten.Russian media reports say that owing to the explosion at the Baumgarten hub Russian gas supplies through Ukraine have dropped by a third.Expert task force finds Peruca power plant to be environmentally unacceptableZAGREB, Dec12(Hina) - A 15-memberadvisory expert commission for the assessment of the impact of the futurecombined cycle cogeneration gas power plant on Peruca Lake in the Dalmatian hinterland on Tuesday concluded that the future plant was not environmentally acceptable.In attendance at the commission's meeting were 12 members, with nine voting against and three being for the project, according to a press release issued by theEnergy and Environmental Protection Ministry.The procedure for assessing the acceptability of this project for the environment was launched in 2016 by theMCC Ekskluzivne nekretnine d.o.o. company.The ministry will decideon the project's environmental acceptability after consideringthe commission's opinion. Earlier, anenvironmental impact study cited positive results of the project.However, ahandful of environmental organisations and civil initiatives recently sent an open letter to Energy and Environmental Protection Minister Tomislav Coricvoicing opposition to the ***plan*** to build thecombined cycle cogeneration gas power plant on Peruca Lake and a reversible hydroelectric power plant at Vrdovo.The letter lists five key problems of the project. It begins by noting that it is a private project that aims to use public funds and that there is a conflict of interest involving Foreign Minister Marija Pejcinovic Buric and her husband Zoran Buric.They called on Minister Coric not to approve the positive results of the environmental impact study for the Peruca power plant project and for all related structures and to stop this harmful project.The organisations describe the thermal power plantas a "500 MW predator" that will simply "swallow up" Peruca and Cetina and destroy a huge reservoir of drinking water, and warn of the possibility of a private business controlling the Croatian energy system.President visits 1stCroatian geothermal power plant under constructionZAGREB, Dec12(Hina) - President Kolinda Grabar-Kitarovic on Tuesday visited Velika Ciglena near Bjelovar where the first Croatian geothermal power plant, with a capacity of 10 megawatts,is expected to be given a test run in the first half of next year.The plant will be the biggest of its kind in continental Europe to operate in line with the Organic Rankine Cycle(ORC) principle.The construction work on the plant started in the spring of 2015, and the value of the investmentby the Turkish MB Holding, which had bought a stake in the Croatian-owned Geoen company, is estimated at some 35 million eurosin the first stage of the project.The main contractor in the project is the Slavonski Brod-based Djuro Djakovic company.The geothermal spring in Velika Ciglena was discovered almost three decades ago at the time when INA was exploring the area of Mount Bilogora for possible oil and gas fields. With a water temperature of 176 degrees Celsius, the geothermal spring Velika Ciglena is one of the hottest in Europe.National Development Strategy until 2030 to be drawn up next yearZAGREB, Dec12(Hina) - Regional Development and European Funds Minister Gabrijela Zalac said on Tuesday that next year Croatia plannedto draw up a National DevelopmentStrategyuntil 2030 to define guidelines and ***strategic*** objectives of the country."We want to define the guidelines and ***strategic*** objectives so that never again happens that Croatia does not know what to do in operational ***programmes***," Zalac said at a forum called "EU funds for European enterprise". She added that the ***plan*** was to finish the strategy by the end of 2019, adding that by that time, a large number of workshops and theme conference would be held to discuss this issue.The minister said that by promoting enterprise and supporting SMEs capacities, Croatia wanted to create a favourable business climate, a continuing development and growth of small and medium-sized companies. It also wants to step up innovation capacities of those companies and enable them a better access to financing."In the 2014-2020 period, Croatia can draw over EUR 10.7 billion from EU funds and through our operational ***programme*** we have already made available HRK 1.8 billion in grants," Zalac said."There are also other financial instruments, worth HRK 2 billion which have been made available together with the Croatian Bank for Reconstruction and Development (HBOR) and theCroatian Agency for SMEs, Innovations and Investments (HAMAG). This is a new mechanism in this financial perspective which enables access to over HRK 6.5 billion for enterprise, and these projects will create 5,000 jobs.The forum was organised by the Regional Development and EU Funds Ministry to inform entrepreneurs and farmers about currently financing possibilities for enterprise projects.Minister expects Peljesac Bridge project to proceed as plannedZAGREB, Dec12, 2017 (Hina) - Regional Development and European Funds Minister Gabrijela Zalac said Tuesday she expected the Peljesac Bridge project to proceed as ***planned*** and that an agreement regulating its implementation would be signed in a few weeks' time.Answering to reporters' questions on the fringes of the forum "EU funds for European enterprise," Zalac said she expected developmentsinvolving the Peljesac Bridge to proceed as ***planned***."This is our biggest ***strategic*** project...I cannot presume at the moment whether a complaint would be filed or not. I believe that in the next several weeks the agreement regulating the implementation of our biggest project would be signed," Zalac said.Earlier this month, the Jutarnji List daily carried an article claiming that the Zagreb-based Lipov Gaj companyhad submitted an appealagainst documents referring to the supervision of the construction work on the Peljesac Bridge which suspended the process of selecting a company to supervise the construction, without which the construction of the bridge cannot start.Plenkovic says better communication with public about EU a way of countering populismZAGREB, Dec 12 (Hina) - Croatian Prime Minister Andrej Plenkovic said on Tuesday it was necessary to better communicate with the public about the benefits of the European Union and that this was one of the ways to counter populism.Plenkovic gave a well-attended lecture at Sciences Po, the Institute of Political Studies in Paris, on Croatia's perspectiveand experience four years after its accession to the European Union.Plenkovic said his government was already implementing comprehensive reforms and was still facing many reforms such as the reforms of public administration, the judicial system and the pension system. He presented data on economic growth, inflation, declining unemployment and the exit from the excessive deficit procedure.Speaking of his government's main goals, Plenkovic cited Croatia's ***plan*** to join the Schengen area, for which he said the country would be ready in 2019, and the euro area. He said that it was necessary to improve communication with the public about the benefits of EU membership.Asked how to oppose right-wing and left-wing populism in Croatia, Plenkovic said there was "no universal recipe" for that.He said he was the first Croatian prime minister to regularly report to the Croatian parliament on all European Council meetings, but that populists used the floor of the Croatian parliament to speak about everything but European issues and solely for the purposes of daily politics.The Croatian prime minister was also asked about Croatia's official position on the Hague war crimes tribunal and its verdict against six Bosnian Croat wartime political and military leaders.Plenkovic reiterated that Croatia was one of the countries that strongly supported the tribunal's establishment and that it respected its verdicts. He added that Croatia was dissatisfied with the fact that it had tried three times to join the proceedings against the six Bosnian Croats as an amicus curiae to contest the prosecution's allegations about the role of the first Croatian president and his close aides in the Bosnia and Herzegovina war, but had been rejected all three times.President claims it's not institutional practice to strip ICTY convicts of decorationsZAGREB, Dec 12 (Hina) - In response to growing demands that people convicted by the International Criminal Tribunal for the former Yugoslavia (ICTY) in the Hague should be stripped of their decorations, President Kolinda Grabar-Kitarovic said in Bjelovar on Tuesday that "those people were decorated for their defence against the Great Serbia aggression," and that she would not take back their decorations.That practice has not been implemented until now, unless it was a decision (guilty verdict) by domestic courts,she said.Unofficial sources close to the President's Office said, "that practice by the head of statehasn't been institutionalised in any previous case of a final conviction for war crimes as a result of a decision by the Hague tribunal.""Croatian decorations haven't been taken back from General Tihomir Blaskic, Dario Kordic and some other who were convicted in that tribunal. Therefore there is no institute by which decorations are automatically rescinded."The law on decorations and acknowledgements envisagesthat the president at the recommendation of the state commissionfor decorations and medals of honour or by his/her own decision,strips someone of a decoration if that person acts against Croatia's legal order or moral principles.A regulation on decorations and acknowledgements gives in detailthe reasons and procedure for rescinding medals of honour.The regulation specifies that the state commissionrecommends that anyone unconditionally convicted to more than three years imprisonment should be stripped of their decoration or acknowledgement.A former president, Stjepan Mesic, stripped generalsMirkoNorac, VladimirZagorec and IvanKorade of their decorations and their war medals of honour. He also strippedTihomirOreskovic, SinisaRimac, TomislavDuic, AnteGudic, DavorBanic, StjepanGrandic and AndjelkoBotic, who were convicted of war crimes, of their medals of honours which they received for their contribution in the defence of Croatia.His successor, Ivo Josipovic, later demoted generals Branimir Glavas, Zagorec, Norac and major Rimac. Josipovic also rescinded all the decorations awarded to former prime minister Ivo Sanader.GLAS MP Goran Beus Richembergh on Tuesday said that it was the president's legal obligation to strip those convicted by the ICTY of their decorations and relegatethem to a lower rank.Commission for military decorations operating according to lawZAGREB, Dec 12 (Hina) - The chairman of the Commission for Military Decorations and Acknowledgements, General Marijan Marekovic, on Tuesday said that the commission was working in line with the relevantlaw and that based on that, it would decide whether to rescind decorations awarded to anyone who has been convicted by the International Criminal Tribunal for the former Yugoslavia (ICTY)."The commission works in accordance with the law and the law specifically definesthe relevant procedure and how it is instituted," Marekovic told Hina whenasked to comment on calls that people convicted by the ICTY should be stripped of their decorations.He added that theprocedure is the same as it is for requests to award decorations.Marekovic said that the commission, which is part of the President's Office, would make a decision on thematter when it receiveda request to that effect.Requests for taking back military decorations and relegating convicts emerged after the ICTY appeals chamber recently upheld the verdict in the Prlic and others case convicting six Bosnian Croat wartime military and political leaders for crimes against Muslims in the Croat-Muslim conflict in 1993-1994.President says country should be led by reason, not emotionsZAGREB, Dec12(Hina) - Croatian President Kolinda Grabar-Kitarovic said on Tuesday that she did not attend the commemoration for Slobodan Praljak becausedecisions pertaining to running a country should "driven by reason and not by emotions."Many friends and fellow fighters as well as distinguished public figures packed Zagreb's Vatroslav Lisinski Hall on Monday for a commemoration in tribute to Slobodan Praljak, who poisoned himself on 30 November in a courtroom of the UN war crimes tribunal (ICTY) after the tribunal upheld his 20-year sentence for war crimes committed during the Croat-Bosniak conflict in Bosnia and Herzegovina in 1993.Asked about threats against reporters, the president said that prompt reactions are necessary when it came to threats against anyone in Croatia -- journalists or ordinary citizens.Commenting on dissatisfaction with the judiciary and slow administration, Grabar-Kitarovic said she agreed with citizens, underlining the importance of informatisation of courts and state administration. She said this was one of the best ways to avoid corruption, given that the e-system allowed the monitoring of everyone's actions in the proceedings.She underscored the positive example of the Commercial Court in Bjelovar whichlaunched a pilot project "e-communication" which will enable a faster, better, more modern and more efficient communication of all parties in court proceedings.SDP chief calls president to respect law withregard to decorationsZAGREB, Dec 12 (Hina) - Social Democratic Party (SDP) leader, Davor Bernardic, has said that President Kolinda Grabar-Kitarovic "is absolutely supposed to respect the law," with regard to stripping convicted generals of their decorations and Croatia has to honour the convictions handed down bythe International Criminal Tribunal for the former Yugoslavia against generals."It would be good to find Prime Minister (Andrej) Plenkovic somewhere in the hallways in Brussels and ask him what he thinks about the revocation of decorations. HDZ (Croatian Democratic Union) extradited all the generals to The Hague, Ivica Racan did not and now they are trying to earn cheap political points on the back of a human sacrifice," he said.A war crime is a war crime and those who killed and raped must be held to account, the Opposition leader said.Bernardic for zero tolerance to any threatReferring to the growing frequency of threats against reporters, Bernardic said that Croatia must not allow any threats, nor violence against the media, or domestic violence.He criticisedthe government for not ratifying the Istanbul Convention even though that was in the HDZelection campaign.He added that the police were very efficient in arresting someone for threats against the prime minister yet when it cameto reporters the public did not seeanyone being punished.He added that he recently visited the Peljesac Bridge construction site yet there wasnot one bulldozer there nor any signs of anything being built.SDP chief accuses government of inefficiencyin absorbing EU funds"Of the 100 euro available (from EU funds), the government has absorbed only 7 euro and part of that is being spent inappropriately."Students call for clear policies toward Croats in Bosnia and HerzegovinaZAGREB, Dec 12 (Hina) - Several hundred students, whose dissatisfaction withCroatia's policies toward Croats in Bosnia and Herzegovina culminatedafter the recent conviction by the Hague war crimes tribunal of six Bosnian Croat wartime political and military leaders, gathered in front of Government House on Tuesday, calling for a clear government policy toward Croats in that country and for protection of their rights.After the protest, the students, who are mainly of the Bosnian Croat origin,presented government officialswith a statement warning of two decades of silence by Croatian institutions about what they described as anti-state activities by individual Croatian officials and the undermining, degradation and negation of human and political rights of Croats in Bosnia and Herzegovina.In the statement, the students said that certain Croatian presidents, prime ministers, parliamentarians and judges had openly assisted in humiliating Croats in Bosnia and Herzegovina, and that individual officials in foreign embassies in Croatia and in international institutions had voted for, lobbied and represented interests that were contrary to the political and constitutional rights of Croats in Bosnia and Herzegovina.The students claim that Croatian institutions did not do anything to make sure domestic and international bodies investigated and prosecuted crimes committed by the Army of Bosnia and Herzegovina against Croats in that country or Bosnian army officers who participated in the war against Croatia in 1991-1992.The protesters added that some political officials and ministers accept the last, "shameful" ICTY ruling, which, they said, did not prosecute concrete crimes committed against members of the Croatian Army, Croatian Defence Council and Croatian civilians in Bosnia and Herzegovina.Representing the students, Bruno Penava said that students had gathered four years ago, following the trial judgement against the six Bosnian Croats. "We thought that Croatian authorities would have understanding and say 'no' to lies,false accusations and injusticebut many political and judicial officials ignored the Croat issue in Bosnia and Herzegovina and supported their being denied their rights," Penava said.The students' demands were submitted to the government, parliament, president and State Prosecutor's Office calling for the establishment of an instituteas partof the existing research and documentation centre, toresearch war crimes committed by the Army of Bosnia and Herzegovina against Croats in that country, including the murder of 1,051 civilians, 121 of whom were children.The students also demand the issuing of warrants for the arrest of Army of Bosnia and Herzegovina soldiers and officers who participated in the war against Croatia and committed war crimes against Croats in Bosnia and Herzegovina and that those who have Croatian citizenship be stripped of it.They also demand the adoption of abinding declaration to protect the guaranteed rights of Croats in Bosnia and Herzegovina, the reviewing, amendment and dismissal of decisions by the international community's high representatives in Bosnia and Herzegovina that are contrary to Croats' constitutional rights, and that Croatia protectits nationals from what they describe as a selective approach ofBosnia and Herzegovina's judicial bodies.Media committee condemns hate talk and threats to journalistsZAGREB, Dec 12 (Hina) - The parliamentary Committee on Information, Computerisation and the Media on Tuesday received a report on the activities of the national broadcaster HrvatskaRadiotelevizija (HRT) for 2014 and 2015 and also agreed with a recommendation by GLAS MP Goran Beus Richembergh to give a written statement condemning hate talk in light of several recent threats made against journalists."This is a blatant example of violation of the right to public speech. Several reporters have received verbal or otherwise expressed death threats...and I believe that a written statement of condemnation can contribute to not just deploring hate talk but to create a better atmosphere so that reporters can do their job free of any external pressure and threats," Richembergh.An external committee member, Ivan Zvonimir Cicak added that he doesn't know anyone who wouldn't condemn any form of violence and threats and that a statement to that affect should be sent to the media and hate talk should be condemned in general.After the meeting Richemberg told reporters that it was absolutely unacceptable that there has not been any public comment by those responsible for creating an overall political atmosphere, to the recent cases of death threats to reporters, he said.He underscored that he expected the police to act promptly and do their job professionally which is also expected of the State Prosecutor's office to find those responsible and to bring the relevant indictments against them.HRT's general director, Kazimir Bacic explained that in 2014, the broadcaster generated a positive financial result of HRK 34.7 million which were used to cover transferred losses from previous periods. Revenue amounted to HRK 1.397billion while expenditure amounted to HRK 1.362 billion with costs being cut by 5.2% compared to 2013 and a reduction of 286 employees.In 2015, HRT generated a profit of HRK 18.3 million while revenue amounted to HRK 1.397 billion and expenditure was HRK 1.381 billion. The cost of wages that year was reduced by 9.9% following restructuring labour costs and incentives for people to take retirement packages.The government will not take any action in regard to the reports considering the lapse of time since then.Person who threatened N1 reporter detained by police, admits offenceZAGREB, Dec 12 (Hina) - Police have detained a man on suspicion of making a death threat against N1 television reporter Natasa Bozic Saric and he has admitted doing so, the journalist said on Twitter on Tuesday.Bozic Saric said that the chief of police in Zagreb, Marko Rasic, had called her to say that the suspect had been detained and had admitted committing the offence. She thanked the police for the speedy response and everyone for their support.Bozic Saric received the death threat via social media on Sunday after her television show. It is believed that the death threat was prompted by her interview about General Slobodan Praljak and her question as to whether the general should be stripped of his decorations. Praljak, a former Bosnian Croat military commander, committed suicide in the courtroom of the Hague war crimes tribunal in late November after hearing that his sentence of 20 years' imprisonment for war crimes against Bosniaks was upheld.The Croatian Journalists' Association condemned the death threat on Monday, saying that it marked "a continuation of pressure on journalists in Croatia which includes death threats, physical attacks and murder attempts."Istria County police confirmed to Hina on Tuesday that they had questioned a man suspected of threatening Bozic Saric.According to unofficial sources, the suspect is a middle-aged man from Pula.Vlaho Orepic withdraws from Bridge parliamentary groupZAGREB, Dec12 (Hina) - Member of Parliament Vlaho Orepic announced on Tuesday he was withdrawing from the parliamentary group of the Bridge party, saying that the conflict policy pursued by the party "narrows the room for carrying through Bridge's ideas."Orepic, who had served as interior minister in the previous HDZ-Bridge government, said he had tried to encourage dealing with problems that mainly concerned clear identification of political goals, internal organisation and field work. "However, I have exhausted all formal possibilities for that," he said.Orepic said that in Parliament he would be the voice of people, "both those in Bridge and those outside of it",who are not burdened by ideological issues. "My political activity will be fully focused on achieving a decent, civilised and well-functioning Croatia."Asked by the press if he was still in the opposition or he had joined the ruling coalition, Orepic declined to answer, leaving the Parliament building in haste.Petrov says Orepic's motives unclear, Grmoja surprisedZAGREB, Dec 12 (Hina) - Bridge party leader Bozo Petrov said on Tuesday that he was not familiar with the motives that prompted Vlaho Orepic to withdraw from the Bridge parliamentary group, while Bridge political secretary Nikola Grmoja described Orepic's move as odd."Mr Orepic's motives are unclear to me. If there was a place for him to realise himself, his wishes and ambitions, that was Bridge, and he also served as minister," Petrov told reporters in the parliament.In a message to Orepic, Petrov said that Bridge would support any of the initiatives he might launch, if they were to the benefit of all citizens.He also expressed hope that Orepic would support initiatives that had been or would be launched by Bridge, from its proposal for judiciary reform to reforms in the sectors of construction, heating andpublic administration.Asked if Split City Council member Martin Pauk of Bridge also leaving the party today meant that Bridge was falling apart, Petrov said: "No, because other people have joined us. If Bridge has any distinguishing feature, it is its diversity, we have been joined also by former members of the SDP and the Human Shield party."Asked if Orepic's departure had anything to do with his recent confrontation with Nikola Grmoja, Petrov said that he did not believe that that was the reason.Orepic last week distanced himself from what he described as the scandalous part of Grmoja'sstatement that Croatia should demand payment for the assistance it had extended to Bosniak refugees during the 1990s war should Bosniak war victims seek compensation from Croatia as a result of a recent verdict handed down by the Hague war crimes tribunal.Orepic's decision also took Grmoja by surprise."After he distanced himself from a part of my statement, which was not understood in its entirety, I was the one who calmed the situation and even commended Vlaho for advocating reconciliation as a Croatian defender. As for the situation in Bridge, full freedom is guaranteed, deputies from other parties who have joined us express their opinions freely so I can't see any problem. I find this (Orepic's withdrawal)rather odd," Grmoja said.26th anniversary of Croatian Air Force and Air Defence markedZAGREB, Dec 12 (Hina) - The 26th anniversary of the Croatian Air Force and Air Defence (HRZ & PZO) was marked at a ceremony at Zagreb's Pleso airport on Tuesday, with speakers at the eventunderscoring thehuge contribution of those forces in defending the country and preserving its sovereignty as well as their peacetime duties. The new Air Force and Air Defencecommander,Brigadier General Mato Mikic, was inaugurated at the ceremony.Mikic underscored that this branch of the Armed Forces had professional and experienced personnelcapable of responding to their duties, and that he would endeavour to maintain and raise the level of its combat capability.He added that Croatia required 4th-generation combat planes, built in the West and complying with NATO documents, demands and targetperformances.Mikic said that he expected the combat planes to be procured soon, tobe flying in Croatia in 2020 and that currently personnel was being trained to work with such demanding aircraft.Defence Minister Damir Krsticevic said that the procurement process for the fighter jets was in the final phase.He especially commended the fire squadron for their work during the year in the country and abroad in putting out wildfires and saving lives and property.Kindergarten co-financed by US Army opens in VukovarZAGREB, Dec12(Hina) - A HRK 4.6 million kindergarten in Vukovar's Mitnica neighbourhood, whose construction was co-financed by the United States Army, formally opened on Tuesday.The project was financially supported with HRK 3.5 million from the USArmy Corps of Engineers, HRK 900,000 from the Fund for the Reconstruction and Development of Vukovar, and HRK 130,000from the City of Vukovar.The daycare centre catersfor 125 children of preschool age.The opening ceremony was attended by Mayor Ivan Penava and the Chief of the Office for Defence Cooperation at the US Embassy in Zagreb, Lieutenant Colonel Matthew Denny.Denny said that this project was a good example of cooperation between the US and Croatia. He said that this was not the only US Army project in Croatia, citing a project to build a school in Sisak and a project to build a centre for crisis situations at sea in Rijeka. He also said there was a ***plan*** to build hospital helipadswhich could be used at night.Taxi drivers object to app paymentsZAGREB, Dec 12 (Hina) - Paying for taxi servicesvia apps is one of the key objections put forward by "legal" taxi drivers to the new bill on road transport, it was said at a round table on the liberalisation of taxi transport on Tuesday.Taximeters used in taxis are strictly calibrated while applications aren't easy to control, participants in the event said.The most vocal objector to the bill at the panel discussion, organised by the Jutarnji List daily, was the president of the Association of Tax Drivers at the Croatian Chamber of Trades and Crafts (HOK),Bozo Miletic, as was the head of the Taxi DriversAssociation with the Croatian Chamber of Commerce (HGK), Petar Dragic.Transport Minister Oleg Butkovic underscored several times that the bill couldbe amended and corrected.Butkovic said that the bill, on which public consultation will continue until 31 December, was aimed at introducing improvements and harmonising the system with European directives."Everyone will have to abide by the same rules... this is an attempt at liberalisation, which hasn't been done ever before because cities and municipalities limited the number of licences issued, which will no longer be possible," Butkovic said.He added that apps were being introduced in addition to taximeters.The bill is aimed at increasing employment opportunities and improving vehicle safety, he said.Speaking on behalf of taxi drivers, Miletic objected to the use of apps and said that they were not precise.Disagreeing with the bill, Mileticinsisted that taximeters be used and that taxi services remainin the remit of local government as well as that an estimate be made onhow many new taxi drivers wererequired.The director of Uber in Croatia, Davor Tremac, thinks that the bill is heading in a good direction and is in line withmodern European trends.Kermas Energija issues letter of intent for Uljanik shipyardZAGREB, Dec 12 (Hina) - The Zagreb-based Kermas Energija company has issued a letter of intent for the restructuring and diversification of Pula's Uljanik shipyard, the Uljanik Group announced in a statement on Tuesday."On December 12, 2017 we received a letter of intent from the potential ***strategic*** partner Kermas Energija d.o.o. Zagreb to participate in the restructuring and diversification of Uljanik Brodogradiliste d.d.," the statement said."We will keep the investment community duly informed of all relevant further activities," it added.Kermak Energija is an affiliate of the international investment corporation Kermas Limited, founded by Danko Koncar. It invests in tourism, energy and shipbuilding, and in 2013 it privatised the Brodotrogir shipyard.The Uljanik Group said late last month it would invite ***strategic*** partners to joininvestment ***programmes*** regarding the future restructuring of the Uljanik shipyard.Agrokor: Food and ***agriculture*** sectors operate at a profitZAGREB, Dec12 (Hina) - Agrokor's food and ***agriculture*** sectors operated at a profit in the first ten months of 2017, while the retail and wholesale sectorrecorded a negative EBITDA, a regular monthly report by the ailing corporation's government-appointed emergency administration shows.Agrokor's retail and wholesale sector, which includes retailersKonzum Croatia andKonzum Bosnia and Herzegovina, newsstand chain Tisak and wholesaler Velpro Centar, generated HRK 12.6 billion in revenues and a negative EBITDA (earnings before interest, taxes, depreciation and amortisation) of HRK 83 million in the first ten months of 2017.The food group, which comprises nine companies, including water bottler Jamnica, frozen food and ice-cream ***producer*** Ledo andedible oil ***producer*** Zvijedza, generated HRK 7.04 billion in revenues, with an EBITDA of HRK 1.03 billion.The ***agriculture*** sectorin this private corporation made HRK 2.2 billion in revenues with an EBITDA of HRK 269 million.Ex-HDZ secretary-general again testifies against Sanader in Fimi Media retrialZAGREB, Dec12(Hina) -Former Croatian Democratic Union (HDZ) secretary-general Ivan Jarnjak on Tuesday testified as a prosecution witness in the retrial of former Prime Minister and HDZ leader Ivo Sanader accused of siphoning money from state institutions and companies via the private Fimi Media marketing company.At the very start of this case, dubbed the Fimi Media case, Jarnjak was treated as a suspect, however, after he was interrogated in 2011, his status changed to that of a witness for the prosecution.During the investigation as well as the first trial, Jarnjak testified that he had been aware of the existence of the party's slush fund andunder-the-counter payments.Jarnjak told the court that as soon as he heard of the slush fund and under-the counter payments, he asked HDZ accountant Branka Pavosevic about it, and she told him that every month Sanader senta list of people who were supposed to receive under-the-counter payments from the HDZ.The transfers of this kind were supervised by Mladen Barisic, who at the time relevant to the indictment was at the helm of the Customs Administration and was also the HDZ treasurer.Jarnjak said that he later learned that some of the money was used for the purchase of Sanader's BMW car and was given tosome media outlets.During today's testimony, the accused Sanader again asked Jarnjak whether he had been treated as a suspect at the start of the investigation in this case, and Jarnjak answered in the affirmative.At the first trial, Sanader said that Jarnjak had given a false testimony in exchange for being cleared of the charges.Sanader also claimed that Jarnjak had given afalse testimony even though he (Sanader) had salvaged this former ministerfrom being prosecuted by the Hague-based International Criminal Tribunal for the former Yugoslavia.Sanader's lawyer Jadranka Slokovic said that the defence team would insist on the expert examination of Jarnjak's notes that could be of relevance for thetrial.Sanader and the other defendants in the case areaccused of siphoning about 70 million kuna (nearly 10 million euros) from state institutions and companies through the Fimi Media marketing agency into the HDZ's slush fund. Only Sanader and former government spokesman Ratko Macek insist that they are victims of political persecution, while the other accused - former customs chief and HDZ treasurer Barisic, Fimi Media owner Nevenka Jurak and former HDZ chief accountant Pavosevic, pleaded guilty at the beginning of the first trial.Croatia sending back growing number of illegal migrants to BosniaZAGREB, Dec12(Hina) - The number of illegal migrants who are sent back from Croatia to Bosnia and Herzegovina has beengrowing and that fact is a result of this year's increase in the number of people trying to reach EU member-countries in an illegal way, Bosnia and Herzegovina's Security Ministry confirmed on Tuesday.According to information provided by the ministry's service for aliens, in the past three months, 125 persons were returned from Croatia to Bosnia and Herzegovina after crossing illegally into Croatia. They were sent back in accordance with areadmission agreement.Most of those people are Turkish and Albanian nationals who abuse a visa-free travel scheme with Bosnia and Herzegovina and who, after legally entering Bosnia and Herzegovina, attempt to illegally continue their journey to Western European countries. Among the illegals are also nationals of Kosovo, as well as Afghansand Pakistanis.Bosnia and Herzegovina authorities have complained that their accommodation capacity has been almost used up and that Croatia and Montenegro have not been entirely honouring agreements on readmission and have been sending migrants to Bosnia and Herzegovina without prior announcement.In the first 11 months of 2017 proceedings were launched against 440 illegal migrants, which compared to the year before is an increase of as much as 380%. The proceedings include their accommodation in special centres for migrants or deportation to their country of origin.Even though it is estimated that Bosnia and Herzegovina is still not exposed to a mass influx of migrants, the Bosnian ministry recalls that there is a danger of the situation getting worse given the large number of migrants staying in countries in the region after they were stopped on theBalkan migration route.The Bosnia and Herzegovina border police said that illegal migrants most often try to enter the country near the border crossings of Bijeljina, Gacko, Bileca and Trebinje.They do it mostly by night and on foot, but some also use boats to cross the Drina River or freight vehicles, which is why thorough checks have been introduced on crossings on the border with Serbia and Montenegro.An additional problem which police have to fight are people smugglers who transport illegal migrants from Bosnia and Herzegovina to Croatia, charging them between 3,000 and 5,000 euros.Izetbegovic says Bosnia and Herzegovina will define its policies on its ownZAGREB, Dec12(Hina) - It is in Bosnia and Herzegovina'sinterest that Croatia abides by international law and its commitments, and the interests of Croatia and Serbia cannot serve as any basis for Bosnia and Herzegovina's foreign policy, the Bosniak member of Bosnia and Herzegovina's collective Presidency, Bakir Izetbegovic, said on Tuesday, stressing that he would insist on this and that he expected any future Bosniak member of the collective state leadership to do so."I will never tolerate Bosnia and Herzegovina 'following' Serbia or Croatiaor any other country's foreign policy positions. Bosnia and Herzegovina will define its foreign policy on its own and it will base it on its sovereigninterests and rights," Izetbegovic said in an interview published on the Klix web portal on Tuesday when asked about his ***intervention*** during a recent visit of the collective presidency to Belgrade, when the Croat Presidency chair Dragan Covic said that Bosnia and Herzegovina would adjust its policy on Kosovo to Serbia's policy on Kosovo.Izetbegovic said that differences of opinion were the main reason for his occasional conflicts with the Croat and Serb members of the Presidency, Covic and Mladen Ivanic respectively.Izetbegovic conceded that Bosnia and Herzegovina had to take into account its neighbours' positions on some issues, but that the most important for it were positions of the European Union that were binding on Bosnia and Herzegovina under the Stabilisation and Association Agreement.He also said that Croatia and Serbia "have to learn to build relations with Bosnia and Herzegovina on the basis of mutual respect and reciprocity.""Using Bosnia and Herzegovina's water resources for free for decades, keeping the sizeable property of Bosniaand Herzegovina companies22 years after the end of the war, denying Bosnia and Herzegovina access to the high seas by violating the rights Bosnia and Herzegovina has under the UN Convention onthe Law of the Sea, negating verdicts of an international court established in line with a decision of the UN Security Council, granting an audience to convicted war criminals, expecting Bosnia and Herzegovina's foreign policy to be defined in neighbouring countries' capitals - that is far from true respect and fair relations with Bosnia and Herzegovina," said Izetbegovic.Asked about the possibility that former detainees of wartime detention camps in Bosnia and Herzegovina could sue Croatia and seekcompensation following a recent ruling of the UN war crimes tribunal for the former Yugoslavia in the case of six Bosnian Croat military and political leaders, Izetbegovic said that "victims of the crimes committed by the participants in the joint criminal enterprise will have a chance to sue all those responsible" and that the state of Bosnia and Herzegovina had the duty to support them in that."We will talk with Croatia openly about everything, and more directly than has been the case so far. I am confident that based on the truth, whatever it may be, we can build sincere and mutually useful relations with Croatia and Croats in general. But theprecondition for that is true respect for Bosnia and Herzegovina. We don't need Croatia to emancipate us, as President (Kolinda) Grabar-Kitarovic says," Izetbegovic said.It will suffice, said Izetbegovic, for the Croatian state leadership to "face the truth about the past, for Croatia to enable the restitution of property of Bosnia and Herzegovina companies on its territory, remunerate fairly Bosnia and Herzegovina for the use of its water resources, and recognise Bosnia and Herzegovina's right to access the high seas in line with the UN Convention onthe Law of the Sea."That way,Croatia will emancipate itself rather than offering emancipation to Bosnia and Herzegovina, he said.Chinese companies to build thermal power plant in eastern HerzegovinaZAGREB, Dec 12 (Hina) - Chinese companies will build a 350 megawatt coal-fired thermal power plant at Gacko in eastern Herzegovina, and an agreement to that effect was signed by the Chinese investors and the government of the Bosnian Serb entityRepublika Srpskain Banja Luka on Tuesday.The Chinese partners, the China Africa Investment Development Corporation (CADIC) and the China Machinery Energy Corporation (CMEC), will finance the project in full in return for a 51% stake in the plant and supporting facilities.The new plant, whose construction will begin next year, will replace the existing coal-fired plant built in the 1980s.Chinese companies previously built a coal-fired power plant at Stanari near Doboj, which was put in operation in September 2016. The plant is used by the Serbian-British corporationEnergy Finance Team owned by Vuk Hamovic with long-term rights to sell the entire output on foreign markets.Slovenia's president to host meeting of neighbouring presidentsZAGREB, Dec 12 (Hina) - Two days ahead of being inaugurated for a second term Slovenia's president, Borut Pahor, will conduct an informal meeting on December 20 with the presidents of neighbouring countries, including Croatia, Italy, Austria and Hungary, Pahor's office reported on Tuesday.Pahor will take the oath in parliament on Friday, December 22. Two days prior to that, he will host a special lunch for the presidents of neighbouring countries.Presidents KolindaGrabar-Kitarovic of Croatia,Sergio Mattarella of Italy, Alexander Van der Bellen of Austria andJanos Ader of Hungary will meet with their Slovenian counterpart in Brdo pri Kranju.Pahor will use this opportunity to strengthen good neighbourly relations and mutual cooperation with neighbouring countries, his office reported and added that "meetings of the presidents of neighbouring countries on a regular basis contributeto exchanging stances on current bilateral and international issues and strengthening good neighbourly relations and cooperation."Croatian FM attends EU General Affairs Council meetingZAGREB, Dec 12 (Hina) - Croatian Minister of Foreign and European Affairs Marija Pejcinovic Buric attended a meeting of the General Affairs Council and a meeting of the General Affairs Council (Article 50) in Brussels on Tuesday, her ministry said in a press release.The Council discussed draft conclusions for a European Council meeting scheduled for December 14 and 15, which will focus on security and defence, social issues, education and culture.Pejcinovic Buric emphasised the importance of establishing permanent structured cooperation as an important step towards effective security and defence cooperation, advancing the European defence industry and strengthening cooperation with NATO.As regards social policy, Pejcinovic Buric supported efforts aimed at achieving a Union based on ensuring equitable jobs for citizens, inclusive growth and equal opportunity. On the subject of education and culture, she welcomed the strengthening of the Erasmus+ ***programme***, promotion of foreign language learning among young people, and development of digital competencies.The Council also exchanged views on the implementation of the European Council conclusions of October 19 relating to migration, a digital Europe, security and defence, and external relations.In the context of legislative ***programming***, the Council approved the text of a joint statement on priority areas of action for 2018, which will be signed on the margins of the European Council meeting on December 15 by the presidents of the European Council, the European Commission and the European Parliament.The legislative initiatives which according to the joint statement should be given a priority in the legislative procedure until the end of the term of the present Commission correspond to the priorities which Croatia supported at meetings of the General Affairs Council and at a meeting of the European Council held in October, the press release said.Under the last item on the agenda, the European Commission presented the Annual Growth Survey for 2018. The document provides an overview of the economic situation in the EU and sets out general economic and social priorities for the following year. Its publication marks the start of a new annual cycle of the European Semester.The EU ministers held an informal meeting with the foreign ministers of the EU membership candidate countries, exchanging views on issues relating to EU enlargement, notably a strategy which the Commission will make public in February 2018.The General Affairs Council (Article 50) meeting discussed the joint report by EU and UK negotiators on the progress made in the first phase of Brexit talks.In other news:State of natural disaster declared for Gorski KotarZAGREB, Dec 12 (Hina) - Primorje-Gorski Kotar County head Zlatko Komadina on Tuesday declared a state of natural disaster for Gorski Kotar due to huge damage caused by a rainstorm that hashit that central mountainous region, claiming one life.The victim, a33-year-old man from Belo Selo near Fuzine, was killed on Monday while trying to repair his damaged house when a gush of wind toppled his ladder that was leaning against thehouse.The county authorities said that all state,county and local roads running through Gorski Kotar, including the old road leading to Zagreb, had been closed to traffic due to the danger of falling trees.According to information provided by the relevant services, the storm has caused the most damage in the areas of Vrbovsko, Cabar and Brod Moravice.President says will call session of economic council to discuss agricultureZAGREB, Dec12(Hina) - Croatian President Kolinda Grabar-Kitarovic who temporarily relocated her office to Bjelovar-Bilogora County, on Tuesday met with representatives of family farms from Bjelovar-Bilogora and Krizevci-Koprivnica counties, saying that she would initiate a session of the economic council to discuss ***agricultural*** issues."There are far more problems in the ***agricultural*** sector than those we heard about today, but the main problem is an unequal treatment that wholesale buyers have towards Croatian farmers, compared to the treatment of farmers in other countries," Grabar-Kitarovic said, adding she would brief the ***agricultural*** minister of today's meeting.Later on Tuesdaythe president visited the Commercial Court in Bjelovar and attended the launching of the pilot project "e-communication" which will enable a faster, better, more modern and more efficient communication of all parties in court proceedings.Croatian state officials extendbest wishes for HanukkahZAGREB, Dec12(Hina) -President Kolinda Grabar-Kitarovic on Friday extended her best wishes to all Jewish citizens of Croatia for the holiday of Hanukkah."May the light of this holiday offer hope, joy, peace and friendly understanding.. Happy Hanukkah - Hag Hanukkah Sameah!" the president said in her message.Also,Croatian Parliament Speaker Gordan Jandrokovic and Prime Minister Andrej Plenkovic extended their best wishesto the Jewish faithful on the occasion of Hanukkah.Hanukkah, also known as the festival of lights, is one of the most important Jewish holidays. It commemorates the rededication of the Holy Temple in Jerusalem in 164 BC after its desecration three years earlier. The festival is observed in Jewish homes by the kindling of lights on each night of the holiday.Hanukkah is observed for eight nights and days, starting on the 25th day of Kislev according to the Hebrew calendar, which may occur at any time from late November to late December in the Gregorian calendar. It is also known as the Festival of Lights and the Feast of Dedication.Sibenik to set up register of protected buildingsZAGREB, Dec 12 (Hina) - Each of more than 2,000buildings in the protected inner city area of Sibenik will soon be issued with a publicly accessible 'personal identification card' offeringall essential information about thosebuildings, their photographs and guidelines for possible reconstruction, which is one of the main objectives of the IT system set up for the cultural and historical centre of that Adriatic city.The project is being implemented by the Juraj Dalmatinac association for protection of listed buildings and preservation of architectural heritage.The association is committed to prevention of increasing concretisationin the inner town,triggered off by the adaptation of apartments for tourism purposes.The ID card will includethe Cadastre number, area, address and also thebuilding's cultural value and security features as well as a description of the building with the time of construction, purpose, number of floors and details about its roof.The public will be able to see photographs, site details and most importantly, guidelines for reconstruction on the association's web site in an effort to prevent breaches of conservation guidelines or the use of inappropriate materials during reconstruction.This is the first project of its kind in Croatia,and other cities on the Adriatic coast have expressed interest in the project as have coastal cities in Slovenia and Italy.Industrial ***producer*** prices in Nov upZAGREB, Dec12(Hina) -In November 2017, industrial ***producer*** prices in Croatia went up by 1.4% on the month and 3.6% on the year, reaching the highest growth rate since January 2013, the national statistical office said on Tuesday.Industrial ***producer*** prices have been increasing for the 11th consecutive month on the year.***Producer*** prices went up 1.4% monthly on the domestic marked and 1.5% on the foreign market, while annually they went up 4% on the domestic and 3% on the foreign market.ZSE: Indices continue to riseZAGREB, Dec 12 (Hina) - The main Zagreb Stock Exchange (ZSE) indices continued to rise again on Tuesday, with the Crobex increasing by 0.43% to 1,862.44 points and the specialised Crobex 10 rising by 0.34% t o 1,089.99 points.Regular turnover amounted to HRK 5.6 million,2.8 million less than on Monday.The most traded stock was the Atlantska Plovidba shipping company with a turnover of HRK 1.4 million. The price of its shares increased by 1.72% to HRK 660.No other stock crossed the million kuna mark.(EUR 1 = HRK7.545883)THIS BULLETIN INCLUDES NEWS ITEMS RELEASED BY 0830 HRS WEDNESDAY. (Hina) ms Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, Dec 12 (Hina) - Croatia strongly supports efforts to stop and slow down global warming and it contributes concretely to climate protection targets, Prime Minister Andrej Plenkovic said on Tuesday at the end of a climate summit in Paris which brought leaders from several dozen countries, including 50 top-level officials.

The summit was organised by French President Emmanuel Macron with the help of the UN and the World Bank, on the second anniversary of the Paris Agreement.

"We will continue with our activities when it comes to meeting the targets of the UN Convention on Climate Change. We supported Mr Macron's initiative in New York also three months ago. Croatia has been working on a new energy strategy, a low-carbon strategy and an action ***plan*** for adjustment to climate change. We are meeting our commitments both at the EU level and at the global level. Croatia's presence here today is important and it is important that our partners see how much we care about giving a concrete contribution in this field. Croatia is not a major greenhouse gas emitter but we must do our best in all segments of industry and society and work on raising awareness of the importance of environmental protection, especially as our country is as beautiful as it is," Plenkovic said.

Asked if he had any bilateral meetings during the summit, Plenkovic said that he had a brief meeting with Macron.

"He appreciates very much Croatia's contribution and is glad that we understand that in the current global circumstances - notably given the position of the United States - France, the UN, the World Bank and the EU should assume the leading role with regard to this topic," said the PM.

Environmental Protection and Energy Minister Tomislav Coric, who accompanied PM Plenkovic at the summit, said that the conference confirmed the need for the global community to work together on reducing global warming.

"That can be done by increasing the use of energy from renewable sources and scaling down industries and energy sources that cause climate harm," said Coric.

The share of renewables in the total energy consumption in Croatia in 2015 was 23.2%, which means that Croatia has met the EU's target of having renewables account for 20% of the total energy consumption by 2020. The current share of renewables in the total energy consumption in the EU is 17%.

Two-thirds (67.3%) of the total energy ***produced*** in Croatia comes from renewables, including big hydroelectric power plants. In the EU that share is around 28%, with the target share to be achieved by 2030 being 50%.

ZAGREB, Dec12(Hina) - An explosion at the Baumgarten natural gas transit hub in Austria on Tuesday has disrupted gas supplies to Slovakia, Hungary, Slovenia and Croatia,Austrian gas transport system operator Connect Austria said.

ZAGREB, Dec12(Hina) - A 15-memberadvisory expert commission for the assessment of the impact of the futurecombined cycle cogeneration gas power plant on Peruca Lake in the Dalmatian hinterland on Tuesday concluded that the future plant was not environmentally acceptable.

ZAGREB, Dec12(Hina) - President Kolinda Grabar-Kitarovic on Tuesday visited Velika Ciglena near Bjelovar where the first Croatian geothermal power plant, with a capacity of 10 megawatts,is expected to be given a test run in the first half of next year.

ZAGREB, Dec12(Hina) - Regional Development and European Funds Minister Gabrijela Zalac said on Tuesday that next year Croatia plannedto draw up a National DevelopmentStrategyuntil 2030 to define guidelines and ***strategic*** objectives of the country.

ZAGREB, Dec12, 2017 (Hina) - Regional Development and European Funds Minister Gabrijela Zalac said Tuesday she expected the Peljesac Bridge project to proceed as ***planned*** and that an agreement regulating its implementation would be signed in a few weeks' time.

ZAGREB, Dec 12 (Hina) - In response to growing demands that people convicted by the International Criminal Tribunal for the former Yugoslavia (ICTY) in the Hague should be stripped of their decorations, President Kolinda Grabar-Kitarovic said in Bjelovar on Tuesday that "those people were decorated for their defence against the Great Serbia aggression," and that she would not take back their decorations.

ZAGREB, Dec 12 (Hina) - The chairman of the Commission for Military Decorations and Acknowledgements, General Marijan Marekovic, on Tuesday said that the commission was working in line with the relevantlaw and that based on that, it would decide whether to rescind decorations awarded to anyone who has been convicted by the International Criminal Tribunal for the former Yugoslavia (ICTY).

ZAGREB, Dec12(Hina) - Croatian President Kolinda Grabar-Kitarovic said on Tuesday that she did not attend the commemoration for Slobodan Praljak becausedecisions pertaining to running a country should "driven by reason and not by emotions."

ZAGREB, Dec 12 (Hina) - Social Democratic Party (SDP) leader, Davor Bernardic, has said that President Kolinda Grabar-Kitarovic "is absolutely supposed to respect the law," with regard to stripping convicted generals of their decorations and Croatia has to honour the convictions handed down bythe International Criminal Tribunal for the former Yugoslavia against generals.

ZAGREB, Dec 12 (Hina) - Several hundred students, whose dissatisfaction withCroatia's policies toward Croats in Bosnia and Herzegovina culminatedafter the recent conviction by the Hague war crimes tribunal of six Bosnian Croat wartime political and military leaders, gathered in front of Government House on Tuesday, calling for a clear government policy toward Croats in that country and for protection of their rights.

ZAGREB, Dec 12 (Hina) - The parliamentary Committee on Information, Computerisation and the Media on Tuesday received a report on the activities of the national broadcaster HrvatskaRadiotelevizija (HRT) for 2014 and 2015 and also agreed with a recommendation by GLAS MP Goran Beus Richembergh to give a written statement condemning hate talk in light of several recent threats made against journalists.

ZAGREB, Dec 12 (Hina) - Police have detained a man on suspicion of making a death threat against N1 television reporter Natasa Bozic Saric and he has admitted doing so, the journalist said on Twitter on Tuesday.

Bozic Saric said that the chief of police in Zagreb, Marko Rasic, had called her to say that the suspect had been detained and had admitted committing the offence. She thanked the police for the speedy response and everyone for their support.

Bozic Saric received the death threat via social media on Sunday after her television show. It is believed that the death threat was prompted by her interview about General Slobodan Praljak and her question as to whether the general should be stripped of his decorations. Praljak, a former Bosnian Croat military commander, committed suicide in the courtroom of the Hague war crimes tribunal in late November after hearing that his sentence of 20 years' imprisonment for war crimes against Bosniaks was upheld.

The Croatian Journalists' Association condemned the death threat on Monday, saying that it marked "a continuation of pressure on journalists in Croatia which includes death threats, physical attacks and murder attempts."

Istria County police confirmed to Hina on Tuesday that they had questioned a man suspected of threatening Bozic Saric.

According to unofficial sources, the suspect is a middle-aged man from Pula.

ZAGREB, Dec 12 (Hina) - Bridge party leader Bozo Petrov said on Tuesday that he was not familiar with the motives that prompted Vlaho Orepic to withdraw from the Bridge parliamentary group, while Bridge political secretary Nikola Grmoja described Orepic's move as odd.

ZAGREB, Dec 12 (Hina) - The 26th anniversary of the Croatian Air Force and Air Defence (HRZ & PZO) was marked at a ceremony at Zagreb's Pleso airport on Tuesday, with speakers at the eventunderscoring thehuge contribution of those forces in defending the country and preserving its sovereignty as well as their peacetime duties. The new Air Force and Air Defencecommander,Brigadier General Mato Mikic, was inaugurated at the ceremony.

ZAGREB, Dec 12 (Hina) - Paying for taxi servicesvia apps is one of the key objections put forward by "legal" taxi drivers to the new bill on road transport, it was said at a round table on the liberalisation of taxi transport on Tuesday.

ZAGREB, Dec 12 (Hina) - The Zagreb-based Kermas Energija company has issued a letter of intent for the restructuring and diversification of Pula's Uljanik shipyard, the Uljanik Group announced in a statement on Tuesday.

ZAGREB, Dec12 (Hina) - Agrokor's food and ***agriculture*** sectors operated at a profit in the first ten months of 2017, while the retail and wholesale sectorrecorded a negative EBITDA, a regular monthly report by the ailing corporation's government-appointed emergency administration shows.

ZAGREB, Dec12(Hina) - It is in Bosnia and Herzegovina'sinterest that Croatia abides by international law and its commitments, and the interests of Croatia and Serbia cannot serve as any basis for Bosnia and Herzegovina's foreign policy, the Bosniak member of Bosnia and Herzegovina's collective Presidency, Bakir Izetbegovic, said on Tuesday, stressing that he would insist on this and that he expected any future Bosniak member of the collective state leadership to do so.

ZAGREB, Dec 12 (Hina) - Chinese companies will build a 350 megawatt coal-fired thermal power plant at Gacko in eastern Herzegovina, and an agreement to that effect was signed by the Chinese investors and the government of the Bosnian Serb entityRepublika Srpskain Banja Luka on Tuesday.

ZAGREB, Dec 12 (Hina) - Two days ahead of being inaugurated for a second term Slovenia's president, Borut Pahor, will conduct an informal meeting on December 20 with the presidents of neighbouring countries, including Croatia, Italy, Austria and Hungary, Pahor's office reported on Tuesday.

ZAGREB, Dec 12 (Hina) - Primorje-Gorski Kotar County head Zlatko Komadina on Tuesday declared a state of natural disaster for Gorski Kotar due to huge damage caused by a rainstorm that hashit that central mountainous region, claiming one life.

ZAGREB, Dec 12 (Hina) - Each of more than 2,000buildings in the protected inner city area of Sibenik will soon be issued with a publicly accessible 'personal identification card' offeringall essential information about thosebuildings, their photographs and guidelines for possible reconstruction, which is one of the main objectives of the IT system set up for the cultural and historical centre of that Adriatic city.

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HINA Digest

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**Body**

Zagreb, 16 February 2018 (Hina) - Parliament elects Conflict of Interest Commission members but not chairZAGREB, Feb16(Hina) - Parliament on Friday did not elect a Conflict of Interest Commission chair as neither Natasa Novakovic nor Dalija Oreskovic, whochaired it until the end of her term on February 11, received the required 76 votes, while four members were elected.Novakovic received 75 votes and Oreskovic 46, Speaker Gordan Jandrokovic said, adding that the vote would be repeated.Of the 151 members of parliament, 127 voted for the new Commission chair. Six of the ballots were invalid.The four electedCommission members areTatijana Vucetic, Davorin Ivanjek, Aleksandra JozicIlekovic, andToncica Bozic. Vucetic and Ivanjek were re-elected.New Farmland Act passedZAGREB, Feb16(Hina) - Parliament on Friday adopted a new Farmland Act, of which Croatian farmers expect a lot, with 78 votes in favour, 49 against and three abstentions.The new law introduces the principle of domicile. State-owned farmland will be primarily allocated to local farmers, family farms, micro and small enterprises, cattle breeders lacking land, young farmers, and lessees who have realisedeconomic ***programmes*** and honoured contracts.The new law returns the power to managestate-owned farmland to towns and municipalities, shutting down the agency established for that purpose. Local government will advertiselease or sale applications and the state prosecution, after five years,will again be included in overseeingthe procedure.State-owned farmland can be leased for25 years and the lease can be extended for another 25 if the tenants realise the economic ***programmes*** based on which they have beengivenland.***Agriculture*** Ministry state secretary Tugomir Majdak said a ban on selling farmland to foreigners was in force until 2020 and that the ministry would apply for extending it until 2023.Parliament also adopted the Gas Market Act, aimed at providing for quality and lasting gas supplies for the next three years, a deadline the European Commission gaveCroatia toalign with European gas market rules.Also adopted was the Consumer Protection National ***Programme*** for the 2017-20 period.Uljanik shareholders decide to inject up to HRK 302M in shipyard,CEO urges restructuringZAGREB, Feb16(Hina) - The shareholders in Pula's Uljanik shipyard decided at an extraordinary assembly on Friday to increase equity by betweenHRK 180 and 302.22 million, and the dock is looking for a ***strategic*** partner thatwill invest about EUR100 million.Letters of intent to invest in Uljanik have been submittedby the KermasEnergija company and Italy's Palumbo Group.

The Italian shipyard Fincantieri from Monfalcone and the Dutch Damen Group are checking Uljanik and have not officially submittedletters of intent.Under today's shareholders' decision, equity could go up from HRK 100.69 million to a maximum HRK 402.91 million.CEO Gianni Rossanda said the government "has extended full support to the Uljanik Group and approved a state guarantee toborrowEUR 96 million, as requested, becauserestructuring is the only long term solution for the survival of the Uljanik shipyards."He said the government had made the state guarantee conditional on increasing equity, finding a ***strategic*** partner, and restructuring the companyin cooperation with the ***strategic*** partner.Without the group's restructuring, EUR 569 million worth of government guarantees will have to be activated, 4,500 jobs could be lost and the shipbuilding industry in Pula and Rijeka might be lost for good, said Rossanda, who before the assembly's decision on increasing the group's equityinformed the shareholders in detail about the group's financial situation, financial rehabilitation and the selection of a ***strategic*** partner.Rossanda said that the group expected the future potential ***strategic*** partner to contribute close to EUR 100 million to the group's restructuring.He noted that given the amount of the government's guarantees, investors who would possibly want to dismantle the local shipbuilding industry would be ruled out as ***strategic*** partners."Basically, as shareholders we are now creating a basis to avoid liquidation - no one who wants to keep the shipbuilding industry running must even think of that - as well as creating a basis for a new, stronger Uljanik," said Rossanda.He said that along with highly sophisticated vessels and special floating objects - which would constitute the shipyard'smain line of products, the shipyard would undergo diversification to build a winter overhaul centre for mega-yachts.Rossanda added that a permanently sustainable shipbuilding process at both of Uljanik's locations (Pula and Rijeka) required cutting the number of workers from the current 4,000 to 2,900, while 1,100 workers would become redundant - 750 in Pula and 350 in Rijeka.He promised that once the restructuring process started by the end of the year, Uljanik would find a way to provide for its redundant workers in the best possible way.In 2017, the Uljanik shipyard recorded a loss of HRK 245 millioneven though sales were HRK 512 million higher than in 2016. The main reason for this was the shipyard's financial contribution to the restructuring of the "3. maj" shipyard, a member of the Uljanik Group, said Rossanda.According to preliminary figures, the Uljanik Group's loss in 2017 totalled HRK 680 million even though its sales were HRK 112 million higher than in 2016, totalling around two billion kuna.Addressing the assembly, Istria County prefect Valter Flego said Uljanik was a symbol ofIstria and the city of Pulaand that preserving the shipbuilding industry and jobs was of the utmost importance."Only by pulling together can the shareholders, the unions, the management board, the city, the county and the state see this process through," said mayor Boris Miletic.(EUR 1 = HRK 7.43)Rab ferry-boat service gets new ferryZAGREB, Feb 16 (Hina) - The Dalmont shipyard in Kraljevica on Friday handed over a new ferry worth 7.8 million euro to the Rab-based Rapska Plovidbaferry-boat company, with President Kolinda Grabar-Kitarovic being the ferry's sponsor who named the ferry the "Four Belfries."The ferry was given that name as a symbol of the four belfries located in the ancient town centre of Rab. The ferry will connect Misnjak on Rab Island and Stinica on the mainland near the town of Senj. Rapska Plovidba has been granted a ten-year concession for the Misnjak-Stinica line.The ferry can transport 600 passengers and 100 vehicles and will be manned with a crew of 7 or 8. Its construction was financed by Rapska Plovidba which took a loan from the Croatian Bank for Reconstruction and Development (HBOR) and commercial banks.Grabar-Kitarovic says survival of shipbuilding a priority for the economyPresident Kolinda Grabar-Kitarovic said that several years ago few believed in the future of Croatia's shipbuilding industry, however, with restructuring and government aid and the valuable work of all its workers, the industrymanaged to rise up again. She underscored that Croatia's shipbuilding industry hadadapted and wasready to adapt to the needs of its clients.Shipbuilding is one of the drivers of development, it is export-oriented and generates exports of 500to 700 million dollars a year and contributes to balancing the state's foreign trade and payment balances, the President said.Grabar-Kitarovic underlined that Croatia's shipbuilding ranked tenth globally and third in Europe. According to her, the shipyards' books of orders now contain 39 vessels in the works with a total value of 1.84 billion dollars, and 96%of them were ordered by foreign clients.The President said that she was underlining this information in order to emphasise the importance of making the shipbuilding industry competitive and sustainable."I take that to be one of the priorities of Croatia's economic policies and a lasting obligation for the Croatian government and us all," she said and continued, "Not even today -five years after the privatisation of some large shipyards, with the responsibility for their business mostly resting on their owners and management - is the state entirely free of responsibility for this sector."She added that the government is obliged to continue carefully monitoring the process of restructuring and to act when necessary.The President said that last year, Croatiam shipyards delivered 10 ships, which is below their capacity, seeing that theyonce used to deliver 20 ships. She underscored that the importance of shipping will increase, and that Croatia could have an important role in that regard as well as that the success of any business depends largely on quality and expertise. We have to know how to keep qualified people in Croatia and only that waywill this sector and the entire economy manage to succeed, she said, noting that the economy was suffering as a consequence of people emigrating.She added that Dalmont had maintained shipbuilding in Kraljevica, that it employed155 people and a further 50 sub-contractors. In conclusion, she congratulated Rapska Plovidba on its 55 years of existence.Butkovic: Concessions to domestic shipping companiesThe Minister of the Sea, Transport and Infrastructure, Oleg Butkovic, said that the Kraljevica shipyard was heading in the right direction and that the government had extended its concession and that by 2029, the shipyard's owners would invest HRK 130 million in two phases.He underscored that HRK 310 million is allocated to maintain coastal transport and that the process of granting concessions for 40 lines has been completed. All the concessions were granted to domestic companies even though the tender was advertised internationally, Butkovic saidand stressed that that was proof of the success of Croatia's shipping companies, maritime system and shipyards.Recapitalisation of Badel 1862 finalised successfully, says beverages producerZAGREB, Feb16(Hina) -The beverages ***producer*** Badel 1862 said on Friday that the recapitalisation of the company with HRK 222.68 million had been successfullycompleted after the ***strategic*** investor, the Djakovo-based Meteorcompany, injected HRK 214.15 million and the government set aside HRK 8.5 million.Badel 1862 notified the Zagreb Stock Exchange thatits Supervisory Board had okayed the management board's decisiondetermining the accurate amount of cash paymentand equity claims and the exact number of shares to be issued.HRK30 million kuna was paid in cash whereas the equity claims accounted for HRK 192.68 million.A total of 22,268,139 ordinary shares were subscribed ata nominal price of HRK 10.According to unofficial information, the interest of Meteor in Badel 1862 will be 84%, whereas the state interest will fall to 13-14%.Office of Ombudswoman responds to minister over case of 9-year-old migrantZAGREB, Feb16(Hina) - The Office of the Ombudswoman stated on Friday that information regarding the police treatment ofa nine-year-old unaccompanied migrant "is an example of disregard for rules" and that any further communication onthattopicwill be conducted exclusively with the Interior Ministry and other relevant agencies.The Office of the Ombudswoman recalls that it first warned the Interior Ministry about the police treatment of the 9-year-old unaccompanied migrant in June 2017.In July, the ministry sent aresponse explaining that it accepted the warningfrom the Office of the Ombudswoman but did not ask for an additional explanationor information on the specificcase, theOffice said.Thus, claims by the Interior Minister that he does not know what the case isabout are groundless, the Office said.On Thursday,Interior Minister Davor Bozinovic told reporters, in reference to an alleged case of a nine-year-old unaccompanied migrant being deported from Croatia, that no such case was found in police records.Bozinovic saidthat it was odd that the public was debating thecaseyet there was no information of who the child was or when its deportation occurred."What I do know is what I said yesterday - that the chief police director wrote to the ombudswoman requesting information on thematter considering that there is no evidence of any such case in the police records," Bozinovic said when asked whether there was any news on the caseafter Ombudswoman Lora Vidovic warned the police about their behaviour toward migrants.The Office of the Ombudswoman said that in the meantime it had again provided the law enforcement authorities with all relevant information about thecase.Itwelcomedthe minister's call for avoidance of public debates on the case, noting that further communication on thetopic would therefore be conducted only between the Office and the Interior Ministry and other relevant bodies so as to prevent heightening tensions that divert public attention from insistence on efficient investigations of the police treatment of migrants in irregular situations.Police director tells ombudswoman police never deported unaccompanied childZAGREB, Feb 16 (Hina) - National police director Nikola Milina on Friday sent Ombudswoman Lora Vidovic a letter saying that a nine-year old Afghan boy to whom she referred to in documentation sent to police, was accompanied by his father and that the "police never deported any unaccompanied child" but "acted in line with applicable legal provisions."Milina notes in the letter that after the ombudswoman delivered the relevant documentation on this particular case, showing that the child in question was an Afghani born in 2008, it was established that the child was accompanied by his father (born in 1986) when the police in Tovarnik, easternmost Croatia, issued them with a decision obliging them to return across the border.In cases of minors accompanied or unaccompanied, generally measures are more lenient and when a decision of return is issued, it means that the migrants in question are given a deadline by which to leave the country on their own, but the decision itself does not contain a ban of entry or stay, the migrants are not forcibly returned or placed in an asylum centre, Milina explained.This is the procedure that was applied in the specific case, he added."With reference to the question of determining identity and paternity... that is possible based on a public document with a photograph that irregular migrants do not possess or, based on a statutory declaration."In this particular case, the Ministry was not obliged and could not have determined paternity as the foreigners immediately left the Tovarnik police station after being issued with the decision on return," Milina said.Earlier in the day the Office of the Ombudswoman said that information regarding the police treatment of a nine-year-old unaccompanied migrant "is an example of disregard for rules." It recalled that it first warned the Interior Ministry about the police treatment of the 9-year-old unaccompanied migrant in June 2017.HSS leader: It is Dalic, not Plenkovic, who is governing CroatiaZAGREB, Feb 16 (Hina) - Croatian People's Party (HSS) leader Kreso Beljak said on Friday that Croatia and its government were not being led by Prime Minister Andrej Plenkovic but by his deputy, Economy Minister Martina Dalic."Yesterday I realised who is running Croatia, the government and the Croatian Democratic Union (HDZ). It is not Plenkovic but Martina Dalic, who in turn is backed by Borislav Skegro and the people from the 1990s," Beljak said at a press conference while commenting on Thursday's thematic session of the parliamentary Economy Committee on the heavily indebted Agrokor food and retail conglomerate which is currently under emergency administration.Agrokor's government-appointed emergency administrator Ante Ramljak told the Economy Committee on Thursday that "he is aware that he made a mistake and that it is clear to him how the public seesthe company in which he used to work, the company with two employees who had a net monthly salary of about 4,000 kuna, which he is now paying 250,000 kuna weekly," Beljak said.He added that Dalic "is most likely very, very deeply involved in this whole affair" and called on the prime minister to fire both Ramljak and Dalic."This whole business about the Agrokor law was dodgy right from the start because it constitutes direct interference of the state in the operation of a private company which, admittedly, is the HDZ's baby from the 1990s, but this state interference is reminiscent of China, Cuba or similar countries," the HSS leader said.HSS starts preparations for European Parliament electionsBeljak said that the HSS was the first party in Croatia that was beginning preparations for European Parliament elections scheduled for next year. He said that the HSS would run on its own and that it would offer a foreign policy platform that would include withdrawal from the Three Seas initiative and getting closer to Germany, France and Benelux, declaration of an exclusive economic zone in the Adriatic and adoption of the euro.Asked whether this meant that the HSS would also run alone in the next national parliamentary elections, Beljak said that they had signed an agreement with the Social Democratic Party (SDP) and would run with those who agreed to their ***programme*** guidelines.Croatia welcomes EU's renewed focus on enlargementZAGREB, Feb 16 (Hina) - Croatian Foreign Minister Marija Pejcinovic Buric on Friday welcomed the EU's renewed focus on the enlargement policy and the confirmation of membership prospects for all six Southeast European countries, her ministry said in a statement.On the second day of their informal meeting in Sofia, the EU foreign ministers exchanged views on the enlargement policy after the European Commission revealed its enlargement strategy for the Western Balkans on February 6.Pejcinovic Buric stressed the importance of the EU keeping its door open to further enlargement and warned that the Southeast European countries should show political will and a clear commitment to implementing reforms and meeting the necessary criteria for EU membership, notably those concerning issues relating to the legacy of the 1990s wars, reconciliation and resolution of outstanding bilateral issues.Pejcinovic Buric told reporters on Thursday that Croatia was generally in favour of EU enlargement, but was against changing the content of the documents that define how this process should be conducted.She warned that the Commission's enlargement strategy mentioned arbitration as the only solution to border disputes if no bilateral agreement was reached."That is not acceptable to Croatia," Pejcinovic Buric said, adding that the negotiating framework for EU accession envisaged resolution of border disputes before permanent international judicial institutions as well.Croatia is of the view that border disputes should primarily be dealt with through bilateral talks. If that fails, a negotiated solution should be sought before established mechanisms such as the International Court of Justice, the foreign minister said.She said that the enlargement policy should remain based on strict and fair conditionality and on individual merit.Over the last two days, the EU ministers discussed current topics, including the situation in Syria, the EU strategy, the enlargement perspective and increased engagement with the Southeast European countries, and North Korea. They also met with the foreign ministers of EU membership candidates to discuss security and defence.Slovenian FM: Croatia bad example for potential EU members because of border arbitrationZAGREB, Feb16(Hina) - Slovenian Foreign Minister Karl Erjavec said on Friday that Croatia, by "not honouring" the border arbitration ruling, was sendinga negative signal toWestern Balkan countries on their European Union journey whichcould slow them down."Croatia is not honouring the arbitration ruling, giving the countries in the region a very negative signal," Erjavec told Slovenia's STA news agency in Sofia, adding that Croatia had outstanding border issues with Slovenia, Serbia, Montenegro, and Bosnia and Herzegovina, and that that was "the main problem" when it came tothe border disputes in the region.Croatia's message in the case of its border arbitration dispute with Slovenia is that one can be in the EU without honouring arbiters' decisions and international law, which is a very negative signal, Erjavec said.Erjavec was in Sofia for an informal meeting of EU foreign ministers on the European Commission's new strategy for enlargement to the Western Balkans.In his address, he said the EU accession candidates' unsolved border issues with Croatia were the main problem that made it unrealistic that some of them mightwrap up their accession negotiations by2025at the earliest, Slovenian media reported.Croats in Serbia pleased with Vucic's visit to CroatiaZAGREB, Feb 16 (Hina) - The Democratic Alliance of Croats in Vojvodina (DSHV) said on Friday that Serbian President Aleksandar Vucic's two-day visit to Croatia earlier this week was "highly positive", underscoring the readiness of both countriesto tackle all outstanding issues.The DSHV said in a statement that the messages heard during the visit were encouraging. It welcomed "the mutually expressed readiness to deal with all outstanding issues that are burdening relations between Croatia and Serbia, including the position of the Croat minority in Serbia and the Serb minority in Croatia."The statement said that despite misunderstanding and opposition from sections of the public and political parties in both countries, the visit was excellently organised. It commended Croatian President Kolinda Grabar-Kitarovic for her "courage and hospitality".The DSHV said that the visit took place at a right time and was probably crucial in "the latest resetting of overall Croatian-Serbian relations."In the DSHV's opinion, the fact that its chairman and member of the Serbian parliament Tomislav Zigmanov was included in the Serbian delegation, symbolically recognised the importance of the political representative of the Croat community not only in Serbia but also in relations between the two countries.During bilateral meetings in Zagreb, Zigmanov presented problems faced by the ethnic Croats in Serbia, including the issue of guaranteed seats and proportional representation in state administration, the exercise of minority rights, undeveloped municipal infrastructure and the restitution of property.The DSHV also welcomed the invitation from President Vucic to Zigmanov to a meeting to discuss efforts to resolve the problems and improve the social status of the Croats in Serbia.Croatian, Serbian, Bosnian leaders to meet in Bosnia in early MarchZAGREB, Feb 16 (Hina) - Presidents Kolinda Grabar-Kitarovic of Croatia and Aleksandar Vucic of Serbia will meet with the three members of the Bosnian Presidency, Dragan Covic, Mladen Ivanic and Bakir Izetbegovic, in Mostar on March 6 or 7, Presidency Chair Covic said on Friday.The meeting is a contribution to resolving the problems between the countries in the region and their progress on the European Union journey, he said."I will insist that we neighbours have the best relations possible... Expectations of such meetings are relatively big, although we know there are many outstanding issues."He said European Commission President Jean-Claude Juncker recently "asked that we start resolving those problems today already. Only talks can make us make use of that European journey and that is a big incentive and opportunity for Bosnia and Herzegovina."Covic said Juncker, European Council President Donald Tusk and EU High Representative for Foreign Affairs and Security Policy Federica Mogherini would visit Bosnia on February 28 when Bosnia will hand over its answers to the Commission's Questionnaire.137 nationals of Bosnia and Herzegovina fighting abroad, says MPZAGREB, Feb16(Hina) - A total of 137 nationals of Bosnia and Herzegovina are fighting on foreign fronts, according to information provided by the country's agencies that was presented to the Parliamentary Assembly of the Mediterranean by Bosnia and Herzegovina member of parliament Mirsad Isakovic.Isakovic presented these figures at the 12th plenary session of the Parliamentary Assembly of the Mediterranean held in Bucharest and dedicated to terrorism and violent extremism, the fight against people smuggling, economic cooperation, climate change, Mediterranean cultural heritage and civil and human rights protection.Addressing the event, the Bosnian MP said that four years ago Bosnia and Herzegovina was the first country in the region to amendits penal code to banits nationals from fighting in wars abroad, introducing criminal sanctions for non-compliance with its provisions as well as for aiding or promoting participation in paramilitary formations in foreign countries.Aside from information that 137 Bosnian nationals have been found to be fighting abroad, Isakovic also said that40 Bosnian nationals had been convicted for these activities, that proceedings were under way against 12, while four fighters who had returned to Bosnia and Herzegovina and had been convicted had again left the country to fight abroad.Bosnian Serb wartime special police commander acquitted of Srebrenica genocideZAGREB, Feb16(Hina) - The State Court of Bosnia and Herzegovina in Sarajevo on Friday acquitted Goran Saric, wartime commander of a special police unit at the Bosnian Serb entity's Interior Ministry,of participation in the 1995 Srebrenica genocide.A police general, Saric was accused on command responsibility of participating in crimes in which thousands of Bosniak men and boys were killed and of the persecution of over 40,000 Bosniaks from the Srebrenica area which, until its fall in July 1995, was under UN protection.Saric was acquitted on all counts due to lack of clear evidence onhis role, including his involvement, if any, in the ***planning*** of the genocide.Bosniak associations of the victims' families expressed outrage overthe acquittal, saying Saric had been part of a policy which led to the mass crimes committed in July 1995.The State Prosecutor's Office said it would appeal.1 in 5 residents in Bosnia and Herzegovina has left country over past 25 yrsZAGREB, Feb16(Hina) - Since the war,one in five residents of Bosnia and Herzegovina has left the countryand this negative trend, coupled with a poor economic situation, does not providea rosypicture ofthe future for those staying in that country, the Banja Luka-based Nezavisne Novine reported on Friday.Of all western Balkan countries, Bosnia has the worst negative birth rateand ranks second, behind Macedonia, in terms of emigration.International Monetary Fund statistics show that since 2000, Bosnia and Herzegovina's population shrank by 5%, and since 1990, a fifth of the whole population has left the country.This adversely affects the local economyand thereal jobless rate is highest in Bosnia and Herzegovina in comparison to its peers in the region, analysts have warned.In other news:Borzan: Large quantities of food thrown out in EU because use by date misinterpretedZAGREB, Feb 16 (Hina) - The European Commission has published a large study on the impact of use by date labelson food waste in the EU, which amounts to about 90 million tonnes a year, with 10% of that quantity beingthrown out because of the use by date,Croatian MEP Biljana Borzan's Osijek-based office said in a press releaseon Friday.Borzan notes that it wasassumed that the large quantity of food that is thrown out is related to incorrectly labelled food products and consumers not understanding the difference between the terms "Use by" and "Best before", and that now there is firm data and statistics on which to recommend legal and other measures to curb this problem.She warned that less than half the EU citizens understand the difference between "Use by" and "Best before" labels that are prescribed by EU law, and that food can still be used for days, weeks and months after the expiry of the date on the latter label yet it is massively thrown out.The "Best before" date means that ***producers*** claim that by that date the producthas the best quality, for example, it retains its crunchiness and colour."An experiment in Sweden and Norway replaced that label with one that says 'best quality by'and 'best before, and usable after'.The European Commission should certainly take that initiative into consideration," Borzan said.She underscored that some ***producers*** participating in a large survey said that they deliberately put a shorter use by date than they should in order to avoid possible problems. Surveys conducted by consumer protection associations also said that the shorter use by date was sometimes used so that products wouldn't remain on shelves too long and stores would have to order more frequently.Borzan said that a "good part of the 90 million tonnes of food that is thrown out each year in the EU is still usable and thatthe EU and member states have a moral and political obligation to prevent food waste.""Even if queues in front of soup kitchens didn't exist and almost one in five citizens wasn't at risk of poverty, that is an enormous quantity of food whose production required exploiting resources like water, soil, fuel and labour hours," Borzan said.Bids for renovating Czech elementary school, kindergarten in Daruvar to be calledZAGREB, Feb 16 (Hina) - Bjelovar-Bilogora County prefect Damir Bajs said in Daruvar on Friday that bids would soon be called for the HRK 3.7 million reconstruction of the Czech elementary school and the Czech kindergarten in Daruvar.Croatia's office for human and ethnic minority rights will set aside HRK 1.2 million for the job, the Czech government will provide HRK 2.2 million and Bjelovar-Bilogora County HRK 280,000.229 pupils go to J. A. Kamensky Elementary School and 150 children to Ferda Mravenec Kindergarten.Russian Maslenitsa carnival to be held in Zagreb on SundayZAGREB, Feb16, 2018 (Hina) - Maslenitsa, a Russian religious and folk holiday,will be celebrated in Zagreb's Upper Townon Sunday,during the last week before Great Lent and the eighth week before Eastern Orthodox Pascha (Easter).The event is organised for the 10th time by associations of Russians living in Croatia and the Russian embassy.The organisers have invited residents to come to the Upper Townbetween 1pm and 4pm on Sunday to participate in Maslenitsa.ZSE: Indices riseZAGREB, Feb 16 (Hina) - The main Zagreb Stock Exchange (ZSE) indices increased on Friday, with four stocks crossing the million kuna mark.The Crobex increased by 0.11% from Thursday to 1,855.51 points, while the specialised Crobex10 went up by 0.21% to 1,073.11points.Regularturnover amounted to HRK 9.1 million, about 1.8 million more than on Thursday.The most traded stock was that of the Arena Hospitality Group, with a turnover of HRK 1.85 million. The price of its shares fell by 0.45% to HRK 443.The Valamar Riviera tourism group generated a turnover of HRK 1.37 million and closed the day at HRK 41.40 per share, down 0.24% from yesterday.The Podravka food group traded HRK 1.34 millions worth with the price of its shares jumping by 2.33% to HRK 264.The HT telecommunications company also crossed the million kuna mark (1.01M). The price of its shares dropped by 0.30% to close the day at HRK 165 per share.(EUR 1 = HRK7.433629)THIS BULLETIN INCLUDES ITEMS RELEASED BY 2100 HRS FRIDAY. (Hina) rml Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, Feb16(Hina) - Parliament on Friday did not elect a Conflict of Interest Commission chair as neither Natasa Novakovic nor Dalija Oreskovic, whochaired it until the end of her term on February 11, received the required 76 votes, while four members were elected.

ZAGREB, Feb16(Hina) - Parliament on Friday adopted a new Farmland Act, of which Croatian farmers expect a lot, with 78 votes in favour, 49 against and three abstentions.

ZAGREB, Feb16(Hina) - The shareholders in Pula's Uljanik shipyard decided at an extraordinary assembly on Friday to increase equity by betweenHRK 180 and 302.22 million, and the dock is looking for a ***strategic*** partner thatwill invest about EUR100 million.

ZAGREB, Feb16(Hina) -The beverages ***producer*** Badel 1862 said on Friday that the recapitalisation of the company with HRK 222.68 million had been successfullycompleted after the ***strategic*** investor, the Djakovo-based Meteorcompany, injected HRK 214.15 million and the government set aside HRK 8.5 million.

ZAGREB, Feb16(Hina) - The Office of the Ombudswoman stated on Friday that information regarding the police treatment ofa nine-year-old unaccompanied migrant "is an example of disregard for rules" and that any further communication onthattopicwill be conducted exclusively with the Interior Ministry and other relevant agencies.

ZAGREB, Feb 16 (Hina) - National police director Nikola Milina on Friday sent Ombudswoman Lora Vidovic a letter saying that a nine-year old Afghan boy to whom she referred to in documentation sent to police, was accompanied by his father and that the "police never deported any unaccompanied child" but "acted in line with applicable legal provisions."

Milina notes in the letter that after the ombudswoman delivered the relevant documentation on this particular case, showing that the child in question was an Afghani born in 2008, it was established that the child was accompanied by his father (born in 1986) when the police in Tovarnik, easternmost Croatia, issued them with a decision obliging them to return across the border.

In cases of minors accompanied or unaccompanied, generally measures are more lenient and when a decision of return is issued, it means that the migrants in question are given a deadline by which to leave the country on their own, but the decision itself does not contain a ban of entry or stay, the migrants are not forcibly returned or placed in an asylum centre, Milina explained.

This is the procedure that was applied in the specific case, he added.

"With reference to the question of determining identity and paternity... that is possible based on a public document with a photograph that irregular migrants do not possess or, based on a statutory declaration.

"In this particular case, the Ministry was not obliged and could not have determined paternity as the foreigners immediately left the Tovarnik police station after being issued with the decision on return," Milina said.

Earlier in the day the Office of the Ombudswoman said that information regarding the police treatment of a nine-year-old unaccompanied migrant "is an example of disregard for rules." It recalled that it first warned the Interior Ministry about the police treatment of the 9-year-old unaccompanied migrant in June 2017.

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The meeting is a contribution to resolving the problems between the countries in the region and their progress on the European Union journey, he said.

"I will insist that we neighbours have the best relations possible... Expectations of such meetings are relatively big, although we know there are many outstanding issues."

He said European Commission President Jean-Claude Juncker recently "asked that we start resolving those problems today already. Only talks can make us make use of that European journey and that is a big incentive and opportunity for Bosnia and Herzegovina."

Covic said Juncker, European Council President Donald Tusk and EU High Representative for Foreign Affairs and Security Policy Federica Mogherini would visit Bosnia on February 28 when Bosnia will hand over its answers to the Commission's Questionnaire.

ZAGREB, Feb16(Hina) - A total of 137 nationals of Bosnia and Herzegovina are fighting on foreign fronts, according to information provided by the country's agencies that was presented to the Parliamentary Assembly of the Mediterranean by Bosnia and Herzegovina member of parliament Mirsad Isakovic.

ZAGREB, Feb16(Hina) - The State Court of Bosnia and Herzegovina in Sarajevo on Friday acquitted Goran Saric, wartime commander of a special police unit at the Bosnian Serb entity's Interior Ministry,of participation in the 1995 Srebrenica genocide.

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Belgium Pharmaceuticals & Healthcare Report

January 1, 2018 Monday

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**Length:** 3245 words

**Highlight:** Belgium has a favourable geographical location at the heart of the EU and this, combined with its highly skilled workforce and favourable tax regime, means that many multinationals base their European operations in the country. Further attractions include a well-developed healthcare system that enjoys high government contributions towards overall costs, a large drug market and high per capita spending on medicines, along with a stringent regulatory climate (which is recognised by the US and in line with the EU legislation), large demand for patented products and a stable and transparent business environment.

**Body**

Research-Based Industry

Belgium has a favourable geographical location at the heart of the EU and this, combined with its highly skilled workforce and favourable tax regime, means that many multinationals base their European operations in the country. Further attractions include a well-developed healthcare system that enjoys high government contributions towards overall costs, a large drug market and high per capita spending on medicines, along with a stringent regulatory climate (which is recognised by the US and in line with the EU legislation), large demand for patented products and a stable and transparent business environment.The pharmaceutical industry association, Pharma.be, had 121 members in 2012, jointly representing around 84% of people employed by the pharmaceutical industry in the country. Overall, Belgium is a relatively modest ***producer*** of pharmaceutical products, despite being a world leader in the production of vaccines. The majority of indigenous ***producers*** are small companies and only a handful of multinationals have made Belgium a key manufacturing site.According to Pharma.be, after Germany, Belgium is the largest exporter of biopharmaceutical products.

However, we caution that trade figures are not indicative of pharmaceutical production or consumption in Belgium. The country has a long tradition as a trading nation - its export strength coming from excellent infrastructure and a central location, making it an ideal access point to the rest of Europe. With a free trade agreement agreed between Canada and the EU, there is further scope to boost exports. In addition, in November 2013, representatives from Belgium's pharma sector travelled to Mumbai, India, to promote Belgium as a business hub for the European pharmaceutical industry.More recently, in March 2016 Belgian Ambassador Frederic Verheyden visited the Islamabad Chamber of Commerce and Industry to discuss bringing a trade mission to Pakistan, in a bid to explore new business avenues between the countries in the areas of pharmaceuticals, energy and ***agriculture***. Already Pakistan's fifth largest trading partner, the two parties have agreed that the current USD884mn of bilateral trade with Belgium does not yet reflect the true potential of the two countries' partnership.A similar trip was undertaken in December of 2016 by ambassador Jehanne Roccas who, together with representatives of Belgian companies, met with the chairman of the People's Committee of Hanoi, Nguyen Duc Chung, to discuss a number of projects in the public health sector. While Hanoi is already accelerating the construction and modernisation of its hospitals to bring them up to European standards, it was noted that a partnership with Belgian healthcare and engineering companies would be invaluable in hospital construction as well as the development of first-class facilitates in cardiology and paediatrics.We note that domestically ***produced*** pharmaceutical products contribute significantly to Belgium's pharmaceutical exports. About 40% of domestic output - mostly manufactured by small companies - is intended for the local market, with the remainder exported. One of the strongest local pharmaceutical industry sectors is the production of vaccines. As an example, about 90% of GlaxoSmithKline's Belgian output is exported, accounting for about 25% of the country's pharmaceuticals exports.Belgium is an important R&D base for many multinational companies, which makes the sector particularly important to the country's economy. In June 2009, Pharma.be highlighted the potential of R&D to boost the country's economic recovery. The association outlined three main strategies that need to be pursued: government encouragement of the use of medicines in order to boost productivity and avoid absenteeism; provision of R&D incentives for companies in Belgium; and the budgeting of healthcare mirroring the growth rates of other expenditure items including hospital costs and wages.We welcome the association's focus on ensuring Belgium remains an attractive location for pharmaceutical R&D. Our Country Risk team highlights the opportunities for Belgium to develop a niche role in high-tech R&D industries at the European level. However, risks are on the downside, given the climate of cost-containment and subdued economic growth.The leading local companies in terms of market capitalisation are UCB Pharma (USD6.56bn) and Omega Pharma (USD1.25bn). Other smaller local players include Besins, Laboratoires SMD (which focuses on over the counter drugs (OTCs) and prescription areas of the respiratory tract, the cardiovascular system, and pain management), Sterop (which also manufactures food supplements) and Sanico.A large number of foreign pharmaceutical firms are also present on the Belgian market, including Pfizer, GlaxoSmithKline, Janssen, part of Johnson & Johnson and Novartis (which owns Alcon). Most pharmaceutical companies in the market operate through their own Belgium-based subsidiaries, while a few use the services of indigenous manufacturers.

**Multinational Market Activity**

| **Company** | **Operations** |
| --- | --- |
| Novartis | 1,800 associates work for the Novartis group in Belgium: Production, Clinical Studies, Sales & Mar3keting and Support Functions. Some 80 associates supporting 117 clinical studies involving more than 1,500 patients. Alcon-Couvreur N.V. is established in Puurs since 1977 and is the largest viscoelastics and eye drops manufacturer in the world. In October 2017, Novartis invested EUR100mn in a new line of biotechnological products at its Puurs site, as well as a new analytical laboratory at its specialist ophthalmology branch at Alcon. |
| Pfizer | The company's Belgian headquarters are in Ixelles, Brussels. Present in Belgium since 1952, Pfizer currently employs about 2,500 staff there. The company operates four manufacturing units in Belgium: Bornem (for gelatine capsules), Louvain-la-Neuve, Puurs (the company's largest production facility outside the US) and Zaventem, which export almost all of their annual production. In March 2017, Pfizer announced the expansion of its clinical research unit in the Erasme One-Day Hospital in Brussels. The increase in capacity will see the creation of a dedicated screening area outside the hospital for ambulatory visits, and another within the hospital for in-house studies. In May 2017, A leak of hydrochloric acid was reported at the Pfizer site in Puurs. Although the leakage was not significant, residents living north of the settlement were advised to keep doors and windows closed as a preventative measure. |
| Roche | Roche has been present in Belgium since 1897 and currently operates two divisions. The headquarters of Roche is in Basel, Switzerland. The two main divisions of the Group are both represented in Belgium, namely Roche Diagnostics Belgium nv-sa in Vilvoorde NV Roche SA (Pharmaceuticals) in Anderlecht. |
| Sanofi | As Europe's largest pharmaceuticals company and the fourth largest company in Belgium (according to its own figures), Sanofi also operates a Belgian distribution office. The company is engaged in clinical development, registration, marketing, sales and distribution of both ethical and over-the-counter products, but has no direct manufacturing presence in Belgium. Sanofi employs around 300 staff in the country. In April 2016, Sanofi announced its EUR300mn expansion to its biologics site in Geel, Belgium, to help shore up its pipeline of monoclonal antibodies. In June 2014, Sanofi unveiled ***plans*** to integrate digital technology into all production of biotechnology medicines. Sanofi is equipping its factory in Geel with a battery of sensors for real-time data monitoring and analysis that will allow processes to be monitored automatically. In July 2017, Sanofi announced a research collaboration and a global license agreement with Belgium-based biotech Ablynx to develop and commercialise therapies against inflammatory diseases related to immune disorders. |
| Merck & Co | Present in the country since the 1960s, Merck & Co operates four sites in Belgium, with a focus on the Brussels region. Medical research, sales and marketing are concentrated in Merck Sharp & Dohme Belgium BVBA/SPRL, while Merck Sharp & Dohme Europe Inc, also in Brussels, controls drug registration in Europe, early clinical trials in Europe, the Middle East and Africa and houses IT management. A total of 550 employees work for the company in Belgium, including at the production site run by Schering Plough Labo NV in Heist-op-den-Berg, which has been incorporated into Merck & Co following the merger. Merck Sharp & Dohme markets 21 drugs in Belgium, with *Benelux* distribution managed by Senitpharm. |
| Johnson & Johnson | Janssen Pharmaceutica has been part of US healthcare giant Johnson & Johnson since 1961. The parent group invests more in pharmaceutical R&D in Belgium than any other company. Janssen's operations are conducted at three main sites in the north of the country: two facilities in Beerse (of around 300 dosage forms in over 1,700 presentations, mostly liquids and semi-solids), Geel and Olen (production of drugs in pellet forms). The Geel facility, which was inaugurated in 1992, is responsible for ***producing*** around 70% of the active ingredients for all Johnson & Johnson pharmaceutical products. The facilities in Beerse also undertake R&D activities.Belgium is also home to Johnson & Johnson's global pharmaceutical HQ for its preclinical development, clinical, chempharm, chemical production and pharmaceutical production businesses. In fact, the Jan Palfijn hospital in Merksem has a dedicated clinical trials unit, which is specifically focused on phase I studies. The country also hosts Johnson & Johnson's European HQ for Discovery R&D and for EMEA sales and marketing. In a show of faith in European biomedical research, Johnson & Johnson announced in March 2016 the extension of its open innovation approach by setting up a bioincubator at its campus in Beerse. The initiative called JLINX, aims to catalyse innovation by offering flexible ways to grow and collaborate across the European life science ecosystem and start-ups using the facility will have access to expertise, equipment and funding.Janssen announced its ***strategic*** partnership with the University of Cape Town's Drug Discovery and Development Centre (H3D) in April 2016. The project is aimed at jointly identifying and addressing the issues of tuberculosis, malaria and other diseases through advanced drug development in Africa. |
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Wholesalers in Belgium are represented by the National Association of Full-line Pharmaceutical Wholesalers (AnGR - L'Association Nationale des Grossistes-Repartiteurs). The association is part of Comeos, which represents distributors in all sectors.Belgium is emerging as a major logistics and distribution centre in this field, which explains the impressive export profile of medicines and vaccines. While Belgium has no fewer than 32 production sites on its territory, it has 10 global European distribution centres dedicated to the pharmaceutical sector. Pharmaceutical Retail Sector

After Spain's, Belgium's is the second largest pharmaceutical network in Europe, with 44 pharmacies per 100,000 inhabitants. However, according to recent figures from the Association Pharmaceutique Belge (APB), the National Federation of Independent Pharmacies, the number of pharmacies across Belgium peaked in 1999 with 5,277, and this number has been continually declining ever since due to the moratorium on opening new pharmacies imposed in that year. Consequently, mergers and closures reduced the number of pharmacies to an estimated 4,950 as of 2016, the same level as 1975.A study released in May 2017 by Libre Belgique revealed that from 2011 to 2016, 169 pharmacies closed, the equivalent of one every 10 days. Government actions aimed at curbing the further expansion of the pharmaceutical retail sector have resulted in the emergence of groups of large pharmacy chains such as Medi-Market, Multipharma or LloydsPharm buying out smaller independents. In March 2017, Health Minister Maggie De Block and representatives of the Office of the Cooperative Pharmacies of Belgium (OPHACP) and the Belgian Pharmaceutical Association (APB) signed a 'Multi-Year Framework for the Patient with the Pharmacies'; it encourages mergers but also reinforces the agency of the individual pharmacists who are to be remunerated for advising patients on how to use their medications correctly.Independent pharmacies make up 75-80% of the total, with the remainder owned by cooperatives. The development of pharmacy chains, which are also increasingly offering private label products, has accelerated on account of vertical integration with wholesalers. For example, Lloyds Pharma, owned by Celesio, has more than 110 outlets across the country.Paramedicines can be sold in outlets such as pharmacies, health food shops, supermarkets, and also by mail order. Pharmacies do not offer self-service for OTCs, as per the Code of Ethics published by the Belgian Order of Pharmacists. Around 70% of pharmacy income comes from prescription products, with OTC products and parapharmaceuticals contributing the remainder.Pharmacy chains in Belgium are represented by the Office Pharmacy Cooperative of Belgium (L'Office des Pharmacies Cooperatives de Belgique, OPHACO), which has some 17 members, thus representing around 600 pharmacies.As of 2011, pharmacists in Belgium receive a fixed reimbursement amount of EUR3.94 (USD4.93) plus VAT for every pack of medicines dispensed, replacing the old proportional reimbursement rate of 31%, with an absolute limit of EUR7.44.In addition to a dispensing fee, pharmacists are able to claim EUR1.19 (USD1.49) per packet of medicine sold for prescriptions by International non-proprietary name (INN). Pharmacists can also claim the EUR1.19 if a special consultation needs to be carried out when a customer takes a medicine for the first time. However, this only relates to the dispensing of inhaled glucocorticoids, non-steroidal anti-inflammatory drugs (NSAIDs), oral anti-diabetic drugs, antibiotics and anticoagulants.The additional reimbursement fees are one way in which the government is encouraging the consumption of lower-value generic medicines - generic substitution by pharmacists is already permitted in Belgium. However, Belgium still lags behind markets such as Germany in terms of generic penetration, with the country's generic segment remaining among the lowest in Europe by volume and value. FeBelGen estimated in 2013 that generic drugs represented less than 5% of all pharmaceuticals consumed in Belgium. This is in large part due to strong and persistent patient and prescriber bias towards branded pharmaceuticals.With the Belgian retail pharmaceutical infrastructure in need of a revamp due to a paucity of government funding, the private sector is increasingly stepping in to fill the void. For example, it was announced that iDklic was awarded a network of 260 pharmacies in Belgium owned by the Belmedis Group, Belgium's second biggest wholesaler distributor. iDklic, a Brussels-based company specialising in digital media and signage at points of sales in the pharmaceutical industry, will roll out its PharmaSeen TV which enables each pharmacist to operate and ***program*** their own screen via iDklic's dedicated web-based platform. Already an international success, PharmaSeen TV is deployed in over 1,300 Pharmacies across continental Europe and is now also in operation across 150 Irish pharmacies and 50 pharmacies in Luxembourg.

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[***Belgium - Q4 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P2P-WXG1-F0J5-82P6-00000-00&context=1516831)

Belgium Pharmaceuticals & Healthcare Report

October 1, 2017 Sunday

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**Length:** 3210 words

**Highlight:** Belgium has a favourable geographical location at the heart of the EU and this, combined with its highly skilled workforce and favourable tax regime, means that many multinationals base their European operations in the country. Further attractions include a well-developed healthcare system that enjoys high government contributions towards overall costs, a large drug market and high per capita spending on medicines, along with a stringent regulatory climate (which is recognised by the US and in line with the EU legislation), large demand for patented products and a stable and transparent business environment.

**Body**

Research-Based Industry

Belgium has a favourable geographical location at the heart of the EU and this, combined with its highly skilled workforce and favourable tax regime, means that many multinationals base their European operations in the country. Further attractions include a well-developed healthcare system that enjoys high government contributions towards overall costs, a large drug market and high per capita spending on medicines, along with a stringent regulatory climate (which is recognised by the US and in line with the EU legislation), large demand for patented products and a stable and transparent business environment.The pharmaceutical industry association, Pharma.be, had 121 members in 2012, jointly representing around 84% of people employed by the pharmaceutical industry in the country. Overall, Belgium is a relatively modest ***producer*** of pharmaceutical products, despite being a world leader in the production of vaccines. The majority of indigenous ***producers*** are small companies and only a handful of multinationals have made Belgium a key manufacturing site.According to Pharma.be, after Germany, Belgium is the largest exporter of biopharmaceutical products.

However, we caution that trade figures are not indicative of pharmaceutical production or consumption in Belgium. The country has a long tradition as a trading nation - its export strength coming from excellent infrastructure and a central location, making it an ideal access point to the rest of Europe. With a free trade agreement agreed between Canada and the EU, there is further scope to boost exports. In addition, in November 2013, representatives from Belgium's pharma sector travelled to Mumbai, India, to promote Belgium as a business hub for the European pharmaceutical industry.More recently, in March 2016 Belgian Ambassador Frederic Verheyden visited the Islamabad Chamber of Commerce and Industry to discuss bringing a trade mission to Pakistan, in a bid to explore new business avenues between the countries in the areas of pharmaceuticals, energy and ***agriculture***. Already Pakistan's fifth largest trading partner, the two parties have agreed that the current USD884mn of bilateral trade with Belgium does not yet reflect the true potential of the two countries' partnership.A similar trip was undertaken in December of 2016 by ambassador Jehanne Roccas who, together with representatives of Belgian companies, met with the chairman of the People's Committee of Hanoi, Nguyen Duc Chung, to discuss a number of projects in the public health sector. While Hanoi is already accelerating the construction and modernization of its hospitals to bring them up to European standards, it was noted that a partnership with Belgian healthcare and engineering companies would be invaluable in hospital construction as well as the development of first-class facilitates in cardiology and paediatrics.We note that domestically ***produced*** pharmaceutical products contribute significantly to Belgium's pharmaceutical exports. About 40% of domestic output - mostly manufactured by small companies - is intended for the local market, with the remainder exported. One of the strongest local pharmaceutical industry sectors is the production of vaccines. As an example, about 90% of GlaxoSmithKline's Belgian output is exported, accounting for about 25% of the country's pharmaceuticals exports.Belgium is an important R&D base for many multinational companies, which makes the sector particularly important to the country's economy. In June 2009, Pharma.be highlighted the potential of R&D to boost the country's economic recovery. The association outlined three main strategies that need to be pursued: government encouragement of the use of medicines in order to boost productivity and avoid absenteeism; provision of R&D incentives for companies in Belgium; and the budgeting of healthcare mirroring the growth rates of other expenditure items including hospital costs and wages. According to Pharma.be, the estimated expenditure on R&D in 2014 amounted to nearly EUR2.36bn. While this was a decrease compared to that invested in 2013 (EUR2.49bn), the expenditure trend since 2008 has been mostly positive.We welcome the association's focus on ensuring Belgium remains an attractive location for pharmaceutical R&D. Our Country Risk team highlights the opportunities for Belgium to develop a niche role in high-tech R&D industries at the European level. However, risks are on the downside, given the climate of cost-containment and subdued economic growth.The leading local companies in terms of market capitalisation are UCB Pharma (USD6.56bn) and Omega Pharma (USD1.25bn). Other smaller local players include Besins, Laboratoires SMD (which focuses on over the counter drugs (OTCs) and prescription areas of the respiratory tract, the cardiovascular system, and pain management), Sterop (which also manufactures food supplements) and Sanico.A large number of foreign pharmaceutical firms are also present on the Belgian market, including Pfizer, GlaxoSmithKline, Janssen, part of Johnson & Johnson and Novartis (which owns Alcon). Most pharmaceutical companies in the market operate through their own Belgium-based subsidiaries, while a few use the services of indigenous manufacturers.

**Multinational Market Activity**

| **Company** | **Operations** |
| --- | --- |
| Novartis | 1,800 associates work for the Novartis group in Belgium: Production, Clinical Studies, Sales & Mar3keting and Support Functions. Some 80 associates supporting 117 clinical studies involving more than 1,500 patients. Alcon-Couvreur N.V. is established in Puurs since 1977 and is the largest viscoelastics and eye drops manufacturer in the world. |
| Pfizer | The company's Belgian headquarters are in Ixelles, Brussels. Present in Belgium since 1952, Pfizer currently employs about 2,500 staff there. The company operates four manufacturing units in Belgium: Bornem (for gelatine capsules), Louvain-la-Neuve, Puurs (the company's largest production facility outside the US) and Zaventem, which export almost all of their annual production. In March 2017, Pfizer announced the expansion of its clinical research unit in the Erasme One-Day Hospital in Brussels. The increase in capacity will see the creation of a dedicated screening area outside the hospital for ambulatory visits, and another within the hospital for in-house studies. In May 2017, A leak of hydrochloric acid was reported at the Pfizer site in Puurs. Although the leakage was not significant, residents living north of the settlement were advised to keep doors and windows closed as a preventative measure. |
| Roche | Roche has been present in Belgium since 1897 and currently operates two divisions. The headquarters of Roche is in Basel, Switzerland. The two main divisions of the Group are both represented in Belgium, namely Roche Diagnostics Belgium nv-sa in Vilvoorde NV Roche SA (Pharmaceuticals) in Anderlecht. |
| Sanofi | As Europe's largest pharmaceuticals company and the fourth largest company in Belgium (according to its own figures), Sanofi also operates a Belgian distribution office. The company is engaged in clinical development, registration, marketing, sales and distribution of both ethical and over-the-counter products, but has no direct manufacturing presence in Belgium. Sanofi employs around 300 staff in the country. In April 2016, Sanofi announced its EUR300mn expansion to its biologics site in Geel, Belgium, to help shore up its pipeline of monoclonal antibodies. In June 2014, Sanofi unveiled ***plans*** to integrate digital technology into all production of biotechnology medicines. Sanofi is equipping its factory in Geel with a battery of sensors for real-time data monitoring and analysis that will allow processes to be monitored automatically. |
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According to a 2011 Economic and Legal Framework for Non-Prescription Medicines publication by the AESGP, Belgium had about 5,100 pharmacies in 2010, equating to 2,126 people per pharmacy. A second moratorium on the opening of new pharmacies was passed in 2009 for a period of 10 years.After Spain, Belgium's is the second largest pharmaceutical network in Europe, with 44 pharmacies per 100,000 inhabitants. However, according to recent figures from the Association Pharmaceutique Belge (APB), the National Federation of Independent Pharmacies, the number of pharmacies across Belgium peaked in 1999 with 5,277, and this number has been continually declining ever since due to the moratorium on opening new pharmacies imposed in that year. Consequently, mergers and closures reduced the number of pharmacies to an estimated 4,950 as of 2016, the same level as 1975.A study released in May 2017 by Libre Belgique revealed that from 2011 to 2016, 169 pharmacies closed, the equivalent of one every 10 days. Government actions aimed at curbing the further expansion of the pharmaceutical retail sector have resulted in the emergence of groups of large pharmacy chains such as Medi-Market, Multipharma or LloydsPharm buying out smaller independents. In March 2017, Health Minister Maggie De Block and representatives of the Office of the Cooperative Pharmacies of Belgium (OPHACP) and the Belgian Pharmaceutical Association (APB) signed a 'Multi-Year Framework for the Patient with the Pharmacies'; it encourages mergers but also reinforces the agency of the individual pharmacists who are to be remunerated for advising patients on how to use their medications correctly.Independent pharmacies make up 75-80% of the total, with the remainder owned by cooperatives. The development of pharmacy chains, which are also increasingly offering private label products, has accelerated on account of vertical integration with wholesalers. For example, Lloyds Pharma, owned by Celesio, has more than 110 outlets across the country.Paramedicines can be sold in outlets such as pharmacies, health food shops, supermarkets, and also by mail order. Pharmacies do not offer self-service for OTCs, as per the Code of Ethics published by the Belgian Order of Pharmacists. Around 70% of pharmacy income comes from prescription products, with OTC products and parapharmaceuticals contributing the remainder.Pharmacy chains in Belgium are represented by the Office Pharmacy Cooperative of Belgium (L'Office des Pharmacies Cooperatives de Belgique, OPHACO), which has some 17 members, thus representing around 600 pharmacies.As of 2011, pharmacists in Belgium receive a fixed reimbursement amount of EUR3.94 (USD4.93) plus VAT for every pack of medicines dispensed, replacing the old proportional reimbursement rate of 31%, with an absolute limit of EUR7.44.In addition to a dispensing fee, pharmacists are able to claim EUR1.19 (USD1.49) per packet of medicine sold for prescriptions by International non-proprietary name (INN). Pharmacists can also claim the EUR1.19 if a special consultation needs to be carried out when a customer takes a medicine for the first time. However, this only relates to the dispensing of inhaled glucocorticoids, non-steroidal anti-inflammatory drugs (NSAIDs), oral anti-diabetic drugs, antibiotics and anticoagulants.The additional reimbursement fees are one way in which the government is encouraging the consumption of lower-value generic medicines - generic substitution by pharmacists is already permitted in Belgium. However, Belgium still lags behind markets such as Germany in terms of generic penetration, with the country's generic segment remaining among the lowest in Europe by volume and value. FeBelGen estimated in 2013 that generic drugs represented less than 5% of all pharmaceuticals consumed in Belgium. This is in large part due to strong and persistent patient and prescriber bias towards branded pharmaceuticals.With the Belgian retail pharmaceutical infrastructure in need of a revamp due to a paucity of government funding, the private sector is increasingly stepping in to fill the void. For example, it was announced that iDklic was awarded a network of 260 pharmacies in Belgium owned by the Belmedis Group, Belgium's second biggest wholesaler distributor. iDklic, a Brussels-based company specialising in digital media and signage at points of sales in the pharmaceutical industry, will roll out its PharmaSeen TV which enables each pharmacist to operate and ***program*** their own screen via iDklic's dedicated web-based platform. Already an international success, PharmaSeen TV is deployed in over 1,300 Pharmacies across continental Europe and is now also in operation across 150 Irish pharmacies and 50 pharmacies in Luxembourg.

**Load-Date:** July 21, 2017

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[***Towards a water balanced utilization through circular economy***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5YJX-P231-DY4C-F13C-00000-00&context=1516831)

Management Research Review

May 21, 2018

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**Byline:** Rahmi Eneng, Kris Lulofs, Chay Asdak.

**Body**

**ABSTRACT**

Purpose

The purpose of this study is to describe and explain the relative water scarcity condition as one of the main problems encountered in Indonesia. It is caused by fierce competition between water users, water over consumption and high water price. The water conflict and increasing phenomena of relative water scarcity result in unequal access to water between the rich and the poor. This research is intended to contribute to a balanced water governance system that secures equal and fair access to water resources for all users.

Design/methodology/approach

A mixed method approach was used involving interviews with the owners of the established bottled water companies, the community leaders, guard for sluice gate, local NGOs and several government agencies.

Findings

Research results indicate that water policies and implementation are lacking coherency. It is also shown that the complex government structure with responsibilities divided over multiple agencies is responsible for this. The circular economy for water governance system used to find alternative solutions for reducing social conflicts so that the water will be made available to those who have no water access.

Research limitations/implications

This research used only one location with a representative number of interviewees; hence, the findings are not possibly generalizable.

Originality/value

The combination of water legal framework and circular economy concept was used to reduce water scarcity

**Introduction**

Water is an essential commodity and cannot be substituted by other products. Water has strong ties to social, economic and political life (Swyngedouw, 2009). With regard to ownership water can be owned by the state or the community or no one (Ostrom *et al.*, 1994). In this paper, the focus is upon springs, which have been transformed over time from a common pool property to a private property commodity. Springs are considered to be a part of the groundwater system (Harter, 2003), so this paper can be considered as a spring-groundwater withdrawal case. Such withdrawals can cause rivalry, but also are non-excludable (Ostrom *et al.*, 1994). Rivalry will occur when one user in an area that depends on a specific groundwater aquifer takes the water in such a large amount that the other users get less than they need. This might, for instance, as in the case of the study area, happen when companies in the private sector use a large amount of water therefore many households get less, even though in principle, there is abundant supply of water. Such a situation is referred to as relative water scarcity and it frequently is found in developing countries. Research into this phenomenon clarifies that relative water scarcity is related to inequality of access to water between rich and poor households in a region (Yang *et al.*, 2013).

Water policies in the past two decades have focused more on the expansion of water supply and physical availability of water without regard to sustainability. This approach has led to poor management of institutional structures and water resources. Current practices in water management may not be enough to meet the water challenges of the next century. About a billion people have insufficient access to water of good quality today, and also in developed countries, scenarios indicate a substantial scarcity that will occur in the future. There is a need to reexamine the institutional structures. Water use is influenced by water rights, which are closely linked to property rights on land. The problem is partly analyzed by contextual interaction theory (CIT) for explaining the why and how of the implementation of the existing policy. The other analysis is with a social ecological systems approach that is used to understand the process of use, maintenance, regeneration and destruction of natural resources and how the policy maker can help to organize diagnostic, analytical and prescriptive capabilities. The paper attempts to highlight the key features in the existing legal framework where gaps and weaknesses in the existing legal system have contributed to the present situations, which is inconsistent with sustainability principles.

**Methods**

This research uses a mixed methods approach focusing on the collection and analysis of qualitative and quantitative data during the same time (Creswell, 2003). A concurrent transformative design is used to reach out information by identifying the inequalities and empowering individual strengths. The collected data were structured and analyzed by the social-ecological systems and the CIT frameworks. The aim of this study was to gain insights into the inequality of access to water, the many interests of stakeholders, the urgency of water conflict and stepping-stones toward improvement.

The analysis is based on primary and secondary data. The primary data were collected by interviewing key informants such as the owners of the mineral water company, community leaders and guard for sluice gate, local NGOs and several government departments. The research is located in Babakan Pari of the Cidahu sub-district and Mekarsari of the Cicurug sub-district within Sukabumi Regency-West Java, Indonesia (Figure 1). The location is chosen because this area has an abundance of water resources, while at the same time it is known for significant issues with regard to relative water scarcity. The research area is characterized by water springs which attracted investors for water-based production.

The key informant of government is taken from Sukabumi district, West Java Province, and also from ministry. They are consist of Babakan Pari village, Mekarsari village, Cidahu sub-district, Cicurug sub district, three agency from Sukabumi district and West Java Province (mining and mineral resource agency, planner agency, and environment agency), integrated capital investment and permit agency of Sukabumi District, ***agriculture*** agency of Sukabumi District, Ministry Public Works and Ministry Mining and Energy. It is followed by questionnaires distributed to local community members on-site and focus group members within the community. The secondary data were mainly collected from government reports and other relevant materials. The data analysis is based on the triangulation method (Creswell, 2003), where analysis of qualitative and quantitative data is carried out during the same time.

**Water management in the research area**

Spring water has the best quality of water because of the natural filtration by geological processes. The springs are categorized by their origin. In this research area, the springs are depression springs. This means that the spring can be found when the water table reaches the surface (Fetter, 2001; Harter, 2003). Spring water is easy to find on the slope of the mountain like in the research area. The research area has an abundant quantity of water and also has the best quality thinkable. Before 1990, this was an area of rice fields and any crop could be cultivated here because the water is adequate for watering the field (Figure 2). After 1990, many industries build in this area such as a mineral water bottle company, garment and other industries. The area changed when a lot of rice fields were sold to the settlers. From the early 2000s onwards, there are many conversions of rice field areas into housing or other buildings. The volume of the rainfall is high, the conversion of fields to housing and industries had substantial impact on the available spring water volume in the lowland area, even with regard to the number of springs (Figure 3). Even when the amount of spring water decreased, this area still has an abundance of water. This is proved by the fact that the private sector is still able to fulfill its water needs in terms of both quantity and quality. On the other side, the inhabitants cannot get the water as much as before because the property rights of some of the springs have changed. They changed from common property to private property and create unequal access to spring water so that the area gets a relative water scarcity. This condition results not only from lack of water conservation but more from the regional ***planning***, which is in turn related to the political, social and economic systems.

**Result and discussion**

**History of water management in Indonesia**

The history of water management in ancient Indonesia starts by club property. This implies that a small group of people take control over water resources for their needs. This was the situation before the period of colonialism started in 1600 (Pasandaran, 2004). At that time, every region and club had different names, for example, Dharma Tirta in East Java and Subak in Bali. They worked at local level and followed the principles of the natural system. The system is more using the natural conditions without special treatment techniques, such as irrigation making following the river curve with some local regulation. This system worked very well from generation to generation and depended on the natural water system. Each of the members of a club had a task to make the system function. The water system was capable to support the water needs of people and ***agriculture***, especially with regard to the paddy fields. There was no real water related rivalry and no absolute or relative water scarcity. The situation changed significantly since colonialism. The colonial exploitation changed ***agriculture*** and needed more water for irrigating crops (Pasandaran, 2004). To safeguard their interest, the colonialists changed the local system turning it into a centralistic system (state property). Gradually, modern irrigation systems were installed in many places, especially in Java to support the crops and local paddy fields, also in locations where the natural system would not support ***agriculture*** at substantial scale. The transition toward water being a state property and managed by the state concerned Java and Bali. In other areas of Indonesia, the traditional system remained unchanged. After Indonesia declared its independence in 1945, colonial rules for water management were still used to manage water utilization including irrigation.

Undang-undang Dasar 1945, the 1945 Constitution, defined all kinds of natural resources as common pool good, to be used for extending welfare. Almost all natural resources that are common pool resources get into the classical conflict of overuse. The governments have the authority to manage the water and to give permits for commercial water utilization. There are however many actors who get involved when issuing permits. The influence of a certain actor usually gives a nuance to the working of the system. On the other hand, the system influences the behavior of the actors (McGinnis and Ostrom, 2014). The failed connections to secure the concept of water property alike the 1945 Constitution intended relate to the multiple levels involved, the different elements of hierarchy and market involved, as showed in Table I. There are mismatches in the systems because every regime has perspective to choose a paradigm so that they never evaluate the overall consequences properly. Clear and strong rules are needed for managing the water as a commons goods, also depending on the social, economic and political setting. It should be clear who is controlling it, when and what way.

Since 1945, the regulation of water in Indonesia has changed by the subsequent regimes that held the power. These subsequent regimes issued different regulations even when they had the same main aim. As dominant aim, the law prescribes since 1945 that the regime should manage the natural resources for the welfare of all citizens and do so by following the Constitution Law 1945 that gives a statement that water is owned by the state. The first substantial water law dealing with water utilization starts in 1960 by Law No. 5/1960, which was issued by the first president’s regime. This regime recognized that water is relevant for social and even cultural life. The change of the regime to the second president gives another nuance starting the commoditization of water. This second presidential regime has changed the perspective and emphasized the economic value of water. The regime then issued Law No. 11/1974 which seeks benefits from water by allowing private companies to manage the water supply. The privatization of water resources starts thus from this regime onwards. The situation does not address the management regarding volumes of water that the private sector can take from water resources nor is it clear about the conditions that should be met. As a common pool resource, this situation might have negative consequences for other users. Multiple sectors of industry that use substantial amounts of water benefited and increased production. Some counter forces in society and academia advocated for a more balanced arrangement to manage it differently as a sustainable resource. This resulted in issuing rules for water springs conservation in 1990 by Presidential Decree No. 32. Among others, it forbids to dig a deep well within 200 m from water springs. However, this piece of legislation is of subordinate importance. There is a categorization of the rules, a hierarchy of regulations which divides it into six levels. The first level is the Basic Constitution Law 1945 and then Common/Standard Law, Government Regulation, Presidential Decree, Presidential Regulation and Regional/Local Regulation. In this case, the rule of water utilization is higher in hierarchy than the rule of water conservation. In most cases, government simply ignores the latter and gives a permit for exploiting the resources.

This situation became even worse when decentralization took place in 1998. The local or regional government grants the permits for water utilization even more easily. This has happened after the political system changed in Indonesia by the reformation of 1998. Economic conditions and pressure by international political and economic institutions played a role in this. The IMF and the World Bank gave a loan to Indonesia on the condition of political reforms including liberalization of political and also economic systems (Abrahamsen, 2004). In fact, in some countries, including Indonesia, national socio-political systems proved not to be capable of balancing such a system (Soto, 2000). This era resulted in a new regime and in 2004 the rules on water management changed again when Law No. 5/2004 was issued. This law created another problem. It is about categorization of spring-waters that in the hydro geological system in practice cannot be separated. The spring-water cannot flow when the water table intersects the land surface in a small depression (common on hill-sides) (Harter, 2003). The tasks in managing water were by this law divided among three ministries and local and regional governments. Two of the ministries hold the authorization of water utilization and one ministry holds water conservation. They are following the Law No. 5/2004 and get the tasks as mentioned in Government Regulations No. 42/2008 and 43/2008. Both of the laws separate the water springs into below and above ground level. The responsible authorities are the Ministry of Public Work for water springs above ground level and the Ministry of Energy and Mineral Resources for water springs below ground level. The Ministry of Environmental affairs and Forestry is responsible for conserving the water springs. However, all of these regulations and related permits are implemented through local or regional governments. This overlapping system of legitimacy plays an important role in the resulting ambiguity.

**Institutional responsibilities and authorities of involved actors**

To underpin the analysis of the stakeholder process we succeed by analyzing the responsibilities toward water resources. It starts by mentioning the authorities in water management as included in Table II. Next, the responsibilities of each institution related to water management is described in Table III. This is about the responsibility for parts of the implementation of relevant policies and how legal authorities are allocated over involved actors (Bressers *et al.*, 2013). It is used to underpin the analysis of the process that led to inequality between the private company and the inhabitants, especially the poor people. That analysis starts by depicting legal authorities and roles of actors within the political system at multiple scales.

Table III shows that institutions from various levels and sectors are involved in the management of water resources. Involvement of higher level institutions can influence power relations on the local and regional level. At the local level, for instance, the ***agriculture*** agency needs water for irrigating the crops and rice fields; rival ambitions have to be aligned. At the same time, the public works agency carries out a project with aid from the ministry of public work establishing a piped water infrastructure in another area. That the piped water infrastructure is not built in the research area based on integral analysis at the appropriate scale is because actors think that the water in the area is sufficient for all users and the process of allocation can be handled by the private sector. The involvement of the ***planning*** agency, responsible for ***planning*** of investment in infrastructure, in general focusses more on the cities rather than on the villages. All of such separated tasks indicate that there are no signs of substantial efforts on coordination. In the often horizontal relations, the connection with the long term integral perspectives is lacking. The ***strategic*** goal setting for a sustainable water resource management and sustainable water supply, avoiding social conflict, is thus missing.

**Main goals of involved actors**

It is the province that should provide the vertical coordination with regard to the management of the extraction of substantial resources, connecting the process on the local level and the policies at national level. In practice, the mining and mineral resource agency at the provincial level has the authority to decide about a permit. A decision is to be made based on the technical conditions for the exploration and exploitation. Unfortunately, this agency issues in practice the permit to use the groundwater with only one dominant goal in mind: finding investors to develop the region and receive tax revenues. Whether there are sound arguments for this in terms of necessity remains vague. There is no attempt to include an integral assessment also covering sustainability of water resources and water supply. A comprehensive evaluation of the socio-environmental conditions and impacts is missing in this case.

Another unfortunate thing is that the province also supports the companies aiming for increasing their production. With regard to the effects and consequences, the government also does not have sufficient data and science-based information, which weakens their positions. Research documents on the carrying capacity of this area are absent. Instead, the government relies on research documents supplied by the companies, whose main concerns are to continue and expand their water production or use. Of course, in theory, there might be benefits for the companies that help the government gaining a better database of the natural resource for management. And this would in stronger developed countries make sense, as an element of corporate social responsibility (CSR) of private companies. This then could lead to modern forms of co-creation and co-production. In this case, private companies do not aim for this purpose and governments are not capable and competent to evaluate the reports of the companies.

At the national level institutions have the task to prepare appropriate ***plans*** and regulations and support the local and regional level governments. The ministry of public work attempts to develop and expand the piped water system by cost sharing with local government. They work on the surface water and the springs under the river. The most important hindrance for this is also the lack of appropriate knowledge, information and exchange. At the local level there is no appropriate information on the piped water system and its functioning in relation to the occurring relative water scarcity. Actually, the local government is as depicted above, depending upon research and reporting of the big water companies. The result is also that the local government does not give relevant information to actors on the national level with regard to water scarcity.

**Permitting process**

Indonesia operates water law and water policy on the basis that *de jure*, the water is owned by the state. People and organizations that wish to take a benefit from the water should get a permit or permits for access. In fact, there are many institutions, some of the important ones were already depicted in Table III, that play a role in the permitting of water allocation and utilization (Table IV). They all operate within the context of an organizational setting and all of these organizations bring in their own goals and ambitions, starting from national level up to local level. Thus, the subsequent steps will be to describe the permitting process for taking spring water and the role of the actors with the administrative system. The key issue is of course whether they team up into a competent multi-level system that facilitates sound decision making on the local level. Therefore, from the perspective of understanding the role of governments within the administrative system, it is necessary to analyze their roles and interactions as well as network relationships (Bressers *et al.*, 2013).

The West Java government prepared an agreement with the private sector to solve the relative water scarcity condition. This agreement is about a water service ***program*** for inhabitants with private capital involved. The private sector, driven by their CSR ***program***, initiated and prepared a ***plan*** to create a piped water system. Given the already growing demand for water from the companies and resulting raising water prices, the local community has to face the inevitable social conflict. The government-initiated water piping project seems to give little benefit to the poor people in practice, considering that most of the local community is using shallow groundwater (Figure 4). Figure 4 indicates that only 37 per cent of the inhabitants could gain from the company by this CSR-based initiative. The local people that have access to the piped water have this for less than 24 h a day. Moreover, the secondary piping lines are in most cases constructed with poor quality pipe systems, resulting in inequality of water distribution among local people. In short, the majority of the local people cannot fulfill their water needs at a reasonable standard. Roughly, 63 per cent of the people still depend on traditional wells and very often have to use water from the polluted river adjacent to the village. The remaining traditional wells ***produce*** water of inferior quality because of the fact that the water is polluted by domestic waste and by the effects of unregulated and unplanned settlements. The river is also used for taking a bath in the communal bathroom, even though the river is polluted by fertilizers and pesticides from the rice fields nearby. Unfortunately, the local government did not take any action for this because as long as some water is available, it is not regarded as a problem that needs urgent attention.

**Multilevel stakeholder process**

How public actors prepare and position themselves with regard to permits for companies at the local level that require spring water seems to vary by agency. The environmental agency focuses on water conservation and gives the environment permit for private sectors that wish to take any benefit from water. The mining and mineral resource agency, on the other hand, has an authority over the technical permits, but they do not have an overview of and a strategy for the carrying capacity for exploitation of the water resource. This leads to a situation in which neither institution feels they have the sole responsible or the sole competence with regard to permitting and certainly not with regard to the avoidance of overexploitation. The reason for this is that they feel that the province is responsible for competent guidance on this. Coherence of permitting is therefore low and this is thus caused by substantial fragmentation, relevant aspects of responsibility are shattered over multiple agencies, roles and responsibilities.

Lack of information about the real situation also inhibits the Ministry of Public Works to give aid to an adequate development of the piped water sector. In the dry season the situation gets considerable worse in our research area. The volume of water in the rainy season is then much larger compared to the dry season (Figure 5). In the rainy season, the quantity of water is abundant however the quality is low. In the dry season, the quantity of water is low and the majority of people are depending on water from the polluted river, at a substantial distance. During the dry season, water quality is really below reasonable level. Therefore, the choice is either to use this water or wait for the kindness of the private sector to allow taking some of their water. The private sector has water at their disposal, even during the dry period. The water companies are able to reach the water as much as they want to because of the fact that they have permits to do so and the financial and technical means to dig deep. They use the springs that contain a stable volume in each season, not the traditional shallow wells, nor the river. The company is actually obliged to share these sources with the inhabitants of the community. The rule is that this should be at least 10 per cent of the production. However, this is by far not enough to fulfill the societal water needs. There is another factor that has no positive impacts: when companies get the needed permit from the institution under the Ministry of Public Works at the provincial level, they have to pay a tax (NPA) of 10 per cent. On the other hand, when they get the permit from the institution under the Ministry of Energy and Mineral Resources at the provincial level, they should pay a tax (NPA) of 20 per cent. This led to a competition between the District level of the Ministry of Public Works and the District level of the Ministry of Energy and Mineral Resources in getting the water consumers into their schemes. The problem is that the two only have responsibility to give technical permits for water utilization. The water conservation is the institutional responsibility under the Ministry of Environment and Forestry at the local level. This local office also makes environmental assessments and issues environmental permits for the company to start their activity. The ambiguity allows the state much discretion in the allocation of access (compare Ribot, 1995). The described incentive system leads to rivalry and low efforts on co-operation and hence enables powerful companies to choose the forum at which to claim their rights (compare Lund, 1994).

Next to the Ministry of Public Works also the Ministry of Mining and Mineral Resources could make a substantial contribution. This ministry gathers data and runs a database on the potential of water resources. They work on ground water and spring water. For the case of our research, the ministry only receives information expressing that the volume of water resources is abundant, so that this area is very open for investments in water related products. The commercial promotion of the water resources of this area is successful. This is, for instance, illustrated by the substantial increase in foreign investment in large mineral water bottle company. The stock held by foreign investors indicates the increasing privatization in Indonesia.

The bottom line of the private sector concerns profits, responding to public concerns or to the environment is not their main goal (Figure 6). The change from perceiving water as a common property to a commodity creates conflicts in the area as described. Especially, people who already are living for a long time in this area think this is unfair. Lawlessness is not so much about crime but often a coalition between rule-making at the grass roots level and rule-making at the top (Soto, 2000). This situation is also called mismanagement by the government. There is however also the option to price the commodity water in a way that also enables government to secure both the water resource and the supply of water of good quality, in that case regulations should price misuse of water such as inefficient use and pollution of water (Bressers and Lulofs, 2004).

The problem in this case happened because discretionary decisions or transfers establish insecure arrangements or privileges that decision-making agents can influence themselves rather than establishing user’s rights in an inclusive and coherent manner and connecting misuse to consequences (compare Ribot, 1998). Local and regional agents just follow the technical permits from District level of Ministry of Public Work or District level of Ministry of Energy and Mineral Resource. They lack databases on water supply, they lack appropriate models and they lack knowledge with regard to conservation efforts required for sustainable management. It results in a weak position for all local or regional governments who give the permit. There is no master ***plan*** for resource utilization, instead they are usually depending on the private sector reports.

**Analysis of the resource use processes**

The national government gives the responsibility about this local case to local government. But the local government gives no priority to resource protection in this case because they need the tax from the private sector to build the region, and with regard to some aspects there is, as described, even competition among governments to receive tax money from companies. The lack of evaluation of water use by the private sector makes the government in the end almost always giving them a permit to increase their production. This has happened since 1990, when the protests of the citizens in the small number were easy to ignore. Many places in the world specially in development country, the demand for water usually exceed viable resource yields including. It is including in the research area as a part of Indonesia. It is caused by dysfunctional political or economic systems and ill-defined markets. They push the water production and use more and more into linear systems. The linear system has changed the valuable resource into a worthless trickle. In other words, the linear model provides economically and environmentally unsustainable development.

**Circular economy and the legal framework**

Under the concept of “circular economy” one should be trying to reduce the water use by recycling it or use water injection with some filtration and apply regulation that punish people who overuse or pollute the water. The circular economy approach tries to prevent the contamination of water that circulates in closed loops, allowing repeated use. In China, circular economy practice is used to serve as demonstration projects, first beginning at the level of enterprises, then industrial parks, and then expanding to cities and regions (Zhijun and Nailing, 2007). Promoting a circular economy preserves the environment, establishes a resource saving and environmentally friendly society, and achieves a harmonious balance of economic growth, population, resources and environment. According to a green growth economy report in 2014, Indonesia’s performance is quite poor in this, ranking near the bottom of most dimensions, except some among which leadership and climate change. Especially, sectors like building and transport are poor performers from a green perspective in Indonesia. Also, with regard to the distribution, companies that ***produce*** mineral water use massively trucks to deliver water to all consumers, from countries that operate efficient piped drinking water systems it is demonstrated that this can be done otherwise. This situation automatically also increases the price of water for some consumers. On the other hand, Indonesian has a chance to change the situation by their leadership so that a change of regulation becomes a first step to enable equal and sustainable water use. The regulation effectively will be important to help achieve a circular economy. The existing regulatory framework that is relevant to the circular economy is complex. It includes both environmental and non-environmental legislation and has evolved with other aims and priorities in mind, and rightly so there are many issues to be balanced. The needed change of regulations comes with the opportunity to include circular economy in the legislation. Some instruments should be added in government regulation, such as increasing the value-added to water and its appropriate management, using new irrigation technology to reduce water use and water pollution, applying filtration systems in every house and making every citizen support the conservation of water resources.

The change of regulation has to start by a new and revolutionary way of thinking, leaving the old linear thinking about resource use. The stakeholders need to understand how to make a circular system of water utilization. The stakeholders should rise their knowledge and follow an evolutionary process. The circular economy approach could create equal conditions of water use such as in Dalian municipality China has attempted to pursue by both supply and demand-driven approaches to water management (Geng *et al.*, 2009). They try to find new water sources and at the same time reduce water consumption. The regulatory context should change step by step. River can be used as new source by filtrating the water to increase the water production. Of course, this also makes clear that a policy for conservation action is needed. The conservation should follow the water table conditions. If the water user has a land with a high water table, they should for instance plant trees or make a small forest in the catchment area. But, if their water table is low, they should make infiltration wells to fill the water resource with the natural filtration. The society should reduce the consumption of mineral water in bottles and use clean local filtrated water instead. Another problem is ***agricultural*** pollution. Farmers can reduce their pollution under the influence of incentive and disincentive systems. This requires the participation by all of the society because of the need of change the way of farming, for instance by transforming the use of the chemical fertilizers into bio fertilizers.

Unless these lessons are taken seriously, the Millennium Development Goals (MDGs) for a developing country that targets to reduce the number of people without access to water sanitation by 50 per cent in 2015 will fail by far because this goal is not within reach by business as usual or by small changes. Until the early year of 2015, the research area still had a huge implementation gap regarding water access so that the MDGs target is unlikely to be achieved in this area. In the described circular economy strategy, the driving forces of the market mechanism and hierarchy are in principle combined and work together. Circular economy principles enable making better, more efficient use of resources. This reduces the total volume needed, and also the costs of production decrease by this strategy. All of this facilitates the delivery of water to the poor at lower prices as well as it enables making sustainable business from water management. Of course, there is still a lot of fine-tuning to do; however, if our analysis comes with a clear observation, it is that this new pathway has to be chosen, changing nothing will lead to more steps to the bottom in the linear system of overuse.

**Conclusions**

Mismanagement of water has created relative water scarcity. It is caused by short-term target policy and commodification of water without control from government. An unbalance between hierarchy and market exists. There should be a revolutionary change of orientation on taking the benefits from the water resources. The circular economy approach gives an alternative solution for relative water scarcity by a revolutionary change in way of thinking on internal and external water management. Elements of this consists of increasing added value of water, creating incentives and disincentives to reduce water pollution and water use, rising the knowledge to create an evolutionary process from linear to circular (in external action) and also an top down-bottom up approach used in making decisions on developing the city. The revolutionary change of thinking should include a change of the social and cultural habits so that rain water can be an alternative water source for domestic use instead of the springs. Also, the government and the private sector can take the benefit from rainwater as a source when it is used wisely by sustainable water management underpinned by co-production.

**Table I.**  Systems connected to the water property concepts

| **Concept of the water property** | **Hierarchy** | **Market** | **Systems** |
| --- | --- | --- | --- |
| **UUD 1945** | **Other regulation** | **Centralization** |
| Orde Lama(1st president regime) | UU No. 5 Tahun 1960 |  | Centralization |
| Orde Baru(2nd President regime) |  | UU No. 11 Tahun 1974 | Centralization |
| Orde Reformation(5th President regime) |  | UU No. 7 Tahun 2004 | Decentralization |
| Orde Reformation(7th President regime) |  | Back to UU No. 11 Tahun 1974 | Decentralization |

**Table II.**  The institutional authorities in Indonesian water management

| **Local** | **Regional** | **National** |
| --- | --- | --- |
| Headperson of village | Environment agency | Public works |
| Headperson of sub district | Mining and mineral resource agency | Mining and energy |
| Mining and mineral resource agency | Publics work agency |  |
| ***Planning*** agency |  |  |
| Integrated capital investment and permit agency |  |  |
| ***Agricultural*** agency |  |  |
| Public works agency |  |  |

**Table III.**  The responsibility of government institutions for spring water management

| **No.** | **Institution** | **Task related to spring water management** |
| --- | --- | --- |
| 1 | Headperson of villages | Recommendations for exploitation |
| 2 | Headperson of sub district | Recommendations for exploitation |
| 3 | Local mining and mineral resource agency | Recording data |
| 4 | Regional mining and mineral resource agency | Technical permits for exploration and exploitation |
| 5 | Local planner agency | Recommendations on suitability of land |
| 6 | Ministry of public works | Piping water for society and irrigation |
| 7 | Ministry of mining and energy | Data base on ground water availability |
| 8 | Local environment agency | Environmental recommendations on distribution of benefits from water |
| 9 | Regional environment agency | Data base on environment condition |
| 10 | Local integrated capital investment and permit | Giving permissions |
| 11 | Local ***agricultural*** agency | Irrigation |
| 12 | Local public works agency | Piping water for inhabitants |
| 13 | Regional public work agency | Data base on surface water availability and technical permits for exploitation |

**Table IV.**  Multi-level institutions on water permitting

| **Procedure** | **Operational level** | **Collective level** | **Constitutional level** |
| --- | --- | --- | --- |
| Location permit | FGD with societyNGOs | Sub-district permit |  |
| Environment permit |  | Coordination with ***planning*** agency, environmental agency, and technical agency | AMDAL or UKL/UPL document |
| Operational permit | Coordination with investment agency | Business license | District rule for water tax |
| Monitoring and evaluation | Preparation for auditor |  |  |

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**Body**

Zagreb, 29 December 2017 (Hina) - Plenkovic sends messages to Serbia and Slovenia from cabinet meetingZAGREB, Dec 28 (Hina) - Croatian Prime Minister Andrej Plenkovic on Thursday called on Serbia to protect the Croatian minority there and on Slovenia to refrain from any unilateral moves in dealing with the border issue.The head of the Democratic Alliance of Croats in Vojvodina (DSHV), Tomislav Zigmanov, said on Tuesday that three ethnic Croatian youths had been beaten up in the Vojvodina town of Sonta at theweekend. Local police later said they had identified the perpetrators and insisted that the attack was not ethnically motivated."I clearly condemn the attack on the Croats in Sonta," Plenkovic said at the start of a cabinet meeting, adding that the Ministry of Foreign and European Affairs had presented a note of protest to the Serbian authorities."We call on Serbia to protect its citizens of Croatian ethnicity," the Croatian PM said.Given that the deadline for the implementation of the arbitration ruling on the border dispute with Slovenia expires on December 29 and the fact that Zagreb does not recognise the ruling while Ljubljana intends to implement it unilaterally, Plenkovic once again called for constructive dialogue."I repeat that under international law the arbitration ruling, which Slovenia considers to be binding on it, cannot be implemented without the consent of both parties. That's why I expect Slovenia to refrain from any unilateral moves so that any incidents are avoided," Plenkovic said.Croatian Foreign Ministry issues note over incident in SerbiaZAGREB, Dec28(Hina) - The Croatian Foreign Ministry on Thursday issued a note in response to a physical assault on three youths of Croatian ethnicity in Sonta, Serbia, but Serbian Ambassador in Zagreb Mira Nikolic refused it.The ministry said the ambassador was called to be handedthe note "over, according to available information, an ethnically motivated assault on three youths of Croatian ethnicity in Sonta on 24 December 2017which resulted in physical injuries."Nikolic refused to accept the note, saying it had not been an ethnically motivated assault.The ministry said it expected Serbia's officials and institutions to urgently establish all the facts and take appropriate measures in line with the law, addingthat it would "closely follow" the stepsthat would be taken to shed light "on all the circumstances of this incident."Serbian Foreign Ministry says Croatia taking advantage of Sonta incidentZAGREB, Dec28(Hina) - The Serbian Foreign Ministry said on Thursday Croatia was taking advantage of an incident in Sonta, northern Serbia which was not ethnically motivated, distorting the picture of peaceful co-existence of different ethnic groups in Serbia.Three youths of Croatian ethnicity were beaten up in Sonta on Sunday.

On Tuesday, the president of theDemocratic Alliance of Croats in Vojvodina political party, Tomislav Zigmanov, said theassault was ethnically motivated.The incident prompted the Croatian Foreign Ministry to call Serbian Ambassador in Zagreb Mira Nikolic today to hand her a protest note, which she refused, claiming the assault was not ethnically motivated.After being called to the Croatian ministry, the ambassador told her interlocutors that "based on all the necessary checks and talks with many potential witnesses and participants in the event, from whom the authorities took statements, it was established that ethnicity was not the motive of the conflict," the Serbian Foreign Ministry said."It's not clear how the said incident could be qualified as such when persons of the same ethnicity were involved," the ministry added.By refusing the protest note, Nikolic "warned that such moves by the Republic of Croatia could, in different circumstances, destabilise the otherwise peaceful situation in multi-ethnic areas and harmonious relations betweenmembers of the numerous ethnic communities in Serbia," the Serbian ministry said.Croatia is taking advantage of this incident, which has nothing to do with the ethnicity of those involved, in such a way that it distorts the picture of peaceful co-existence of different ethnic groups in Serbia, the ministry added.Such positions by Croatia donot contribute to trust-building and confidence, which both countries advocate in words and to which Serbia, with its positions and concrete action, fully contributes, the ministry said."We hope that in future Croatia will refrain from such acts and direct efforts towards building and advancing good neighbourly relations," the ministry said.Serbian president says ethnic dimension of Sonta incident made upZAGREB, Dec 28 (Hina) - Serbian President Aleksandar Vucic on Thursday described as invented the ethnic dimension of an incident which occurred in Sonta, in Serbia's northern Vojvodina province on Sunday and in which three Croat youths were beaten up.Commenting on a protest note from Croatia over the incident during a visit to the south of the country, Vucic told reporters that according to information available to him, the youths from Sonta had made up the ethnic nature of the incident, and noted that statements directed against Serbs were nothing new.Zigmanov says reactions as expected, LSVparty says incident was ethnically motivatedThe incident in Sonta was reported about on Tuesday by the president of the Democratic Alliance of Vojvodina Croats party and member of the Serbian parliament, Tomislav Zigmanov.Following a statement by an attorney for one of the three youths, who reported the incident, that the police now treated his client as a suspect and that charges would be pressed against him, Zigmanov told Hina that the reactions to the incident were "as expected"."Unfortunately, we are not surprised by the act of the Serbian ambassador in Zagreb. It was as expected, after the Prime Minister of Vojvodina, Igor Mirovic, said that this incident, which according to all information available to us was ethnically motivated, was not ethnically motivated," Zigmanov said, confident that Serbia was refusing the possibility that Croats could be victims of violence.A member of the League of Vojvodina Social Democrats (LSV) party in the Serbian parliament, Olena Papuga, said that the Sonta incident was ethnically motivated,calling on state institutions to say the truth about the case."Serbian state institutions must not distort the truth and say that the incident, which involved a number of persons, has nothing to do with the ethnic background of people involved in it. Unfortunately, the residents of Sonta know that the incident was ethnically motivated. Also, charges are about to be pressed as some of the people involved have a criminal past for which they never answered," Papuga said in a statement.Croatian Foreign Ministry calls on Slovenia to refrain from unilateral border movesZAGREB, Dec 28 (Hina) - The Croatian Foreign Ministry called on Slovenia in a diplomatic note on Thursday to refrain from a unilateral implementation of measures attempting to change the state of affairs on the ground, inviting it to a constructive dialogue on a solution to the border issue.The note was forwarded to the Slovenian Embassy in Zagreb in connection with Slovenia's announcement that it will unilaterally start implementing the border arbitration ruling of June 29 and with the legal and implementation regulations Slovenia adopted this month to that end.The ministry called on Slovenian authorities to exercise restraint, avoid incidents and not take unilateral measures that would attempt to change the state of affairs on the ground to Croatia's detriment.The ministry said that, with the note, Croatia called on Slovenia to remain committed to a peaceful resolving of outstanding issues, as befitting two neighbours, European Union members and NATO allies, and warned about the unacceptability of taking unilateral measures that would attempt to change the situation on the ground."Any such move would be unacceptable, in which measures including the threat of force or the use of force would, under the United Nations Charter, represent a grave breach of international law," the ministry said.The implementation of arbitration rulings in relations between states is entirely up to the voluntary implementation and agreement between the parties in a dispute, the ministry said, adding that Croatia had been fully clear in saying that it could not accept the border arbitration ruling and that it would not implement it.The ministry recalled that Croatia walked out of the border arbitration based on a unanimous parliamentary decision of 2015 after it was discovered that Slovenia breached international law and the Croatian-Slovenian arbitration agreement. This was later established by the arbitration tribunal too and it irreparably compromised the arbitration and its credibility, it added.In the note, the ministry said Croatia was willing to resolve the outstanding border issue with Slovenia through direct agreement, for which Croatia proposed a legal framework, and that it was willing to negotiate on border demarcation in the interest of both countries and their citizens.The ministry underlined that it expected Slovenian state authorities not to resort to any unilateral, including repressive measures, in attempts to implement the arbitration ruling, and to refrain, in the interest of citizens living near the border, from actions that could lead to incidents and raise tensions.The ministry asked Slovenia to direct its actions towards finding a constructive and mutually acceptable solution to this outstanding issue.FM: There should be no unilateral implementation of border arbitration rulingZAGREB, Dec 29 (Hina) - Croatia stands by its position that there should be no unilateral implementation of the arbitration ruling on the border dispute with Slovenia, Minister of Foreign and European Affairs Marija Pejcinovic Buric said on Thursday evening after Slovenia had announced that it would start implementing the ruling at sea as of December 29."We stand by our position that there should be no unilateral implementation of the arbitration ruling. Croatia does not recognise the ruling, it is not acceptable. At the last meeting we had with Slovenian Prime Minister Miro Cerar it was said that there would be no unilateral moves," Pejcinovic Buric said in an interview with the Nova TV commercial television channel.If Slovenia sends inspectors to the part of Savudrija Bay which it lays claim to under the arbitration ruling, Croatia "will do what it has been doing so far - protect Croatian interests," the minister said.She emphasised that a solution could be reached only in the spirit of dialogue, adding that Croatia recognises the border that runs down the middle of the bay, the border with which both countries entered the United Nations."We can continue to live with the border as it is, but it would be good if we resolved this issue to our mutual benefit," Pejcinovic Buric said. She warned that under international law Slovenia must not declare a border change unilaterally, underlining that a bilateral agreement remained the only solution.Slovenia is preparing for a parliamentary election in six months, and Pejcinovic Buric said that election time "is never a good environment for addressing such long-standing issues."She said that the boundaries defined by cadastral districts were acceptable and that Croatia wanted to resolve all its border issues on that basis.Earlier on Thursday, the Ministry of Foreign and European Affairs issued a diplomatic note calling on Slovenia to refrain from any unilateral steps to change the situation in the field and calling for constructive dialogue to resolve the border dispute.Croatia is no troublemakerPejcinovic Buric also commented on Thursday's statement by Serbian President Aleksandar Vucic concerning an incident that had occurred in Sonta, in the northern Serbian province of Vojvodina, last weekend when three ethnic Croatian youths were beaten up. Vucic said: "When Croats don't know what to do, they say something against Serbs.""Croatia and Serbia have a lot of unresolved issues and I think it is important that they start dealing with them as soon as possible in the spirit of good neighbourly relations," the Croatian minister said.She said that the most important issue between the two countries was that of missing persons from the 1991-1995 war in Croatia. She recalled that Vucic and Croatian President Kolinda Grabar-Kitarovic had agreed on that and issued a declaration in 2016, but no progress has been made since.Pejcinovic dismissed claims that, because of disputes with almost all its neighbours, Croatia was a troublemaker in the region. She said that all these problems resulted from the breakup of Yugoslavia, noting that some European countries have had border disputes for over a hundred years.FinMin: Public debt to continue decreasing next yearZAGREB, Dec 28 (Hina) - Finance Minister Zdravko Maric said on Thursday that this would be the second year in a row to see a considerable decrease in the public debt to GDP ratio, adding that this ratio would continue to fall next year too.The Ministry of Finance expects the public debt to GDP ratio to fall to 79.6 percent or 290.84 billion kuna this year. It also expects the general government deficit this year to be well below the projected 0.6 percent of GDP and the budget to be closeto balance.Responding to questions from the press before a cabinet meeting, Maric said he was pleased with what the government had done this year and that he expected the ***plan*** envisaged in the last budget review to be fulfilled."This will be a good year, better than last. As finance minister, I am responsible for the budget and my focus is on public finance, fiscal policy and all other policies that need to be geared towards growth and employment," he said.Maric said he was particularly proud of the great savings made in interest expenditure and the savings made after bond refinancing and debt rescheduling, adding that over a billion kuna had been saved this year.Credit institutions bill additionally regulates central bank's powers, consumer protectionZAGREB, Dec28(Hina) - The government on Thursday sent to parliament a final bill of amendments to the law on credit institutions which additionally regulate the powers of the Croatian National Bank and regulate consumer protection in greater detail.The bill aligns national legislation with the new European Union banking legal framework and the Directive onspecial provisions for the statutory audits of public-interest entities.The main novelties refer to alignment ofrequirements for members of credit institutions' management and supervisory boards with those defined by European regulators of the banking and non-banking system, Finance Minister Zdravko Maric said."Also, the article stipulating the obligation of credit institutions to notify a consumer about the repayment of an entire loan has been fine-tuned," he added.New capital markets law expected in mid-FebruaryZAGREB, Dec 28 (Hina) - The Croatian government on Thursday passed a regulation amending the Capital Markets Act, which incorporated the European directive on financial instruments markets, to further increase transparency and investor protection.The new bill has taken more than two years to complete and is beingprepared by several working groups given that this is the most complex matter in the financial sector, Finance Minister Zdravko Maric said at a cabinet meeting.The novelties included in the bill relateto the alignment of the Croatian regulatory framework for capital markets with the Directive on Markets in Financial Instruments (MiDID II). The directive was to have been transposed into national law by 3 July 2017, but only 11 EU member states have done so to date.The MiFID II will be incorporated into Croatian law just as the MiFID, which will beapplied as of January 3, Maric said."Great efforts are being made to send the new capital markets bill to the government as soon as possible. We expect it to be discussed at a government meeting in mid-February," the finance minister said.The Capital Markets Act has been amended seven times so far, mostly to align it with EU law. In order to avoid any inconsistency, the government has decided to prepare the new bill.Government: Additional HRK 200 mn for healthcare sector debtZAGREB, Dec28 (Hina) - Prime Minister Andrej Plenkovic said on Thursday that an additional 200 million kuna would be allocated to the healthcare sector to cover its debts, and that 1.6 billion kuna in national and EU funds would be invested in employment schemes in 2018-2020."After the successful budget revision, in the final days of the calendar year the Ministry of Finance has found additional funds to be reallocated for debt coverage in the healthcare sector, namely 100 million kuna will go towards state hospitals and 97 million towards county hospitals. When we put this together with the 1.162 billion envisaged under the budget revision, it turns out that we are probably the only government that has managed to allocate over 1.3 billion kuna for healthcare in a year," Plenkovic said at a cabinet meeting, adding that his government wasconducting a responsible fiscal policy and was determined to reduce the debt of the healthcare sector.Speaking of the first item on the agenda of today's meeting, which concerned guidelines for the implementation of active employment policy measures in 2018-2020, Plenkovic said: "Using national funds and funds from the European Social Fund, we will allocate 1.6 billion kuna for employment which, I am convinced, will help further reduce the number of unemployed youth, long-term unemployed people, women, persons with disabilities and others who have difficulty getting a new job."Plenkovic thanked all the ministers and their associates for their contributionto the government's work this year, adding that the results achieved were very good considering the circumstances.Gov't adopts guidelines for implementation of employment policy in 2018-2020ZAGREB, Dec28 (Hina) - The government on Thursday adopted guidelines for the development and implementation of the active employment policy in Croatia in 2018-2020, which represent a ***strategic*** document and a framework for the use of active employment policy measures.This set of measures was worth 1.5 billion kuna for 2017 and its value for 2018 is 1.6 billion kuna. In addition, there are also special measures geared towards employment of disadvantaged people, such as young women and persons with disabilities, Labour and Pension System Minister Marko Pavic said at a cabinet meeting.The aim of the guidelines is to increase the unemployment rate through five ***intervention*** measures, balance supply and demand on the labour market, and keep participants in the labour market better informed, the minister said."The government wants to reach an employment rate of 68 percent by 2020. We will primarily focus on increasing the employment rate among young and elderly people and reducing the number of long-term unemployed persons," Pavic said.Pavic saidthat he was working with Education Minister Blazenka Divjak to balance the needs of the labour market and the education system with the aid of the European Social Fund where Croatia is entitled to 500 million euros.Pavic said he was particularly glad that the youth unemployment rate had fallen from nearly 50 percent in 2013 to 26 percent in 2017. "In the last quarter of 2017 it is even lower, around 20 percent, but I expect it to be around 26 percent for the whole year," the minister said.Labour minister presents employment package worth HRK 2.5BZAGREB, Dec28(Hina) - Labour Minister Marko Pavic on Thursday presented active employment policy measures aimed at keeping young people in Croatia and hiring about 170,000 jobless people so that the domestic workforce can fill vacancies as much as possible.Pavic presented the package of measures for hiring the domestic workforce, notably in tourism and construction, for which HRK 2.5 billion willbe set asidenext year.Our wish is to hire about 30,000 interns next year and to hire another 50,000 people through all these measures, he told reporters.HRK 1.6 billion has been set aside for active employment policy measures alone, over HRK 400 million will be set aside for hiring 3,000 women to care for 12,000 elderly households, and apackage worth HRK 300 million is geared towards hiring in kindergartens, said the minister.The goal is to hire Croatian citizens, notably in the touristseason, Pavic said, announcing that 187,000 jobless registered with the Employment Service (HZZ) were beingasked to participate in a survey to see if they were willing to work during the tourist season.He said early next year the HZZ would conduct a survey to see how many jobless actually wanted to work "so that we aren't in a situation in which we have so many jobless and employers who can't find workers."Pavic said youth employment measures were aimed at raising the price of their work by using European Social Fund money. Young people would no longer be forced to work for a minimum wage but become interns who will indeed get hired and be paid adequately, he said, adding that this was a measure aimed at keeping young people from emigrating.The measures are aimed at finding 10,000 seasonal workers in order to import labour as little as possible.Asked to explain a new system of evaluation for civil servants as of 2018, Pavic said their wages would not be cut but the best ones would be rewarded and unproductive ones punished.(EUR 1 = HRK 7.5)Minister says health sector entering period of stabilityZAGREB, Dec 28(Hina) - The government on Thursday adopted a decision to allocate HRK 100 million to hospitals founded by the state to service their liabilities, withHealth Minister Milan Kujundzic sayingthis was the start of a period of stability in which the health sector would no longer be under threat financially.For the first time in many years, health sector debts are decreasing and hospitals are no longer under threat of enforcement procedures andshortages of medicines, Kujundzic said.Speaking to the press ahead of a cabinet meeting, he said the rise in health sector debts was stopped this year withoutan increase of the public debt, but would not mention any numbers.Regarding the Zagreb Institute of Immunology, he said a government commission would propose a model of ***strategic*** partnership between the government and the City of Zagreb.The ***plan*** is to save the Institute, ensure continued production of blood derivatives in Croatia and start the production of vaccines, Kujundzic said.At today's meeting, the government approved the allocation of HRK 99.5 million to local government units as compensation for natural disaster damage, of which 70% for damage caused in ***agriculture*** and the rest for other damage.Minister says HRK 1B to be invested in demographic revivalZAGREB, Dec28(Hina) - Demography, Family, Youth and Social Policy Minister Nada Murganic said on Thursday that about HRK 1 billion was envisaged for demographic revival in 2017 and 2018, announcing higher disability and care allowances as well as investment in kindergartens.She told reporters that parenting and maternity allowances had not been raised in nine years and that new measures were being prepared for next year, including tenders worth HRK 100 million for local government units for building and renovating kindergartens, HRK 300 million in European Union funds for kindergarten staff, and widereligibilityfor child's allowance.Murganic said several strategies had been adopted for the elderly and the inclusion of the disabled into the community as well as a national strategy for combating domestic violence. She added that a new family law would better regulate adoptions.She said the newsocial welfare law would go into force on December 30 and that it envisaged a 20% increase in disability and care allowances as of April. Disabled persons who receivea salary will not lose the right to their disability allowance, she added.(EUR 1 = HRK 7.5)Gov't increases number of local gov't units with status of assisted areasZAGREB, Dec28(Hina) - The Croatian government on Thursday adopted a regulation on a new development index and a decision on the categorisation of local and regional government units according to the level of their development, underwhich an additional 40 local government units were granted the status of assisted areas.Regional Development and EU Funds Minister Gabrijela Zalac said that a new methodology was used in calculating the development index as in the existing methodology shortcomings were identified thatresultedin inequitable evaluations and categorisation.Indicators used now to definethe index of development arethe unemployment rate, per capita income, per capita local government budget revenues, general population trends, the education rate and the ageing index.The value of the development index is calculated as an adjusted average of standardised values of those indicators in a given period of time, and the indicators are calculated based on information collected over a period of three years preceding the evaluation procedure.Local government units whose development index value is above 100 belong in the category of above-average development while those whose index is below 100 belong in the category of below-average development.The decision on the categorisation of local government units takes effect at the start of next year, and instead of the current five groups, eight groups will be introduced - four each for below-average and above-average ranked local government units. As for counties (regional government), the four existing groups will remain."The proposed new model for the calculation of the development index increases the number of units that have the status of assisted areas. Under the current model, 264 units have such status, and under the new model, 304 units will have such status," said Zalac.The first group of counties, which according to the index value are in the second half of counties with below-average development, consists of Bjelovar-Bilogora, Brod-Posavina, Lika-Senj, Sisak-Moslavina, Virovitica-Podravina, and Vukovar-Srijem counties.The second group, which according to the development index values covers counties that are in the first half of counties with below-average development, consists of Karlovac, Koprivnica-Krizevci, Krapina-Zagorje, Osijek-Baranja, Pozega-Slavonia and Sibenik-Knin counties.The third group refers to counties that are in the second half of counties with above-average development and it covers Medjimurje, Split-Dalmatia, Varazdin and Zadar counties.The fourth group are counties that are in the first half of counties with above-average development - Dubrovnik-Neretva, Istria, Primorje-Gorski Kotar and Zagreb counties,and the City of Zagreb.Gov't adopts new code of corporate management in state-owned companiesZAGREB, Dec28(Hina) - The government on Thursday adopted a new code of corporate management in companies in which the state has stakes, replacing the 2010 code.Thenewcoderepresents a minimum of the demands the government sets before state-owned companies and it will contribute to improving corporate management and increasing efficiency,State Assets Minister Goran Maric said, adding that the code was aligned with Organisation for Economic Co-operation and Development principles and based on Baltic countries' codes.The government said the new code was adopted also because the legal and organisational framework of state assets management had significantly changed over the past seven years, including due to Croatia's European Union accession in 2013.The 2010 corporate management code was relevant only for companies traded on capital markets.The list of companies of ***strategic*** and special interest for Croatia comprises 49 companies, including 12 joint stock companies, of which five are on the stock exchange.With the new code, the aim was to adopt an act"which won't burden limited liability companies and smaller companies and which won't repeat legal solutions that are subject to change," the government said.The new code underscores that state-owned companies, notably those of special and ***strategic*** interest, aside from generating profit, which is a legitimate and logical goal, also serve common goals, the government said.The code says state-owned companies have a dual role - their operations must be economically justified, yetthey should also fulfil political and social goals which often do not generate direct financial gain.The code's goals includebetter company management, better ***strategic*** and operational oversight, higher financial and social efficiency, better state assets management, budgetary revenues, better services and products, attracting investors, and improving Croatia integration within the EU.Short-term political goals, political changes or changes in state administration must not destabilise the operationsof state-owned companies, andthe companies will be managed by relevant state bodies pursuing an ownership policy prioritising economic goals and financial results without which social goals cannot be achieved, the code says.Govt' endorses regulation amending law on renewablesand high efficiency cogenerationZAGREB, Dec28(Hina) - The government on Thursday endorsed a regulation to amend the law on renewablesand high efficiency cogeneration,extending until 31 December 2018the deadline for power suppliers to meet renewable energyobligations and theECO balance group to start operating.The regulation changes the provision of the law under whichelectricity suppliers are obligedto take over from the CroatianEnergyMarketOperatorthe total net electricity delivered by eligible ***producers***, in line with their market share for electricity delivered by 31 December 2016 at the purchasing price of HRK 0.42 per kilowatt hour.Government grants guarantee for loan to Uljanik Plovidba shipping companyZAGREB, Dec28 (Hina) - The government on Thursday granted a state guarantee to the Croatian Bank for Reconstruction and Development (HBOR) and Privredna Banka Zagreb (PBZ) for a loan to the Uljanik Plovidba shipping company as part of a financing ***programme*** for restructuring based on a risk sharing model.Finance Minister Zdravko Maric proposed issuing a state guarantee of US$ 43.3 million plus interest and loancosts and fees, as a security instrument representing 80 percent of a long-term club loan of US$ 54.1 million.US$ 27.09 million of thelong-term club loan will be used to close the remaining loan from PBZ which was granted to finance the purchase of the Champion Istra tanker.The loan was granted in equal shares by the HBOR and PBZ, Maric said.The loan was approved for repayment over 10 years in 40 monthly instalments. The first instalment of US$ 730,113 falls due on 31 December 2017, while the other instalments are due at the end of each calendar quarter. The last instalment matures on 30 September 2027.The government said that the loan would allow Uljanik to considerablyrefinance its obligations concerning the financing of the construction of ships.Gov't exempts OiV, Plinacro from paying part of profits into state budgetZAGREB, Dec28(Hina) - The government on Thursday included Transmitters and Communications Ltd. (OiV) and the Plinacronatural gas transmission company among companies of ***strategic*** and special interest to Croatia that do not have to pay a portion of their 2017 profits into the state budget.In May, the government adopted a decision under which a majority of those companies have to pay 60% of the profits netted this year into the state budget.Under today's decision, OiV does not have to pay HRK 21.6 millionand Plinacro HRK 113.3 million.OiV is servicing its liabilities from its own revenues and by cutting expenses, maintaining stability of business and investing in development, so the payment of a part of its profit would affect business and financial stability, the government said.Plinacro ***plans*** to invest its profit in the development of the transport system and, by retaining its profit, it will maintain the necessary liquidity given its obligations and projects, the government added.FinMin says 7,500 fiscalisation inspections conducted this yearZAGREB, Dec28(Hina) - Finance Minister Zdravko Maric said on Thursday about 7,500 fiscalisation inspections had been conducted this year and that irregularities were found in 42% of the cases which were mainly committed by repeat offenders."All our inspectors and services will be on the ground. The goal is not only to protect the budget, but first and foremost taxpayers. Our intentionisalsoto be educational and stimulating towards taxpayers and not to take too strict measures for minor first time offences," Maric told reporters after a government meeting.Asked to explain why he said at the meeting that HRK 3.5 billion was necessary to compensate for natural disaster damage but that HRK 100 million had been set aside, and who then would not be compensated for, Maric said such damage was estimated in billions of kuna every year and that numerous criteria were taken into consideration when allocating compensation.This year, for the first time, the total compensation for natural disaster damage in ***agriculture*** was raised from the usual HRK 20 million to HRK 100 million, of which 70% will be allocated for ***agriculture*** based on a proposal from the relevant parliamentary commission, Maric said.Asked how much the hiring of PR agencies for ministries, state institutions and public companies would cost, he said he would rather not speculate but that the cost "won't endanger the state budget."Ministries, state institutions, public companies can hire PR agencies againZAGREB, Dec28(Hina) - The government decided on Thursday that ministries, state institutions and public companies can again hire PR experts and agencies, thus rescinding the 2012 decision that banned this.Culture Minister Nina Obuljen said the 2012 decision was rescinded because circumstances had changed since then.Croatia has at its disposal money from many European structural investment funds and there is a need to inform the public much better about those possibilities, she said, adding that in its ***programme*** the government had put emphasis on informing citizens about reform ***programmes*** and processes, employment, economic activities and possibilities offered by nationaland European funds.The government also adopted decisions on the payment of outlays for elementary and high school employees, employees in culturalinstitutions and in welfare given that negotiations on new branch collective agreements are still under way.The government also allowed the Defence Ministry to useHRK 97.2 million from the state budget for this year and HRK 30 million from the 2018 budget to pay for theKiowa Warrior helicopters.Ministry says Peruca Lake power plant not environmentally acceptableZAGREB, Dec 28 (Hina) - The Environmental Protection and Energy Ministry has decided that the project to build a combined cycle cogeneration gas power plant on Peruca Lake in the Dalmatian hinterland is not environmentally acceptable.The ministry made the decision following a request for the assessment of the project by the company in charge of it, the Zagreb-based Ekskluzivne nekretnine d.o.o., and following an assessment of the environmental impact of the project.The project company may file a complaint against the ministry decision before a competent administrative court within 30 days from receipt of the decision.The Peruca power plant project was opposed by environmental organisations and civil initiatives.Before the ministry's final decision a 15-member advisory expert commission for the assessment of the project's environmental impact concluded that the plant was not environmentally acceptable.HAZU statement about Istanbul Convention draws criticismZAGREB, Dec 28 (Hina) - Boris Jokic, a former head of the expert task force in charge of implementing the curriculum reform, warned on Thursday that the statement bythe Council for Education of the Croatian Academy of Sciences and Arts (HAZU), that the introduction of cross-curricular topics in school curricula would imposeand introducea certain ideology,"is totally false and unbecoming to HAZU" and called on HAZU president Zvonko Kusic to publicly and unequivocally distance himself from it."Documents of the Integral curriculum reform were made on the basis of scientific achievements and do not impose or introduce anyideologies," Jokic said, stressing that even though it had been part of Croatian legislation and scientific system for years, the term 'gender' was not used in any of the cross-curricular topics."One of the main objectives of this part of the (HAZU Council for Education) statement is to again devalue the work of hundreds of teachers and researchers who have contributed to changes in the Croatian education system with their expertise," said Jokic.The statement by the HAZU Council for Education on the Istanbul Convention, which says that that documentis not acceptable for the Croatian education system, was also condemned by thePametno non-parliamentary party, the Croatian Women's Network and the lesbian association Kontra,which said that HAZU should strive for a society of knowledge and should distanceitself from rather than promote retrograde and petty political positions.Pametno called on HAZU and all scientists in Croatia to distance themselves from the statement and to explicitly express their disagreement, calling on the president of the republic, the prime minister, the parliament speaker, members of parliament and the general public to "dispose of the statement in the nearest garbage container."The Croatian Women's Network and Kontra issued a joint statement describing the statement by the HAZU Council for Education as scandalous and shameful."HAZU should be strivingfor a society of knowledge and critical understanding of reality rather than establishing traditions, especially not false ones, and it should even less promotea revival of religious fundamentalism imported from the United States," they warned in the statement.HAZU says Council for Education statement not HAZU's official positionZAGREB, Dec28(Hina) - The Croatian Academy of Sciences and Arts (HAZU) said on Thursday that the statement by the HAZU Council for Education on the Istanbul Convention was not HAZU's official position on thatdocument, but was rather an individual position to which every HAZU member and council were entitled and responsible for."An official position of HAZU reflects the positions of either the HAZU Presidency or the HAZU Assembly," HAZU says in a statement issued in response to a statement published on Wednesday by the HAZU Council for Education which said that the Istanbul Convention was not acceptable for the Croatian education system.The actions of HAZUas the highest scientific and artistic institutionare based on the unrestricted freedom of opinion of all its members, HAZU says in the statement."Any HAZU member and any of its scientific councils present their own views and are responsible for them," it says.TheHAZU Council for Education statement,addressed to the President of the Republic, the Speaker and members of Parliament, the Prime Minister and the general public in Croatia, says that the Council supports the intention of the Istanbul Convention to ensure protection for women and families against violence, but not parts of the Convention which, it says, are based on gender ideology and areunacceptable for the Croatian education system."... it is evident that parts of the Convention are based on gender ideology, which we consider unacceptable for the Croatian education system because it should remain free of any particular ideology," the HAZU Council for Education warned in its statement."The Croatian education system is based on the Croatian and Central European education tradition, protecting the identity of the Croatian nation, country and culture, as well as on the acceptance and application of scientifically proven achievements. We emphasise the importance of continued critical thinking and acceptance of new knowledge being incorporated in curricula which should be acceptable to all 500,000 children and young people in the education system and to their parents who have the right to raise their children according to their own worldviews," the statement said.The Council claims that the Istanbul Convention would impose a "gender-neutral" education on children and young people in Croatia, "which is completely unacceptable from the point of view of freedom of education because the term gender in the Convention is exclusively defined as 'behaviours, activities, roles'and omits sex as a natural constant and ontological given".HND condemns dismissal of HRT reporter Milorad SikanjicZAGREB, Dec28(Hina) - The Croatian Journalists Association (HND) on Thursday condemned the Croatian Radio and Television (HRT) public broadcaster'sa decision to fire its reporter Milorad Sikanjic."The procedure for his dismissal was launched after Sikanjic commented on the return of Ivan Vrdoljak to the helm of the Croatian People's Party (HNS) and other current political topics in theCroatian Radio ***programme*** 'U mrezi prvog' on19 December 2017," the HND said."Sikanjic, who was invited to the ***programme*** as a political commentator, which is his job atCroatian Radio, spoke very negatively about Vrdoljak's return to the HNS's helm. Following a reaction from the HNS, the HRT management spoke with the reporter and informed him of its ***plan*** to fire him. In theprocess, Sikanjic was not told the real reason for the threat with dismissal as the HRT's request for his comment on the case did not cite the articles of the HRT Code of Ethics which he had allegedly breached by doing what he is paid to do - comment on political topics for Croatian Radio," said the HND.It warned that the attempt to fire the commentator was yet another in a series of scandalous decisions by the HRT management that grossly violated pressfreedomand conductedcensorship over its own employees."The result of such behaviour is the fact that the HRT is only formally a public media service while in reality its management has been stifling professionalism, disgracing and intimidating its own reporters and mocking Croatian citizens," the HND said, adding that the latest case would be brought to the attention of international journalists and media organisations, as had all the previous cases of attacks on reporters and press freedom.In a statement on the case issued on Wednesday, the HRT said that it did not comment "on labour relations and related information."However, an unofficial source at the HRT told Hina that the public broadcaster had launched the procedure to fire Sikanjic for his alleged hate speech in a radio ***programme*** in which he criticised Vrdoljak.According to the source, the HRT finds as the most contentious Sikanjic's statement that Vrdoljak is a "political corpse" heading a clientelist party.Sikanjic made the statement while recalling that the public learned that Vrdoljak had conducted negotiations on a coalition with the HDZ back when the HDZ was headed by Tomislav Karamarko and later during the term of prime minister Tihomir Oreskovic."When you show voters that you, an ostensible liberal who entered (the parliament) on the SDP slate, think that they are morons, in my opinion, you are politically dead. In any case, you are a political corpse. When you are morally dead, you are a moral corpse. That is what Vrdoljak and those who support him will reek of," Sikanjic said in the ***programme***, among other things.Commenting on the HRT's decision to fire the reporter, the HNS party on Wednesday issued a statement condemning the broadcaster's decision and underlining that it had not requested any such move.New investigation opened into Mamic for taking EUR 2.5 mn from Dinamo's bank accountZAGREB, Dec28(Hina) - The Zagreb County Prosecutor's Office has opened a new investigation into former Dinamo football club executive vice-president Zdravko Mamic on the suspicion that he defrauded Dinamo of more than EUR 2.6 million in the period from 2004 to 2007.The prosecutorial authorities said, identifying Mamic only by his initials, that the investigation was launched based on the findings of preliminary investigations carried out through the system of international legal assistance and a criminal report filed by the Finance Ministry's financial investigations department.The prosecutors believe that Mamic, acting as a member of Dinamo's management and its executive vice-president, tookout, in the period between early February 2004 and 7 March 2007, "from an account in an Austrian bank", "without a real and legal reason, at least EUR 2,535,574.71 in cash, while he transferred a certain amount from the club's bank account to his and his brother's bank accounts."Bydoing so, he obtained an illegal gain in the amount of at least 2.57 million euros or HRK 19 million, while securing for his brother "an illegal gain in the amount of at least 58,800 euros".The prosecutors believe that the Mamic brothers used the money taken from Dinamo "for personal needs."Zoran and Zdravko Mamic have been on trial for some time for siphoning money from Dinamo.Croatia's defence minister, military chief-of-staff visit Croatian troops in PolandZAGREB, Dec28(Hina) - Croatia'sDefence Minister Damir Krsticevic and military Chief-Of-Staff Mirko Sundov on Thursday visited the 71 Croatian troops atBenowo Piskie Training Area in Poland where they have been participating in NATO'sEnhanced Forward Presence Battle Group since October, the ministry said in a press release."I appreciate everything our troops are doing for Croatia and how professionally and proudly they represent Croatia in Europe,"Krsticevic said."This mission is significant for the Croatian army because of the joint training with our partners and allies, because of interoperability and the exchange of experience," he added.Krsticevic saidCroatia's participation in the NATO mission proved that it was a committed ally, thatit had "enormous" knowledge and experience to share, and that participation in joint training helped to develop the capabilities of the Croatian army.He reiterated that the Croatian troops were equipped and armed with Croatian products.The Battle Group commander, US Colonel Scott Chaney, praised the Croatian contingent's professionalism, while Brigadier GeneralJaroslaw Gromadzinski,commander of the Polish army's 15th Mechanised Brigade, said he appreciated Croatia's participation and engagement in the Battle Group's activities.Bosnia won't have liaison officer at Europol due to political obstructionZAGREB, Dec28(Hina) - Bosnia and Herzegovina Security Minister Dragan Mektic warned on Thursday that due to politically motivated obstruction, ***plans*** had failed to delegate the country's permanent liaison officer to the Europol headquarters in The Hague, and that Bosnia and Herzegovina would be the only European country without a representative in the EU police force's central office.The reason for this was again the country's complex structure as it turned out that all levels of government wanted to be represented at the contact point in Sarajevo through which the Bosnian liaison officer atEuropol headquarters would communicate with as many as 16 police agencies in Bosnia and Herzegovina.It turned out that for jobs that are done by teams of several people in other countries, Bosnia and Herzegovina would have to provide office space and money for dozens of different employees.The person who would be the coordinator on behalf of the state would have fourdeputies each from every constituent ethnic group, plus supporting personnel, which would have turned a normal office into an administrative behemoth."It would mean employing 80 people," Mektic said explaining that the ministries of the interior of the two entities, Brcko District, the state investigation and protection agency SIPA, and the border police each wanted to have their representatives in the contact team.Each of those ministries and agencies operate independently and do not have any legal obligation to coordinate their activities with other similar agencies, Mektic said.Croat deputies boycott Bosniak-Croat entity parliamentZAGREB, Dec 29 (Hina) - Croat deputies boycotted a session of the lower house of parliament of Bosnia and Herzegovina's Bosniak-Croat Federation entity on Thursday in protest at the recent adoption of the proposal by Bosniak parties to remove Croat references from the names of public companies, after which the ruling coalition failed to adopt a budget for next year.According to a statement issued by the Croat People's Assembly (HNS), an umbrella organisation of Croat political parties in Bosnia and Herzegovina, the extraordinary session of the Federation's House of Representatives was scheduled "without consultations with and the consent of the deputy speaker of the House, Mladen Boskovic," and the Bosniak parties adopted a proposal to erase Croat references from the names of public companies."Since in the meantime no significant changes have occurred that would have led to normalisation of relations between the coalition partners regarding this issue which is of paramount importance to the Croats, we consider the scheduling of this session unacceptable," the HNS said.The HNS said that its members had taken a unanimous position that they would not take part in the rest of the session of parliament at which the proposal was made to erase the Croat references or until an agreement was reached between the coalition partners.The Bosniak parties supported the initiative by the opposition SDP to remove the Croat references and references to Herceg-Bosna from the names of several public companies, which has drawn condemnation from all Croat parties in the Bosniak-Croat entity.Because of the absence of the Croat MPs, the Bosniak parties, which constitute a majority in parliament, failed to adopt an agenda, as a result of which the meeting of parliament was postponed.As a result, the Bosniak-Croat entity will enter 2018 without a budget and without a decision on interim financing, which will further escalate the crisis between the leading Bosniak and Croat parties, SDA and HDZ. The two parties are in dispute over several issues, the most prominent one concerning amendment of election law. Under a Constitutional Court ruling, the law should be amended to ensure election of legitimate Croat deputies to the upper house of parliament without Bosniak voters and parties deciding on them.Izetbegovic: Praljak is a war criminal, Croatia and Serbia have missed opportunity to face the pastZAGREB, Dec28(Hina) - The Bosniak member of Bosnia and Herzegovina's Presidency, Bakir Izetbegovic, who is also the leader of theParty of Democratic Action (SDA), said in Sarajevo on Thursday that politicians in Croatia and Serbia had failed to take the opportunity given to them by judgments of the International Criminal Tribunal for the former Yugoslavia (ICTY) to clearly condemn war crimes, distance themselves from their perpetrators and show clear respect to the victims.Addressing a news conference on the occasion of the New Year holidays, Izetbegovic said that 2017 was marked by "a constant and inevitable return to the past", prompted especially by ICTY judgments.Izetbegovic believes that the judgments, notably those in the cases against former political and military leaders of Herceg-Bosna and Bosnian Serb wartime army commander Ratko Mladic, have put "the final international seal" on the truth about war crimes and joint criminal enterprises which, he underlined, involved "the leaderships of the neighbouring countries"."The verdicts refer to individuals and they were an opportunity to remove the burden of responsibility from the people, but Serbian and Croatian politicians did not use that opportunity. Almost all of them glorified the criminals instead, negating the verdicts and the tribunal," said Izetbegovic.Izetbegovic particularly considers as problematic the attitude to Slobodan Praljak, marked by unnecessary expressions of respect and attempts to depict himas a victim and martyr.General Praljak on November 29 committed suicide in the ICTY courtroom upon hearing the tribunal uphold his trial court verdict that had sentencedhim to 20 years in prison for war crimes in Bosnia and Herzegovina."Praljak is a criminal, a leader of criminals, to be precise. Under his command the HVO (Bosnian Croat army) committed horrible crimes against entirely innocent people," he said.The process of reconciliation cannot be based on the denial of crimes and the glorification of their perpetrators, said Izetbegovic, noting that the SDA would insist on legal solutions to punish the glorification of war crimes.Despite the extremely strained communication with the other two members of the collective Presidency, the Croat Dragan Covic and the Serb Mladen Ivanic, Izetbegovic claims that their relationship "has not deteriorated significantly".Commenting on assessments that the current political situation in Bosnia and Herzegovina is probably the worst since the end of the war in 1995, Izetbegovic said that that might not be bad as in such an atmosphere everyone could fully face their fears.4 former Bosnian Serb soldiers indicted for Srebrenica genocideZAGREB, Dec 28 (Hina) - Four former Bosnian Serb soldiers have been indicted for their roles in the genocide of Bosniaks in Srebrenica and other parts of eastern Bosnia in 1995, the Bosnia and Herzegovina State Prosecutor's Office said on Thursday.The accused are Mile Kosoric, former commander of the Bosnian Serb Army Vlasenica Brigade, and three former members of that brigade.They are charged with violations of international humanitarian law and the Geneva Convention relative to the Protection of Civilian Persons in Time of War.According to the indictment, Kosoric and the other accused stopped a convoy of Bosniak civilians being evacuated after the fall of Srebrenica in the village of Luka near Vlasenica in July 1995. They took all the valuables from the civilians and then singled out men and girls.At least 20 men were held prisoner, subjected to tortureand shot during the night between July 13 and 14, while the girls were humiliated and raped.14 members of BH Army and HVO indicted for war crimes against SerbsZAGREB, Dec 28 (Hina) - Fourteen Bosniaks have been indicted for committing war crimes against Serbs in the Konjic area of central Bosnia and Herzegovina during the country's 1992-1995 war, the State Prosecutor's Office announced on Thursday.All the accused were members of the Bosnia and Herzegovina Army or the Croatian Defence Council (HVO) or served as police officers during the war. They are charged with persecutions and ill-treatment of civilians and the looting and destruction of civilian property in Konjic and surrounding villages.The crimes committed in 1992 and 1993 led tothe expulsion of all Serbs from the Konjic area.Prosecutors said they would call 167 witnesses and present 780 exhibits of evidence during the trial to prove that the accused were guilty as charged.Ten of the 14 accused have been remanded in custody after they were arrested in a major police raid earlier this month.Podgorica prosecutor says Montenegro didn't copy Croatian physical education curriculumZAGREB, Dec28(Hina) - The state prosecutor's office in Podgorica which investigated if Montenegro's elementary school physical education curriculum was copied from Croatian experts has found that the document has not been plagiarised, the Pobjeda daily said on Thursday.Prosecutor's office spokeswoman Danka Ivanovic-Djeric told the paper that there were no grounds to prosecute anyone.The Montenegrinphysical education curriculum elicited heated reactions among a part of the public this pastsummer after Croatian experts said the document was copied from them. This prompted the resignations of three professors who drew up the Montenegrincurriculum, although they said they were doing it for moral reasons and not because they were plagiarists.Shortly after that, Montenegrin Education Minister Damir Sehovic said an analysis conducted by the education department showed that the Montenegrinphysical education curriculum considerably matched the Croatian one,announcingthat a new task force would be formed to write it again.At the time, it was not established whether the curriculum had been plagiarised, pending a decision by the prosecutor's office. The education department said the curriculum was not copied from the Croats and that the similarities were a result of accepting the same modern concept of education.In other news:Croatian industrial turnover up 7.6% y-o-yZAGREB, Dec 29 (Hina) - Croatian industrial turnover rose by 3.7% in October 2017 compared with September 2017 and by 7.6% compared with October 2016, according to figures from the National Bureau of Statistics.The annual increase in industrial turnover was due to a 10.5% increase in foreign markets and a 5.9% increase in the domestic market.In the first ten months of 2017, industrial turnover was up 6.9% over the same period in 2016.Broken down by main industrial groupings, in October 2017 compared with October 2016, energy turnover rose by 18.5% and durable consumer goods turnover by 21.4%Turnover of intermediate goods increased by 14.5% and non-durable consumer goods by 3.5%, while capital goods turnover decreased by 2.1%.In October 2017 compared with September 2017, turnover of energy rose by 32.8%, durable consumer goods by 7.3%, non-durable consumer goods by 1.9% and intermediate goods by 0.9%, while capital goods turnover fell by 4.9%.ZSE indices increaseZAGREB, Dec 28 (Hina) - The Zagreb Stock Exchange (ZSE) main indices on Friday grew more strongly than on Thursday, with the Crobex going up 0.62% to 1,848.80 points and the specialised Crobex10 increasing 1.15% to 1,081.28 points.Regular turnover was HRK 5.25 million, around 1.3 million less than on Thursday.The only stock on the regular market that crossed the million kuna mark in terms of turnover was the preferred stock of the tourism and insurance Adris Group, which generated over 1.5 million kuna in turnover. Its price rose 5.26% to HRK 440 per share.(EUR 1 = HRK 7.5)THIS BULLETIN INCLUDES ITEMS RELEASED BY 0830 HRS FRIDAY. (Hina) rml Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, Dec 28 (Hina) - Croatian Prime Minister Andrej Plenkovic on Thursday called on Serbia to protect the Croatian minority there and on Slovenia to refrain from any unilateral moves in dealing with the border issue.

ZAGREB, Dec28(Hina) - The Croatian Foreign Ministry on Thursday issued a note in response to a physical assault on three youths of Croatian ethnicity in Sonta, Serbia, but Serbian Ambassador in Zagreb Mira Nikolic refused it.

ZAGREB, Dec28(Hina) - The Serbian Foreign Ministry said on Thursday Croatia was taking advantage of an incident in Sonta, northern Serbia which was not ethnically motivated, distorting the picture of peaceful co-existence of different ethnic groups in Serbia.

ZAGREB, Dec 28 (Hina) - Serbian President Aleksandar Vucic on Thursday described as invented the ethnic dimension of an incident which occurred in Sonta, in Serbia's northern Vojvodina province on Sunday and in which three Croat youths were beaten up.

Commenting on a protest note from Croatia over the incident during a visit to the south of the country, Vucic told reporters that according to information available to him, the youths from Sonta had made up the ethnic nature of the incident, and noted that statements directed against Serbs were nothing new.

Zigmanov says reactions as expected, LSVparty says incident was ethnically motivated

The incident in Sonta was reported about on Tuesday by the president of the Democratic Alliance of Vojvodina Croats party and member of the Serbian parliament, Tomislav Zigmanov.

Following a statement by an attorney for one of the three youths, who reported the incident, that the police now treated his client as a suspect and that charges would be pressed against him, Zigmanov told Hina that the reactions to the incident were "as expected".

"Unfortunately, we are not surprised by the act of the Serbian ambassador in Zagreb. It was as expected, after the Prime Minister of Vojvodina, Igor Mirovic, said that this incident, which according to all information available to us was ethnically motivated, was not ethnically motivated," Zigmanov said, confident that Serbia was refusing the possibility that Croats could be victims of violence.

A member of the League of Vojvodina Social Democrats (LSV) party in the Serbian parliament, Olena Papuga, said that the Sonta incident was ethnically motivated,calling on state institutions to say the truth about the case.

"Serbian state institutions must not distort the truth and say that the incident, which involved a number of persons, has nothing to do with the ethnic background of people involved in it. Unfortunately, the residents of Sonta know that the incident was ethnically motivated. Also, charges are about to be pressed as some of the people involved have a criminal past for which they never answered," Papuga said in a statement.

ZAGREB, Dec 28 (Hina) - The Croatian Foreign Ministry called on Slovenia in a diplomatic note on Thursday to refrain from a unilateral implementation of measures attempting to change the state of affairs on the ground, inviting it to a constructive dialogue on a solution to the border issue.

The note was forwarded to the Slovenian Embassy in Zagreb in connection with Slovenia's announcement that it will unilaterally start implementing the border arbitration ruling of June 29 and with the legal and implementation regulations Slovenia adopted this month to that end.

The ministry called on Slovenian authorities to exercise restraint, avoid incidents and not take unilateral measures that would attempt to change the state of affairs on the ground to Croatia's detriment.

The ministry said that, with the note, Croatia called on Slovenia to remain committed to a peaceful resolving of outstanding issues, as befitting two neighbours, European Union members and NATO allies, and warned about the unacceptability of taking unilateral measures that would attempt to change the situation on the ground.

"Any such move would be unacceptable, in which measures including the threat of force or the use of force would, under the United Nations Charter, represent a grave breach of international law," the ministry said.

The implementation of arbitration rulings in relations between states is entirely up to the voluntary implementation and agreement between the parties in a dispute, the ministry said, adding that Croatia had been fully clear in saying that it could not accept the border arbitration ruling and that it would not implement it.

The ministry recalled that Croatia walked out of the border arbitration based on a unanimous parliamentary decision of 2015 after it was discovered that Slovenia breached international law and the Croatian-Slovenian arbitration agreement. This was later established by the arbitration tribunal too and it irreparably compromised the arbitration and its credibility, it added.

In the note, the ministry said Croatia was willing to resolve the outstanding border issue with Slovenia through direct agreement, for which Croatia proposed a legal framework, and that it was willing to negotiate on border demarcation in the interest of both countries and their citizens.

The ministry underlined that it expected Slovenian state authorities not to resort to any unilateral, including repressive measures, in attempts to implement the arbitration ruling, and to refrain, in the interest of citizens living near the border, from actions that could lead to incidents and raise tensions.

The ministry asked Slovenia to direct its actions towards finding a constructive and mutually acceptable solution to this outstanding issue.

ZAGREB, Dec 29 (Hina) - Croatia stands by its position that there should be no unilateral implementation of the arbitration ruling on the border dispute with Slovenia, Minister of Foreign and European Affairs Marija Pejcinovic Buric said on Thursday evening after Slovenia had announced that it would start implementing the ruling at sea as of December 29.

"We stand by our position that there should be no unilateral implementation of the arbitration ruling. Croatia does not recognise the ruling, it is not acceptable. At the last meeting we had with Slovenian Prime Minister Miro Cerar it was said that there would be no unilateral moves," Pejcinovic Buric said in an interview with the Nova TV commercial television channel.

If Slovenia sends inspectors to the part of Savudrija Bay which it lays claim to under the arbitration ruling, Croatia "will do what it has been doing so far - protect Croatian interests," the minister said.

She emphasised that a solution could be reached only in the spirit of dialogue, adding that Croatia recognises the border that runs down the middle of the bay, the border with which both countries entered the United Nations.

"We can continue to live with the border as it is, but it would be good if we resolved this issue to our mutual benefit," Pejcinovic Buric said. She warned that under international law Slovenia must not declare a border change unilaterally, underlining that a bilateral agreement remained the only solution.

Slovenia is preparing for a parliamentary election in six months, and Pejcinovic Buric said that election time "is never a good environment for addressing such long-standing issues."

She said that the boundaries defined by cadastral districts were acceptable and that Croatia wanted to resolve all its border issues on that basis.

Earlier on Thursday, the Ministry of Foreign and European Affairs issued a diplomatic note calling on Slovenia to refrain from any unilateral steps to change the situation in the field and calling for constructive dialogue to resolve the border dispute.

Croatia is no troublemaker

Pejcinovic Buric also commented on Thursday's statement by Serbian President Aleksandar Vucic concerning an incident that had occurred in Sonta, in the northern Serbian province of Vojvodina, last weekend when three ethnic Croatian youths were beaten up. Vucic said: "When Croats don't know what to do, they say something against Serbs."

"Croatia and Serbia have a lot of unresolved issues and I think it is important that they start dealing with them as soon as possible in the spirit of good neighbourly relations," the Croatian minister said.

She said that the most important issue between the two countries was that of missing persons from the 1991-1995 war in Croatia. She recalled that Vucic and Croatian President Kolinda Grabar-Kitarovic had agreed on that and issued a declaration in 2016, but no progress has been made since.

Pejcinovic dismissed claims that, because of disputes with almost all its neighbours, Croatia was a troublemaker in the region. She said that all these problems resulted from the breakup of Yugoslavia, noting that some European countries have had border disputes for over a hundred years.

ZAGREB, Dec 28 (Hina) - Finance Minister Zdravko Maric said on Thursday that this would be the second year in a row to see a considerable decrease in the public debt to GDP ratio, adding that this ratio would continue to fall next year too.

ZAGREB, Dec28(Hina) - The government on Thursday sent to parliament a final bill of amendments to the law on credit institutions which additionally regulate the powers of the Croatian National Bank and regulate consumer protection in greater detail.

ZAGREB, Dec 28 (Hina) - The Croatian government on Thursday passed a regulation amending the Capital Markets Act, which incorporated the European directive on financial instruments markets, to further increase transparency and investor protection.

ZAGREB, Dec28 (Hina) - Prime Minister Andrej Plenkovic said on Thursday that an additional 200 million kuna would be allocated to the healthcare sector to cover its debts, and that 1.6 billion kuna in national and EU funds would be invested in employment schemes in 2018-2020.

ZAGREB, Dec28 (Hina) - The government on Thursday adopted guidelines for the development and implementation of the active employment policy in Croatia in 2018-2020, which represent a ***strategic*** document and a framework for the use of active employment policy measures.

ZAGREB, Dec28(Hina) - Labour Minister Marko Pavic on Thursday presented active employment policy measures aimed at keeping young people in Croatia and hiring about 170,000 jobless people so that the domestic workforce can fill vacancies as much as possible.

ZAGREB, Dec 28(Hina) - The government on Thursday adopted a decision to allocate HRK 100 million to hospitals founded by the state to service their liabilities, withHealth Minister Milan Kujundzic sayingthis was the start of a period of stability in which the health sector would no longer be under threat financially.

ZAGREB, Dec28(Hina) - Demography, Family, Youth and Social Policy Minister Nada Murganic said on Thursday that about HRK 1 billion was envisaged for demographic revival in 2017 and 2018, announcing higher disability and care allowances as well as investment in kindergartens.

ZAGREB, Dec28(Hina) - The Croatian government on Thursday adopted a regulation on a new development index and a decision on the categorisation of local and regional government units according to the level of their development, underwhich an additional 40 local government units were granted the status of assisted areas.

ZAGREB, Dec28(Hina) - The government on Thursday adopted a new code of corporate management in companies in which the state has stakes, replacing the 2010 code.

ZAGREB, Dec28(Hina) - The government on Thursday endorsed a regulation to amend the law on renewablesand high efficiency cogeneration,extending until 31 December 2018the deadline for power suppliers to meet renewable energyobligations and theECO balance group to start operating.

ZAGREB, Dec28 (Hina) - The government on Thursday granted a state guarantee to the Croatian Bank for Reconstruction and Development (HBOR) and Privredna Banka Zagreb (PBZ) for a loan to the Uljanik Plovidba shipping company as part of a financing ***programme*** for restructuring based on a risk sharing model.

ZAGREB, Dec28(Hina) - Finance Minister Zdravko Maric said on Thursday about 7,500 fiscalisation inspections had been conducted this year and that irregularities were found in 42% of the cases which were mainly committed by repeat offenders.

ZAGREB, Dec28(Hina) - The government decided on Thursday that ministries, state institutions and public companies can again hire PR experts and agencies, thus rescinding the 2012 decision that banned this.

ZAGREB, Dec 28 (Hina) - The Environmental Protection and Energy Ministry has decided that the project to build a combined cycle cogeneration gas power plant on Peruca Lake in the Dalmatian hinterland is not environmentally acceptable.

The ministry made the decision following a request for the assessment of the project by the company in charge of it, the Zagreb-based Ekskluzivne nekretnine d.o.o., and following an assessment of the environmental impact of the project.

The project company may file a complaint against the ministry decision before a competent administrative court within 30 days from receipt of the decision.

The Peruca power plant project was opposed by environmental organisations and civil initiatives.

Before the ministry's final decision a 15-member advisory expert commission for the assessment of the project's environmental impact concluded that the plant was not environmentally acceptable.

ZAGREB, Dec 28 (Hina) - Boris Jokic, a former head of the expert task force in charge of implementing the curriculum reform, warned on Thursday that the statement bythe Council for Education of the Croatian Academy of Sciences and Arts (HAZU), that the introduction of cross-curricular topics in school curricula would imposeand introducea certain ideology,"is totally false and unbecoming to HAZU" and called on HAZU president Zvonko Kusic to publicly and unequivocally distance himself from it.

ZAGREB, Dec28(Hina) - The Croatian Academy of Sciences and Arts (HAZU) said on Thursday that the statement by the HAZU Council for Education on the Istanbul Convention was not HAZU's official position on thatdocument, but was rather an individual position to which every HAZU member and council were entitled and responsible for.

ZAGREB, Dec28(Hina) - The Croatian Journalists Association (HND) on Thursday condemned the Croatian Radio and Television (HRT) public broadcaster'sa decision to fire its reporter Milorad Sikanjic.

ZAGREB, Dec28(Hina) - The Zagreb County Prosecutor's Office has opened a new investigation into former Dinamo football club executive vice-president Zdravko Mamic on the suspicion that he defrauded Dinamo of more than EUR 2.6 million in the period from 2004 to 2007.

ZAGREB, Dec28(Hina) - Croatia'sDefence Minister Damir Krsticevic and military Chief-Of-Staff Mirko Sundov on Thursday visited the 71 Croatian troops atBenowo Piskie Training Area in Poland where they have been participating in NATO'sEnhanced Forward Presence Battle Group since October, the ministry said in a press release.

ZAGREB, Dec28(Hina) - Bosnia and Herzegovina Security Minister Dragan Mektic warned on Thursday that due to politically motivated obstruction, ***plans*** had failed to delegate the country's permanent liaison officer to the Europol headquarters in The Hague, and that Bosnia and Herzegovina would be the only European country without a representative in the EU police force's central office.

ZAGREB, Dec28(Hina) - The Bosniak member of Bosnia and Herzegovina's Presidency, Bakir Izetbegovic, who is also the leader of theParty of Democratic Action (SDA), said in Sarajevo on Thursday that politicians in Croatia and Serbia had failed to take the opportunity given to them by judgments of the International Criminal Tribunal for the former Yugoslavia (ICTY) to clearly condemn war crimes, distance themselves from their perpetrators and show clear respect to the victims.

ZAGREB, Dec 28 (Hina) - Four former Bosnian Serb soldiers have been indicted for their roles in the genocide of Bosniaks in Srebrenica and other parts of eastern Bosnia in 1995, the Bosnia and Herzegovina State Prosecutor's Office said on Thursday.

ZAGREB, Dec 28 (Hina) - Fourteen Bosniaks have been indicted for committing war crimes against Serbs in the Konjic area of central Bosnia and Herzegovina during the country's 1992-1995 war, the State Prosecutor's Office announced on Thursday.

ZAGREB, Dec28(Hina) - The state prosecutor's office in Podgorica which investigated if Montenegro's elementary school physical education curriculum was copied from Croatian experts has found that the document has not been plagiarised, the Pobjeda daily said on Thursday.

ZAGREB, Dec 29 (Hina) - Croatian industrial turnover rose by 3.7% in October 2017 compared with September 2017 and by 7.6% compared with October 2016, according to figures from the National Bureau of Statistics.

The annual increase in industrial turnover was due to a 10.5% increase in foreign markets and a 5.9% increase in the domestic market.

In the first ten months of 2017, industrial turnover was up 6.9% over the same period in 2016.

Broken down by main industrial groupings, in October 2017 compared with October 2016, energy turnover rose by 18.5% and durable consumer goods turnover by 21.4%

Turnover of intermediate goods increased by 14.5% and non-durable consumer goods by 3.5%, while capital goods turnover decreased by 2.1%.

In October 2017 compared with September 2017, turnover of energy rose by 32.8%, durable consumer goods by 7.3%, non-durable consumer goods by 1.9% and intermediate goods by 0.9%, while capital goods turnover fell by 4.9%.

ZAGREB, Dec 28 (Hina) - The Zagreb Stock Exchange (ZSE) main indices on Friday grew more strongly than on Thursday, with the Crobex going up 0.62% to 1,848.80 points and the specialised Crobex10 increasing 1.15% to 1,081.28 points.

Regular turnover was HRK 5.25 million, around 1.3 million less than on Thursday.

The only stock on the regular market that crossed the million kuna mark in terms of turnover was the preferred stock of the tourism and insurance Adris Group, which generated over 1.5 million kuna in turnover. Its price rose 5.26% to HRK 440 per share.

(EUR 1 = HRK 7.5)

THIS BULLETIN INCLUDES ITEMS RELEASED BY 0830 HRS FRIDAY.

**Load-Date:** December 29, 2017

**End of Document**



[***M and A Navigator: Deal pipeline -29 June***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NX4-4PJ1-F0K1-N222-00000-00&context=1516831)

M&A Navigator

June 29, 2017 Thursday

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**Length:** 3987 words

**Body**

MANAVIGATOR-June 29, 2017-M and A Navigator: Deal pipeline -29 June

The following is a list of deals covered in detail by M and A Navigator this week:

-RHYTHMONE ACQUIRES ASSETS FROM MARKETING PLATFORM RADIUMONE

UK-based digital advertising technology company RhythmOne plc (LSE: RTHM) has acquired certain assets of US-based marketing platform RadiumOne, Inc.,the company said.

RhythmOne said the acquisition accelerates the company's strategy to build a unified programmatic platform with unique audiences of uniform quality at scale. Under the terms of the deal, the company has acquired certain assets and related liabilities from RadiumOne for a consideration of up to USD 22m and the assumption of approximately (USD 3m-4m) in net liabilities.

Status: Closed

-EUROPEAN REIT SELLS FORMER IBM REGIONAL HQ LA GAUDE IN NICE, FRANCE FOR EUR 5.8M

European Real Estate Investment Trust Ltd. has sold La Gaude in France for a net price of EUR 5.8m (USD 6.61m), the company said. Following receipt of the sale proceeds, the company will hold cash balances of approximately GBP 13.2m/EUR 15.1m.

The group has been in structured realisation since the shareholder vote in August 2011. The property in La Gaude, formerly occupied by IBM as their regional HQ, was the group's last remaining asset. The board had explored various options for the future of the La Gaude asset which has been vacant since the departure of IBM in September 2015.

Status: Closed

-METMINCO RECEIVES PROCEEDS FROM SALE OF INTEREST IN THE LOS CALATOS PROJECT

Australian mining company Metminco Ltd. (LSE: MNC) (AIM: MNC) has received settlement for the sale of its Los Calatos asset, realising AUD 6.7m (USD 5m), the company said. The proceeds will fund the company's Miraflores Gold Project.

Metminco announced the deal earlier this month. Under the deal, Metminco sold its 49% interest in Los Calatos Holding Ltd. to CD Capital Natural Resources Fund III LP for approximately USD 5m in cash consideration net of costs.

Status: Closed

-INNOVATIV ACQUIRES MINORITY STAKE IN NIGHT FLIGHT

US-based multi-media content ***producer*** and distributor Innovativ Media Group, Inc. (OTC: INMG) has purchased a minority equity interest in US-based online streaming network operator Night Flight, Inc., the company said.Night Flight is the owner of 'Night Flight Plus', a premium online streaming network based on the 80s rock n' roll TV series.

It is also a programmer of a branded sub-channel on CannaNet.TV, the company's new online, ad supported platform, scheduled to launch in 4Q17, which will stream curated and original entertainment, informational and educational video content related to the cannabis and CBD culture and industries.

Status: Closed

-12 RETECH CHANGES NAME, CLOSES FORWARD SPLIT FOR ***PLANNED*** ACQUISITION

Dominican Republic-based 12 Retech Corp. fka Devago, Inc. (OTC: DVGGD) has completed a corporate name change and 6-1 forward stock split as part of its ***planned*** acquisition of Hong Kong-based retail shopping technology firm 12 Hong Kong Ltd., the company said.

12 Retech said it has been notified by FINRA that the additional "D" will be appended to the company's trading symbol for 20 business days and that the trading symbol will subsequently be changed to RETC on or about 21 July 2017. 12 Hong Kong is the developer of the "12" next-gen retail shopping technology which combines digital tech and social networking with real-life for a unique shopping experience.

Status: Agreed

-PROBILITY MEDIA CLOSES ACQUISITION OF NEC PROVIDER W MARKETING

US-based ed-tech organisation ProBility Media Corp. (OTCQB: PBYA) has closed the acquisition of New York, US-based NEC provider W Marketing to enhance ProBility's position as a National Fire Protection Association (NFPA) supplier of electrical codes, the company said.

The NEC is a regionally adoptable standard for the safe installation of electrical wiring and equipment in the United States. It is part of the National Fire Codes series published by the National Fire Protection Association, a private association.

Status: Closed

-PRINOVA TO ACQUIRE CHINA, UK PREMIX OPERATIONS FROM ISRAEL'S LYCORED

Illinois, US-based Prinova has reached an agreement to acquire Israeli-based food ingredients supplier Lycored's China and United Kingdom Premix operations, the company said. Prinova is a supplier of ingredients, flavours, blending and contract manufacturing solutions for the food, beverage and nutrition industries.

It holds stocks in distribution centres around the world to ensure continuity of supply and is a global supplier of Vitamin C, B and food grade Amino Acids. The Lycored facilities in China and the United Kingdom have been supplying international food companies with premixes to fortify their products with vitamins, minerals and other nutrients.

Status: Agreed

-BAYCOM, UNITED BUSINESS BANK TO ACQUIRE SEATTLE'S PLAZA BANK FOR USD 10.6M

California, US-based bank holding company BayCom Corp (OTC: BCML) and its United Business Bank subsidiary, and Seattle, Washington, US-based Plaza Bank (OTCBB: PZBW) have agreed to merge, the companies said.

Under the terms of the definitive agreement Plaza shareholders will receive 0.084795 shares of BayCom common stock for each share of Plaza stock. The total transaction value is approximately USD 10.6m based on BayCom's closing price of USD 16.90 on 26 June 2017 subject to adjustments outlined in the definitive agreement. The total assets of the combined banks on apro formabasis at 31 March 2017 is approximately USD 1.2bn, including BayCom's acquisition of First ULB Corp.

Status: Agreed

-PLATTE RIVER EQUITY ACQUIRES US SPECIALTY CHEMICALS MAKER MFG CHEMICALS

US-basedprivate equity firm Platte River Equityhas acquired MFG Chemical in partnership with the Charles E. Gavin, III Family and management, the firm said. Headquartered in Dalton, Georgia, MFG is a specialty chemical manufacturer of polymers, surfactants and esters used in various applications in the oil field, water treatment, mining, coatings and ***agricultural*** markets.

Platte River invested out of its third fund, Platte River Equity III, L.P., to acquire MFG. Based in Denver, Colorado, Platte River Equity is a private equity firm focused on equity investments from USD 20m to USD 80m in lower middle market operating companies with enterprise values generally between USD 40m and USD 250m.

Status: Closed

-PACIFIC ETHANOL TO ACQUIRE ILLINOIS CORN PROCESSING FOR USD 76M

US-basedrenewable fuels ***producer*** and marketer Pacific Ethanol, Inc.(NASDAQ: PEIX) has entered into a definitive agreement to acquire US-based Illinois Corn Processing, LLC for USD 76m, which includes USD 15m in working capital, the company said.

Pacific Ethanol will acquire Illinois Corn Processing, from Illinois Processing Holdings Inc., a wholly-owned subsidiary of SEACOR Holdings Inc., and MGPI Processing, Inc. for USD 76m, subject to a customary working capital adjustment.

Status: Agreed

-ENTEGRA FINANCIAL TO ACQUIRE CHATTAHOOCHEE BANK OF GEORGIA IN USD 34.9M CASH, STOCK DEAL

North Carolina, US-based bank holding company Entegra Financial Corp. (NASDAQ: ENFC) and US-based Chattahoochee Bank of Georgia have signed a definitive agreement under which Entegra will purchase Chattahoochee for USD 14.75 per share or 1.4 times 31 March 2017 book value through a combination of cash and stock valued at approximately USD 34.9m, the companies said.

Chattahoochee currently operates one branch in Gainesville, Georgia and a loan production office in Duluth, Georgia and will add approximately USD 197m in assets, USD 155m in loans, and USD 166m in deposits to Entegra Bank.

Status: Agreed

-ISOTRAK ACQUIRES UK FLEET MANAGEMENT TECHNOLOGY FIRM VERILOCATION

UK-basedcommercial vehicle telematics and fleet management systems provider Isotrak has acquired leading UK fleet management technology businessVeriLocation, the company said. The deal will create a business servicing in excess of 500 customers over 50,000 connections in the UK and overseas, across all sectors of the fleet and telematics industry.

UK-based VeriLocation has established itself in the commercial vehicle telematics market, heavily focused on both product innovation and customer service. Backed by UK B2B services and technology investor, Lyceum Capital, Isotrak's acquisition of VeriLocation will create a range of software solutions and professional services.

Status: Closed

-THE ENSIGN GROUP ACQUIRES ASSISTED LIVING FACILITIES IN TEXAS, WISCONSIN USA

US-based skilled nursing, rehabilitative care services, home health care, hospice care and assisted living provider The Ensign Group, Inc. (NASDAQ: ENSG) has acquired the real estate and operations of two assisted living facilities in Texas and three assisted living facilities in Wisconsin, the company said.

All of the facilities were previously operated by affiliates of Brookdale Senior Living. These facilities had a combined occupancy rate of 80% at the time of acquisition.

Status: Closed

-SONACA GROUP CLOSES USD 191M ACQUISITION OF LMI AEROSPACE

Belgian manufacturer the Sonaca Group has closed its acquisition of US-based structural assemblies supplier and engineering company LMI Aerospace Inc. (NASDAQ: LMIA), the company said.

Under the terms of the agreement, LMI shareholders received USD 14 per share in cash at the closing of the transaction. The deal is worth USD 191m. Approximately 76.7% of outstanding shares voted, with more than 99.4% of votes cast in favor of the merger agreement and related transactions.

Status: Closed

-HC2 TO ACQUIRE MAJORITY INTEREST IN LOW POWER TV STATION OPERATOR DTV AMERICA

A subsidiary of US-based diversified holding company HC2 Holdings, Inc. (NYSE: HCHC) has agreed to enter into a series of transactions that, if approved by the Federal Communications Commission, will result in HC2 and its subsidiaries owning over 50% of shares of common stock of US-based low power television company DTV America Corp., the company said.

DTVA is an aggregator and operator of low power television licenses and stations across the United States. The company currently owns and operates 52 LPTV stations in more than 40 US cities.

Status: Agreed

-HULL STREET ENERGY CLOSES ACQUISITION OF US HYDROELECTRIC ASSETS FROM CARLYLE

A recently formed affiliate of US-basedprivate equity firm Hull Street Energy has completed the acquisition of 100% of the ownership interests in Nautilus Hydro, LLC from funds managed by affiliates of US-based alternative asset manager The Carlyle Group, Hull Street said.

Nautilus Hydro, owns five hydroelectric generation facilities located inMassachusettson theChicopeeandDeerfield Rivers. As a result of this transaction, Hull Street Energy has added approximately 18mw of long-lived, renewable generation assets to its New England portfolio.

Status: Closed

-LBC CREDIT PARTNERS SUPPORTS ACQUISITION OF STAMPEDE MEAT

US-basedmiddle market financing solutions specialist LBC Credit Partners provided a senior secured term loan to support an investment in US-based protein solutions provider Stampede Meat, Inc. by US-based private equity firm Wynnchurch Capital, LLC and company Management.

LBC served as administrative agent and sole lender for the senior secured term loan. Wynnchurch said it will partner with Stampede's management team to support the company's growth ***plans***. Stampede said Wynnchurch's investment allows it to expand its focus as a supplier of choice to customers.

Status: Closed

-SAFETY SUPPLY OFFERS USD 0.275/SHARE IN CASH FOR IRONCLAD

US-based Safety Supply Corp., parent company to personal protective equipment business Radians, Inc., has sent a letter to Vane Clayton, chairman of the board of directors of Ironclad Performance Wear Corp. (OTCQB: ICPW) stating its continued desire to acquire Ironclad, the company said.

Ironclad Performance Wear makes impact resistant gloves. Safety Supply is offering USD 0.275per share in cash, for a total purchase price of approximatelyUSD 23.5m. The company said the offer represents approximately 37.5% premium over lronclad's share price on27 June 2017, the company said.

Status: Bidding

-COUCHE-TARD CLOSES ACQUISITION OF US FILLIN STATION AND CONVENIENCE STORE OPERATOR CST BRANDS

Canada-based convenience and fuel retail industry owner Alimentation Couche-Tard Inc. (TSX: ATD.A) has closed the acquisition of Texas-based motor fuels and convenience store operator CST Brands, Inc. (NYSE: CST) and a related transaction with Parkland Fuel Corp. (TSX: PKI), the company said.

Under the CST deal, which was announced in August, Couche-Tard will acquire all of the shares of CST for USD 48.53 per share in cash, representing a total enterprise value of approximately USD 4.4bn, including the assumption of net debt, the company said. The transaction value represents a premium of approximately 42% to CST's closing stock price on 3 March 2016, the last date prior to CST announcing that its board commenced an exploration of ***strategic*** alternatives to further enhance stockholder value.

Status: Closed

-ALON USA ENERGY WINS SHAREHOLDER NOD FOR DELEK US DEAL

Shareholders of petroleum products refiner and marketer Alon USA Energy, Inc. (NYSE: ALJ) have approved a deal under which US-based downstream energy company Delek US Holdings, Inc. (NYSE: DK) will acquire all of the outstanding shares of Alon common stock which it does not already own in an all-stock transaction, the company said.

This deal was announced in January. The deal, for the remaining 53% of Alon USA's shares, is worth around USD 464m. In May 2015, Delek US completed the acquisition of approximately 33.7m shares, or approximately 48% of the outstanding shares, of Alon USA Energy common stock from Alon Israel Oil company, Ltd. Five seats on the eleven-member Alon USA board of directors previously held by Alon Israel representatives were been filled by representatives from Delek US.

Status: Agreed

-CONSOLIDATED COMMUNICATIONS GETS REGULATORY NODS FOR USD 1.5BN FAIRPOINT ACQUISITION

Illinois, US-based integrated communications provider Consolidated Communications Holdings, Inc. (NASDAQ: CNSL) has completed pre-close regulatory approval and notification processes in all 17 of North Carolina, US-based business and broadband communications provider FairPoint Communications, Inc.'s (NASDAQ: FRP) operating states and is on track to complete the Consolidated Communications-FairPoint Communications merger, the company said.

In a deal announced last December, Consolidated Communications agreed to acquire FairPoint Communications in an all-stock merger transaction valued at approximately USD 1.5bn, including debt.

Illinois, Kansas, Maine, New Hampshire, New York and Vermont recently joined Colorado, Georgia, Ohio, Pennsylvania and Virginia by each granting approval of the pending merger with FairPoint.

Status: Agreed

-BAIN PLATFORM TO MERGE EUROPEAN TYRE DISTRIBUTORS FINTYRE, REIFF TYRE AND AUTOMOTIVE TECHNOLOGY

US-based private equity firm Bain Capital Private Equity's UK platform company European Tyres Distribution Ltd., has signed a definitive agreement to acquire REIFF's Tyre distribution and Automotive Technology division, the company said. The division is largest independent multi-channel tyre distributor in Germany. Fintyre is a distributor of replacement tyres in Italy.

REIFF Tyre and Automotive Technology operates across the wholesale, retail and online value chain via four warehouses and 46 retail outlets. In 2016, it generated sales of approximately EUR 340m to more than 285,000 customers.

Status: Agreed

-GOVERNMENT PROPERTIES INCOME TRUST TO ACQUIRE FIRST POTOMAC REIT IN DEAL VALUED AT USD 1.4BN

Massachusetts, US real estate investment trust (REIT) Government Properties Income Trust (NASDAQ: GOV), has agreed to acquire all of the outstanding common shares of Maryland, US-based REIT First Potomac Realty Trust (NYSE: FPO) for an aggregate transaction value of approximately USD 1.4bn, the company said.

The cash consideration to be paid to FPO shareholders will be USD 11.15 per FPO common share, or approximately USD 683m in aggregate. The remaining transaction value includes the expected repayment of approximately USD 41m of FPO debt and assumption of approximately USD 232m of FPO mortgage debt, and the payment of transaction fees and expenses, net of FPO cash on hand.

Status: Agreed

-LEGRAND TO ACQUIRE AV PRODUCT MANUFACTURER MILESTONE AV TECHNOLOGIES

Connecticut, US-based electrical contracting services provider Legrand, North and Central America has agreed to acquire Minnesota, US-based AV product manufacturer Milestone AV Technologies, the company said.

Upon completion of the transaction, Milestone and Legrand's Middle Atlantic business will come together under the AV division of Legrand. The Milestone and Middle Atlantic product lines will continue to remain in the market place, establishing an offering that can be expanded to serve AV customers globally.

Status: Agreed

-MIRKA ACQUIRES ITALY-BASED CAFRO TO EXPAND FOOTPRINT IN SUPERABRASIVES MARKET

Finland-based abrasives manufacturer Mirka Ltd., a company of KWH Group, has acquired all of the shares of Italy based superabrasive wheels and tools manufacturer Cafro S.p.A., to expand business in the field of the superabrasives and grinding solutions, the company said.

Mirka said Cafro's specialised knowledge and manufacturing capabilities and Mirka's global market presence can lead to expansion as the two companies join our forces. For Cafro, the acquisition represents an excellent opportunity to expand its business globally. The third generation of the Mancina family, owners of Cafro since 1955, will continue to lead the Cafro business within the Mirka Group.

Status: Closed

-HGGC INVESTS IN US DATA VIRTUALISATION COMPANY DENODO

California, US-based private equity firm HGGC has made an investment in data virtualisation company California, US-based Denodo, leaving a significant ownership stake in the company with Denodo's founder and senior management team, the company said.

Headquartered in Palo Alto with an R/D core in A Coruña, Spain, and sales and engineering offices around the world, Denodo offers a platform for modern, high performance, real-time data integration and data services delivery powered by data virtualisation technology.

Status: Closed

-PEACHTREE HOTEL GROUP ACQUIRES GAINESVILLE, FLORIDA TOWNPLACE SUITES

Florida, US-based hospitality investment and management organisation Peachtree Hotel Group (PHG) has acquired Florida, US-based TownePlace Suites, a 96-suite hotel property located in Gainesville, Florida in a deal brokered by Hospitality Real Estate Counselors, the company said.

The property was acquired from Gainesville Investment Lodging, LLP, a subsidiary of Tennessee, US-based hotel development and management company 3H Group, Inc. PHG said it continues to seek additional acquisition and development opportunities. Peachtree Hotel Group operates, develops and invests in premium-branded, select- and limited-service and extended-stay hotel assets under the Marriott, Hilton, Hyatt, Choice and InterContinental Hotels Group flags.

Status: Closed

-ACCENTURE ACQUIRES US MOBILE DESIGN AND DEVELOPMENT FIRM INTREPID

New York, US-based professional services company Accenture (NYSE: ACN) has acquired Boston, US-based mobile design and development firmIntrepid to expand mobile experiences capabilities, the company said.

Intrepid's 150 employees have joinedAccenture Digitalas a result of the acquisition. The team will focus on the rapid development of innovative digital services and solutions, using agile tools in a collaborative environment where clients can work side by side with Accenture designers, engineers and mobile experts.

Status: Closed

-HAIN CELESTIAL ACQUIRES PREPARED BEAN CREATOR BETTER BEAN

New York, US-based natural products company Hain Celestial Group, Inc. (NASDAQ: HAIN) has added Oregon, US-based prepared bean creator The Better Bean to Hain's Culture Venture portfolio, expanding Hain's product offerings in the perimeter-of-store retail space, the company said.

Better Bean is the first acquisition by the Hain Celestial Cultivate Ventures ***strategic*** platform. Hain Celestial said Better Bean fits well with its Cultivate Ventures portfolio, which includes BluePrintfunctional beverages, Yves Veggie Cuisinevegetarian offerings and Health Valleyrefrigerated soup products. Hain Celestial focuses on perimeter of the store offerings with its Cultivate Ventures products.

Status: Closed

-NELSON ACQUIRES CANADIAN EDUCATIONAL RESOURCE DEVELOPER EDUSIGHT

Canada-based education publisher Nelson Education Ltd. has agreed to acquire analytic and digital portfolio assets of Canada-based educational resource developer Edusight, the company said.

Nelson said its first purely digital acquisition invests in its growing ecosystem of learning content and tools and represents a shared vision with the Edusight's tech start-up to offer a disruptive and innovative approach to educational learning solutions. The company said the acquisition of Edusight helps meet evolving needs of educators and students across the country, ensuring unparalleled access to the educational resources they need.

Status: Closed

-AMERICAN CLEFT PALATE-CRANIOFACIAL ASSOCIATION MERGES WITH CLEFT PALATE FOUNDATION

Two North Carolina, US-based nonprofit organisations, the American Cleft Palate-Craniofacial Association (ACPA) and Cleft Palate Foundation (CPF), will merge operations to increase collective impact in support of patients with cleft lip, palate and craniofacial conditions, the organisations said.

ACPA and CPF said joining forces will reduce barriers to patient outcomes with education, support, research, advocacy and interdisciplinary team care. The merger will result in a combined organisation with a single executive director, staff and operational platform. No staff reductions are expected as a result of the merger. CPF's will continue to operate under the new ACPA Family Services ***program***.

Status: Agreed

-MSA SAFETY TO ACQUIRE US FIREFIGHTER PROTECTIVE CLOTHING PROVIDER GLOBE IN USD 215M DEAL

Pennsylvania, US-based MSA Safety Inc. (NYSE: MSA) has agreed to acquire New Hampshire, US-based firefighter protective clothing provider Globe Holding Co, LLC in a transaction valued atUSD 215m, the company said.

The all-cash transaction is approximately 2.0 times revenue and 9 times EBITDA on trailing 12-month basis and is expected to be accretive to GAAP-reported EPS in the first 12 months following the closing of the transaction. The transaction is expected to close in 3Q17, subject to the satisfaction of customary closing conditions, including receipt of regulatory approvals.

Status: Agreed

-TRIMB ACQUIRES OTC DERMATOLOGY PRODUCT PORTFOLIO FROM CILAG/JANSSEN

Sweden-based consumer healthcare company Trimb Healthcare AB has acquired a portfolio of OTC products in Sweden,Norway,Germany,Switzerland,Austriaand other European countries from Germany based pharmaceutical company Cilag GmbH International and Belgium-based Janssen Pharmaceutica NV (J and J), the company said.

The purchase price, which was not disclosed, was fully underwritten by Trimb's lead investor, Avista Capital Partners, a leading private equity firm, and by CVC Credit Partners, the credit management business of CVC.

Status: Closed

-VIRGINIA, US FIS BANK OF MCKENNEY, CCB BANKSHARES TO MERGE

Two Virginia, US-based financial institutions Bank ofMcKenney(OTC: BOMK) and CCB Bankshares, Inc. (OTC: CZYB) have agreed to combine in a ***strategic*** merger of equals under which CCB and its subsidiary will merge into McKenney in an all-stock transaction, the companies said.

Under the terms of the merger agreement, unanimously approved by the boards of directors of both entities, CCB shareholders will receive a fixed exchange ratio of 0.935 ofMcKenneyshares in exchange for each share of CCB common stock. Based on the closing price ofMcKenneycommon stock on27 June 2017, the transaction represents a value ofUSD 12.52per share of CCB common stock, orUSD 19min aggregate.

Status: Agreed

**Load-Date:** June 29, 2017

**End of Document**



[***Council of the European Union: PRELIMINARY DRAFT REPLY TO QUESTION FOR WRITTEN ANSWER P-002893/2017 - José Inácio Faria (PPE) 'Drug-related deaths in Europe' ST 10441 2017 INIT***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P52-B041-F0YC-N33F-00000-00&context=1516831)

Impact News Service

July 28, 2017 Friday

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**Body**

Brussels: Council of the European Union has issued the following document:

10454/17 DZ/ln 1 DG C 1 EN Council of the European Union Brussels, 19 June 2017 (OR. en) 10454/17 COAFR 180 CFSP/PESC 554 MAMA 112 DEVGEN 145 MIGR 112 RELEX 551 ACP 67 OUTCOME OF PROCEEDINGS From: General Secretariat of the Council On: 19 June 2017 To: Delegations No. prev. doc.: 10135/17 Subject: Renewed impetus for the Africa-EU Partnership - Council conclusions (19 June 2017) Delegations will find attached the Council conclusions on a renewed impetus for the Africa-EU Partnership as adopted at the 3551st meeting of the Council on 19 June 2017. 10454/17 DZ/ln 2 ANNEX DG C 1 EN ANNEX Council conclusions on a renewed impetus for the Africa-EU Partnership 1. As close neighbours, Europe and Africa share a common future and 2017 is an important year for their partnership. Both have much to gain from further increasing political and economic ties. The Council warmly welcomes the recent exchanges of views with the AU Commission Chairperson on his visit to the EU institutions and looks forward to working closely with African partners towards an ambitious and successful 5th Summit in Abidjan on 29 and 30 November 2017. 2. The EU is committed to build on the results already achieved by this partnership. It emphasises the importance of an equal, sustainable and mutually beneficial relationship with Africa in a spirit of shared ownership and responsibility, building on the Joint Africa EU Strategy established in 2007 and guided by political frameworks developed since then, notably the UN's 2030 Agenda, the 2015 Paris Agreement on climate change, the African Union Agenda 2063, as well as the EU's Global Strategy and the new European Consensus on Development.

3. The EU and its Member States are Africa's main partner in the fields of foreign investment, trade, place of origin for remittances, development and humanitarian assistance, and security and defence. The EU aims to remain Africa’s main partner in those fields and beyond: the successor to the Cotonou Agreement will be an important instrument for the relationship post-2020, and the upcoming Summit could provide an opportunity to reflect upon European-African relations in that context. 10454/17 DZ/ln 3 ANNEX DG C 1 EN 4. The Joint Communication 'Africa-EU Partnership: a renewed impetus' makes an important contribution to launching Summit preparations. As per its proposal, the agenda of the Summit could be structured around building more resilient states and societies and creating more and better jobs, especially for youth. The EU and its Member States are committed to contributing concrete actions at continental, regional and national level, to deliver on the joint way forward agreed upon in the Summit. 5. Delivering on this ambitious agenda requires a truly ***strategic*** and equal political relationship with Africa. The EU pursues three interrelated political objectives: - a stronger mutual engagement, including on global governance issues, through frequent political interaction and more people to people contacts, as well as increased cooperation in the international arena, based on common positions, values and shared interests; - security on land and sea, and the fight against transnational threats such as illegal arms trade, trafficking and smuggling, terrorism, and piracy, as an investment in security on both continents; - sustainable, inclusive and environmentally friendly economic development in Africa, creating more and better jobs on the continent and seizing the opportunities it offers to both Africa and Europe. 10454/17 DZ/ln 4 ANNEX DG C 1 EN 6. The Summit's central theme of 'investing in youth' will allow Africa and the EU to jointly strengthen the partnership and address demographic dynamics in order to better meet the aspirations and hopes of future European and African generations. In all this work, it is crucial to closely associate with and focus on youth in the overall process leading to the Summit as well as at the Summit. The EU promotes their economic and political inclusion. 7. The EU emphasises the role of regional and sub-regional cooperation, which provide building blocks to pan-African integration efforts for both political objectives of security and combatting cross-border threats and for economic and social development. In addition, the Council underlines the important role of local authorities and civil society organisations in delivering on the shared objectives. 8. Peace and security will remain at the centre of the EU’s cooperation with African partners, including the AU and Regional Economic Communities. The EU looks forward to the opportunity to reinforce and renew this partnership at the upcoming Summit, including through closer UN, AU and EU cooperation. To complement and facilitate African efforts, we support strengthening the capacity of African States and organisations, notably through the African Peace and Security Architecture (APSA) and by making EU instruments more flexible, reactive and better adapted to support these efforts (e.g Capacity Building in Support of Security and Development). Taking into account its long-standing and continuing financial support through the African Peace Facility, the EU looks forward to and welcomes the ongoing work to increase African funding for peace and security. 10454/17 DZ/ln 5 ANNEX DG C 1 EN 9. Recalling the intimate linkage between security, good governance, food and nutrition security, climate and sustainable development, the EU reiterates its commitment to maintain and strengthen its support to democracy and the promotion of human rights and the rule of law. The role of women in the work on peace and security is essential. The EU emphasises its intent to promote accountable, transparent and responsive governance, notably through the full operationalisation of the African Governance Architecture (AGA) and its close link to the APSA and including by means of strengthening confidence in democratic processes through enhanced cooperation on Electoral support, and through e-governance tools. 10. In order to implement the Paris Agreement, its objectives for climate mitigation and adaptation, and to better manage natural resources, European and African partnership will need to be strengthened. This partnership will be key to improve resilience to environmental degradation and humanitarian crises exacerbated by the impact of climate change at all levels. Such work should build on the reaffirmed EU – AU commitment to continue addressing the adverse effects of climate change on human health and livestock, natural ecosystems and other social and economic impacts that threaten our developmental gains as a global community. 10454/17 DZ/ln 6 ANNEX DG C 1 EN 11. The Council underlines that resilient societies are inclusive societies with equality between women and men and inclusion of persons in vulnerable situation as fundamental principles for their stability and development including through equal participation in decision-making processes. The EU underlines the need for further efforts to eliminate gender-based violence. It also underlines the importance of strengthening the resilience of individuals and communities against the appeal of violent extremism and radicalisation, including through fostering religious tolerance and interreligious dialogue. 12. The Council remains committed to the promotion, protection and fulfilment of all human rights and to the full and effective implementation of the Beijing Platform for Action and the ***Programme*** of Action of the ICPD and the outcomes of their review conferences and remains committed to sexual and reproductive health and rights (SRHR), in this context. Having that in mind, the Council reaffirms the EU's commitment to the promotion, protection and fulfilment of the right of every individual to have full control over, and decide freely and responsibly on matters related to their sexuality and sexual and reproductive health, free from discrimination, coercion and violence. The Council further stresses the need for universal access to quality and affordable comprehensive sexual and reproductive health information, education, including comprehensive sexuality education, and health-care services. 10454/17 DZ/ln 7 ANNEX DG C 1 EN 13. Recalling European Council conclusions, in particular also those of October 2016, the Council emphasises the shared interest in migration and mobility management cooperation in view of its economic, security-related and social impact between and within our continents. It reiterates its commitment to existing policy frameworks guiding EU-Africa cooperation in this regard, while respecting EU and national competences, and also recalls the potential that African and European diasporas represent. Taking into account the EU's continuous dialogue and cooperation with African partners on migration and mobility in a spirit of partnership, including through the joint Valletta Action ***Plan***, the Council fully supports the engagement under the Partnership Framework’s holistic approach aimed at maximising synergies and making full and comprehensive use of all relevant EU policies, instruments and tools, including development and trade. The Council underlines the need for continuous and increased political buy-in from all parties in order to manage migratory flows in all their aspects, tackle related cross-border challenges, continue national work on regular migration and mobility, save lives, ensure protection, tackle root causes, prevent and discourage irregular migration, enhance cooperation on return, readmission and sustainable reintegration, and address vulnerabilities of people subject to forced displacements. The Council calls for global solutions under the overall framework of the New York Declaration for Refugees and Migrants and also stresses the importance of close cooperation and joint engagement between the EU and Africa with a view to finalising the Global Compact on Migration and the Global Compact on Refugees by 2018. 14. As a long-standing partner in the area of education, the EU emphasises the importance of increasing investments in inclusive quality education and training at all levels. Girls and women in particular must have the skills to meet labour market requirements. In addition, special attention needs to be given to granting equal opportunities. Such investments must take place throughout the education cycle from early ***interventions*** at primary level to vocational and tertiary initiatives complemented by the delivery of key essential services, in particular nutrition, to maximise the potential of large youth populations. 10454/17 DZ/ln 8 ANNEX DG C 1 EN 15. The Council welcomes the initial proposals for actions focussed on 'more and better jobs especially for Youth', underlining that this entails working with governments at all levels and with the private sector to strengthen entrepreneurship, investment and economic diversification. The EU strongly supports the investment in and the modernisation of African ***agriculture*** and agro-business, including small-scale food ***producers***, in particular female and family farmers. It also supports blue economy including fisheries, as well as technological development particularly in the ICT sector. All those sectors play a key role for job creation, contributing to the emergence of Africa its countries seek. Enhanced social dialogue and sound industrial relations to ensure decent work and quality jobs contribute significantly to greater equality, gender equality and inclusive sustainable growth. The EU will continue to promote good governance in the economic area, notably in the management of public finances, including domestic resources mobilisation, and of natural resources. 16. The Council encourages and supports improvements in local African business environments, also through investment friendly and transparent regulatory frameworks, and agrees to strengthen efforts to boost responsible and sustainable investment in the continent in particular through the proposed European External Investment ***Plan***; foster European and Africa trade and business relations, including through fulfilling the potential of the Economic Partnership Agreements (EPA); and support Africa's ambitions to build a true intra-African market through the Continental Free Trade Area. 10454/17 DZ/ln 9 ANNEX DG C 1 EN 17. Africa and Europe have both underlined the priority that access to sustainable energy represents for sustainable and inclusive economic growth and development. The Council further supports efforts to spur public and private investment in renewable energy, including by supporting the Africa Renewable Energy Initiative (AREI), and to deepen ***strategic*** alliances and collaboration in the sector. 18. The EU welcomes the special attention devoted to Africa in 2017, notably with the G7 Outreach to Africa and the G20 Africa Partnership Initiative under Italian and German presidencies. The EU and its Member States will work closely together with the AU and its Member States to further refine concrete initiatives for the Summit in all these areas of common interest for the two continents, in synergy with bilateral as well as multilateral initiatives.

**Load-Date:** August 1, 2017

**End of Document**



[***M and A Navigator: Deal pipeline â(EURO)"29 June***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NX4-4R31-F0K1-N2W1-00000-00&context=1516831)

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**Body**

The following is a list of deals covered in detail by M and A Navigator this week:

-RHYTHMONE ACQUIRES ASSETS FROM MARKETING PLATFORM RADIUMONE

UK-based digital advertising technology company RhythmOne plc (LSE: RTHM) has acquired certain assets of US-based marketing platform RadiumOne, Inc., the company said.

RhythmOne said the acquisition accelerates the company's strategy to build a unified programmatic platform with unique audiences of uniform quality at scale. Under the terms of the deal, the company has acquired certain assets and related liabilities from RadiumOne for a consideration of up to USD 22m and the assumption of approximately (USD 3m-4m) in net liabilities.

Status: Closed

-EUROPEAN REIT SELLS FORMER IBM REGIONAL HQ LA GAUDE IN NICE, FRANCE FOR EUR 5.8M

European Real Estate Investment Trust Ltd. has sold La Gaude in France for a net price of EUR 5.8m (USD 6.61m), the company said. Following receipt of the sale proceeds, the company will hold cash balances of approximately GBP 13.2m/EUR 15.1m.

The group has been in structured realisation since the shareholder vote in August 2011. The property in La Gaude, formerly occupied by IBM as their regional HQ, was the group's last remaining asset. The board had explored various options for the future of the La Gaude asset which has been vacant since the departure of IBM in September 2015.

Status: Closed

-METMINCO RECEIVES PROCEEDS FROM SALE OF INTEREST IN THE LOS CALATOS PROJECT

Australian mining company Metminco Ltd. (LSE: MNC) (AIM: MNC) has received settlement for the sale of its Los Calatos asset, realising AUD 6.7m (USD 5m), the company said. The proceeds will fund the company's Miraflores Gold Project.

Metminco announced the deal earlier this month. Under the deal, Metminco sold its 49% interest in Los Calatos Holding Ltd. to CD Capital Natural Resources Fund III LP for approximately USD 5m in cash consideration net of costs.

Status: Closed

-INNOVATIV ACQUIRES MINORITY STAKE IN NIGHT FLIGHT

US-based multi-media content ***producer*** and distributor Innovativ Media Group, Inc. (OTC: INMG) has purchased a minority equity interest in US-based online streaming network operator Night Flight, Inc., the company said. Night Flight is the owner of 'Night Flight Plus', a premium online streaming network based on the 80s rock n' roll TV series.

It is also a programmer of a branded sub-channel on CannaNet.TV, the company's new online, ad supported platform, scheduled to launch in 4Q17, which will stream curated and original entertainment, informational and educational video content related to the cannabis and CBD culture and industries.

Status: Closed

-12 RETECH CHANGES NAME, CLOSES FORWARD SPLIT FOR ***PLANNED*** ACQUISITION

Dominican Republic-based 12 Retech Corp. fka Devago, Inc. (OTC: DVGGD) has completed a corporate name change and 6-1 forward stock split as part of its ***planned*** acquisition of Hong Kong-based retail shopping technology firm 12 Hong Kong Ltd., the company said.

12 Retech said it has been notified by FINRA that the additional "D" will be appended to the company's trading symbol for 20 business days and that the trading symbol will subsequently be changed to RETC on or about 21 July 2017. 12 Hong Kong is the developer of the "12" next-gen retail shopping technology which combines digital tech and social networking with real-life for a unique shopping experience.

Status: Agreed

-PROBILITY MEDIA CLOSES ACQUISITION OF NEC PROVIDER W MARKETING

US-based ed-tech organisation ProBility Media Corp. (OTCQB: PBYA) has closed the acquisition of New York, US-based NEC provider W Marketing to enhance ProBility's position as a National Fire Protection Association (NFPA) supplier of electrical codes, the company said.

The NEC is a regionally adoptable standard for the safe installation of electrical wiring and equipment in the United States. It is part of the National Fire Codes series published by the National Fire Protection Association, a private association.

Status: Closed

-PRINOVA TO ACQUIRE CHINA, UK PREMIX OPERATIONS FROM ISRAEL'S LYCORED

Illinois, US-based Prinova has reached an agreement to acquire Israeli-based food ingredients supplier Lycored's China and United Kingdom Premix operations, the company said. Prinova is a supplier of ingredients, flavours, blending and contract manufacturing solutions for the food, beverage and nutrition industries.

It holds stocks in distribution centres around the world to ensure continuity of supply and is a global supplier of Vitamin C, B and food grade Amino Acids. The Lycored facilities in China and the United Kingdom have been supplying international food companies with premixes to fortify their products with vitamins, minerals and other nutrients.

Status: Agreed

-BAYCOM, UNITED BUSINESS BANK TO ACQUIRE SEATTLE'S PLAZA BANK FOR USD 10.6M

California, US-based bank holding company BayCom Corp (OTC: BCML) and its United Business Bank subsidiary, and Seattle, Washington, US-based Plaza Bank (OTCBB: PZBW) have agreed to merge, the companies said.

Under the terms of the definitive agreement Plaza shareholders will receive 0.084795 shares of BayCom common stock for each share of Plaza stock. The total transaction value is approximately USD 10.6m based on BayCom's closing price of USD 16.90 on 26 June 2017 subject to adjustments outlined in the definitive agreement. The total assets of the combined banks on a pro forma basis at 31 March 2017 is approximately USD 1.2bn, including BayCom's acquisition of First ULB Corp.

Status: Agreed

-PLATTE RIVER EQUITY ACQUIRES US SPECIALTY CHEMICALS MAKER MFG CHEMICALS

US-based private equity firm Platte River Equity has acquired MFG Chemical in partnership with the Charles E. Gavin, III Family and management, the firm said. Headquartered in Dalton, Georgia, MFG is a specialty chemical manufacturer of polymers, surfactants and esters used in various applications in the oil field, water treatment, mining, coatings and ***agricultural*** markets.

Platte River invested out of its third fund, Platte River Equity III, L.P., to acquire MFG. Based in Denver, Colorado, Platte River Equity is a private equity firm focused on equity investments from USD 20m to USD 80m in lower middle market operating companies with enterprise values generally between USD 40m and USD 250m.

Status: Closed

-PACIFIC ETHANOL TO ACQUIRE ILLINOIS CORN PROCESSING FOR USD 76M

US-based renewable fuels ***producer*** and marketer Pacific Ethanol, Inc. (NASDAQ: PEIX) has entered into a definitive agreement to acquire US-based Illinois Corn Processing, LLC for USD 76m, which includes USD 15m in working capital, the company said.

Pacific Ethanol will acquire Illinois Corn Processing, from Illinois Processing Holdings Inc., a wholly-owned subsidiary of SEACOR Holdings Inc., and MGPI Processing, Inc. for USD 76m, subject to a customary working capital adjustment.

Status: Agreed

-ENTEGRA FINANCIAL TO ACQUIRE CHATTAHOOCHEE BANK OF GEORGIA IN USD 34.9M CASH, STOCK DEAL

North Carolina, US-based bank holding company Entegra Financial Corp. (NASDAQ: ENFC) and US-based Chattahoochee Bank of Georgia have signed a definitive agreement under which Entegra will purchase Chattahoochee for USD 14.75 per share or 1.4 times 31 March 2017 book value through a combination of cash and stock valued at approximately USD 34.9m, the companies said.

Chattahoochee currently operates one branch in Gainesville, Georgia and a loan production office in Duluth, Georgia and will add approximately USD 197m in assets, USD 155m in loans, and USD 166m in deposits to Entegra Bank.

Status: Agreed

-ISOTRAK ACQUIRES UK FLEET MANAGEMENT TECHNOLOGY FIRM VERILOCATION

UK-based commercial vehicle telematics and fleet management systems provider Isotrak has acquired leading UK fleet management technology business VeriLocation, the company said. The deal will create a business servicing in excess of 500 customers over 50,000 connections in the UK and overseas, across all sectors of the fleet and telematics industry.

UK-based VeriLocation has established itself in the commercial vehicle telematics market, heavily focused on both product innovation and customer service. Backed by UK B2B services and technology investor, Lyceum Capital, Isotrak's acquisition of VeriLocation will create a range of software solutions and professional services.

Status: Closed

-THE ENSIGN GROUP ACQUIRES ASSISTED LIVING FACILITIES IN TEXAS, WISCONSIN USA

US-based skilled nursing, rehabilitative care services, home health care, hospice care and assisted living provider The Ensign Group, Inc. (NASDAQ: ENSG) has acquired the real estate and operations of two assisted living facilities in Texas and three assisted living facilities in Wisconsin, the company said.

All of the facilities were previously operated by affiliates of Brookdale Senior Living. These facilities had a combined occupancy rate of 80% at the time of acquisition.

Status: Closed

-SONACA GROUP CLOSES USD 191M ACQUISITION OF LMI AEROSPACE

Belgian manufacturer the Sonaca Group has closed its acquisition of US-based structural assemblies supplier and engineering company LMI Aerospace Inc. (NASDAQ: LMIA), the company said.

Under the terms of the agreement, LMI shareholders received USD 14 per share in cash at the closing of the transaction. The deal is worth USD 191m. Approximately 76.7% of outstanding shares voted, with more than 99.4% of votes cast in favor of the merger agreement and related transactions.

Status: Closed

-HC2 TO ACQUIRE MAJORITY INTEREST IN LOW POWER TV STATION OPERATOR DTV AMERICA

A subsidiary of US-based diversified holding company HC2 Holdings, Inc. (NYSE: HCHC) has agreed to enter into a series of transactions that, if approved by the Federal Communications Commission, will result in HC2 and its subsidiaries owning over 50% of shares of common stock of US-based low power television company DTV America Corp., the company said.

DTVA is an aggregator and operator of low power television licenses and stations across the United States. The company currently owns and operates 52 LPTV stations in more than 40 US cities.

Status: Agreed

-HULL STREET ENERGY CLOSES ACQUISITION OF US HYDROELECTRIC ASSETS FROM CARLYLE

A recently formed affiliate of US-based private equity firm Hull Street Energy has completed the acquisition of 100% of the ownership interests in Nautilus Hydro, LLC from funds managed by affiliates of US-based alternative asset manager The Carlyle Group, Hull Street said.

Nautilus Hydro, owns five hydroelectric generation facilities located in Massachusetts on the Chicopee and Deerfield Rivers. As a result of this transaction, Hull Street Energy has added approximately 18mw of long-lived, renewable generation assets to its New England portfolio.

Status: Closed

-LBC CREDIT PARTNERS SUPPORTS ACQUISITION OF STAMPEDE MEAT

US-based middle market financing solutions specialist LBC Credit Partners provided a senior secured term loan to support an investment in US-based protein solutions provider Stampede Meat, Inc. by US-based private equity firm Wynnchurch Capital, LLC and company Management.

LBC served as administrative agent and sole lender for the senior secured term loan. Wynnchurch said it will partner with Stampede's management team to support the company's growth ***plans***. Stampede said Wynnchurch's investment allows it to expand its focus as a supplier of choice to customers.

Status: Closed

-SAFETY SUPPLY OFFERS USD 0.275/SHARE IN CASH FOR IRONCLAD

US-based Safety Supply Corp., parent company to personal protective equipment business Radians, Inc., has sent a letter to Vane Clayton, chairman of the board of directors of Ironclad Performance Wear Corp. (OTCQB: ICPW) stating its continued desire to acquire Ironclad, the company said.

Ironclad Performance Wear makes impact resistant gloves. Safety Supply is offering USD 0.275 per share in cash, for a total purchase price of approximately USD 23.5m. The company said the offer represents approximately 37.5% premium over lronclad's share price on 27 June 2017, the company said.

Status: Bidding

-COUCHE-TARD CLOSES ACQUISITION OF US FILLIN STATION AND CONVENIENCE STORE OPERATOR CST BRANDS

Canada-based convenience and fuel retail industry owner Alimentation Couche-Tard Inc. (TSX: ATD.A) has closed the acquisition of Texas-based motor fuels and convenience store operator CST Brands, Inc. (NYSE: CST) and a related transaction with Parkland Fuel Corp. (TSX: PKI), the company said.

Under the CST deal, which was announced in August, Couche-Tard will acquire all of the shares of CST for USD 48.53 per share in cash, representing a total enterprise value of approximately USD 4.4bn, including the assumption of net debt, the company said. The transaction value represents a premium of approximately 42% to CST's closing stock price on 3 March 2016, the last date prior to CST announcing that its board commenced an exploration of ***strategic*** alternatives to further enhance stockholder value.

Status: Closed

-ALON USA ENERGY WINS SHAREHOLDER NOD FOR DELEK US DEAL

Shareholders of petroleum products refiner and marketer Alon USA Energy, Inc. (NYSE: ALJ) have approved a deal under which US-based downstream energy company Delek US Holdings, Inc. (NYSE: DK) will acquire all of the outstanding shares of Alon common stock which it does not already own in an all-stock transaction, the company said.

This deal was announced in January. The deal, for the remaining 53% of Alon USA's shares, is worth around USD 464m. In May 2015, Delek US completed the acquisition of approximately 33.7m shares, or approximately 48% of the outstanding shares, of Alon USA Energy common stock from Alon Israel Oil company, Ltd. Five seats on the eleven-member Alon USA board of directors previously held by Alon Israel representatives were been filled by representatives from Delek US.

Status: Agreed

-CONSOLIDATED COMMUNICATIONS GETS REGULATORY NODS FOR USD 1.5BN FAIRPOINT ACQUISITION

Illinois, US-based integrated communications provider Consolidated Communications Holdings, Inc. (NASDAQ: CNSL) has completed pre-close regulatory approval and notification processes in all 17 of North Carolina, US-based business and broadband communications provider FairPoint Communications, Inc.'s (NASDAQ: FRP) operating states and is on track to complete the Consolidated Communications-FairPoint Communications merger, the company said.

In a deal announced last December, Consolidated Communications agreed to acquire FairPoint Communications in an all-stock merger transaction valued at approximately USD 1.5bn, including debt.

Illinois, Kansas, Maine, New Hampshire, New York and Vermont recently joined Colorado, Georgia, Ohio, Pennsylvania and Virginia by each granting approval of the pending merger with FairPoint.

Status: Agreed

-BAIN PLATFORM TO MERGE EUROPEAN TYRE DISTRIBUTORS FINTYRE, REIFF TYRE AND AUTOMOTIVE TECHNOLOGY

US-based private equity firm Bain Capital Private Equity's UK platform company European Tyres Distribution Ltd., has signed a definitive agreement to acquire REIFF's Tyre distribution and Automotive Technology division, the company said. The division is largest independent multi-channel tyre distributor in Germany. Fintyre is a distributor of replacement tyres in Italy.

REIFF Tyre and Automotive Technology operates across the wholesale, retail and online value chain via four warehouses and 46 retail outlets. In 2016, it generated sales of approximately EUR 340m to more than 285,000 customers.

Status: Agreed

-GOVERNMENT PROPERTIES INCOME TRUST TO ACQUIRE FIRST POTOMAC REIT IN DEAL VALUED AT USD 1.4BN

Massachusetts, US real estate investment trust (REIT) Government Properties Income Trust (NASDAQ: GOV), has agreed to acquire all of the outstanding common shares of Maryland, US-based REIT First Potomac Realty Trust (NYSE: FPO) for an aggregate transaction value of approximately USD 1.4bn, the company said.

The cash consideration to be paid to FPO shareholders will be USD 11.15 per FPO common share, or approximately USD 683m in aggregate. The remaining transaction value includes the expected repayment of approximately USD 41m of FPO debt and assumption of approximately USD 232m of FPO mortgage debt, and the payment of transaction fees and expenses, net of FPO cash on hand.

Status: Agreed

-LEGRAND TO ACQUIRE AV PRODUCT MANUFACTURER MILESTONE AV TECHNOLOGIES

Connecticut, US-based electrical contracting services provider Legrand, North and Central America has agreed to acquire Minnesota, US-based AV product manufacturer Milestone AV Technologies, the company said.

Upon completion of the transaction, Milestone and Legrand's Middle Atlantic business will come together under the AV division of Legrand. The Milestone and Middle Atlantic product lines will continue to remain in the market place, establishing an offering that can be expanded to serve AV customers globally.

Status: Agreed

-MIRKA ACQUIRES ITALY-BASED CAFRO TO EXPAND FOOTPRINT IN SUPERABRASIVES MARKET

Finland-based abrasives manufacturer Mirka Ltd., a company of KWH Group, has acquired all of the shares of Italy based superabrasive wheels and tools manufacturer Cafro S.p.A., to expand business in the field of the superabrasives and grinding solutions, the company said.

Mirka said Cafro's specialised knowledge and manufacturing capabilities and Mirka's global market presence can lead to expansion as the two companies join our forces. For Cafro, the acquisition represents an excellent opportunity to expand its business globally. The third generation of the Mancina family, owners of Cafro since 1955, will continue to lead the Cafro business within the Mirka Group.

Status: Closed

-HGGC INVESTS IN US DATA VIRTUALISATION COMPANY DENODO

California, US-based private equity firm HGGC has made an investment in data virtualisation company California, US-based Denodo, leaving a significant ownership stake in the company with Denodo's founder and senior management team, the company said.

Headquartered in Palo Alto with an R/D core in A Coruña, Spain, and sales and engineering offices around the world, Denodo offers a platform for modern, high performance, real-time data integration and data services delivery powered by data virtualisation technology.

Status: Closed

-PEACHTREE HOTEL GROUP ACQUIRES GAINESVILLE, FLORIDA TOWNPLACE SUITES

Florida, US-based hospitality investment and management organisation Peachtree Hotel Group (PHG) has acquired Florida, US-based TownePlace Suites, a 96-suite hotel property located in Gainesville, Florida in a deal brokered by Hospitality Real Estate Counselors, the company said.

The property was acquired from Gainesville Investment Lodging, LLP, a subsidiary of Tennessee, US-based hotel development and management company 3H Group, Inc. PHG said it continues to seek additional acquisition and development opportunities. Peachtree Hotel Group operates, develops and invests in premium-branded, select- and limited-service and extended-stay hotel assets under the Marriott, Hilton, Hyatt, Choice and InterContinental Hotels Group flags.

Status: Closed

-ACCENTURE ACQUIRES US MOBILE DESIGN AND DEVELOPMENT FIRM INTREPID

New York, US-based professional services company Accenture (NYSE: ACN) has acquired Boston, US-based mobile design and development firm Intrepid to expand mobile experiences capabilities, the company said.

Intrepid's 150 employees have joined Accenture Digital as a result of the acquisition. The team will focus on the rapid development of innovative digital services and solutions, using agile tools in a collaborative environment where clients can work side by side with Accenture designers, engineers and mobile experts.

Status: Closed

-HAIN CELESTIAL ACQUIRES PREPARED BEAN CREATOR BETTER BEAN

New York, US-based natural products company Hain Celestial Group, Inc. (NASDAQ: HAIN) has added Oregon, US-based prepared bean creator The Better Bean to Hain's Culture Venture portfolio, expanding Hain's product offerings in the perimeter-of-store retail space, the company said.

Better Bean is the first acquisition by the Hain Celestial Cultivate Ventures ***strategic*** platform. Hain Celestial said Better Bean fits well with its Cultivate Ventures portfolio, which includes BluePrint functional beverages, Yves Veggie Cuisine vegetarian offerings and Health Valley refrigerated soup products. Hain Celestial focuses on perimeter of the store offerings with its Cultivate Ventures products.

Status: Closed

-NELSON ACQUIRES CANADIAN EDUCATIONAL RESOURCE DEVELOPER EDUSIGHT

Canada-based education publisher Nelson Education Ltd. has agreed to acquire analytic and digital portfolio assets of Canada-based educational resource developer Edusight, the company said.

Nelson said its first purely digital acquisition invests in its growing ecosystem of learning content and tools and represents a shared vision with the Edusight's tech start-up to offer a disruptive and innovative approach to educational learning solutions. The company said the acquisition of Edusight helps meet evolving needs of educators and students across the country, ensuring unparalleled access to the educational resources they need.

Status: Closed

-AMERICAN CLEFT PALATE-CRANIOFACIAL ASSOCIATION MERGES WITH CLEFT PALATE FOUNDATION

Two North Carolina, US-based nonprofit organisations, the American Cleft Palate-Craniofacial Association (ACPA) and Cleft Palate Foundation (CPF), will merge operations to increase collective impact in support of patients with cleft lip, palate and craniofacial conditions, the organisations said.

ACPA and CPF said joining forces will reduce barriers to patient outcomes with education, support, research, advocacy and interdisciplinary team care. The merger will result in a combined organisation with a single executive director, staff and operational platform. No staff reductions are expected as a result of the merger. CPF's will continue to operate under the new ACPA Family Services ***program***.

Status: Agreed

-MSA SAFETY TO ACQUIRE US FIREFIGHTER PROTECTIVE CLOTHING PROVIDER GLOBE IN USD 215M DEAL

Pennsylvania, US-based MSA Safety Inc. (NYSE: MSA) has agreed to acquire New Hampshire, US-based firefighter protective clothing provider Globe Holding Co, LLC in a transaction valued at USD 215m, the company said.

The all-cash transaction is approximately 2.0 times revenue and 9 times EBITDA on trailing 12-month basis and is expected to be accretive to GAAP-reported EPS in the first 12 months following the closing of the transaction. The transaction is expected to close in 3Q17, subject to the satisfaction of customary closing conditions, including receipt of regulatory approvals.

Status: Agreed

-TRIMB ACQUIRES OTC DERMATOLOGY PRODUCT PORTFOLIO FROM CILAG/JANSSEN

Sweden-based consumer healthcare company Trimb Healthcare AB has acquired a portfolio of OTC products in Sweden, Norway, Germany, Switzerland, Austria and other European countries from Germany based pharmaceutical company Cilag GmbH International and Belgium-based Janssen Pharmaceutica NV (J and J), the company said.

The purchase price, which was not disclosed, was fully underwritten by Trimb's lead investor, Avista Capital Partners, a leading private equity firm, and by CVC Credit Partners, the credit management business of CVC.

Status: Closed

-VIRGINIA, US FIS BANK OF MCKENNEY, CCB BANKSHARES TO MERGE

Two Virginia, US-based financial institutions Bank of McKenney (OTC: BOMK) and CCB Bankshares, Inc. (OTC: CZYB) have agreed to combine in a ***strategic*** merger of equals under which CCB and its subsidiary will merge into McKenney in an all-stock transaction, the companies said.

Under the terms of the merger agreement, unanimously approved by the boards of directors of both entities, CCB shareholders will receive a fixed exchange ratio of 0.935 of McKenney shares in exchange for each share of CCB common stock. Based on the closing price of McKenney common stock on 27 June 2017, the transaction represents a value of USD 12.52 per share of CCB common stock, or USD 19m in aggregate.

Status: Agreed

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**Load-Date:** June 29, 2017

**End of Document**



[***US Court rejects union attempt to overturn Norwegian's permit; E A US appellate court rejected an attempt by four employee unions to overturn a foreign air carrier permit awarded to Norwegian Air International, dealing a severe blow to labour’s 1.5-year-old campaign to block the low-cost-carrier’s so-called “flag of convenience” business model..***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S9G-S891-JCF2-H35H-00000-00&context=1516831)

Flight International

May 11, 2018

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**Body**

A US appellate court rejected an attempt by four employee unions to overturn a foreign air carrier permit awarded to Norwegian Air International, dealing a severe blow to labour’s 1.5-year-old campaign to block the low-cost-carrier’s so-called “flag of convenience” business model.

The order on 11 May by the US Court of Appeals shifts the unions’ legal battle against flags-of-convenience carriers to Congress.

The US House of Representatives has proposed in a reauthorisation bill for the Federal Aviation Administration to make foreign air carrier permits contingent on proving they would serve in the public interest.

The Air Line Pilots Association, International, one of four unions that challenged Norwegian’s permit, is now calling on the Senate to insert the same provision in their version of the FAA reauthorisation bill.

“While we are disappointed, ALPA is no less determined in calling for the United States to enforce its trade agreements and ensure US workers have a fair opportunity to compete internationally,” says Tim Cannoll, ALPA president.

ALPA’s opposition to Norwegian Air International’s operations in the USA began more than five years ago.

Norwegian Air International applied to the Department of Transportation for a foreign carrier permit in December 2013. The carrier’s parent, Norwegian Air Shuttle, is based in Norway, but the application called for Norwegian Air International to be based on Ireland, a member of the European Union with less costly labour standards. Moreover, Norwegian Air International contracted with a Singapore-based firm to provide flight and cabin crews.

Three years later, DOT approved Norwegian Air International’s permit to operate scheduled passenger flights to the USA in December 2016.

Three unions – Association of Flight Attendants-CWA, Allied Pilots Association and Southwest Airlines Pilots Association – joined with ALPA to challenge the DOT order.

In the 11 May ruling, the Court of Appeals rejected both of the unions’ arguments by pointing to the precise wording of the statute used by the DOT to evaluate applications for foreign air carrier permits.

The unions’ argued that Norwegian’s application could only be approved if it serves the public interest, but the Court of Appeals noted that the statute plainly says that such permits have two paths to approval. The DOT is allowed to approve applications of carriers designated by their national governments to provide public transportation, or if the permit would serve the public interest.

“Attempting to convince us that ‘or’ really means ‘and’, the Unions point to the statute’s history,” according to the court’s ruling. “In doing so, however, the Unions run afoul of a fundamental principle of statutory interpretation: where the text is unambiguous, as it is here, courts may not look to history.”

Further, the court also rejected the union’s second argument, which stated that the DOT is required to comply with a provision in the air transport agreement with the EU that certain principles “shall guide” decisions, including an appreciation of the “benefits that arise when open markets are accompanied by high labour standards”.

But that statement of principle “imposes no specific obligations on the [DOT] when considering a permit application”, the court’s ruling shows.

JOURNAL : Farmers Weekly

An initiative to make the nations school dinners 100% traceable from farm to fork is being launched by BBC Countryfile star Adam Henson on Friday (11 May).

The project, called "Please Sir! Feed Me Truth" aims to address how the nation values food provenance and to reconnect the next generation of consumers with where their food comes from.

See also: How a group of beef farmers took over their supply chain

Using traceability technology, Mr Henson hopes every school in the country will take up the scheme and commit to making their supply chains transparent.

Mr Henson said: “The appreciation and understanding of food starts with children simply knowing how and where the ingredients on their plate were ***produced***. But they don’t.”

“They have no idea. Every school dinner has a story to tell - a journey. It leaves a footprint. We need every child to explore it and be inspired and learn from it.”

Retail chain Midcounties Cooperative are funding an educational resource that will arrange field trips and school visits to give children first-hand experience of the journey food makes to arrive on their plates.

Food industry least transparent

The project is being run by Happerley, a farmer-founded not-for-profit which goal is to enhance food supply chain transparency in the UK.

“The food industry remains one of the least transparent and we are not told the origins of most of the ingredients in our food,” said farmer and Happerley founder, Matthew Rymer.

“Children are particularly susceptible to buying into brands and clever marketing because they do not know or understand better."

Mr Rymer added, "By working through the food chain to deliver the full story of the ingredients that make their school dinners, our hope is we can create a seismic change in understanding for the future that impacts positively on their health and nutrition, the environment and sustainable food production.”

JOURNAL : Farmers Weekly

Farmers are pushing up costs by spending too much money on buying new machinery, an AHDB survey has revealed.

The survey, carried out in partnership with Strutt & Parker, looked at machinery costs across the levy board’s 21 monitor farms and revealed a huge variation in machinery costs a hectare.

Total machinery costs varied from £113/ha to £290/ha across the farms which ranged in size from 97ha to 1,278ha.

Economies of scale

Despite this size difference there was no benefit from economies of scale, according to the AHDB’s knowledge exchange manager in the East Midlands, Harry Henderson.

“We expected to see the larger farms able to spread machinery investments across their wider hectareage and realise their economies of scale,” Mr Henderson said.

“But this wasn’t the case. Some of the largest farms had the highest costs and so are simply spending too much on buying new machinery,” he said.

See also: Farmers advised to allocate machinery spending better

The variation was also not linked directly to different soil types.

“Because the farms stretch from Cornwall to Moray and have all types of soil, we also expected to see units with heavier land having the highest cost.

“Again we were able to rule that out with farms on so-called boys’ land having some of the higher costs while some of the smallest farm businesses on heavier land were running at the lowest cost,” Mr Henderson said.

Bad weather

He noted some farms justified purchasing larger machinery because the ability to carry out operations more quickly could offset any risks of bad weather.

“While wet springs and catchy harvests mean many farmers are keen to have increased drilling or harvesting capacity, farmers need to look at this policy in terms of cost to the business.”

Heavier, larger machines can also lead to deep compaction which can take years to correct,” Mr Henderson pointed out.

Mr Henderson suggested farms with higher costs should review their buying policy.

It is important farmers don’t succumb to machinery envy and compete with the neighbours for having the biggest kit, he said.

“Farms with the biggest newest and shiniest machinery are not necessarily the best run farm businesses,” Mr Henderson stressed.

Usage review

The AHDB recommended the first step in cutting costs was to review their tractor usage and to keep what they already had in the shed for longer.

“Trade-in values will be lower but keeping the machine and riding out the steep depreciation curve until it has flattened out is still cheaper than early replacement.

“Depreciation is a real cost and even having to spend more on repairs, new tyres or a gearbox can be cheaper than buying a brand new machine,” Mr Henderson said.

In the longer term, a ***planned*** replacement policy, a review of the whole system and appropriate machinery purchase according to the operation were all important factors.

Farmbench

“Farmers should also use AHDB’s Farmbench to help assess their machinery and business costs,” Mr Henderson said.

Farmbench is one of the tools for farmers to help manage resilience to risks and to cope with volatility. It is a free to levy payer service for farmers to analyse their own cost structure and then compare costs with other local growers.

“It’s a very powerful tool to see where your business might be poorly performing in comparison to others and need some attention.”

He added joining a benchmarking group was even more valuable.

“Figures for each farmer in the group are still anonymous but meetings can discuss how to tackle them and share knowledge and tips on how to get the most from machinery,” he added.

Machinery costs range (£/ha)

Overall

£113

£290

Depreciation

£4

£120

Repairs

£20

£62

Ploughing

£40

£97

Combining

£41

£97

Diesel

£28

£86

Source: AHDB/Strutt&Parker

JOURNAL : Farmers Weekly

Welsh farmers will only receive the Basic Payment Scheme (BPS) subsidy in its current form until 2019.

The Welsh government has announced what it terms as a “gradual and multi-year transition” from the existing BPS to new schemes.

See also: FW poll on how government should phase out direct payments

Cabinet secretary for rural affairs, Lesley Griffiths, insists she wants to avoid a New Zealand-style “cliff edge” removal of subsidies and has confirmed the transition period will run until 2025.

Farmers can rely on receiving two further direct payments from the current scheme – in 2018 and 2019 – but in 2020 a gradual five-year phasing in of the new structure will kick in.

BPS timetable at a glance

July 2018 Welsh government will announce preferred options for future subsidies

2018 and 2019 BPS payments to continue in current form

2020-25 Transition period to new payment structure

Ms Griffiths suggested the BPS was not the best tool for delivering support for food production and said future direct financial support would instead be given in return for “economic activities” and “public goods production”.

What this actually means for farmers won’t be known until July when the government announces its preferred options in a consultation document.

“There are clearly important links between the production of food and public goods so the support must be complementary,” said Ms Griffiths.

“Many land managers will be able to ***produce*** both, but support for food production must not undermine our natural environment.”

Farmer concerns

The proposed two-tiered support mechanism has caused some concern in the industry, with NFU Cymru calling for a single framework.

The union’s president, John Davies, said food production and the delivery of environmental goods and services were not “mutually exclusive” and urged the government to carry out an economic impact assessment of every proposal being considered.

“Measures that support and incentivise productive ***agriculture*** can also positively impact on our environment,” he said. “This is why we have advocated a single integrated policy framework with elements supporting productivity, the environment and financial stability.”

But Mr Davies approves of a long transition period until 2025. “This is crucial not just for farming businesses, but for the rural economy that relies on thriving farming businesses, and for our food processing sector who need guaranteed supply to ensure their plants can run efficiently,” he said.

Funding

How the new arrangements will be funded is unclear because Westminster has not provided any detail or commitment to farm support beyond 2022.

Ms Griffiths was critical of this failure and has written a joint letter to Defra secretary Michael Gove seeking “urgent clarity”.

(function(d,s,id){var js,fjs=d.getElementsByTagName(s)[0];if(d.getElementById(id))return;js=d.createElement(s);js.id=id;js.src='[*https://embed.playbuzz.com/sdk.js*](https://embed.playbuzz.com/sdk.js)';fjs.parentNode.insertBefore(js,fjs);}(document,'script','playbuzz-sdk'));

JOURNAL : Farmers Weekly

Understanding the financial and physical performance of your business is vital to make accurate management decisions and maximise profitability.

Benchmarking for the first time can be daunting given the array of information available, but Sentry’s rural business advisor Alec Smith says even relatively simple measures will reveal worthwhile information that may prompt more detailed analysis.

“Don’t get hung up on detail or worry about getting everything 100% right straight away. The important thing is to start somewhere and work up from there,” he says.

Benchmarking tips

Keep it simple to start

Be honest and open to advice

Apportion costs correctly

Look at results over several years

Compare your results with others

Mr Smith highlights six key areas for arable farmers to focus on:

1. Seed, fertiliser and sprays

A traditional measure of variable costs on arable farms, this is a good way of checking expenditure on the main crop inputs is not too high.

Figures are generally easy to collate and costs can be calculated on an area basis (as below) or a tonne by dividing costs by average yield.

“Our costs were lower than many in 2017, which is mainly due to our buying strategy rather than using less. Benchmarking isn’t just about saving costs, but ensuring costs are proportional to output,” says Mr Smith.

See also: Key cross compliance and greening dates by region

Comparing costs on a field-by-field basis also helps evaluate whether poorer areas are costing too much for that level of output and whether it may be better to put  another crop to use, such as environmental stewardship.

2. Fungicide cost/tonne

Another way of checking key input costs are in balance with output is to calculate total fungicide spend on a tonnage basis.

The average across Sentry’s wheat area last year was £11.40/t, but the top 25% spent £9.60/t.

Breaking information down to a block of land or individual field basis helps identify whether expenditure is proportional to yield.

“Some farms use the same fungicide strategy across one crop, but ideally it should be tailored to yield potential,” says Mr Smith.

3. Labour and machinery costs/hectare

Labour and machinery costs can be the hardest to tackle, but must not be overlooked.

All aspects should be included, which for labour includes the cost of full/part-time staff, and a value for any family labour.

Machinery costs depend on the farming system, but typically include spares and repairs, fuel, depreciation, hire charges, service agreements, tax and insurance.

Average labour costs on Sentry farms in 2017 were £140-145/ha, with the top quartile nearer £110/ha.

Average machinery costs were £250/ha (see chart), down to £220/ha for the top performers.

4. Enterprising

For accurate benchmarking data, costs should be attributed to the appropriate enterprise to ensure nothing is missed or overestimated.

For example, if machinery or labour is used across arable and livestock enterprises, a representative proportion of that item’s total cost should be assigned to each enterprise.

Or, if contract harvesting 200ha alongside 200ha of your own land, only half of the combine costs would be attributed to the farm’s land, with the remainder against the contracting.

5. Look for data trends

Given the seasonality of farming, it is dangerous to base assumptions or decisions on just one year’s data.

Equally, it can be easy to make excuses for poor performance in a single season, so several years of data – at least three, preferably more – are needed before underlying trends can be seen and acted upon.

6. Input balance

One measure Sentry uses to compare its farms is to rank total variable costs and output with an ‘input balance’ percentage.

Costs are calculated for every farm on a per hectare basis, then each one is ranked from 0 to 100, with 0 representing the highest cost and 100 the lowest.

Output (yield x price) is also ranked, with 0 representing the lowest and 100 the highest.

Adding the two figures together should total close to 100% if expenditure and output are in balance (ie, high input, high output or vice versa).

A low figure indicates a potential problem - eg, costs are too high or output too low for that level of spend.

Benchmarking at Sentry

Sentry covers 16,300ha of arable land and has been benchmarking since 1988.

The company now uses the AHDB Farmbench service to collate data before analysing its own results, comparing them across Sentry farms and with the rest of the industry.

Farmbench is an online benchmarking system that allows farmers to enter whole-farm or enterprise-specific business data that can then be compared against others through aggregated and anonymised results.

It uses three broad performance indicators: financial information (eg, sales, costs and margins), technical data such as fertiliser use, and production data (eg, crop yields). Criteria can be on an area or tonnage basis.

Results are fed back to growers through discussion groups or individual reports.

Sentry average costs, harvest 2017 (£/ha)

Seed (inc home-saved)

Fertiliser

Sprays

Winter wheat

67.60

169.30

242.30

Spring barley

74.10

133.50

142.40

Winter oilseed rape

76.00

188.00

207.80

JOURNAL : Farmers Weekly

Since estate manager Toby Hogsbjerg made the radical decision to completely switch to Clearfield oilseed rape varieties, the estate's rapeseed crops have yielded almost 1t/ha more.

A serious charlock problem meant yields across Swinbrook Farms in the Cotswolds, Oxfordshire, had dropped to just 2.5t/ha from the 200ha of oilseed rape grown each season.

Clearfield hybrid rapeseed varieties, which are tolerant of  the herbicide active imazamox, were the only viable option for continuing with rapeseed on the two estates that make up Swinbrook Farms, but Mr Hogsbjerg was initially sceptical of the technology.

See also: Novel herbicide to cut the risk of growing oilseed rape

He was also wary of increasing the complexity of the spraying regime at the farm by growing both herbicide-resistant rapeseed and normal varieties with differing needs.

To minimise the complexity, all of the rapeseed cropping area at the 440ha Wilcote Estate, one of the two estates that make up Swinbrook Farms, was planted with a Clearfield variety three seasons ago.

Actives

Vulcan – acetamiprid

Centurion max – clethodim

Cleranda - imazamox + metazachlor

Cleravo - imazamox + quinmerac

Astrokerb - aminopyralid and propyzamide

Benefits

The benefit of being able to hit broad-leafed brassica weeds such as charlock, runch and hedge-mustard became apparent in just one season.

Without the competition from the weeds, crops at Wilcote yielded 0.5t/ha more than at the 560ha Swinbrook Estate.

The following season the weed problem reached a critical point at this second estate, when half a field of rapeseed had to be mowed out to get on top of the charlock problem.

Last season was the first growing 100% Clearfield across the whole farm, and the results are encouraging - Swinbrook achieved 3.4t/ha, while Wilcote managed 3.6t/ha.

While last year’s crop has yet to be sold in a pool, Mr Hogsbjerg expects to achieve an average gross margin of £470/ha, based on a price of £320/t.

With Clearfield varieties delivering lower yields than those on the Recommended List, and being fairly expensive to grow, many farmers choose to limit their use to the fields with the biggest weed problem.

But the severity of the weed problem at Swinbrook means it is actually more profitable to grow 100% Clearfield varieties.

Mr Hogsbjerg admits these yields aren’t great, but are a huge improvement on the 2.5t/ha the farm was achieving five or six years ago when crops were failing due to charlock.

“Rape yields improve year-on-year. They are still not where they should be, but we have no charlock and crops are establishing.”

Without the competition, crops are better developed, as they are intercepting more light. This season he is expecting to yield about 4t/ha.

Along with the weeds, Clearfield herbicides are also clearing up rapeseed volunteers, which is in turn bringing down the erucic acid levels of the crop, which have been a problem in the past.

Previous approach

A close rotation of rapeseed of just one in two, or one in three, combined with mild winters lacking the necessary frosts to kill off weeds, allowed the charlock and runch situation to get out of control.

In the past Mr Hogsbjerg always grew DeKalb varieties, using bifenox under an extension of authorisation for minor use to hit the charlock.

But while chemical control works well with a good frost, the resilience of mature charlock means it needs two doses to kill it, and if the weather turned, the second dose was often missed.

This allowed the charlock to go to seed and means that in many of the fields, the charlock situation is such that Mr Hogsbjerg could not rely on frosts to clear up.

Current crop

This season the oilseed rape drilling was completed by 28 August. It was min-tilled as shallow as possible into wheat stubble to also incorporate sewage sludge using a Horsch Sprinter fitted with 5in Dutch openers.

It was rolled once or twice depending on conditions, and a pre-emergence spray missed unless there was a major issue with weeds.

The crop then received a standard post-emergence of Vulcan or Centurion Max for grassweed control.

Mr Hogsbjerg uses two of the post-emergence Clearfield herbicides available - Cleranda and Cleravo – to tackle a range of broad-leaved weeds and grassweeds, and also take out rapeseed volunteers.

These tend not to need to be followed with Astrokerb unless there is a major issue with poppies.

This herbicide ***programme*** is achieving 95% control of weeds, he says, and a complete rotation round both estates should ultimately solve the weed problem.

Rotation change

Alongside moving to herbicide-resistant varieties, in the past three years the rotation has been broadened as the farm tries to find other crops that will be profitable.

At the Swinbrook Estate the rotation now consists of wheat, barley, rapeseed, wheat, and then spring wheat or beans. Wheat, rapeseed, wheat and spring beans are grown at Wilcote.

Although yields are increasing and weeds are being eradicated, the switch to Clearfield varieties has not been entirely plain sailing.

Last season Mr Hogsbjerg grew Clearfield Imperial at Wilcote and Veritas at Swinbrook. While Veritas was meant to have the highest potential of the two, the crop was disappointing, at it was slow to get growing in the spring.

This year he has switched to Impersario at Wilcote and Imperial at Swinbrook.

As a result of the disappointing crop, Mr Hogsbjerg is conducting a field-scale on-farm trial of Clearfield varieties in order to select the ones that will give the highest yields.

He is looking for vigour in autumn and spring and the earliest harvest, and says that while Clearfield varieties weren’t great in the past, they have been improved.

Six Clearfield varieties are being trialled in hectare plots – Imperial, Phoenix, Pleurax, Veritas and two unnamed pioneer varieties.

Of the six trials, Pleurax has the earliest vigour and is the most likely variety to be sown next year.

JOURNAL : Farmers Weekly

British farming productivity rose by 2.9% to its highest-ever level in 2017 after sharp increases in crop and livestock outputs, Defra figures reveal.

The data also shows the increased output, combined with higher prices, pushed up total income from farming (Tiff) by £1,683m to £5.7bn.

Broken down, the Tiff figure for each person engaged in entrepreneurial labour - generally farmers and partners in farming businesses - rose by 41% between 2016 and 2017 to £29,794 a year, Defra said.

The department said a strong harvest in 2017 had been a major driver for the higher productivity, with a 7.3% increase in the volume of all crops ***produced***.

See also: Tax implications of changing to a company structure

Outputs in the livestock sector also rose, with meat up by 0.5% and other meat products increasing by 4% on 2016 levels.

Overall the average increase in volumes for farming was 3.6%.

However, within the figures there were huge hikes in volumes for certain crops.

Barley volumes jumped by 13.2% between 2016 and 2017, while oilseed rape rose by 23%. The biggest increase was seen in sugar beet, where volumes were up by 58%.

Milk volumes were also up 4% on the previous year, while the main increase in the livestock sector was for sheepmeat at 2%.

This compares with a far smaller overall rise of just 0.7% in the volume of inputs used across all farming sectors. The major falls were in fertiliser use – down by 2.4% -  and animal straight feeds, which fell by 2.5%.

Total factor productivity up by 2.9%

Total factor productivity is a measure of how well inputs are converted into outputs, giving an indication of the efficiency and competitiveness of the ***agricultural*** industry.

Between 2016 and 2017 volume outputs increased by 3.6% while inputs increased by just 0.7%. The calculated difference between the two figures at 2.9% is the figure used to show how productivity has changed.

The increased productivity recorded shows farmers are ***producing*** more with less, which suggests they are using smarter, more efficient methods and embracing innovation, Defra said.

The NFU said the performance was further evidence that the sector needed to be properly valued by the government post-Brexit.

NFU deputy president Guy Smith said: “This is positive news for the farming sector and very clearly demonstrates the significant contribution ***agriculture*** makes to the wider economy.

“As the NFU prepares to submit its consultation response to the government on a future farming policy, these newly released figures provide further evidence that a new ***agricultural*** policy must allow farm businesses to be productive, profitable and progressive.”

But Mr Smith said the figures should be treated with some caution because the increase in incomes was achieved on the back of low profits in previous years.

“It is important to remember that this rise comes after three years of falling profits and margins, and increased price volatility for many across the industry.

The NFU is concerned whether this performance can be sustained in future years,” Mr Smith said.

“In addition to the effects of the recent wet weather, the cost base of the industry has been rising. Some farm commodity sectors are also witnessing price falls from the highs seen in 2017. The milk price, for example, has fallen nearly 8% in the past three months,” he added.

“Lower farmgate prices will feed through to a lower bottom line for 2018 and it would be reckless to draw from these figures that farming is entering a period of sustained profitability.

“In order to put farmers in the best position to continue ***producing*** food for the nation, this sort of volatility needs to be addressed in future ***agricultural*** policies. The NFU believes that with the right government policies, Britain’s farmers can continue this impressive performance.”

JOURNAL : Farmers Weekly

New proposals from the European Commission promising significant cuts in CAP spending from 2021 onwards have underscored the value of Defra’s promise to UK farmers that support payments will be maintained at current levels until at least 2022.

***Agriculture*** is a significant loser in the long-term EU budget ***plans*** for 2021-27 unveiled by the commission on Wednesday (2 May), with funding for the CAP set to be cut by 5% compared with the current 2014-20 funding period, according to the commission’s calculations.

See also: Eight Farmers Weekly awards finalists give their diversification tips

This contrasts with Defra’s promise to “maintain the same cash total funding for the [***agriculture***] sector until the end of this parliament [2022]".

As things stand, therefore, UK farmers face the prospect of unchanged subsidy payments for at least the first two years after Brexit, while their continental counterparts face reductions.

The reduction in CAP funding is due in large part to the loss of the UK’s net contributions to the EU budget after the Brexit transition period finishes in 2020.

To soften the political effect of the changes, the cuts will fall more heavily on agri-environmental and rural development measures in Pillar 2 of the CAP than on direct aid payments (Pillar 1).

Unveiling the ***plans***, EU ***agriculture*** commissioner Phil Hogan promised no EU member state would see its national budget for direct aid payments reduced by more than 3.9% – and some countries, especially in eastern Europe, will see increases.

CAP payment cap

But Mr Hogan also confirmed earlier leaks suggesting that under the new CAP, payments per farmer will be capped at 60,000 (£52,000). The detailed proposals on changes to the CAP are due to be officially presented on 1 June.

The total CAP budget for 2021-27, adjusted for inflation, will be about 365bn (£322bn), compared with 382.5bn (£337bn) for the EU (excluding the UK) in 2014-20.

But the axe will fall especially heavily on Pillar 2, where seven-year spending totals are going to be about 15% lower than in 2014-20 – much to the annoyance of environmental and countryside campaigners.

The commission also wants member states to make significantly higher contributions to co-funded ***programmes*** in Pillar 2 than at present.

The whole financial package will be the subject of fierce and complex arguments between member states over the next 12 months or so, and there could be significant changes to the ***plans*** before they are finally agreed next year.

JOURNAL : Farmers Weekly

Claas has added smaller models to its Volto tedder and Liner rake ranges, making them suitable for farms still keen to run their own machinery and maintain control over part of their silage and haymaking.

The new four-rotor Volto 55 has a working width of 5.2m and can spread two swaths from a 3m mower. Its Max Spread system uses tines angled by 29deg to ***produce*** a longer sweep, collect more crop and encourage the material to flow between the rotors in a straight line to reduce crop damage.

Claas says the end result of this is a wider and more even spread pattern with fewer lumps and quicker drying.

The drive system incorporates a finger clutch at the pivot points that allows the arms to be folded hydraulically by up to 180deg for transport.

Each of the 1.5m diameter rotors is fitted with six 10.5mm tines and the spreading angle can be adjusted by between 12deg and 16deg without needing tools.

The starting price is £7,610 and options include a guide wheel and edge-spreading guard.

See also: One-pass Wecan reseeder reduces workload for Devon contractors

Elsewhere, the new single-rotor Liner 320 completes the company’s range of compact rakes and has a working width of 3.2m.

As with larger Liner models, the rotor drive is completely sealed and continuously lubricated. The rotor is fitted with eight tine arms, each with three 9mm diameter spring tines that are clamped in place using a cotter pin.

Working height is adjusted using a lockable hand crank and, as standard, it's carried on a single axle fitted with 16/6.5-8 tyres. A tandem axle is available as an option.

JOURNAL : Farmers Weekly

Alternating warm and cold spells are proving to be a challenge for our agronomists this spring, as they look to get fungicide and growth regulator application timings back on track with widely varying crop growth.

The hot bank holiday weekend will once again accelerate cereal growth and awns are already emerging in winter barley which are receiving their T2 sprays.

Likewise, the flag leaf in some early wheat crops is starting to emerge meaning the key T2 spray is fast approaching with no let up in the disease threat.

See also: How to find the best varieties on the revamped oilseed rape list

South: Richard Harding

ProCam (Sussex)

A glorious weekend on the Downs has allowed many to catch up and good progress should be possible on more forward winter wheat T2 fungicides next week.

Those crops with good potential, will receive a mix of epoxiconazole, fluxapyroxad, pyraclostrobin and chlorothalonil (for anti-resistance protection), plus a late plant growth regulator (PGR) where required.

The result of recent fine weather will mean crop growth will be picking up again in cereals. For wheat, even those where T1s have only just been/are still being applied, crops will be moving rapidly towards flag leaf emergence – some likely to show this coming week.

Previous wet weather, and more unsettled conditions to come, means the disease risk, particularly from septoria, remains high.

Barley T2

At the same time, winter barley awns and ears are emerging, and T2 fungicides including chlorothalonil for ramularia, will need to be applied, if not already done.

Brown rust is still ticking on in the bottom of many crops, and net blotch is easily found. ***Planned*** late PGRs based on ethephon, which were delayed by recent wet and windy weather, may now be too late, as we are past the awns emerging stage in many situations.

Oilseed rape crops are past peak flowering, and moving back to a more green appearance, and the pod-fill stage. Where flowers are still present, the sclerotinia risk remains high, and a top-up fungicide based around prothioconazole and fluopyram will be applied.

Seed weevils will also be more active under current conditions. Although not likely to cause severe damage by themselves, their feeding holes allow the pod midge to lay their eggs in pods, ultimately causing the familiar pod splitting, most typically within the headland areas of the crop.

Winter beans are now growing rapidly, and have received a fungicide to control chocolate spot and downy mildew.

Pea and bean weevil grazing is relatively high at the moment, but crops are growing away from any damage, and are unlikely to require an insecticide.

East: Marion Self

Prime ***Agriculture*** (Suffolk)

A tricky start to the season saw our ***planned*** technical strategies being reshaped into a series of compromises driven by logistics and what is actually achievable. How well we have managed this difficult period of wet conditions and fast development will be revealed later in the season.

In wheat wet conditions and increasing temperatures have increased septoria pressure on lower leaves and in untreated crops more susceptible varieties have significant rust infections.

In early wheats, the tips of flag leaves are likely to be appearing. On these crops many T1 fungicide sprays were applied late to emerging leaf two rather than leaf three. It’s important that we get back on schedule with T2 fungicides aimed at protecting the flag leaf.

In contrast on many October and later drilled wheats, T1 treatments have been well-timed at leaf three emergence.

My advice would be to keep fungicide timings tight and sprays robust. Many crops have good yield potential and will be receiving an SDHI plus azole + chlorothalonil mix at this timing.

Growth regulation

Wheats with good biomass or where the timing of earlier PGRs was compromised will need a robust dose of late-season PGR. The T2 fungicide timing is an opportunity to apply another PGR and finalise cleaver control (so long as it is applied before ear emergence).

In oilseed rape, where a two-spray fungicide strategy is in place it will soon be time for the second fungicide as flowering declines.

Winter beans have received the first fungicide at early to mid-flowing as chocolate spot begins to develop low in the canopy.

Spring crops are at very different stages depending on drilling date. Some spring barleys will be at late tillering and ready for their first fungicide with broad-leaved weed control.

Later-drilled sugar beet crops have established and herbicide treatments are under way. Earlier drilled crops with delayed treatments are now weedy, but large enough for more robust treatments.

North: Mary Munro

AICC/Strutt & Parker (Perthshire)

This is one of the most interesting weeks of the year as it is a great yardstick for crop development. At last we have some warmth in the soil and crops are growing on.

Winter barleys are still a bit behind last year, but perhaps now less than a week later.

Winter wheat has also caught up to pretty much its usual stage on average, with most at growth stage 32 and leaf two coming out. As ever, there is a wide range of wheat growth stages at this time. Many have had the T1 (especially if T0 was omitted) and are on track with the fungicide ***programme***.

There are the usual varietal differences in septoria levels, and yellow rust made an appearance pre-T1, although at a low level.

Slow oilseed rape

Winter oilseed rape has been notably slower in development following the late spring, and is taking a long time to come into flower. There may be one or two that are backward enough to merit a pollen beetle spray now temperatures are warmer, but growers should go firmly by the thresholds.

Even then, the threshold may not be met further into the crop despite large numbers of beetles at the edges. The mid-flowering fungicide may be a bit later in the month than usual.

After all the delays, spring cereals were drilled in double-quick time into good seed-beds which had benefitted from frost and broke down beautifully.

Crops emerged very quickly and are heading towards a weed spray and manganese at leaf two, with the first fungicide aimed at growth stage 31.

Potato planting was held up significantly and a large proportion of the crop was not in the ground before May. These spring crops seem destined for a late harvest.

West: Antony Wade

Hillhampton Technical Services (Herefordshire/Shropshire)

The short spell of warm weather in the third week of April allowed us to get some much-needed grassweed herbicide applications to wheat crops.

However, I do fear the delay to these applications is going to result in poorer than hoped efficacy as blackgrass, ryegrass and brome were all larger than ideal.

In some cases, chlorothalonil was added as a severely delayed T0, but worthy of inclusion as leaf four was still the emerging leaf at that time.

T1 recommendations followed rapidly behind as the short warm spell meant rapid leaf three emergence.

Then the roller coaster spring weather plunged again to cooler and unsettled meaning that these T1s have only been applied recently when temperatures climbed back in an unprecedentedly warm bank holiday weekend.

So this has meant leaf two is going to get some fungicide coverage which is no bad thing in my opinion although leaf three may well have already been exposed to infection.

Winter barley T1s were also applied in this April peak of warmth, despite crops still looking fairly short at this time I persevered with a robust plant growth strategy.

In hindsight this was the right decision as barley crops have romped though the growth stages and awns will be emerging on forward crops by the time you read this, too late for a late PGR product.

So T2s will be going out in the coming week with a more traditional awns emerging “paintbrush” timing plus some chorothalonil added for ramularia protection.

Oilseed rape crops went from green bud to early flower with this shot of warm weather so yellow bud ***planned*** fungicides went on, but have certainly covered early flowering protection from sclerotinia.

These will followed up after three to four weeks with a mid-flower sclerotinia fungicide which in most cases will go on this week.

JOURNAL : Farmers Weekly

An extra £400,000 will be added to the allocation budget of a multimillion-pound farm business grant scheme in Northern Ireland.

The Department of ***Agriculture***, Environment and Rural Affairs (Daera) announced on Wednesday (2 May) that the second tranche of tier 1 of the Farm Business Improvement Scheme – Capital (FBIS-C) would receive extra funding.

Almost 3,000 applications have been received under the second tranche of the scheme, which is designed to support small-scale investments such as the purchase of equipment and machinery, to improve the sustainability of farm businesses.

See also: Essential tips for BPS 2018 claims

Grants are available for 40% of eligible costs on projects ranging from £5,000-£30,000.

The second tranche originally had a budget of £7.5m, but this has been increased to £7.9m.

A Daera spokesperson said: “This will help to ensure that the future sustainability of even more farms in Northern Ireland is achieved through capital investment in equipment that will also bring about improvements to the environment, animal and plant health, occupational health and safety and production efficiency.”

Oversubscribed?

The Ulster Farmers’ Union (UFU) has welcomed the announcement, saying the extra funding will help many farmers improve the efficiency of their farms.

But UFU president Ivor Ferguson added: “Despite the additional funding, the scheme remains oversubscribed and we would call on Daera to do what it can to find further additional funds for this popular scheme.”

To date, 1,480 letters of offer for grants totalling £7.5m have been issued. Letters of offer will continue to be issued to eligible applications until the available budget is fully allocated. It is expected that unsuccessful applicants will be notified by early June.

For assistance with the application, contact Countryside Services on 0845 026 7535 or via email to [*tier1@countrysideservices.com*](mailto:tier1@countrysideservices.com)

JOURNAL : Farmers Weekly

The average level of butterfat and protein in UK cow’s milk helped ***producers*** to maximise returns on rising milk prices, according to the latest Promar Milkminder results.

Butterfat levels within the matched sample increased year-on-year to 4.05%, a rise of 1.14% on the same period 12 months ago.

See also:  How UK herd achieved world top 10 ranking for milk yield

Protein content also rose, up 2% compared with February 2017 to average 3.29%.

Higher butterfat and protein levels meant dairy farmers were exploiting increased farmgate milk price returns, with the rolling average up 22.7% in 2018 compared with the year before.

“This is really positive news for this group of ***producers***, with the impact on margins aided by a backdrop of the rolling 12-month milk price to concentrate price ratio for the group having improved from 1.17 to 1.34 in that time,” said Nigel Davies, Promar’s national consultancy manager.

What is Milkminder?

Monthly tracker of UK dairy farm performance

Uses a matched sample of real herds to give a reflection of nationwide picture

***Produced*** by Promar, the UK’s largest agri-food consultancy

“In the same period, average cow numbers increased by 2.4% to 209 cows, average yield by 2.86% to 8,244 litres a cow, and stocking rate by 0.07 cows a hectare.”

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However, with the prospect of the milk price to concentrate ratio dropping over the course of the year, increases in herd reproductive performance would be crucial in sustaining the current level of farm business improvement, according to Mr Davies.

“The February report for the average sample suggests there might be a hint of deterioration in this area [reproduction], as the calving percentage metric has fallen from 98.6 to 97.6 per 100 cows in the past 12 months,” he added.

“For this reason, I’d recommend that ***producers*** and their consultants pay particular attention to herd reproductive performance as they use Milkminder to help them ***plan*** ahead for continued success next year.

“If they can master that, they’ll be one step closer to repeating the success of the past twelve months, in the next twelve months, and sustaining the gains made so far.”

JOURNAL : Farmers Weekly

Defra is facing an “impossible challenge” and is “in the dark” about how to prepare for Brexit, a government scrutiny committee has warned.

The Public Accounts Committee’s report, released on Friday 4 May, says preparations for Brexit are being hampered by uncertainty over the UK’s future relationship with the European Union.

Defra and the Department for International Trade (DIT) were described as being without a clear ***plan*** of top priorities.

See also: Brexit green schemes a ‘no-brainer’ for farmers, says Eustice

But, the report adds, both departments appear optimistic that they can deliver what’s required by March 2019, whatever the outcome of the negotiations.

Having to work up options for three different scenarios – deal, no deal or transition – is “time-consuming and costly” for Defra in particular.

It also has to navigate new legislation and major IT ***programmes*** in a very short time, though the committee is concerned this may not be realistic.

Defra has said it will fall back on manual systems to deliver Brexit, but this could impede or slow down imports and exports, and cause severe delays at the border.

“There are substantial risks, including disruption to the agri-food and chemicals industries, if Defra’s IT systems are not ready in time,” the committee said.

Defra to make changes

Defra has 64 active workstreams – up from 43 when the committee took evidence in March – from import controls on animals and animal products to the authorisation of new chemical products.

The committee has said it is “unrealistic” to expect Defra to make its ***planned*** £138m of savings in 2018-19 while delivering its Brexit ***programme*** and its usual work.

It has recommended Defra set out a list of ***programmes*** it ***plans*** to stop, postpone or minimise by the end of June.

Committee chair Meg Hillier said: “Our committee has repeatedly raised concerns about government’s preparedness for life outside the EU. The clock is ticking and there is still no clarity about what Brexit will mean in practice.

“Departments are under extreme pressure. If parliament is to hold them to account, then it is vital that government is as transparent as possible on the progress being made.”

Close collaboration ‘vital’

A spokesman for the government said: “We have already agreed the terms of an implementation period that will provide businesses with the continuity they need to prepare and thrive after we leave the EU.

“Work is being undertaken across the whole of government, in a range of exit scenarios in preparation for our withdrawal from the EU.

“Close collaboration between departments is vital as we negotiate our exit from the EU and develop our future trade policy with the world, and Whitehall is rising to the challenge.”

JOURNAL : Farmers Weekly

Government ***plans*** to phase out direct payments must be fair for all farms regardless of size – rather than targeting larger recipients first, says the NFU.

The union made the recommendation in its response to Defra's Health and Harmony consultation on proposals to reform farm support after the UK leaves the European Union.

The consultation, which closes on Tuesday (8 May), is seen as a key opportunity for farmers to have their say on shaping the future of ***agriculture*** and the countryside.

See also: Defra’s policy consultation – Key points and how to respond

Future policy and support “should be fair and equitable to all active farm businesses, irrespective of size or system,” says the NFU response.

The government should also provide enough time and certainty for farm businesses to ***plan*** their future – as well as opportunities for them to adapt and invest, it adds.

The NFU says a future domestic ***agricultural*** policy should seek to maintain a level playing field across the UK and with respect to the UK's main competitors

Defra wants to replace direct payments with a new system of “public money for public goods” largely based on rewarding farmers who undertake environmental measures.

Phasing out

It has proposed a transition period of five, seven or 10 years – including the gradual phasing out of direct payments, possibly from 2020.

Defra has proposed three ways of phasing out payments – “progressive reductions” for most farmers, a straight cap on the maximum amount received or a combination of the two.

The NFU says future policy should ensure public investment in ***agriculture*** promotes productivity, while fairly rewarding environmental delivery and managing market volatility.

And it warns: “Direct payments are currently the most substantial and effective tool that farmers have to mitigate this volatility.

“While farmers in the UK share the aspiration of reducing their reliance on these payments, it should not be arbitrarily pursued without sufficient and robust policy replacements.”

'Significant role'

The NFU says direct payments will continue to play a significant role in underpinning the financial viability of many farm businesses in the short to medium term.

And it says any reduction in Basic Payment Scheme (BPS) payments should be fair and equitable for all farms, rather than focusing on larger recipients.

“In our view this means the same percentage reduction should be applied to all recipients, regardless of claim size,” says the NFU response.

“This redirection of funds must be to the direct benefit of active farmers whose businesses will be striving to manage the impacts of the loss of income resulting from BPS reductions.

“The scale of cuts must be commensurate with the sums needed to fund the alternative ***programmes*** and pilots envisaged during the ***agricultural*** transition, and no more.”

JOURNAL : Farmers Weekly

A dog owner stood by and watched as his out-of-control pet husky worried a flock of North of England Mules.

Shocked sheep farmer James McIntosh caught the dog attacking his sheep in a 4ha field at Pophleys Farm, near Radnage, Buckinghamshire, as he drove past in his Land Rover on Friday (4 May).

Mr McIntosh leapt out of his vehicle and ran to the aid of his sheep, who were being chased round in circles by a brown husky dog.

See also:The law on shooting dogs – critical facts farmers must know

Although he would have been within his rights to shoot the dog, Mr McIntosh was not carrying his shotgun at the time of the incident.

As the unflustered dog owner stood by, Mr McIntosh spent several minutes trying to catch the dog. He eventually cornered the animal after began struggling for breath.

Sheep warning

At the entrance to the field, a home-made sign, made out of plywood, states: “Sheep. Please keep your dog on lead.”

“There are sheep all over our farm. The owner knows there are sheep there, but he still let his dog off its lead.

“He was holding the lead. The dog had a harness on it, but the owner did nothing to try to stop it.

“He never said sorry. The last owner whose dog we caught worrying sheep was devastated.”

On this occasion, it appears that none of the 70 ewes and 70 lambs was physically injured. However, one three-week-old lamb is displaying signs of stress.

Mr McIntosh described the dog owner as a respectable man, aged in his 50s.

‘Weak excuses’

He said the dog owner made “weak excuses” about the gate, but it couldn’t have been more secure.

He told Mr McIntosh his dog ran ahead of him under a gate and then jumped over a stile. He thought that because there were no sheep in the field last time it would be empty.

Mr McIntosh has reported the incident to police to investigate to see if he is liable for any compensation, or if any action should be taken against the owner.

“Luckily the lambs are all three to four weeks old. But if they had been a couple of weeks old, it could have been really bad,” said Mr McIntosh.

“Despite so many public awareness campaigns on sheep worrying, I think some dog owners are disconnected. They are not involved with the farm. They are so delusional.”

JOURNAL : Farmers Weekly

Both calving and lambing are going well, helped in no small part by the sun coming out and the end of the ceaseless rain falling from the sky.

Despite the sun shining, the temperatures are nothing special and gloves and hats are still part of the daily wardrobe.

Today has been a big day on the calving front, with eight calved already as I write this (1 May).

All the improved ground and reseeds have good covers of more than 1,500 kg/ha DM, but the old rigg and furrow pastures have only 1,100 kg/ha DM. This is just about OK for the singles to lamb down on to.

See also: Cold, wet spring conspires against farmers

We are doing some work with our vets and the vets at the University of Edinburgh blood-testing cows and calves, looking at the transfer of passive immunity from cow to calf through maternal colostrum.

Blood samples were taken pre-calving from the cows and energy balance, body condition, protein status and mineral status were investigated.

All levels were good except for protein, so we added 1kg of a 28% protein pellet to the ration pre-calving which has corrected any protein deficit.

Cows are calving well. We are on target for 65% calving in 21 days, with no retained cleansings. Colostrum/milk production is good and calves have plenty of get up and go.

In terms of a British ***agriculture*** policy post-Brexit, there are many instances of public money for public goods in the uplands: water, wildlife, biodiversity, carbon capture and tourism to name but a few. For years farmers have been delivering public goods without it always being recognised.

How do you put a value on the benefits we deliver when previously they have been taken for granted?

The challenge is getting from where we are now to the future environmental schemes without massive holes in farm cashflows.

I think Gove et al may have to frontload the new scheme in the early years as the BPS reduces and we adjust to the new structure, or there could be a significant number of casualties.

Simon Bainbridge farms a 650ha upland organic farm with 160 suckler cows, 1,500 breeding ewes and 12,000 organic laying hens with his wife, Claire, and his parents. Healthy, maternal livestock and quality feed is a priority.

JOURNAL : Farmers Weekly

Is any crop better than no crop? Given the late spring and the exceptionally wet and windy conditions, there’s been a lot of head scratching in these parts.

How late is too late to drill? Do we just drill ‘water pumps’? Given the price of barley grain and straw, the usual logic maybe better parked for this season.

Fortunately our beans were drilled into ideal conditions just eight days later than last year.

See also: Defra’s policy consultation: Key points and how to respond

They may well be harvested in October or November, but who knows what weather we’ll get between now and then?

Good yields are still possible: we just need sunlight. As for the winter cereal crops, we have abandoned ***plans*** for T0 and T1 fungicide spray ***programmes*** and we will just have to make it up as we go along.

Baffling politics

I don’t know about you, but I really struggle with the language of politics! Take Defra’s ‘Health and Harmony’ consultation.

I’m not suggesting that all men of the soil are simple - we’re not but can’t we just have easily digestible facts in bullets points, so we can digest it quickly while we’re doing a myriad of other jobs.

Let’s hope Michael Gove’s advisers give him a balanced view and don’t just listen to the pressure groups who mobilise their followers to write in!

It’s the same with every document from DEFRA: we’re left to cut through the verbiage and grope for the real meaning.

Having had several attempts at digesting this particular consultation, I just feel I’m being dragged into a downward spiral of apathy.

Following my previous comments about poachers, our North Yorkshire rural crime task force is setting up a Ryedale ‘rural watch’ team.

But like other vital services, it’s the sort of scheme that should be paid for by the taxpayer, not somehow asked to fund itself.

Our government insists on maintaining its overseas aid budget, but it should really sort out more problems at home first.

Richard Wainwright farms 510ha in Ryedale, on the southern edge of the North York Moors. With soil types ranging from heavy clay loam to limestone brash, the family partnership grows winter wheat, winter barley, oilseed rape, spring beans and rotational grass leys. The farm also runs a large beef fattening unit.

JOURNAL : Farmers Weekly

We have had a cool, wet autumn where I farm in South Africa. The wet weather has made harvesting soya beans a challenge but it is good for my cover crops.

I recently finished my soya so now I can turn my attention to dry beans (pinto beans). Harvesting dry beans can be a challenge, but if done correctly it can be very lucrative.

See also: Spring beans outperform oilseed rape on heavy Essex land

You get many varieties of beans. The older types don’t stand very well, with a high percentage of their pods on the ground, which is disastrous if you get late rain.

Many pods will rot and many of the individual beans will discolour from water stain. Fortunately, I grow a variety that stands, although that is a bit of a misnomer as many of the pods still touch the ground.

Harvesting by hand

Planting was about two weeks later than I would have liked, but this has turned out to be a good thing as the beans were still green when conditions were very wet.

Now that the weather has dried off, my beans are ready to harvest, which is an interesting exercise. I don’t grow enough to warrant a windrowing machine, so I windrow them by hand.

Unemployment is very high in South Africa so it is possible to get a team of about 80 people to pull the beans.

The plants have a very weak root system and are pulled out of the ground and placed in a windrow. A combine then picks up the rows to thresh the beans.

As the beans are very susceptible to splitting, it is better to avoid augers and if one must use an auger, then run it slowly.

The beans are sieved and sorted, then packed into 4kg bags for retail. Large portions of these bags are transparent, making every blemish noticeable, so it is imperative to have a high quality product.

Bruce Shepherd farms in KwaZulu-Natal, South Africa. He plants 500ha of rain-fed summer crops across 3,000ha. He also runs 2,600 weaner oxen on pastures, finishing them in a feedlot with maize grown on the farm.

JOURNAL : Farmers Weekly

Serving started on 1 May, a week later than previous years to try to avoid having as many late January calves. And, after the pressures of this spring, an extra week for the herd won’t be a bad thing.

Cows were all tail-painted the day before, and general bulling activity seems good. This is a relief after the late spring and prolonged buffering with silage throughout March.

Grass growth finally took off in the second week of April and we were able to take the brakes off the cows and hit and maintain a 20-day grazing round, with no silage and easing back the feed in the parlour from nearly 6kg to 4kg.

See also: Jersey cows ***produce*** profits from milk solids in Ireland

Grass quality is excellent and the cows are milking well, giving about 1.8kg of milk solids.

We are measuring grass every week, using this information to track grass growth, average grass cover on the farm and the round length of the cows (how many days it would take to graze the whole farm based on the hectares grazed since the last grass measure).

The information allows us to foresee potential grass surpluses which could compromise quality – or potential deficits.

Walking the farm is also a vital management tool: it’s amazing how many actions you can note down by the time it’s done.

Fieldwork has ramped up in the past week, with the wintering ground being worked down and resown back to grass. Fodder beet crops will hopefully be all sown by the first week of May, followed by the kale.

Some rented land has posed some issues, having ***produced*** very little in the previous two seasons. The conclusion is it’s down to historic compaction from potatoes – there was near to no worm activity.

Hopefully a deep subsoil and 2t/acre (4.942t/ha) of lime and chicken manure will help kick-start a crop of AberNiche. Between serving and planting forage crops, 2019 is already coming into focus.

We are looking to recruit a new member to our team on the farm – any energetic and ambitious people looking to progress a career in dairy, please get in touch!

Johnjo Roberts converted his family’s 250ha beef and sheep farm on Anglesey to an 800-head spring-block calving dairy in 2014. Maximising grazed grass and good milk solids are priorities.

JOURNAL : Farmers Weekly

Warning: Graphic image of injured sheep

Police are reminding dog walkers of their responsibilities following a number of serious sheep worrying incidents in Fife.

Over the past month, four animals have suffered painful and unnecessary deaths in the area, resulting in three farmers being forced to end their own animals' lives.

Police Scotland released a graphic photo of one sheep that had half its face torn off following a horrific dog attack in the Cults area between Monday 30 April and Tuesday 1 May.

See also: Know the law on shooting dogs worrying sheep

One sheep was found dead and the other had to be put down due to the severity of injuries to its face and head.

On 8 April, in the Falklands area, two ewes and a lamb were attacked by a dog. The lamb suffered severe puncture wounds and a suspected broken back, and had to be put down.

A 35-year-old man has been charged in connection with allowing a dog to be dangerously out of control, and a report has been submitted to the Procurator Fiscal.

On 13 April, in the Glencraig area, a ewe was found seriously injured from a suspected dog attack and had to be put down.

@policescotland report charges made after spate of dog attacks in Fife - Falklands, Glencraig + Cults - saw 5 sheep killed by irresponsible dog ownership. Report livestock worrying to Police on 101, or anonymously to Crimestoppers on 0800 555 111. Dial 999 if crime in progress.

NFU Scotland (@NFUStweets) May 7, 2018

Officers are urging walkers to keep their dogs under control at all times when around livestock.

‘Absolutely unacceptable’

Insp Jane Combe, of Cupar police station, said: “This is absolutely unacceptable and, as we head towards the better weather, we are taking this opportunity to remind all dog walkers and owners of their responsibilities.

“Dogs attacking, chasing and being in close proximity to sheep can all be considered livestock worrying. A dog nearby can cause sheep to panic and flee, resulting in serious injury or even death.

“All dogs are capable of chasing livestock and they do not understand the impact this can have. However, you do. Avoid fields with livestock when out walking and keep dogs on a short lead where this isn't possible.”

MSP calls for mandatory leads on dogs around livestock

An MSP has appealed to dog owners to take greater care when walking their pets near livestock.

Kate Forbes, the MSP for Skye, Lochaber and Badenoch, said it was "nothing short of disgraceful" that there were still so many dog attacks on livestock each year.

Ms Forbes spoke out after it emerged that a Highland farmer lost 12 rare-breed sheep, worth more than £12,000, after they were savaged to death by an out-of-control dog.

"I find it staggering that we are still talking about dog worrying and dog attacks on livestock. Owners should know that dogs must be on the lead if passing near sheep,” she said.

“Every year, there are additional warnings issued by the usual bodies and yet we see story after story about sheep being killed and maimed by dogs.

“The results are truly gruesome, particularly when sheep are pregnant or there are lambs.

“Apart from the wretched images of maimed sheep, with half their faces missing, a dog can also cause severe damage by just being in a field with sheep. In particular, it can cause sheep to abort lambs or to be separated from lambs.”

JOURNAL : Farmers Weekly

More than 44,000 responses were submitted to the government's consultation on proposals to reform farm support after the UK leaves the EU, says Defra.

They include 20,000 responses sent in during the last week of the “Health and Harmony” consultation on the future for food, farming and the environment, which closed on Tuesday (8 May).

Defra secretary Michael Gove said: “It's great news so many people have responded so enthusiastically to our consultation.”

See also: What they said - responses to Defra’s Health and Harmony consultation

Leaving the EU gave the government an opportunity to improve the support it gives Britain’s farmers, said Mr Gove.

He added: “We can make farming more productive, improve the quality of the food we eat and enhance our natural environment.

“We’ll reflect on the many thoughtful ideas put forward in response to our consultation and bring forward our ***plans*** for legislation later this year.”

Shaping the future

Many of those responses are believed to be from environmental groups – but a substantial number were from growers and livestock ***produces*** keen to shape the industry’s future.

The consultation includes proposals to replace direct payments with a new system of support largely based on rewarding farmers to look after the environment.

The new policy of “public money for public goods” is likely to include measures that encourage biodiversity, raise animal welfare standards and improve soil health.

But farm leaders have warned food production must not be sidelined.

NFU president Minette Batters said she acknowledged ***agriculture*** – like other successful industries – must adapt, respond and continually improve its offering to society.

Food ***producers*** first

But she added: “Farmers are first and foremost food ***producers***. While there are a whole host of endeavours we turn our hand to, food production is at the heart of everything we do.”

The NFU’s response says any ***plan*** to phase out direct payments must be fair for all farm businesses regardless of size – rather than targeting larger recipients first.

And it warns against policies that would open the gates to substandard food imports, arguing British farmers are immensely proud of record on the environment and welfare.

Ms Batters said: “Not only is it important this is recognised and applauded, but also that we ensure, in an uncertain future, we don’t take any steps that undermine those high British food and farming standards – standards we know the public values as much as we do.”

Defra highlighted a recent Worldwide Fund for Nature poll undertaken by Populus which found 91% of the UK public want to see farmers paid to protect nature.

Consultation responses would now be analysed carefully and the government will publish a response shortly, it added.

Don't sideline food production, warns NFU

The NFU's consultation response is arguably much more detailed than the government’s proposals – stretching to some 88 pages compared with the 64 pages of the original Defra document.

Rather than concentrating on the delivery of public goods, the NFU says future ***agricultural*** policy must support farmers in their role as food ***producers***. Maintaining a robust and resilient domestic food production sector is in the nation’s interest, it argues.

A strong and profitable ***agricultural*** sector in itself brings many public benefits, says the NFU. “It is a matter of ***strategic*** national interest to ensure that our country can feed itself, and a high level of domestic production in a volatile world is a critical aspect of food security,” it adds.

Profitable ***agriculture*** also means a safe and traceable supply of domestic food – meeting a clearly expressed desire for British food by the British public, says the NFU. As well as ***producing*** food, farmers provide jobs and drive growth in industries such as renewable energy and tourism.

But the delivery of public goods isn’t ignored. The NFU says it remains “strong in its conviction that productivity improvements, and profitable farm businesses, are vital in delivering environmental and climate change objectives and do not run contrary to them”.

It argues reducing domestic production would mean greater reliance on imports from other parts of the world, where we have no control over production standards, so exporting and likely increasing the UK’s environmental footprint and impact on animal welfare.

Viable farm businesses mean farmers are able to deliver the sort of environmental outcomes envisaged by the consultation paper, says the union. But struggling farm businesses are unlikely to be best placed to devote the time and resource to helping Defra achieve its green goals.

“While there may be a debate about whether food itself qualifies as a public good, there are clear justifications for public ***intervention***, both financial and in terms of broader public policy, to support food production in this country,” says the NFU.

JOURNAL : Farmers Weekly

Fresh legal challenges to the government’s badger cull will be heard at the High Court this summer.

Defra executive agency and culling licensee Natural England is facing two legal challenges in July over its decision to extend the culls, which are part of the government’s 25-year bovine TB eradication ***programme***.

The legal action is being led by Tom Langton, an ecologist with a long-standing interest in wildlife disease and nature conservation.

See also: Expert advice – what happens if my herd fails a TB test?

Mr Langton’s legal challenge is being financed through crowdfunding and he is also supported by the Badger Trust, the Born Free Foundation, 20 badger groups around the country, and private individuals.

The first judicial review relates to the five-year supplementary culling licences issued to west Somerset and west Gloucestershire by Natural England.

The claimants question the way consultation was carried out in 2016-17 in relation to the 2011 badger culling policy and its science.

In numbers: bovine TB and the badger cull

40,000+ TB-infected cattle were slaughtered in the UK in 2017

19,274 badgers were culled across 21 areas last year

Nine new areas have applied for licences to cull badgers in 2018

£100m annual bill to taxpayer from cost of bovine TB

The second judicial review relates to the 2017 badger culling licences for five of 11 areas where culling was introduced that year, on the grounds that assessments of the ecological effect of culling more than 70% of the badger population “were not done correctly”.

High Court hearing

Both legal challenges will be joined and heard by the same judge at the High Court in London from 9 to 11 July.

Mr Langton told Farmers Weekly: “There are a lot of animals in decline or rare species in the countryside and it doesn’t take much to change their habitats before their fate is changed.

“This is not really anything to do with TB, it’s really to do with how Natural England and Defra have handled the consultations.

“It’s about getting proper safeguards for the environment and making sure that the right decisions are made. We don’t believe Natural England has gone through this whole process properly.”

A third challenge to the 2016 badger cull impact assessments is being “worked up”, anti-cull campaigners say.

If the legal challenge succeeds, it could result in some of the licences being quashed.

Government response

A Defra spokesperson said it would be inappropriate to comment on the particulars of the case while a legal matter is ongoing.

But the spokesperson said bovine TB is one of the greatest animal health threats in the UK and has a devastating effect on our farmers.

“It is a slow-moving, insidious disease that presents many challenges and there’s no single measure that will provide an easy answer. That is why we are pursuing a wide range of ***interventions***, including cattle movement controls and a cull of badgers in areas where disease is rife.”

JOURNAL : Farmers Weekly

The AHDB Recommended List for winter oilseed rape has been given a makeover, with all the varieties recommended for growing in different regions of the UK now being displayed in one table.

The new format has replaced the two regional lists that existed before, where varieties were assessed on their suitability for the East/West region and the North region and ranked according to gross output.

Instead, UK-wide varieties are now separated from those recommended for the East/West region only as well as those considered suitable for the North region only.

See also: 6 varieties added to sugar beet Recommended List

As a result, it means growers have to scan three distinct categories when considering the options, as each variety only appears once in the table – even though it may be suited to growing in more than one area of the country.

Simon Kightley, oilseeds specialist at Niab Tag, explains the difference in the way varieties are displayed means there will be a transition period as growers get used to the way the list is structured.

“It’s great to get such a huge amount of data into one table,” he says. “It means it is quick and easy to compare varieties – whether that’s across the UK or in the regions.”

Star performers

However, he points out the way that the 2018-19 Recommended List is presented means the star performers are almost hidden away, as they tend to appear in the middle and right-hand sections, rather than on the left as before.

To highlight this, he points out that Windozz and Elgar in mid-table, along with Elevation, Kielder and Broadway on the right, are the standout varieties.

In addition, Alizze and Nikita are the best for all regions, but they’re not the varieties with the highest gross output.

“We’ve all got used to seeing the highest gross output varieties on the left, with the varieties then being listed in descending order,” he says. “That isn’t the case anymore.”

Finding varieties

His advice to growers using the new list for the first time is to be systematic and thorough.

“The information is all there, but you just need to train yourself to use it. You may have to go hunting to find the best varieties.”

Mr Kightley adds a visit to the AHDB Cereals & Oilseeds website gives access to all of the data in an Excel file, so it is possible to re-sort the information and rank varieties according to the criteria which are most important to your farm situation.

“It can be tweaked, so there are options for making more use of the data and tailoring it to individual requirements.”

High standards

What is clear is there are a lot of very good oilseed rape varieties and it is almost impossible to split them, he notes.

“I’ve never known a season where there is such a fantastic choice – and there could have been even more varieties recommended and included.”

To this end, the conventional type, Django, would have fitted in well to the East/West region, he believes, adding there are also a couple of hybrid varieties that were very unlucky not to make the cut.

Working with the new format, Mr Kightley picks out the varieties he considers to be the best hybrids and the best conventionals (see ‘Top OSR choices for 2018’, below).

Best choices

“With hybrids, there’s a clear case for Windozz, Alizze, Aquila and Wembley,” he says. “They’ve been a solid presence and are performing well.”

The conventionals have been a bit more variable, he notes, but picks out Elgar, Flamingo, Nikita and Campus as top choices for the East/West region.

For the North, the conventionals choice is even richer, with everything from Elevation down to Anastasia providing high yield potential and good agronomic and disease-resistance characteristics.

“This domination of the North region list by conventionals is remarkable,” he adds.

He would like to see the agronomic data broken down by region, especially for the North region, as he believes there would be more differentiation for standing ability and maturity if a North-only data set was available for inspection.

“Of course, there may not be the depth of data to allow this, especially for new varieties.”

Special recommendations

Clearfield and club root resistant varieties will also be of interest, he predicts, with lots of promising breeding material coming through the testing system.

“There aren’t many of these varieties on the list at the moment, but we are going to see more of them.”

New for this year is Architect, with a special recommendation for its resistance to turnip yellows virus, which has joined the list as a UK variety.

Displacing its predecessor Amelie, Architect has a gross output of 102%, putting it 5% behind the best varieties in the East/West region. In the North, it has a gross output of 99%, so lags by 8%.

“Architect represents progress and is certainly going in the right direction,” comments Mr Kightley. “The resistance continues to be evaluated, which is good news for growers.”

Candidates

Looking further ahead, Mr Kightley is reluctant to give a verdict on the candidate varieties, as he believes there is not enough data available on many of them to be confident of their performance.

He does, however, mention Crome, which has club root resistance. “At this stage, it would seem to be right up there on gross output. So that one is of interest.”

Top OSR choices for 2018

Simon Kightley’s top oilseed rape variety picks for drilling summer 2018

Best hybrids

Windozz

Alizze

Aquila

Wembley

Best conventionals

Elgar

Flamingo

Nikita

Campus

Best UK-wide varieties

Alizze

Nikita

 Newcomers

Architect – turnip yellows virus resistance, UK-wide special recommendation

Elevation – conventional variety for the North

Kielder – conventional variety for the North

Broadway – conventional variety for the North

Butterfly – conventional variety for the North

JOURNAL : Farmers Weekly

Farm pickups are subject to a notoriously rough and loveless life, but patching them up with second-hand spares can push them a few years beyond their sell-by date without costing the earth.

There are several specialist 4x4 breakers dotted around the country (though predominantly in northern England), including MJM in Hull, A1 in Heywood, Lancashire, and CWS in Glastonbury, Somerset.

While these can all offer a pretty good range of parts for everything from Suzuki Jimnys to BMW X5s, Thornton 4x4 Breakers based in Halifax, West Yorkshire, specialises in pulling apart single- and double-cab pickups built from 2000 onwards.

It has close to 1,000 pickups and Land Rover Defenders in various states of undress, all stacked three-high across huge lengths of cantilever racking, along with thousands of other spares stored on shelves.

Having celebrated 30 years in the breaking trade last year, owner Peter Jones knows a thing or two about squeezing every last penny from a crumpled motor.

See also: Pickup test: 6 farm trucks compared

Sourcing the trucks

Everything that is dragged into Thornton’s yard has been written off by insurance companies as a category B-graded vehicle, so can be stripped of its working parts but not restored and returned to the road (see "Insurance write-offs – what you need to know").

Once written off, the vehicles are sent to auctions, where buyers from all over the world scrap it out for the best bargains.

UK firms have the advantage of lower transport costs that eat into potential profit, but many of the foreign bidders are based in countries where cat B write-offs aren’t recognised, so they can get the trucks patched up on the cheap (rather than breaking them) and sell them in "roadworthy" condition for a healthy margin.

Up to 20 motors arrive at Thornton’s 2.5ha site each week, 90% of which have a decent engine and gearbox that is removed and put into storage.

Non-runners are stripped for the good bits – the core block, injectors, turbos and fuel pumps – that can be used on reconditioned engines or sold as spares.

With the engine and gearbox checked, cabs are removed, chassis stripped and wheel/tyres salvaged, though it usually takes a couple of vehicles to assemble a sellable set.

In all, very little goes to waste, aside from beaten-up body panels and smashed windows.

The company uses a clever computer management system to keep tabs on the millions of individual parts stored on site.

Once the chassis number is typed in, it populates a full list of parts fitted to each vehicle, as well as automatically loading them straight onto eBay.

It means the team knows exactly what is on the shelves at any one time and helps track whether there is an excess of any particular items that might influence pricing in the future.

As well as selling parts to the UK, the company regularly packs up 40ft containers destined for the tropical shores of Trinidad and Tobago, Greece and Dubai.

This tends to be the pre-2005 stuff, with newer parts reserved for the UK market.

Discount engines

There are plenty of incentives to buy second-hand parts, with price and lead time the two most convincing factors.

Take a popular farm truck such as Isuzu’s D-Max, for instance. The 2.5-litre engine it ran until last year can cost more than £6,000 to replace new and has a lead time of about three months, which isn’t particularly handy for a vehicle relied upon daily.

Added to that, the price is for a short motor (head and block), so you will still have the arduous task of stripping the old engine and fitting all the ancillary parts.

However, a second-hander could be sourced for £2,500 and fitted a few days later. Throw another £400 at it and Thornton’s will collect your vehicle and fit the engine, too.

Though the D-Max block is a good example, it also happens to be at the higher end of the price list because it’s so popular.

Less-common engines tend to be cheaper: expect to pay closer to £2,000 for the Toyota Hilux’s three-litre, or £1,500 for a Nissan Navara D40’s 2.5-litre.

Comparatively, Land Rover Defender spares are now astronomically expensive. Car values are soaring, which means they are very rarely written off and the supply of parts has all but vanished.

Body panels are like hens’ teeth, so while a Mitsubishi L200 door might be £50, a Defender’s is more like £450.

Car insurance write-off categories – what you need to know

The Association of British Insurers (ABI) updated its industry code of practice – known as the salvage code – on 1 October 2017 to take into account the increasing complexity of new vehicles, which makes it harder for damaged cars to be safely repaired.

In general, a write-off includes any vehicle deemed to have sustained enough damage to be unsafe on the road, or one that is still safe to drive, but uneconomical to repair.

The latter is based on a repair-to-value ratio that varies between insurers and is calculated by taking into account the vehicle’s condition and the collision damage it has sustained.

There are still four write-off categories that are graded in severity from pure scrap to repairable cosmetic damage.

Previously, this ranged from A to D. The last two of those (C and D) were governed by the insurance company’s estimated cost of repair, which has risen significantly because cars are so complicated.

This means they are more frequently being deemed write-offs, despite being perfectly safe and usable.

However, while A and B grades remain proper write-offs that are not suitable for repair, C and D have been replaced by two new categories – S and N.

These are designed to shift the focus from the cost of repair to the actual problem, highlighting any structural damage that must be properly dealt with if the vehicle is to remain on the road.

Here’s a quick guide to the different classifications:

A – Scrap only. These have to be crushed and salvageable parts must be destroyed. Fire damage is a good example.

B – Break. Seriously damaged, but parts are salvageable. These should never re-appear on the road, but reclaimed parts can be used in other road-going vehicles.

S – Structurally damaged but repairable. These have suffered damage such as a bent or twisted chassis, so the damage is more than cosmetic and needs to be professionally repaired – it won’t be safe to drive until then.

N – Non-structurally damaged and repairable. These are likely to have cosmetic or electrical damage that makes the vehicle uneconomical to repair, but both S- and N-grade vehicles can be sold on back to the original owner or a third party.

JOURNAL : Farmers Weekly

Britain’s biggest farming company, Velcourt, spent an economical £90/ha keeping its 16,000ha of winter wheat free of serious disease last year, and this season the spend is set to be focused on later sprays.

The wet spring has led to many of the group’s wheat crops missing out on an early-season T0 fungicide, so subsequent T1 sprays have been beefed up, meaning this season’s spend is unlikely to be down.

See also: Crop Doctor: Septoria lurks, ready to strike in a wet May

The rainfall in May and how it may encourage the wet-loving septoria will determine the total fungicide seasonal spend.

At the moment the ***plan*** is to apply a robust SDHI-based T2 fungicide, as this is where the biggest yield effect can be seen.

Ryan Hudson, one of the group’s agronomists, says the target spend for wheat fungicides is £80-£100/ha, while the average spend on first feed wheats over the past 16 years comes to less than £100/ha, albeit with a large variation.

However, he is cautious about this season, with one eye on the weather, especially with some varieties having well-known disease weaknesses.

“Warmer weather will speed up the development of septoria, so we are most likely to use a robust SDHI-led fungicide at the T2 flag-leaf stage,” he told Farmers Weekly.

There is no group budget for wheat fungicide sprays, with each farm’s individual budget taking into account specific factors.

The overall result is that yields were just shy of 10t/ha across all the group’s first wheats last harvest.

Disease strategy

***Planning*** for the group’s disease strategy is based on variety choice and drilling date, with the focus on more septoria-resistant wheats. Drilling dates are also being pushed back.

“We have clearly moved towards better, more septoria-resistant varieties such as Skyfall, Siskin and Graham, while we are also looking at Sundance,” Mr Hudson says.

Brian Redrup, the company’s farms director for the Midlands region, says drilling date is dictated largely by blackgrass, and where this grassweed is a problem, delayed drilling is a must. An added bonus is that it also helps limit disease development.

“We drill relatively little of our 16,000ha of wheat in September, with most sown in early and mid-October,” he says.

With an eye on resistance to the SDHI fungicides, the group’s budget includes just one SDHI, but this season the single-SDHI strategy may not be the best approach and two are most likely to be used.

Typical fungicide actives

Adexar SDHI fluxapyroxad + azole epoxiconazole

Ascra SDHIs bixafen + fluopyram + azole prothioconazole

Aviator SDHI bixafen + azole prothioconazole

Elatus SDHI benzovindiflupyr + azole prothioconazole

Librax SDHI fluxapyroxad + azole metconazole

Keystone SDHI isopyrazam + azole epoxiconazole

Vertisan SDHI penthiopyrad

Late, wet spring

This season, the late, wet spring prevented many T0 azole-multisite fungicide sprays being applied, saving about £10/ha, and this has seen the cost of T1 sprays pushed up to compensate, and many have included an SDHI.

“Where T0s have not gone on, a more robust T1 has been applied as we look to use the strongest products when the disease pressure is the highest,” says Mr Hudson.

Although an SDHI is not budgeted at T1, this year – given the rainfall, the likely latent septoria in crops and the absence of a T0 – the T1 will generally be more robust and an SDHI-azole-multisite mix.

Mr Hudson emphasises that the group generally ***plans*** for one SDHI to try to manage SDHI resistance as well as spend per hectare, but this season may result in two SDHIs being used in mixes with azoles and multisites to keep on top of septoria in the wet weather.

Missed sprays

Where T0s sprays were missed this season, T1 applications were slightly early at 50% of leaf three emergence.

Therefore, a multisite T1.5, aimed at leaf two emergence, may be used to ensure the T1 to T2 interval is not stretched beyond three-and-a-half weeks.

But with the season developing so quickly and flag leaf sprays likely to be applied in the third week of May in most of southern and central England, the gap between T1s and T2s may be about three weeks and a T1.5 may not be needed.

Traditionally, the biggest fungicide cash spend comes with the T2, as this has given the best return on investment of all the sprays, and so an SDHI-azole-multisite approach is likely.

Again an SDHI-led approach may be followed for septoria, and where varieties have key weakness, such as Crusoe with brown rust and Reflection with yellow rust, T2 fungicides with added activity against rust will be used.

This approach gives very good control and persistence against rust diseases, and is used to protect against rapidly cycling brown rust hitting susceptible Crusoe milling wheat crops.

May weather

However, if the weather in May turns dry, and for varieties with good septoria resistance such as Siskin, Graham and Sundance, an azole-multisite approach may be followed, especially if crops have been drilled late after root crops and are thin, with a low yield potential.

“If conditions become very dry, with late-drilled resistant varieties where the disease pressure is lower, we may not automatically use an SDHI at T2,” says Mr Hudson.

“This year, many late-drilled crops did not tiller well and look too thin and we will have to assess the septoria risk to those crops,” he adds.

Differences in nitrogen fertiliser timings are quite apparent in crops and where nitrogen was applied in mid- to late February, tiller survival has been greater and the crops look healthier.

Crops where ground conditions did not allow the first nitrogen to be applied until late March or early April have suffered, with thinner plant stands in some cases, resulting in increased susceptibility to disease.

SDHI resistance

The group is well aware of the risk of SDHI resistance to septoria. Indeed, it found in its own monitoring that 26% of septoria isolates gathered carried an SDHI mutation, compared with 17% in 2017 and zero in 2016.

Therefore, Mr Redrup emphasises the group’s aim is to optimise production over a number of soil types, but still take into account factors such as septoria resistance and the yield potential of crops.

“We can’t insurance spray against every eventuality, but fungicide spend of £80-£100/ha is where we would like to be,” he adds.

Velcourt

The group farms 52,000ha of land under a variety of management arrangements stretching from the Moray Firth in the north of Scotland to Devon in south west England with a focus on arable and dairy farming.

Velcourt’s agronomy service also advises on 29,000ha of additional arable land through its agronomists and some of its farm managers.

JOURNAL : Farmers Weekly

A huge sinkhole the length of two football pitches and the depth of a six-storey building has appeared on a New Zealand farm.

A farmer discovered the 200m-long and 20m-deep chasm when he was rounding up cows for milking.

It appeared on land near the North Island town of Rotorua, triggered by several days of heavy rain, and experts believe it could be the biggest ever seen in the country.

See also: 7 of the biggest farms in the world

Colin Tremain, the farm manager, said the area often develops sinkholes, due to degrading limestone rock beneath the ground’s surface, but never of this size.

Mr Tremain said: “We’ll keep it fenced off as it is to keep stock out, although stock aren’t stupid – they’re not going to walk into a hole. They can spot danger.”

GNS Science volcanologist Brad Scott told New Zealand news service Newshub the sinkhole was three times larger than any he has seen before.

He said it is likely the hole had been forming unnoticed for up to 100 years.

Mr Scott told TV New Zealand that at the bottom of the hole he could see “the original 60,000-year-old volcanic deposit that came out of this crater”.

**Load-Date:** May 11, 2018

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[***Sufficiency Economy and Backdated Claims of its Application: Phooyai (Headman) Wiboon’s Agroforestry and Self-narrative***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BH2-VXY1-JBMY-H403-00000-00&context=1516831)

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**ABSTRACT**

The King of Thailand’s Sufficiency Economy (SE) has been heralded and influential in Thailand. It was also featured in the United Nations Development ***Programme*** Thailand Human Development Report 2007. Reports and personal stories of applying the SE are widely available. A striking remark is that many of these claims were backdated. Projects, activities, and practice claimed to be its implementation predated the SE in its present form. As the SE is caught in political struggles, this is perceived to reveal propaganda. In this article, through a case of Phooyai Wiboon’s agroforestry, the act of backdating the claims is analyzed and re-interpreted with help of Ricoeur’s concept of narrative time.

**FULL TEXT**

**Introduction**

His Majesty King Bhumibol Adulyadej has been committed to improving the life of people in rural areas. Through royal projects, socio-economic development has been implemented. However, his words on the proper direction of development were clearly heard in 1997, the year of a great economic crisis in Thailand. Then, the Sufficiency Economy (SE) was articulated, but it was not seriously implemented until the 2006 coup that overthrew Thaksin’s government. Since then, the SE has been so influential that it is incorporated into not only policies and ***plans*** at national and local levels, but also people’s life stories. The SE in its present form was formulated in the late 1990s and early 2000s. “Sufficiency” is understood as a set of moderation, reasonableness, and security against change, all of which are applicable in not only the economic area but also all domains of life. In addition, the SE is meant to create changes not only in the outside world but also in people’s attitudes.

An observation is made that, in various reports or success stories, people’s claims of applying the SE are backdated. Based on this, a criticism has been launched that the SE is part of a socio-political agenda to create a false consciousness to promote self-sufficient complacency and thus subdue struggles and movements for emancipation. In this article, through the lens of Paul Ricoeur’s hermeneutic philosophy, an alternative interpretation of the act of backdating the claims is offered through a hermeneutical analysis of Phooyai (headman) Wiboon’s agroforestry.

In the 1980s, Phooyai Wiboon started his highly successful lifelong project of agroforestry that makes it possible for farmers to self-subsist and liberate themselves from the market economy. It is evident that, although his project started more than a decade earlier than the rise of the term “sufficiency economy,” he now resorts to it when he explains about agroforestry, whose development has been dynamic for over three decades. Apart from methods and techniques, Phooyai Wiboon not only formulates principles of agroforestry, but also has made a conscious endeavor to interpret and re-interpret his project, which eventually led him to incorporate the SE as part of the interpretation. This makes him an ideal case for the hermeneutical analysis.

**Research Question, Scope and Method**

According to Unger (2009: 148), there are cultural and institutional approaches to development. The former works inside out by changing people’s thoughts and behaviors while the latter operates outside through structural reform. He argues that the SE is best understood as the cultural approach. This approach is useful for understanding not only the SE itself but also its criticisms. Many scholars argue that the SE is used for socio-political agendas to create a false consciousness or myth that inhibits the autonomy of the poor and sustains the status quo and influences of the elites (see, for instance, Dayley, 2011; Elinoff, 2014; Hewison, 2008b; Rossi, 2012). One of the justifications, especially that of Hewison (2008b), is based on the observation of the backdated claims. A question can be raised as to whether such retrospective attribution can be understood differently. Within the framework of the cultural approach, this article offers an alternative interpretation of such claims through a hermeneutical analysis of Phooyai Wiboon’s agroforestry, the project that is recast in the language of the SE and yet, contrary to the criticisms, promotes emancipation by empowering farmers and challenges the power of capitalists.

Ricoeur’s concept of narrative time provides the analytical framework. Data of Phooyai Wiboon’s thoughts are derived from Kemchalerm (1991) and NESDB (2007c), which are his transcribed and edited interviews; and Bansirichote and Wankao (1996), which is a descriptive presentation and discussion of his biography and thoughts together with extensive quotations of interview transcripts. In addition, I had an opportunity to visit his learning center, listened to a lecture by him, interviewed and exchanged notes with his son, Mr. Khanchit Kemchalerm, who has carried on his frail 78-year-old father’s lifelong project. In what follows, the SE is first introduced along with its criticisms. Then, Ricoeur’s concept of narrative time is outlined before Phooyai Wiboon’s case is presented and analyzed.

**Background of Sufficiency Economy**

The SE is proposed by the King of Thailand. Though its name was articulated in a royal address delivered on his birthday in the year 1997, its ideas can be traced back to the 1970s. The oft-quoted passages are taken from the royal address to a convocation ceremony at Kasetsart University in 1974 and a speech delivered on his birthday in the same year (Sufficiency Economy Movement Sub-committee, 2007a: 9, 23, 24). When the SE gained currency, the National Economic and Social Development Board (NESDB) invited scholars from different fields to formulate a clear definition of the SE in 1999. A synthesis of selected portions from royal speeches was created and the result was submitted to the king for revision and approval. Later, in 2001, the Sufficiency Economy Working Group (SEWG) was set up to give further formulation to the SE and thereby developed a general theory, which is now recognized as the standard interpretation, for instance, disseminated by the NESDB, used in basic education curriculum and textbooks and included in the Ninth, Tenth and Eleventh (the present) National Economic and Social Development ***Plans*** (see, for example, NESDB, 2007a, 2007b, 2007c, 2008a, 2008b; Office of Non-formal and Informal Education, 2011a, 2011b, 2011c; Office of the Basic Education Commission, 2008; Sufficiency Economy Movement Sub-committee, 2007b).

Despite the uniformity obtained by the mutual recognition of the SE theory, its details are subjected to variation and different interpretations. Piboolsravut (2004: 128–129) delineated the details according to form and function, relevant contexts, and working definitions. Regarding its form and function, the SE is a guidance of the “middle path” with universal domain of application (for instance, individual, household, business, country, humanity, and biosphere). The guide is applicable to motivation, criteria, behavior, system, and “all issues within a dynamic setting” (2004: 128). The contexts, in which the SE has an important role, include the 1997 Asian economic crisis, post-crisis, and future development within the environment of globalization. A paradigm shift of development, the SE is a promise of a sustainable future. Finally, the working definitions comprise components and conditions for their realization. The components are moderation, reasonableness, and security against changes. (The latter is usually translated as “immunity” or “self-immunity.” However, “security” is preferable because the original Thai term has a sense of being safe or protected from impacts of changes. It is here understood that adaptability is part of the protection. Compare with the rendering by the United Nations Development ***Programme*** (UNDP) (2007: 30) as “build-in resilience.”) To obtain these components, intellectual and conative conditions are required. The former refers to well-rounded ***planning***, prudential application of knowledge, and cautious implementation of ***plans***. The latter includes possession of integrity and honesty, and living one’s life with perseverance, harmlessness, and generosity.

Thongpakdee (2007: 11–14) explained that, to develop the theory, the SEWG analyzed relevant royal speeches and derived a framework, defining features, definitions, practical conditions, and expected benefits. The framework is marked by the goal toward sustainability in every dimension amidst changes and risks from the dynamics of globalization. Its domain of applicability includes all levels of society (that is, individuals, family, community, and country). It can be applied both in the short and long term. The defining feature is its being the “middle path” way of living and doing everything, economic or not. “Sufficiency” is defined by moderation, reasonableness, and security against changes. The conditions of SE implementation cover elements that are both intellectual (that is, well-roundedness, prudential, and cautious consideration and ***planning***) and conative (integrity, honesty, diligence, perseverance, solidarity, and generosity). The expected benefit is balanced and sustainable development in economic, social, environmental, and cultural dimensions.

Meanwhile, Ampon Kittiampon, the then secretary-general of NESDB, described the SE as consisting of a conceptual guideline, principles, conditions, and goals (NESDB, 2007a: 23). The conceptual guideline is the “middle path” that governs the course of living and conduct of all households, communities, and the government in an effort to develop and rule the country. Moderation, reasonableness, and security constitute the principles of sufficiency, whose realization is based on three conditions. The first condition is intellectual, focusing on well-roundedness marked by knowledge of oneself and academic theories and their prudential and cautious application. The second is the collective virtues of integrity and honesty, while the last conditions are individual virtues of diligence, perseverance, and mindfulness. The goals are social well-being, the living together of people with a sense of morale, and their peaceful coexistence with nature.

In keeping with its principle of universal applicability, the general theory of SE is subjected to a diverse range of application areas; for instance, in ***agriculture*** (Kasem and Thapa, 2012; Supadit, 2007), psychology (Pantumnavin and Pantumnavin, 2007), organizational studies (Kantabutra and Siebenhuner, 2011), human resource development (Pruetipibultham, 2010), information technology (Savetpanuvong, Tanlamai and Lursinsap, 2011), and geoinformatics (Boondao, 2011). (See also Piboolsravut’s (2004: 131–132) reviewed and categorized literature on SE; and UNDP’s (2007: 38–68) examples of the SE in action.) In addition, Apichai Panthasen (2004), the head of a project to study and build a database of groups, organizations, and areas that apply the SE, collected data of 1857 cases from all over Thailand. They are cases of royal projects, model agriculturists, model communities, private enterprises, community businesses, saving groups, etc. These cases are categorized into those able to be classified under the SE, those in which the practitioners understand and implement the SE, and those that are models of SE implementation.

**Criticisms of Sufficiency Economy and its Backdated Attribution**

The SE suffers from misunderstandings and attacks. For example, many understand that its sole concern is the ***agricultural*** sector while others think it is an alternative economic system only. Many believe it is against commercial business, market economy, and globalization (Piboolsravut, 2004; NESDB, 2007b; Thongpakdee, 2007; Unger, 2009). One criticism often heard is its elusive nature, “a vague, mystifying philosophy” or “largely an ideological statement, which could not be effectively implemented” (Noy, 2011: 598) and which has “[t]he ability to do almost anything and still call it the sufficiency economy” (Chanyapate and Bamford, n.d.). Its situation is worse when caught in the political polemics of pro- and anti-Thaksin. Since it was believed that not only was the SE used to justify the 2006 coup (Noy, 2011: 599; Unger, 2009: 147), but also that the King himself backed it to overthrow Thaksin Shinawatra, the then prime minister, in order to protect the elites’ interests (Hewison, 2008a: 204, 206; Unger, 2009: 145), an ad hominem attack was launched against the SE.

In this spirit, Hewison (2008b: 213) indicated a contradiction arising from the fact that “[t]he King, promoting moderation, heads the wealthiest family in Thailand, which owns huge tracts of land and large capitalist corporations.” Likewise, an engaged irony is observed by Unger (2009: 141) that “the King, an extraordinarily influential figure at the head of a fabulously wealthy set of institutions, is identified with calls for moderation among the country’s poor farmers.” Such attacks remain even after a clarification in an annual report of the Crown Property Bureau (2011: 46-47), and a further explanation in the social media by Borwornsak Uwanno, a well-known law expert and the director general of King Prajadhipok’s Institute, that the estimate of the king’s wealth was based on a failure to distinguish among the king’s personal property, the crown property, and the Chakri Dynasty’s property, the latter two of which belong to the country (Uwanno, 2013). An explanation can be taken from Unger (2009), who implies a link between the belief about the king’s support for the coup and a belief that the promotion of the king’s SE has a socio-political agenda “to keep the rural majority poor and happy, or at least to rationalize doing little to help them” (Unger, 2009: 145; see also Hewison, 2008a: 201).

In 2007, the UNDP released *Thailand Human Development Report. Sufficiency Economy and Human Development* to internationally disseminate the SE because of its global relevance to the needs for sustainable development in the time of economic and environmental crises. In his review of the report, Hewison (2008b) criticized that, acting as an accomplice in the socio-political agenda hidden behind the SE and thereby contributing to the “royalist propaganda” and “political nonsense,” the UNDP defeated its own goal to promote equality. One of his criticisms is relevant here. Referring to chapter 3 of the report that contains case studies of the SE, Hewison (2008b: 214) points out that not only are they not new and unfamiliar, but also these cases predate the SE. Whether or not the latter assertion is correct with respect to the report, it agrees with an observation I had when visiting Phooyai (headman) Wiboon Kemchalerm’s Learning Center of Sufficiency Economy Philosophy. The observation is also substantiated by exploring publications that promote the SE. For example, in NESDB (2007c) and Ketthet (2009), well-known and successful figures—ranging from agriculturists, to civil servants, to businessmen, to physicians, to actors and actresses, to writers, to former ministers and a privy—are featured along with interview reports of their experiences in applying the SE in their lives. It is found that many re-described lessons were learned early in their lives through the lens and terminology of SE. Moreover, it can be observed in Panthasen’s (2004) categorization above that, among the cases of actual and successful application, one category comprises cases considered to be compatible with the SE.

A question arises of how these backdated claims of applying the SE should be understood. Despite criticisms against the SE, an undeniable fact is that sincere appreciation and cases of successful application exist. Directly or indirectly, case studies show the SE contributes to farmers’ autonomy. And, these should not be played down for political purposes. In what follows, it is argued that the SE can function as a hermeneutical framework through which people interpret their experiences. This is demonstrated through an analysis of Phooyai Wiboon Kemchalerm’s interpretation of his agroforestry project. He is a deeply learned man who is marked by consciousness of his hermeneutical endeavor and development of well-considered and consistent thoughts based on his life experience.

Phooyai Wiboon is also marked by his extensive self-narration through writing, lectures, and interviews. For instance, his 1991 lecture grew out of his address as a keynote speaker in an event organized by the prestigious Komol Khemthong Foundation in 1986. After that, new essays such as “Towards an Agroforestry Society: Enough for Life-long Consumption,” and “Agroforestry Society: The Remaining Alternative for Life-long Provisions” were added. In total, it is a collection of over 10 essays mostly written with the style of narrating and reflecting on his direct experiences of agroforestry and exchanges with others. It is, therefore, argued that his backdated explanation of his own efforts as an application of the SE should be considered in the context of narration. Paul Ricoeur’s philosophical analysis of narrative time can show us a new way of looking at his retrospective attribution.

**Paul Ricoeur’s Narrative Time and Hermeneutics**

To begin with, it can be said that the astonishment stems from the ordinary perception of time as linear succession. Therefore, let’s start with Ricoeur’s existential critique of the linear representation of time. Based on Heidegger’s *Being and Time*, Ricoeur (1980: 172; 1984: 62) saw as a guide for his analysis the concept of “within-time-ness,” according to which everything happens in time existentially constituted by our preoccupation, or in other words, objects of our concern. The concern is here understood as one of the characteristics of care. Therefore, instead of being a neutral succession of abstract instants, time is always “time to do” (1980: 173). We either have or do not have time, do things in the right or wrong time, and so on. We start to measure time only when we need to “reckon with time” (1980: 173; 1984: 62). It is in this sense that the terms like “now,” “next,” “then,” etc. should be understood. For instance, “now” is always “now that.” When we say “now,” it means “now that we have to do something.” The existential now is defined by our present preoccupation (1980: 173; 1984: 63). Machines that allow neutral temporal measurements create an illusion of abstract time cut off from the context of preoccupation. Whence comes the ordinary representation of time as linearly succeeding instants (1980: 174; 1984: 63). Time in stories is also the “within-time-ness” as not only the characters but also the readers reckon with time, for instance, trace the “now,” “next,” and “then,” or expect to see whether the hero arrives in time (1980: 174–175).

According to Ricoeur (1980: 174; 1984: 66), to follow a story is to be pushed ahead along the development of successive episodes in which the characters’ thoughts, feelings, and action are witnessed. The readers cannot but follow the unfolding of the story. Each episode marks “within-time-ness” of the characters who are preoccupied by each present situation while being also in the context of “awaiting and retaining” (1980: 177; 1984: 63). They respond to circumstances or consequences they have no control over. Neither can they control what follows from their actions. Arising in the interplay between the characters’ ***intervention*** and the course of the world, all of these add up to the unfolding to follow until the end (1980: 176–177). Neither prediction nor deduction is possible. When the conclusion is reached across a myriad of contingencies, the readers find it is acceptable, not predictable. Ricoeur (1980: 174) called it “the paradox of contingencies,” meaning that the story’s accidental past is necessary for its conclusion. The acceptability is based on a backward looking over and across the flow of forward movement. Ricoeur (1980: 178; 1984: 65) stated that the episodic succession is grasped as a coherent whole by virtue of the plot, which can be encapsulated with one “thought” (1980: 179; 1984: 65), which may be a term or theme. The configurational operation of the plot gives unity to diverse episodes that, at times, appear not to be fitted together. This operation implies “re-collecting” of events across the course of the story from the beginning to the end. Here again we find the concept of reading time backward. Through recollection, the readers read “the end in the beginning and the beginning in the end” (1980: 180; 1984: 67) as the earlier episodes are recapitulated in the culmination. Thereby, the unity of time—past, present, and future—arises.

Apart from emplotment, the configurational operation can be accomplished through metaphors and models, the latter of which are “incorporated into the very meaning of theories” (Ricoeur, 1991: 11). Since the plot can be captured by “thought,” it is not a surprise to see also a term or theme as performing this synthetic operation. One way to explain this operation is through the concept of a hermeneutical circle, a process whereby the whole is grasped from its parts and vice versa. Take, for example, narrative reading as a framework. In this process, readers need to go back and forth between the whole and its parts. They need to follow through the story’s discordant parts (for instance, events) in order to reach its overall meaning; meanwhile, the obtained concordance will further become a context for understanding these parts. However, according to Ricoeur (1974: 106–107), understanding the story is not the end in itself. The hermeneutical circle is expanded to include the understanding of text and oneself. Therefore, ultimately, interpretation is not to understand the author or project the readers’ self onto the text. It is for the readers to expose themselves to the configured whole, the world of the text, and therein project possibilities from their pre-understanding and learn about themselves. In other words, through configuration, their prefigured self-understanding becomes refigured. The fusion occurs of the text’s and the readers’ horizons and the meaning of the text is appropriated by the readers.

**Phooyai Wiboon and Agroforestry**

In the 1960s, Wiboon Kemchalerm, also known as Phooyai Wiboon, jumped on the bandwagon of the first growth-promoting National Economic and Social Development ***Plan*** that encouraged the planting of cash crops such as rice, cassava, soybean, and corn. Gradually, he cleared and owned around 80 acres of land, on which he ***produced*** cassava. His sources of income were also from his jobs as a crop middleman and an agent for banks, “loan capitalists.” Apart from his financial success, he was well recognized so as to be elected as a village headman in 1969. After continual huge losses following drops in crop prices and his discovery that his job as the agent undermined trust and relationship with community members, he started to reconsider the benefits of capitalism. In the 1970s, coordinating with academics, university students, NGOs, and development organizations, he became one of the farmer movement leaders to request justice in the ***agricultural*** sector, which was only for him to learn about the truth of politics. Governments’ promises were never translated into practice. The hope for top-down assistance was proven to be impractical. Although, as the leader, he suffered severely from threats posed by government agents, all of his action was halted in 1981 due to a bank lawsuit for his huge accumulated debts from the loans for his farming. Then, he decided to sell almost all of his land and, as a result, had only around three acres left. It was the time when he found himself as a forsaken man who had lost all credibility in the eyes of government officials, banks, and other community members. Consequently, he was unable to seek help from anyone, which gave rise to his determination to restore his dignity and an idea of self-sustenance. This became a big turning point in his life.

Phooyai Wiboon drew upon all resources available to him, that is, his three-acre piece of land, knowledge in medicinal herbs that he had learned from his father, understanding of Buddhism he had gained in his Elementary Dhamma Study, and connections with his former fellow activists that allowed him to participate and exchange in conferences. A major starting point of his lifelong project was told in an oft-cited anecdote. When he had nothing left, he grew water spinach on an area of three square feet for his own consumption. He sold the excess at a local market and gained 30 baht. It was the very first amount he gained without any accompanying debt and, therefore, was considered to be a real profit. Upon that, he was enlightened. This gave birth to a model in which production is primarily aimed to sufficiently provide for livelihood and its excess is put to commercial benefits. His piece of land provided an interpretive domain for the concept of self-sufficiency. This led to his conception of agroforestry (“wana kaset” or “forest-growing ***agriculture***”). To sufficiently sustain himself and his family, he grew diverse plants on his land and, thereby, turned it into a forest that was capable of giving him and his family not only daily food and medicinal herbs but also long-term security (for instance, profitable timber trees). Although self-sustenance cut all dependence on the market, he could benefit from it and gain real profits. This also brought him the justice he had longed for because, without market dependence, he possessed negotiating power so that no one could force him to sell his products at low prices. With the remaining spirit of an activist, his quest for justice continued. He tried to disseminate his insights and experiences to other farmers to help them liberate themselves from the market system.

Years of pondering and self-reflection gave rise to a clear formulation of principles to manage agroforestry as a way of life. The first principle is for farmers to begin to step out of what he called “the conveyor belt” of the market system. In so doing, the farmers will build a conveyor belt of agroforestry that will give them a new course of life. Following this principle, the farmers will create a leeway from the cycle of commercial ***agriculture*** and accumulation of debts by reserving 25 percent of their land for subsistence farming to realize self-sufficiency and relative independence from the market. Another set of principles is then proposed to promote a learning process for self-sustenance. The set comprises the principles of “three things to know,” “five things to manage,” and “three ***plans*** to make.” The farmers need to know themselves (for instance, needs and expenses), their own problems (for instance, limited sources of incomes and debts), and resources available to them. They have to manage the whole system of rice production, improve soil quality (for instance, with soil microbes), and grow plants for food, household articles (for instance, soap, shampoo, and toothpaste), and medicinal herbs. In addition, they should ***plan*** for their life and family, for relationships with community members to promote mutual learning and create a safety net, and for sustainable utilization of natural resources. Implementing these principles, the farmers will go through a learning process that forms their agroforestry mentality. Phooyai Wiboon further analyzed from this set of principles three major elements of people, knowledge, and resources. The people need to know the three things. Consequently, they need knowledge to ***plan*** and stand on their own feet with confidence. With knowledge, they also need to promote biodiversity and to restore and conserve the resources in such a way that, while reaping benefits from these resources, they co-exist with them. These elements provide a basis for sustainable development of economic self-sufficiency, ecologically balanced environment, and peaceful community (***Agricultural*** Land Reform Office, 2011: 11–15; NESDB, 2007c: 85–87).

These general principles are subjected to individuals’ interpretation to suit their needs and contexts. For example, Phooyai Wiboon’s son, Khanchit, explained that his family does not grow rice. How does he “manage the system of rice production” for his family’s consumption? He has a deep understanding of not only the production system but also the rice business. As a result, he adopts the method used by rice mill business owners who buy paddy rice from farmers, sell milled rice, profit from the price margin, and spend part of the profit to buy new stocks of paddy rice. In this way, they have a continuous supply of rice. Upon his calculation, Khanchit knows that his family consumes 180 kilograms of rice a year. He buys 720 kilograms of paddy rice from his fellows in an organic farming network. Then, he keeps 180 kilograms of milled rice for his family’s consumption, sells the excess, and saves the money to purchase rice in the following year. Thus, his practice is different from his fellows who grow organic rice mainly for their family’s consumption and sell the excess. Another example is Khanchit’s interpretation of planting for food, household articles, and medicinal herbs. He came up with his planting methods. Based on his extensive knowledge of plants, he divided them into three categories, that is, high, middle-sized, and underground. The three varieties can provide food, medicine, fuels, and woods for house construction. He also classified plants into yet another three types, that is, edible and fast growing, edible and multipurposed, and large and long-lived trees. The first type is for immediate use and consumption; the second and the third for middle- and long-term uses. This all adds up to security along his course of life from young to old age (interview; ***Agricultural*** Land Reform Office, 2011: 16–18; compare with Kemchalerm, 1991: 147). Phooyai Wiboon was aware of such interpretive dynamics and admitted that even he himself was still in the process of learning (NESDB, 2007c: 84).

In Phooyai Wiboon’s and Khanchit’s presentation of the agroforestry, the concluding phase was to wrap up everything within the framework of the standard theory of SE. Of course, an interpretive variation is to be expected. At the learning center, Khanchit explained the SE as comprising the principles of moderation, reasonableness, and security against changes. Moderation was explained to mean the “middle path” (not too much, not too little) and avoidance of causing troubles to oneself and others. Reasonableness covers careful consideration of factors and prediction of possible consequences while security against changes is preparedness for impacts and changes. Conditions for implementing these principles are intellectual and conative. The intellectual conditions consist of well-roundedness, prudence, an ability to see connections, and expense ***planning*** while the conative conditions include integrity, honesty, diligence, and sharing. The goals are a happy life, economic sufficiency, a peaceful society, and a balanced environment. His lecture on the principles to manage agroforestry as a way of life did not only focus on the reasonableness and the intellectual conditions because, whenever possible, he never missed the opportunity to insert moral anecdotes and insights showing the virtue of moderation and the conative conditions that facilitate the integration of the agroforestry into a course of one’s life and, thereby, build security against changes. In case of Phooyai Wiboon, his practice of wrapping up in the SE framework is remarkable given that it is not found at all in the 1991 publication (Kemchalerm 1991) and his interviews in Bansirichote and Wankao (1996).

**Phooyai Wiboon’s Hermeneutical Pathway**

From the hermeneutical perspective, an analysis of Phooyai Wiboon’s ideas in the 1991 publication (Kemchalerm 1991) and in Bansirichote and Wankao (1996) shows that liberation is the main theme (or “thought”), which recurs in his self-narration and instruction. Sub-themes are self-dependence and alternative seeking: non-infliction and interconnection. Metaphors are also used to configure his experiences.

These themes and sub-themes were gradually formulated and refined in the process of his self-narration, which was an effort to grasp the whole of his life. He constantly told and re-told stories about himself, in which process he at the same time read and re-interpreted them. In that way, he went through a series of prefiguration, configuration, and refiguration. A hermeneutical circle was then in its full swing.

Under the theme “liberation,” his ideas focus on emancipation not only from the market system but also from one’s own craving. As for the former, the market system is called a conveyor belt, which gives a picture of exclusive control that provides no space for choice of direction. To leave it, an alternative conveyor belt is needed, one that allows self-subsistence and, therefore, relative independence from the market. Moreover, Khanchit goes further and interprets the theme to be liberation from the mainstream perspective of socio-economic development based on the cycle of ignorance, poverty, and disease. He indicated that, caught on the capitalist conveyor belt, farmers are doomed to ignorance because of their limited understanding of the system. The alternative of agroforestry is not to cure the ignorance but to prevent it from affecting the farmers in the first place. Of course, with additional understanding of the system, agroforestry farmers can know how to connect to and reap benefits from the market (interview). Besides, based on his experiences, Phooyai Wiboon diagnosed that craving for material comfort—that is also a basis for social recognition—lures and ties farmers to the market system. Due to the craving, farmers are in quest of higher incomes so that they have to abandon the traditional subsistence farming and embark on commercial ***agriculture***. This is where Phooyai Wiboon introduced the metaphor of agroforestry as true profit, which is drawn from his experience of selling the water spinach. Although the commercial ***agriculture*** can raise incomes, their net incomes are not high because of farming costs. Furthermore, they cannot truly enjoy the profit, which is to be kept for a next round of farming. The true profit comes only from selling surplus from subsistence farming.

The sub-themes, self-dependence, and alternative seeking are also related to the metaphors of savings banks and pension savings, which are used to describe the practice of agroforestry. Phooyai Wiboon saw that agroforestry is a form of savings bank and different types of trees are deposits. Together, these savings give both short- and long-term returns. Big trees that can be used after decades of growing are considered to be pension savings. Therefore, an alternative form of pension savings, agroforestry supports self-dependence and provides security until old age. According to Phooyai Wiboon, all profit-making activities take advantage in one way or another and, thus, inflict suffering on people. Therefore, this form of savings is better than farmers’ savings co-operatives (as contrasted to his preferred non-profit savings group). The sub-theme of non-infliction is intimately related to that of connection. Not to inflict also means not to exploit surpluses of one’s community. The sub-theme of connection is related to collective self-dependence and the return to the traditional way of life, in which people share and help each other. When the connection is formed, liberation is facilitated. This was why his learning center was established. Also implied is non-competitiveness. Related to this, agroforestry is described by the metaphor of play, or hobby. Phooyai Wiboon even went further to say that the practice, which allows self-dependence, promotes laziness. Apart from these, both of the sub-themes cover other interpretations. Phooyai Wiboon saw agroforestry as a system of interconnectedness, in which humans and different types of plants and animals co-exist. Therefore, he took into account which types of plants to grow to support the living of birds and animals. He even developed a habit of walking with bare feet to avoid bruising plants on his farm. Like his father, Khanchit does not have farm animals. However, he interpreted the non-infliction to cover such avoidance of slaughtering (interview).

The analysis shows Phooyai Wiboon’s refiguring his pre-understanding of the agroforestry practice through the configuration of the “thoughts” (that is, themes and sub-themes) and metaphors. Also shown is his within-time-ness based on preoccupation with the liberation through the agroforestry project, which comes together with the retention of his past struggles and awaiting future development of and learning more from the practice of such alternative farming. Apart from the past experiences from the beginning of his commercial ***agriculture*** and a job of bank agent through his political activism for the farmers’ interests to his development of agroforestry from scratch, he also drew from his pre-understanding the knowledge of Buddhism. The thoughts of liberation from craving and non-infliction are clearly connected to Buddhism, whose influence is also observed in the thought of connection when he suggested that people should opt for social recognition gained through their virtues (for instance, generosity and helpfulness) rather than material possessions. Buddhist terms that he mainly used in relation to self-dependency are “pramada” (negligence) and “santosa” (contentment with what one legitimately possesses), the latter of which are linked to the SE in many studies (for instance, Ariyamethi, 2004; Yamaphat, 2009).

Above is the picture before 1997. Later in his interview, Phooyai Wiboon in his seventies said: I cannot tell when I started applying the Sufficiency Economy Philosophy in my living. Maybe, it was twenty years ago. Because of my economic problems, I turned to the Sufficiency Economy Philosophy without knowing what it was. Through relentless learning until the later period, I conclude that it is the way of Sufficiency Economy that the King offered. So I call [my practice] a sufficiency economy. (NESDB, 2007c: 81)

Obviously, he here read the end in the beginning and the beginning in the end, which is similar to the way the presentation of his life and work given at his center is concluded with the SE. The configurational operation of the SE is evident as it is adopted as a framework to examine his own practice as he said: Practicing the Sufficiency Economy, I cannot tell what parts are missing. But, there are clues for me to see my over- and under-emphasis. According to the King’s principles of Sufficiency Economy, action should be governed by reasonableness, which I see that I have already had. Moderation, I already had too because I never make an all-out investment or take risk. I am, therefore, secured. Regarding knowledge and virtues, they rise spontaneously. (NESDB, 2007c: 85)

Through the configurational operation, his self-understanding becomes refigured. As a result, a fusion of horizons occurs between his prior self-interpretation and the SE. In other words, Phooyai Wiboon appropriated the SE and received a new self-understanding.

A question is not whether his practice was actually guided by the king’s SE in the past, but whether the SE that he used to wrap up his life story is acceptable. Readers can answer it by considering whether the SE can comprehensively “recollect” the events of his life, especially those refigured with the plot of liberation above. Though Phooyai Wiboon did assume that, his other effort was found to make the refiguration of his life acceptable by showing a common thread between the SE and his life, Buddhism, whose influence is discovered in both of them: If you say that I have fully realized the Sufficiency Economy, I do not think so. But, I have seen it because I have learned about it from the Buddhist temple since my childhood. Eventually, I heard about it from the King’s words. The most obvious that I listened to was in 1997. As I had listened [to him] closely and continuously, I could [then] understand better. Part of what I had been doing helped me obtain clear guidelines for further application. And, I can use them with understanding. (NESDB, 2007c: 86)

When I asked about the backdated claim of applying the SE, Khanchit gave a similar answer. The SE and agroforesty were all in accordance with Buddhism.

**Conclusion**

As the cultural approach to development, the SE works to change people from the inside. In Phooyai Wiboon’s self-narrative, the reinterpretation of his lifelong project in terms of the SE provides a clear illustration of how such a mechanism works. Rather than a pointer of a deceptive plot to weaken the poor’s aspiration for a better life, the backdated claims can be understood through Ricoeur’s concept of narrative time as the act of reading the end in the beginning and the beginning in the end. The SE functions as a hermeneutical framework through which people’s experiences are interpreted or re-interpreted. The frequent discovery of narratives about successful application of the SE, especially those in which the stories predate the SE in its present form, shows that the SE takes a cultural life of its own and becomes a common thought, or plot, for people to draw upon to configure or refigure their life stories, which is not only to retain their past memories but also to await future changes. This resonates with Noy’s statement, “The power of the sufficiency economy philosophy may ultimately rest not in its political rhetorical deployment, but in its ideas” (2011: 600). The effect of such refiguration is deep because it reaches the level of self-understanding.

The case of Phooyai Wiboon shows that the refiguration does not operate to inhibit his autonomy. On the contrary, his reinterpretation of agroforestry through the SE is in keeping with his overall plot of liberation and events of his lifelong efforts to create both material independence and a sense of mastery over his own life. This can be understood within the framework of the struggle against market economy or the capitalist elites, not the framework of the political battles between the conservative elites and the poor as used by many scholars (for instance, Dayley, 2011; Elinoff, 2014; Hewison, 2008b; Rossi, 2012). This finding agrees with Unger that the SE internally empowers people so that they can “thread the rapids of a market economy” (2009: 141).

From another perspective, it can be clearly seen in the case of Phooyai Wiboon that the SE assists him as a co-author of his life. According to Ricoeur (1992: 162), although people are not in full control of events in their life, they create a narrative unity out of these discordant experiences. In so doing, they are a co-author of their own life. In his continuous effort to create such unity, Phooyai Wiboon uses different “thoughts” such as liberation, all of which are finally wrapped up in the framework of SE. In this light, the SE can be seen as empowering people by providing them with a plot to co-author their own life.

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HINA Digest

18 January 2018

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**Body**

Zagreb, 18 January 2018 (Hina) - Grabar-Kitarovic says Bosnia and Herzegovina has no greater friend than CroatiaZAGREB, Jan17(Hina) - Croatian President Kolinda Grabar-Kitarovic said in Sarajevo on Wednesday that Croatia had always been and would remain Bosnia and Herzegovina's friend as well as a strong advocate of the equality of all its peoples and citizens, expressing at the same time regret about unnecessary political conflicts between the two countries' officials over the past weeks, including accusations against her coming from Bosnia and Herzegovina."Unfortunately, statements that I did not make were often attributed to me," she said at a news conference held after talks with the Presidencyof Bosnia and Herzegovina members Dragan Covic, Bakir Izetbegovic and Mladen Ivanic, which took place at the start of her three-day official visit to Bosnia and Herzegovina.She said that the purpose of her visit to Sarajevo was to give clear and unequivocal messages about Croatia's policy towards Bosnia and Herzegovina and her personal positions."My first duty is to protect the interests of Croatia and the Croatian people, but I also want to build peace and friendship with neighbouring countries and there is no country with which that is more necessary than Bosnia and Herzegovina. Croatia has to carefully follow developments in Bosnia and Herzegovina and point to them in a friendly way, and that can in no way be interpreted as interference in its home affairs," Grabar-Kitarovic said, recalling obligations which Croatia has as a signatory to the Washington agreement and a guarantor of the Dayton agreement.She added that she also personally wanted to support Bosnia and Herzegovina as its friend and that Croatia wishedBosnia and Herzegovina only well in its internal development and on the path to membership of the EU and NATO.The Croatian president described her talks with the Presidency members as "very open", noting that "itspositive dimension prevailed" and announcing that communication would be stepped up to deal with outstanding issues through quiet diplomacy.

She said that outstanding issues needlessly burdened the two countries' relations.Grabar-Kitarovic recalled that Croatia had invested almost one billion euros in Bosnia and Herzegovina's economy while trade between the two countries in 2017 alone amounted to EUR 1.6billion, which clearly illustrated the connection between Croatia and Bosnia and Herzegovina.She said that it was therefore sad that in recent weeks and months a climate had been created in both countries both with regard to her visit and with regard to mutual relations and that it was therefore time to send clear and unequivocal messages about the need to strengthen cooperation and friendly relations.Amendment of election law key challengeThe Croatian president said that leaders in Bosnia and Herzegovina should deal with outstanding issues in the country based on the equality of its constituent peoples and citizens, including the "key challenge" of anticipated changes to the election law in line with appropriate court rulings, with the primary goal being avoiding a possible paralysis of the government after elections set for October. Croatia does not want to impose any solutions in the process, she said.Speaking of Croatia's care for the Croat people in Bosnia and Herzegovina, she said that it was an integral part of the country's care for the well-being of all peoples and citizens of Bosnia and Herzegovina."I'm afraid that... there is often theperception that what benefits one people is automatically to the detriment of other people. That cannot and should not be like that, and the advocacy of the rights of the Croat people in no way means that it should be to the detriment of other peoples and ethnic minorities," she said.She said that Bosnia and Herzegovina did not have and would not have a greater advocate of its integration with Euro-Atlantic associations than Croatia.Grabar-Kitarovic said that Croatia resolutely advocated the strengthening of regional stability and cooperation, noting that a precondition of a lasting peace and stability in Southeast Europe was for all countries wishing to join the EU and NATO to do so.Commenting on accusations that she had exaggerated the danger of Islamic radicalism in Bosnia and Herzegovina, Grabar-Kitarovic said that all doubts about that had been cleared up in contacts between two two countries' intelligence officials, and that it was most important that security services in the entire region now cooperated even better and exchanged information to prevent possible threats.Bosnia and Herzegovina Presidency Chairman Dragan Covic thanked the Croatian president for her attitude to Bosnia and Herzegovina, expressing hope that her visit would help stabilise the situation in the country."I am confident that all you have been doing so far has been in the interest of strengthening relations between Croatia and Bosnia and Herzegovina," Covic said, adding that there was a lot of room for advancing economic cooperation and cooperation in the fields of transport and energy.He noted that he believed that none of the outstanding issues in relations between the two countries was so grave that it could not be resolved through talks.Covic said that Bosnia and Herzegovina should deal with its internal situation on its own and that Croatia should be a partner in that process.After talks with the Presidency members, Grabar-Kitarovic was expected to hold separate talks with Prime Minister Denis Zvizdic and representatives of the parliament's upper and lower houses.She was also expected to meet with Sarajevo Archbishop Vinko Puljic, the international community's High Representative in Bosnia and Herzegovina, Valentin Inzko, and representatives of the "Mothers of Srebrenica" association.Grabar-Kitarovic discusses Bosnia election law with Inzko and ZvizdicZAGREB, Jan 17 (Hina) - Croatian President Kolinda Grabar-Kitarovic and the international community's High Representative to Bosnia and Herzegovina, Valentin Inzko, agreed at a meeting in Sarajevo on Wednesday that it was necessary for political parties in Bosnia and Herzegovina to agree on amendments to electoral legislation so that a new government could be formed after a general election in October.Grabar-Kitarovic met with Inzko during her official visit to Bosnia and Herzegovina, and the Austrian diplomat later told reporters that in addition to the problem of amending electoral legislation they also discussed other challenges facing Bosnia and Herzegovina in the process of the country's Euro-Atlantic integration, adding that Croatia could help with its experience.The international community is unanimous in its view that the authorities in Bosnia and Herzegovina have to take the necessary steps to ensure the unimpededimplementation of the results of the general election in 2018, Inzko said, stressing that this issue was of paramount importance to Bosnia and Herzegovina.Inzko said that negotiations were under way to reach a solution that would be acceptable to all. The European Union and the United States have leading roles in this dialogue, and the Office of the High Representative (OHR) is also involved.Inzko said that possible options had been formulated and that the most important thing was to find a solution for the election of deputies to the upper house of parliament of the Bosniak-Croat Federation entity.He stressed the need to implement a Constitutional Court ruling and hold the election, and thanked Grabar-Kitarovic for the support Croatia was extending to Bosnia and Herzegovina in its efforts to get closer to the EU and NATO.Last year the Constitutional Court, acting on an appeal by the former chairman of the lower house of the state parliament, Bozo Ljubic, ordered amending the election law to ensure the legitimacy of deputies elected to the upper, ethnically-based chamber of the Federation entity parliament and to avoid a possibility of the more numerous Bosniaks imposingrepresentatives on the Croats.The Croatian president met separately with the Chairman of the Council of Ministers, Denis Zvizdic, for talks on the EU integration process. Hina learned from sources close to the president that the focus was on efforts to complete the European Commission's questionnaire so that Bosnia and Herzegovina could obtain EU membership candidate status.The issue of construction of the Peljesac Bridge, on which Zvizdic had previously insisted, was not discussed.Grabar-Kitarovic also met with members of the college of both houses of the state parliament. The meeting highlighted the need to increase communication between the two neighbouring and friendly countries so as to avoid problems and "superficial and sometimes malevolent interpretations of the statements made", according to a press release issued after the meeting.The press release said that the Croatian president's visit was a good move that would contribute to better understanding and creation of better conditions for addressing outstanding issues in relations between the two countries.President: Peljesac Bridge will be built; it's not directed against Bosnia's interestsZAGREB, Jan 17 (Hina) - Croatian President Kolinda Grabar-Kitarovic said on Wednesday there were no obstacles to the construction of the Peljesac Bridge, emphasising that it was a very important development project for Croatia and posed nothreat to the interests of Bosnia and Herzegovina."The Peljesac Bridge is definitely not against the interests of Bosnia and Herzegovina," Grabar-Kitarovic told a press conference in Sarajevo after meeting with the members of the country's collective Presidency.She said she had informed the Presidency of the letter Croatian Prime Minister Andrej Plenkovic had received from European Commission President Jean-Claude Juncker saying that from the EU's point of view there were no obstacles to the construction of the bridge.Grabar-Kitarovic said that the purpose of the bridge was to connect the southernmost part of Croatia, which is cut off at Neum where Bosnia and Herzegovina has access to the Adriatic Sea, with the rest of the country. She added that the issue had unnecessarily turned into a problem between the two countries.She stressed the importance of the bridge construction for the development of the Peljesac peninsula, noting that Neum would also benefit from the bridge because there would no longer be long lines of vehicles at the border crossing there."The Peljesac Bridge is simply an internal development issue of Croatia and there are no hostile intentions here. I hope we will clear this up and resolve this issue," the Croatian president said.The Chairman of the Bosnia and Herzegovina Presidency, Dragan Covic, said that his country unfortunately still did not have a foreign policy strategy, adding that this was why problems like the one with the Peljesac Bridge cropped up, with each ethnic group in Bosnia and Herzegovina seeing state interests differently.Covic said he personally had no doubt that the Peljesac Bridge was a justified project that would also benefit Bosnia and Herzegovina, notably Neum."Neum is a ***strategic*** interest of Bosnia and Herzegovina and the Croats in Bosnia and Herzegovina. We want it to remain a tourismgem, and this is exactly why the Peljesac Bridge is also a ***strategic*** interest of Bosnia and Herzegovina," he said.Covic expressed hope that the issue would nolonger be exploited for election purposes, alluding to the position of the ruling, predominantly Bosniak Democratic Action Party (SDA)which insists that the construction of the bridge be suspended until the border between the two countries is determined.Croatian president meets with Sarajevo archbishopZAGREB, Jan 17 (Hina) - The situation in Bosnia and Herzegovina must be stabilised because there is a risk of many people emigrating because they do not want to live in an insecure environment, the Archbishop of Sarajevo, Cardinal Vinko Puljic, told a press conference on Wednesday after meeting with Croatian President Kolinda Grabar-Kitarovic during her official visit to Bosnia and Herzegovina.Puljic said he was glad that Grabar-Kitarovic had come to Sarajevo again after her previous visit two years ago. "I hope her visit will help create an atmosphere of cooperation and understanding," he added.Puljic said he had informed the Croatian president about the state of the Catholic Church in Bosnia and Herzegovina and the Croats, who are mostly Catholic."I hope efforts will be made in Bosnia and Herzegovina this year to create security that will stop emigration," the cardinal said, warning that no one wants to live in an insecure environment and that therefore it is necessary to stabilise the situation in Bosnia and Herzegovina as soon as possible."We need to love this country and fight for it, but we cannot build it if someone is considered privileged in it. We live here and we want to continue living here," Puljic said.The Croatian president continues her visit on Thursday when she is scheduled to visit Nova Bila, Vitez, Zepce and Usora.Srebrenica mothers still consider Croatian president their friendZAGREB, Jan 17 (Hina) - Representatives of the Mothers of Srebrenica NGOon Wednesday paid their respects to Croatia's President Kolinda Grabar-Kitarovic for the support she has shown them andadded that there is no misunderstanding between them and that she continues to be the "Queen of the Balkans" as far as they are concerned.The mothers met with Grabar-Kitarovic, who is on an official visit to Bosnia and Herzegovinaand the meeting was held aftercontroversy due to various interpretations of Grabar-Kitarovic's statement about the danger of Islamic radicalism in that country.The NGO last September sent Grabar-Kitarovic an open letter saying that she was exaggerating thatdangerand depicting Bosnia and Herzegovina as a haven for terrorists."We discussed that a little today. When we feel insulted, we say so," the NGO's president, Munira Subasic, told reporters, adding that that misunderstanding had been resolved before."We resented (the statement)but we were not angered," Subasic explained and added that as the only woman president in the region, Grabar-Kitarovic was still the "Queen of the Balkans."The mothers and President Grabar-Kitarovic discussed a conference ***planned*** for November of students from the six former Yugoslav republics to discuss the Srebrenica genocide, and Grabar-Kitarovic promised that she would be one of the sponsors of the conference, Subasic said.Only a handful of protesters rally against Croatian president's visit to SarajevoZAGREB, Jan17(Hina) - Only a few protesters rallied outside Croatia's embassy in Sarajevo on Wednesday when Croatian President Kolinda Grabar-Kitarovic arrived for a three-day visit to Bosnia and Herzegovina.On Monday, the non-governmental organisation Bosniak Movement for the Equality of People announced thatit would organise a protest rally in Sarajevo under the motto "Stop the Tudjmanisation of Bosnia and Herzegovina and the Russian jackboot 22 years after Dayton", in order to express its dissatisfaction with Grabar-Kitarovic's policy towards Bosnia and Herzegovina.The small gathering today was led by the association's chairman, Sejfudin Tokic, and some of the protesters were carrying photos of the late Croatian President Franjo Tudjman with the label "War Criminal".The rally did not attract much attention from passers-by.Croatia crucial for security of S-E Europe, says ministerZAGREB, Jan 18 (Hina) - US Assistant Secretary of State for Europe and Eurasia Wess Mitchell said at talks with Croatian Minister of the Interior Davor Bozinovic in Washington on Wednesday that Croatia was crucial for the stability of Southeast Europe and set an example in terms of the rule of law and successful Euro-Atlantic integration.In that sense, it has an important role in completing the Euro-Atlantic integration of other Southeast European countries, Mitchel said at the meeting, adding that one of the priorities of the current US administration was to have strong ***strategic*** relations with Croatia.Bozinovic is the first Croatian minister of the interior to visit the State Department during the term of the current administration.US supports construction of NLG terminal on Krk, settlement of Croatia-Slovenia border issueAlso discussed at the talks was the Croatia-US ***strategic*** partnership in the context of bilateral relations and the two countries' joint role in Southeast Europe.Special emphasis was placed on the continuation of cooperation in a project to build a liquefied natural gas (LNG) terminal on the island of Krk, which is important both in terms of energy security and in terms of diversification, and which the US considers a ***strategic*** project.Bozinovic informed the US official about a special law to be adopted to facilitate the implementation of the project, while Mitchel confirmed that it was one of the ***strategic*** projects also for President Donald Trump's administration and enjoyed full US support.Mitchel was particularly interested in Croatia's position on the dynamic of relations with Slovenia in light of an international arbitration ruling on the two countries' border dispute.Bozinovic informed him in detail of the chronology of the case, as well as of Croatia's position on the matter, stressing that Slovenia's attempt to unilaterally implement the arbitration ruling was not possible and that Croatia was in favour of dealing with the matter bilaterally.In line with that, Croatia has given Slovenia a concrete proposal in the form of a protocol which specifies steps to be taken and confirms Croatia's constructive approach to the issue, said Bozinovic.Mitchel said his country expected the two EU and NATO allies to deal with the matter constructively and conveyed his country's readiness to possibly join in efforts to reach an agreement, if the two countries so decide.He said that he would visit the region in the spring this year.Meeting with Senator Johnson After visiting the State Department, Bozinovic also visited the Senate and met there with Senator Ron Johnson whom he informed of the current situation in Croatia and Southeast Europe.They also discussed the LNG terminal on Krk, stressing in that context Croatia's ***strategic*** position which, they said, both the US and Croatia were interested in utilising.Bozinovic said the talks also focused on the fight against terrorism and organised crime.Commenting on a reporter's remark that despite the slogan of the new US administration "America first", the interest of the US administration in this part of the world was not waning, Bozinovic said: "America first, but an America which is aware that Croatia is its most stable partner in Southeast Europe."PM says seven bids submitted for INA consultantsZAGREB, Jan 17 (Hina) - Prime Minister Andrej Plenkovic said on Wednesday that seven renowned finance houseshad submitted bids to the government's call for consultants in the buyout ofHungarian oil company MOL's stake in its Croatian peer INA."A month ago the government invited renowned finance houses to participate as government consultants in the buyout of the stake in INA. Given that the call ended the day before yesterday, how many bids have been received and when will the government hire the consultants? When will they make recommendations and how much will they cost us?" Bozo Petrov of the opposition Bridge party asked Plenkovic during Question Time.Plenkovic said seven bids had been received from eminent houses. "The call did not define the deadline by which the best bidder will be chosen, the energy ministry will analyse those bids and when everything is taken into account, the best consultant will be chosen."He said Hungary was willing to resolve this issue swiftly and equitably. "Those two words are the essence of what will happen in the months ahead."The PM said the INA-MOL situation had burdened Croatian-Hungarian relations and that this was not good. "Those relations are more important, also in terms of the economic relations between the two states, than one energy cooperation issue."Dissatisfied with the answer, Petrov asked about specific deadlines and measures. "I appeal to you so that the INA situation doesn't end like the others, so that this government doesn't become a government of failed promises," he said.Earlier on Wednesday, Finance Minister Zdravko Maric said that seven bids had been submitted so far for the position of the government's financial consultant for a possible buyout of its stake in the INA oil company and subsequent sale to a ***strategic*** partner. Speaking on Croatian Radio, he said the whole procedure was being conducted transparently. In mid-December, the government called for bids at 18 addresses for submission by January 15.Maric said the calls were sent to the most eminent companies in the field and that all were interested, but that some did not respond due to a possible conflict of interest because they might have been consultants for the Hungarian energy company MOL, the majority stakeholder in INA.Maric said seven bids had been submitted and that there would be a dozen "very quality bids" eventually because the submission deadline was extended.He said it would take some time to examine them "because it's a complex matter." The energy and finance ministries will analyse the bids and then submit them to the government, and it remains to be seen if the bidders will be shortlisted or if a consultant will be chosen immediately, he added.Petrokemija: INA to halt gas deliveriesbecause of payment problemsZAGREB, Jan 17 (Hina) - Fertiliser ***producer*** Petrokemija announced on Wednesday that the INA company would suspend natural gas deliveries to it as of Thursday because of problems with collecting payments for the previous deliveries.The management, acting with the consent of the supervisory board, has taken operational measures to ensure that another supplier, Prvo Plinarsko Drustvo (PPD), provides the necessary amount of natural gas for the unimpeded operation of the factory over the next seven days, Petrokemija said in a statement."The production and delivery of mineral fertiliser will run smoothly in quantities and at a pace agreed with the buyers. Other necessary commodities for production have also been ensured. Over the next seven days the management will provide fresh information about the situation in the company," the statement said.The trade unions operating in the company said earlier that they had learned unofficially that INA would suspend its gas deliveries to Petrokemija at 6am on January 18.PPD said on Wednesday it would continue gas deliveries to Petrokemija. "At this point we can confirm that PPD is continuing gas deliveries to Petrokemija. PPD is following the situation and is actively participating in seeking a solution to the present situation," the company said in response to Hina's query.PM expects EC to give its opinion on Uljanik dock soonZAGREB, Jan 17 (Hina) - Croatian Prime Minister Andrej Plenkovic told parliament during Question Time on Wednesday that he expected the European Commission to provide Zagreb very soon with its position on the government's approval of a state guarantee for the Uljanik shipyard to help with its restructuring and financial consolidation.Last Thursdaythe government authorised the Finance Ministry to issue a state guarantee in the amount of 96 million euros in favour of Croatian Postal Bank (Hrvatska Postanska Banka) and/or some other commercial banks in the country and/or abroad for a credit commitment of the Pula-based Uljanik shipyard for the implementation of a restructuring process as well as financial consolidation of the company.At the start of Question Time,Finance Minister Zdravko Maric said that Croatia was in intense talks with the European Commission about the ***planned*** state guaranteefor the Uljanik shipyard.Asked by Social Democrat lawmaker Pedja Grbin when the answer from Brussels could be expected, PM Plenkovic said he expected the Commission to send its opinion very soon and only after that could the government's decision be implemented. He underlined that the Economy Ministry was in intense communication with the relevant EC directorate.A combination of a state guarantee and selection of ***strategic*** partners could be ***Plan*** A and ***Plan*** B, Plenkovic told Grbin during Question Time after the Opposition lawmaker wanted to know what could be ***Plan*** B for Zagrebif the EC refused to give a go-ahead for the decision on the state guarantee.The premier said his cabinet would care about the shipyard and its employees and that it was also listening to what the unions were saying.The fact that the government has decided to give its approval for the state guarantee is "a clear message that we will do all we can to help save jobs and make Uljanik sustainable", Plenkovic said.FinMin says gov't spending as much as it's makingZAGREB, Jan17(Hina) - During Question Time on Wednesday, Finance Minister Zdravko Maric boasted about the state of and trends inpublic finances, arevenue surplus and areduction of the public debt for a second consecutive year, saying Croatia was spending what it was earning.We are in this situation after a long time thanks to realistic and rational ***planning*** as well as aresponsible budget execution, Maric said in response to MP Gordana Peric of the ruling HDZ, who asked about trends in public finances.Citing preliminary figures for 2017, Maric said they reflected a markedly better budget execution and progress in budget execution forextra-budgetary beneficiaries.When one adds local government to that, we can say that we ended 2017 not just with a balanced budget but with a surplus, which is the main reason why the public debt fell for the second consecutive year, from 82.5 to 78%, Maric said.Pero Cosic of the HDZ said he feared the government would no longercare for the Djuro Djakovic company after taking it off the list of companies of ***strategic*** and special interest.Economy Minister Martina Dalic said the government respected and understood the company's importance for the town of Slavonski Brod and that the attention the government gave companies in which it was a shareholder was not related to any list.She said Djuro Djakovic's new management was given clear instructions tomake "the biggest effort" in looking for a ***strategic*** partner andexpanding the market and number of buyers, and that it must do its best to cut costs and with regard to restructuring.Dalic said the government, with a 38% interest in the company and expecting the support of the other part-owners, would continue tosupport every activity aimed at boosting production, increasing the number of clients and finding a ***strategic*** partner.Independent MP Tomislav Zagar said domestic ***agriculture*** was in a diresituation.***Agriculture*** Minister Tomislav Tolusic said he expected a new farmland law and European aid to help domestic ***agriculture***. He said he also expected more farms this year, a more efficient and competitive ***agriculture***, and that the negative trends would be turned around.PM says government will reduce VATZAGREB, Jan17(Hina) - Prime Minister Andrej Plenkovic said during Question Time in Parliament on Wednesday that the government would reduce Value Added Tax (VAT).Reminding Plenkovic that in the election campaign he promised that if he became prime minister he would reduce VAT, Marijo Habek of the Social Democrats (SDP) asked Plenkovic if he would keep his promise.Plenkovic briefly responded "Yes."The prime minister also commented on the process of ratifying the Istanbul Convention. The SDP-led government, which signed the convention, had two years to submit it for ratification but failed to do so, Plenkovic said.He recalled that last year he had said that Croatia would ratify the Conventionand added that the relevant minister had carried out everything necessary, including public consultation, which showed that the topic the Convention deals with - violence against women - is now receiving less attention and gender ideology has come into focus."It seems to me we need to shed light on this debate all the way and see what the Convention will bring us, on top of national legislation. So, we will do everything in this term in office to resolve this issue in the best possible way," Plenkovic said.Referring to the arbitration process with Slovenia, MP Ivan Vilibor Sincic of the Human Shield party said European Commission President Jean Claude Juncker and the EU had clearly stood by Slovenia and asked Plenkovic if Croatia would give in to pressure from Brussels and Ljubljana and allow Slovenia to take what had never belonged to it.Plenkovic disagreed with Sincic and said the European Commission has a pretty simple approach. It wanted to resolve the problem on the agenda, which they did not want but feel partly responsible because the former Commission had mediated in the signing of the arbitration agreement, he said.We are talking with Slovenia, we will insist on a rational dialogue, Plenkovic said.Opposition chief criticises PM for censorshipZAGREB, Jan17(Hina) - Social Democratic Party (SDP) chief Davor Bernardic on Wednesday criticised Prime Minister Andrej Plenkovic for censorship, asking him "Where's the money?" which in Croatian (Di su pare?) is the name of a satirical Facebook profile, to which Plenkovic responded there was no censorship in Croatia and that everyone was allowed to speak their mind responsibly and in accordance with the law."Why can't the 'Di su pare?' Facebook profile continue to be open in Croatia? It had over 300,000 followers, I followed it and I laughed when they wrote satirically about me. The government cannot ban satire or a Facebook profile," Bernardic said during Question Time in Parliament."I don't know if your question is the result ofteam building or an analytical approach to problems society and the government are faced with. As for the satire, humour and irony and those who wish to monitor phenomena in society that way, I am absolutely for that. I am a great advocateof a humorous approach to politics," Plenkovic responded.The government is open to all criticism in a witty fashion and it supports all freedoms, he stressed."As far as your allusion to film censorship, as far as Iknow, Croatian Radio Televisionindependently selectsits ***programme***. I believe the film (Ministry of Love) was aired and those who want tocan watch it and those who don't think it has any artistic value can also express their position. There is no censorship in Croatia and everyone can speak their mind responsibly and in accordance with the law," Plenkovic said, but addedthat this did not mean that hate speech should be allowed in the modern communicationera."One should make a distinction between what is humorousand what is insulting, especially when this is done on social networks by those who hide their identity," Plenkovic said, adding that the government would soon propose a law to regulate responsibility in public communication.Situation at national broadcaster discussed at Question TimeZAGREB, Jan17(Hina) - During Question Time in parliament on Wednesday, Sanja Putica ofthe ruling Croatian Democratic Union (HDZ)asked Culture Minister Nina Obuljen Korzinek about a letter which former members of the Supervisory Board of the HRT national broadcaster sent last week accusing the government of "covering up the truth about chaotic and uneconomical operations by the HRT."In response to the question, Minister Obuljen Korzinek called for substantiating arguments with facts in discussions on the national broadcaster."When we speak about the HRT, it would be advisable to use facts rather than impressions and particular interests. This refers to last week's statement by former members of the HRT Supervisory Board, which I have said were unfounded," the minister said.Those members have been relieved of their dutiesafter they went beyond the scope of the HRT law, she said.In this context, the minister pointed to irregularities in the board's report for 2016.The government has called on the new Supervisory Board, which is appointed by the parliament and not by the government, to consider and analyse all data and opinions of the previous Supervisory Board includingsuspicions about previous allegedwrongdoingin a bid to dispel any doubt.Social Democrat(SDP) Bojan Glavasevic asked Prime Minister Andrej Plenkovic if it was acceptable to him to see that members of his cabinet were editing the HRT ***programming***, alluding to the allegations that War Veterans' Affairs Minister Tomo Medved requested that national television should not show the film "Ministarstvo Ljubavi" (Ministry of Love), which some of the war veteran organisations find to be insulting to war widows.Plenkovic said that Minister Medved had not sent any letter regarding the film, which had stirred up a public debate, and told Glavasevic to address the question to the minister. He said that the government would not even think about dealing with editorial policies, let alone meddling inthe HRT's film ***programming***.NGO calls for enforcing laws to restrict hate speech, warns of risk of censorshipZAGREB, Jan17(Hina) - In a comment on announcements that a law on the prevention of hate speech on social networks would be adopted, the GONG non-governmental organisation said on Wednesday that the effect of existing laws should be analysed and the objectives of the new regulations defined before any legislative changes were undertaken as there was a risk of censorship and self-censorship."Room for hate speech should be restricted by enforcing existing laws, harmonising court practiceand improving the quality of democratic culture, in whichthe education system and the media have a particular responsibility,"GONG said in a statement.The new regulations must not result in unselective elimination of legitimate content and views in thesphere of public communication, it said."A critical attitude to events, persons and authorities is a legitimate expression of political and social positions and cannot be subject to the restriction of the freedom of speech," the NGO said.It noted that the Council of Europe clearly defined hate speech as "covering all forms of expression which spread, incite, promote or justify racial hatred, xenophobia, anti-Semitism or other forms of hatred based on intolerance, including: intolerance expressed by aggressive nationalism and ethnocentrism, discrimination and hostility against minorities, migrants and people of immigrant origin."Such speech, according to the practice of the European Court of Human Rights, does not enjoy protection as part of freedom of speech, GONG said."The discussion on the matter in the Croatian Radio and Television ***programme*** 'Otvoreno' of January 16 shows that some actors on the public scene either do not understand the concept of hate speech or want to manipulate it in order to change its meaning to restrict the possibility of critical evaluation of current and historical events. It is attempts like that in fact that would constitute censorship and restriction of freedom of expression,which iscontrary to the Croatian Constitution and laws," the NGO said.PM reports to parliament on European Council meetings in 2017ZAGREB, Jan 17 (Hina) - Migration, Europe's future and digital development were the main topics on the EU's agenda in 2017, Prime Minister Andrej Plenkovic said in parliament on Wednesday while presenting a report on meetings of the European Council in 2017, with emphasis on Croatia.Along with work on creating, implementing and following EU policies, Croatia in 2017 also presented a national strategy for the introduction of the euro, it continued meeting conditions for accession to the Schengen area of passport-free travel and continued advocating and supporting EU enlargement to Southeast Europe, the report notes.In 2017 the EU was presided over by Malta and Estonia, with Malta's presidency in the first half of the year having been marked by the issue of migration and political discussions about the future of the EU on the occasion of the 60th anniversary of the Treaty of Rome, while Estonia's presidency put emphasis on digital development, said Plenkovic.The EU continues the discussion on the reform of the asylum policy in 2018 and an agreement on the matter should be reached by June. However, the Visegrad Group countries are hampering the process by continuing to oppose binding quotas for the redistribution of refugees.In that context, Plenkovic said that Croatia had undertaken to take in 1,583 refugees from Greece, Italy and Turkey. So far, 60 people have been taken over from Greece, 21 from Italy and 48 from Turkey, he said, recalling that in December Croatia paid EUR 200,000 into the Fund for Africa.As for discussions on the future of Europe, Plenkovic said that he would present Croatia's positions on the matter at a plenary session of the European Parliament in early February.He underlined that by 2019 Croatia was expected to meet all technical requirements for accession to the Schengen area.Croatia will also continue meeting conditions for the introduction of the euro and hopes to be ready to enter the EU Exchange Rate Mechanism (ERM II), a kind of waiting room for the euro, by 2020, he said, adding that the country was expected to introduce the euro by the end of the term of the next government.As for further EU enlargement, he said that the European Commission would present a new enlargement strategy in February, and that the strategy was expected to include a message of encouragement to Southeast European countries to persist in their efforts to join the EU.The PM also recalled that in the first half of 2020 Croatia would be chairing the EU as part of a troika to preside over the EU over an 18-month period, the other two countries being Romania and Finland.The focus of Croatia's EU presidency will be on encouraging further EU enlargement, economic growth and employment, and better transport and energy connections in Europe, he said.Noting that EU enlargement would be one of the priorities of Bulgaria's EU presidency in the first half of this year, Plenkovic said that a summit of EU member countries and Western Balkan countries would be held in Sofia in May.He underlined that last year Croatia joined closer European cooperation in the field of defence (PESCO) together with 24 other EU members.That cooperation for the time being envisages 17 specific projects and Croatia is taking part in five of them, focusing on assistance in natural disasters, military deployability, military mobility, logistics and cyber security, he said.With regard to Brexit, he said that EU heads of state and government agreed at a summit in December that sufficient progress had been made in talks on Britain's exit from the EU and approved the second stage of the talks, to focus on a transition period and a framework for future relations.He recalled his attendance at a summit on fair jobs and growth, held in Gothenburg in November 2017, when the European Parliament, the Council and the EC declared the European Pillar of Social Rights with the aim of strengthening EU social law and making it possible for citizens to exercise their rights more efficiently based on 20 key principles.As for the issue of young people, Plenkovic said that youth unemployment in Croatia dropped from almost 48% in 2013 to 26% in 2017.He also noted that 2018 had been declared the European Year of Cultural Heritage and that this should be used to raise awareness of the social and economic importance of cultural heritage. Croatia will mark the year with international conferences "Underwater Cultural Heritage in Europe Today" and "The Best in Heritage - Dubrovnik".Social Democratic Party MP Josko Klisovic asked the prime minister how his government was positioning the country in the EU in light of a special statement that was sent to the common EU position on human rights, the Three Seas Initiative and Jerusalem.Last February, the Council of the EU adopted conclusions on EU priorities at UN human rights fora. Croatia, along with Hungary and Poland, has sent its views on the document and its statement has been assessed as being more conservative than those made by Poland and Hungary, Klisovic said.Plenkovic responded by saying that "apart from some internal comments in Croatia, no one saw this as a problem, nor did that statement change in any way the EU's position during discussions on many states and during thematic discussions at the Human Rights Council."As for the Three Seas Initiative, Plenkovic said that it has certain historical connotations, but that it is good because it aims to strengthen cooperation with countries that are close to Croatia linguistically and culturally and that it can help Croatia to better position itself politically and economically on the map of Europe, especially once the LNG terminal has been completed.On the subject of Jerusalem, the prime minister said that the fact that Croatia abstained from voting in the UN General Assembly in December on the resolution that condemned the decision by US President Donald Trump to recognise Jerusalem as the capital of Israel did not change Croatia's position on the two-state solution."The European Union did not have a consistent and coherent position in New York. We are not changing our two-state policy in any way. We thought that the initiative in the General Assembly was not necessary," he said. The resolution was backed by 128 of 193 UN member states.Responding to a question from Miro Bulj of the Bridge party about Serbia's EU accession talks and prosecution of war crimes in that country, Plenkovic said that Croatia had raised the issue of the legitimacy of the Serbian law on universal jurisdiction many times claiming that it violated not only the sovereignty of the neighbouring countries but also that of EU member states. He promised to continue closely monitoring the issue.Asked by Bridge MP Robert Podolnjak about the position Croatia would take with regard to the so-called nuclear option against Poland, Plenkovic said that right now this was only a risk.In December, the European Commission recommended to the Council of the EU to trigger the Article 7 procedure against Poland for violating the rule of law. The procedure may result in suspension of voting rights.Plenkovic said that the issue was not yet on the agenda of either the Council of the EU or the European Council and that no one in the EU had clearly articulated their position on the matter.Poland has been given three months to remove the problems identified by the Commission, and Croatia expects a solution to be found to avoid triggering Article 7, after which it would be very difficult to reverse the situation, the PM said.All maritime traffic services to go digital within three yearsZAGREB, Jan 17 (Hina) -The Ministry of the Sea, Transport and Infrastructure on Wednesday presented a project that ***plans*** to digitise all key public services in maritime trafficwith the aim of relieving red tape for all stakeholders in that segment.Addressing a conference on a single maritime interface and digitisation in maritime traffic, State Secretary for the SeaMaja Markovcic Kostelac underscored that the project's aim is to relieve red tape in the logistics chain for cargo transport at ports and for more efficient monitoring of data about passenger numbers, number of vessels sailing etc.The second phase of the Cimis project was presented at the conference, which electronically records vessel arrivals and departures as well as information exchange about ships, cargo and passengers.A HRK 12 million grant has been secured for the project, which is being jointly implemented by the ministry, Customs Administration, Rijeka and Ploce port administrations and which will establish a single IT platform for information exchange and data analysis.Markovcic Kostelac explained that the ministry is also developing an e-pomorac system so that Croatian seamen can do all administrative work via anIT interface without having to meet maritime authorities unless it is absolutely necessary.Regulator of network industries expects positive trends to continue in 2018ZAGREB, Jan17(Hina) - All markets regulated by the Croatian Regulatory Authority for Network Industries (HAKOM) -- postal, railway, electronic communications -- should generate even better results in 2018 and absorb more money from EU funds, HAKOM Council chairman Drazen Lucic said at the 5th Market Days in Zagreb on Wednesday.The annual event, organised by HAKOM, has brought togetherall relevant representatives of the said markets, as well as of the Ministry of the Maritime Affairs, Transport and Infrastructure, the Ministry of the Economy and SMEs, the Central Office for Digital Croatia, the Association of Foreign Investors in Croatia, etc."In 2017, all operators on all markets regulated by HAKOM had record-high investments and this year we expect positive trends to continue," Lucic said.Commenting on media headlines about the Internet in Croatia being much slower than in other EU countries, Lucic said this was not true and that every fifth connection on fixedlines had a speed of 30Mbps or more, but that the question was how many people were using it and were willing to pay for it.He also said that revenues on all three markets were up last year."HAKOM will continue to advocate a good and competitive game onall three markets, in line with EU regulations," Lucic said.UNICEF invests HRK 1.69M in support to children with autism spectrum disordersZAGREB, Jan17(Hina) - UNICEF and its partners have launched an HRK 1.69 million aid ***programme*** for children with autism spectrum disorders, as part of which 32 institutions have been given equipment and training courses for assisted communication.The ***programme*** coversnine medical institutions, 11 educational and healthcare institutions and 12 associations."Communication is necessary for expressing ourneeds, interests, thoughts. With this donation children with autism and other complex communication disorders will be given a chance to fully develop their potential," the head of the Zagreb Autism Centre, Zeljka Klopotan, told a news conference in Zagreb."Today we can see how efficiently various institutions can cooperate with civil society and how efficient projectscan improve the available systems,"Assistant Science and Education Minister Lidija Kralj said.The UNICEF Director for Europe and Central Asia, Afshan Khan, said that the technology provided in cooperation with private and public sector partners had the key role in helping children with autism spectrum disorders develop their full potential. She also welcomed efforts geared towards making that technology availableto every child in need of it through the national health insurance system.Zagreb mayor gives traditional New Year's diplomatic receptionZAGREB, Jan 18 (Hina) - Zagreb Mayor Milan Bandic on Wednesday gave a traditional New Year's reception for members of the diplomatic corps, thanking them for successful and productive cooperation in 2017.The mayor said the past year was marked by numerous challenges, but it was also a year of great successes and results.He said Zagreb was particularly proud of the fact that it had been affirmed as a significant business centre in this part of Europe."We hosted numerous political, science and cultural events that helped build bridges between peoples, cultures and states. I would like to stress how proud we are of Zagreb's cultural projects and especially of being able, after 40 years of efforts, to unveil a monument to Rudjer Boskovic in Milan last February," Bandic said.He also mentioned the anniversaries of friendship Zagreb marked with Lisbon and Mainz, adding that Croatia's capital would soon mark 50 years of friendship with Saint Petersburg, 20 years of friendship with Buenos Aires and 10 years of friendship with Pecs.The mayor also underscored the results the capital city is recording in the tourism sector and the fact that Zagreb had been declared the best Christmas destination for the past three years.On behalf of the diplomatic corps, apostolic nuncio in Croatia Giuseppe Pinto thanked the Zagreb mayor for the reception.Thaci assures Vucic Kosovo will accept "any help" in probe into Ivanovic assassinationZAGREB, Jan 18 (Hina) - Kosovo President Hashim Thaci told his Serbian counterpart Aleksandar Vucic on Wednesday that Pristina was willing to accept "any help" in the investigation into the assassination of Kosovo Serb leader Oliver Ivanovic.Thaci and Vucic talked on the telephone on Wednesday afternoon, the day after Ivanovic's murder in Kosovska Mitrovica, which has strained relations between Belgrade and Pristina and between Serbs and Albanians in Kosovo.Ivanovic, leader of the Serbian civil initiative in Kosovo, "Serbia, Democracy, Justice" (SDP), was killed by unidentified assassins outside his party's offices in the northern part of Kosovska Mitrovica on Tuesday morning.Vucic asked Thaci that the investigation into the assassination also include Serbian agencies, the office of the Serbian president said, and Thaci said on his Facebook wall that he had assured Vucic that "the Kosovo authorities are willing, in line with the relevant laws, to cooperate and accept any help."Thaci said that Kosovo institutions were investigating the case intensively in order to identify and arrest the perpetrators."Both presidents stressed the need to give the relevant agencies enough time to do their work in a professional and autonomous way," Thaci said.According to a statement from Vucic's office, the Serbian president once again asked Thaci to let Serbian agencies become involved in the investigation.Both presidents agreed that the dialogue between Serbs and Albanians, as well as cooperation in calming and stabilising the situation in Kosovo, was of crucial importance for both sides, said the statement from Vucic's office.Vucic is expected to visit Kosovo this weekend.Vucic said on Tuesday that Ivanovic's assassination was an act of terrorism, and asked EULEX, UNMIK and Kosovo police to allow Serbian services to participate in the investigation.On Wednesday, Kosovo Justice Minister Abelard Tahiri responded that all information, both from Albanians and from Serbs, that could help shed light on the murder was welcome, but that Belgrade's involvement in the investigation was not.The chief prosecutor in Kosovska Mitrovica, Shikri Sila, said that the murder was being investigated by two prosecutors, a Serb and an Albanian.Meanwhile, Serbian prosecutorial authorities have launched a preliminary investigation into the murder.Cerar denies agreement on border dispute resolution was reached with CroatiaZAGREB, Jan 18 (Hina) - Slovenian Prime Minister Miro Cerar on Wednesday strongly denied an article in the Croatian newspaper Vecernji List according to which he backed down from a draft agreement on resolution of the border dispute a day before his recent visit to Zagreb, saying that Slovenia was insisting on the implementation of the border arbitration ruling."The Vecernji List article about an agreement with Croatia is completely untrue. During the six-month period for the preparation of the implementation of the ruling, Slovenia tried hard to promote dialogue. Unfortunately, Croatia still refuses to implement the arbitration ruling, despite the fact that it is its obligation under international law," Cerar said in a Twitter post.He later told the press that the Croatian newspaper articlewas "deceiving and untrue" and that no agreement on border dispute resolution was reached with Croatia at any level, but that the purpose of the dialogue was to ensure implementation of the arbitration ruling."All this time I have been committed to dialogue with Croatia that would lead to implementation of the arbitration ruling," Cerar told a press conference after meeting with Portuguese Prime Minister Antonio Costa.Cerar said that the dialogue with Croatia had been conducted at two levels -at the political level involving him and Croatian Prime Minister Andrej Plenkovic, and at the level of experts. "We never reached any agreement," he stressed.Vecernji List said on Wednesday that an informal document, some sort ofprotocol on border dispute resolution, had been reached at the expert level before Cerar's visit to Zagreb and that Slovenia mostly agreed with it. However, Cerar reportedly withdrew from the deal after one of his coalition partners warned him not to sign anything, as a result of which Cerar changed his mind.Slovenian Foreign Minister Karl Erjavec commented on the Vecernji List article somewhat differently."Yes, there was quiet diplomacy at work, but for quiet diplomacy you need a credible partner. It is not possible to conduct quiet diplomacy with Croatia, as this case has shown," Erjavec said. He added that he would inform the European Commission that the Croatian high-circulation newspaper published what the two sides had discussed in confidence.Erjavec said that before Cerar's visit to Zagreb he had warned the prime minister not to sign anything because Croatia would try to take advantage of it to impose its own solutions."Croatia wanted to impose its own views in any way so that we would agree as part of a protocol where the border between the two countries runs," Erjavec said.In other news:Eurostat: Annual inflation down to EU and euro area, Croatia follows trendZAGREB, Jan17(Hina) -Annual inflation in both the European Union and euro area was down in December 2017 and similar trendswere recorded in Croatia, according to preliminary figures released by Eurostat, the statistical office of the European Union, on Wednesday.Consumer prices in the EU,measured by the Harmonised Index of Consumer Prices (HICP), were up 1.7% on the year in December 2017 andin November 2017 they were up 1.8%, according to Eurostat's report.Euro area annual inflation was 1.4% in December 2017, down from 1.5% in November.The lowest annual rates were registered in Cyprus (-0.4%), Ireland and Finland (both 0.5%) and Denmark(0.8%).The highest annual rates were recorded in Lithuania and Estonia (both 3.8%) and the United Kingdom(3.0%).In Croatia, annual inflation in December 2017, measured by HICP, slowed down to 1.3% from 1.6% in the previous three months, Eurostat said.Compared with November 2017, annual inflation fell in twenty-three member states, remained stable in four and rose in one.Consumer prices in Croatia in December 2017 dropped by 0.3% from November 2017.December sees decline in demand for cars in EU and in CroatiaZAGREB, Jan17(Hina) - Demand for new cars in Europe fell at the end of 2017, and Croatia also registered a strong decline after a rise in car sales for months, according to figures provided by the European Automobile Manufacturers Association (ACEA)."In December 2017, new passenger car registrations in the EU fell by 4.9%, totalling 1,088,498 units – mainly the result of the fact that December had one working day less in 2017 than in the preceding year," ACEA reported in a press release."Nearly all major EU markets contracted, except for the Spanish one (+6.2%). The United Kingdom’s car market posted its ninth straight month of decline, with registrations falling by 14.4% in December."In Croatia, there were a total of 2,024 new cars registered in December, with a sharp decline of 40.2% compared to December 2016."Overall in 2017, European demand for cars grew (+3.4%) for the fourth consecutive year, reaching more than 15 million new passenger cars registered for the first time since 2007," according to the report."Among the five big markets, Italy (+7.9%) and Spain (+7.7%) recorded the strongest gains, followed by France (+4.7%) and Germany (+2.7%). By contrast, last year demand for cars in the United Kingdom declined (-5.7%) for the first time in six years. Noteworthy is the strong performance of the new EU member states, where registrations went up by 12.8% during the year."In Croatia, 50,412 new cars were registered throughout2017, 17.2% more than in 2016, according to the ACEA statistics.ZSE indices end in redZAGREB, Jan 17 (Hina) - The main Zagreb Stock Exchange (ZSE) indices fell on Wednesday, with the Crobex dropping by 0.17% to HRK 1,876.37 points and the Crobex10 by 0.39% to 1,086.95 points.Regular turnover was HRK 5.4 million, some 3.3 million less than on Tuesday, while an additional turnover of HRK 2.82 million was generated in block trading with shares of the Atlantic retail group.Atlantic shares also generated the highest turnover in regular trading, of HRK 611,200. They closed at HRK 940 per share, the same price they were traded at in the block transaction.(EUR 1 = HRK 7.440300)THIS BULLETIN INCLUDES ITEMS RELEASED BY 0835HRS THURSDAY. 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ZAGREB, Jan17(Hina) - Croatian President Kolinda Grabar-Kitarovic said in Sarajevo on Wednesday that Croatia had always been and would remain Bosnia and Herzegovina's friend as well as a strong advocate of the equality of all its peoples and citizens, expressing at the same time regret about unnecessary political conflicts between the two countries' officials over the past weeks, including accusations against her coming from Bosnia and Herzegovina.

ZAGREB, Jan 17 (Hina) - Croatian President Kolinda Grabar-Kitarovic and the international community's High Representative to Bosnia and Herzegovina, Valentin Inzko, agreed at a meeting in Sarajevo on Wednesday that it was necessary for political parties in Bosnia and Herzegovina to agree on amendments to electoral legislation so that a new government could be formed after a general election in October.

ZAGREB, Jan 17 (Hina) - Croatian President Kolinda Grabar-Kitarovic said on Wednesday there were no obstacles to the construction of the Peljesac Bridge, emphasising that it was a very important development project for Croatia and posed nothreat to the interests of Bosnia and Herzegovina.

ZAGREB, Jan 17 (Hina) - The situation in Bosnia and Herzegovina must be stabilised because there is a risk of many people emigrating because they do not want to live in an insecure environment, the Archbishop of Sarajevo, Cardinal Vinko Puljic, told a press conference on Wednesday after meeting with Croatian President Kolinda Grabar-Kitarovic during her official visit to Bosnia and Herzegovina.

Puljic said he was glad that Grabar-Kitarovic had come to Sarajevo again after her previous visit two years ago. "I hope her visit will help create an atmosphere of cooperation and understanding," he added.

Puljic said he had informed the Croatian president about the state of the Catholic Church in Bosnia and Herzegovina and the Croats, who are mostly Catholic.

"I hope efforts will be made in Bosnia and Herzegovina this year to create security that will stop emigration," the cardinal said, warning that no one wants to live in an insecure environment and that therefore it is necessary to stabilise the situation in Bosnia and Herzegovina as soon as possible.

"We need to love this country and fight for it, but we cannot build it if someone is considered privileged in it. We live here and we want to continue living here," Puljic said.

The Croatian president continues her visit on Thursday when she is scheduled to visit Nova Bila, Vitez, Zepce and Usora.

ZAGREB, Jan 17 (Hina) - Representatives of the Mothers of Srebrenica NGOon Wednesday paid their respects to Croatia's President Kolinda Grabar-Kitarovic for the support she has shown them andadded that there is no misunderstanding between them and that she continues to be the "Queen of the Balkans" as far as they are concerned.

ZAGREB, Jan17(Hina) - Only a few protesters rallied outside Croatia's embassy in Sarajevo on Wednesday when Croatian President Kolinda Grabar-Kitarovic arrived for a three-day visit to Bosnia and Herzegovina.

ZAGREB, Jan 18 (Hina) - US Assistant Secretary of State for Europe and Eurasia Wess Mitchell said at talks with Croatian Minister of the Interior Davor Bozinovic in Washington on Wednesday that Croatia was crucial for the stability of Southeast Europe and set an example in terms of the rule of law and successful Euro-Atlantic integration.

In that sense, it has an important role in completing the Euro-Atlantic integration of other Southeast European countries, Mitchel said at the meeting, adding that one of the priorities of the current US administration was to have strong ***strategic*** relations with Croatia.

Bozinovic is the first Croatian minister of the interior to visit the State Department during the term of the current administration.

US supports construction of NLG terminal on Krk, settlement of Croatia-Slovenia border issue

Also discussed at the talks was the Croatia-US ***strategic*** partnership in the context of bilateral relations and the two countries' joint role in Southeast Europe.

Special emphasis was placed on the continuation of cooperation in a project to build a liquefied natural gas (LNG) terminal on the island of Krk, which is important both in terms of energy security and in terms of diversification, and which the US considers a ***strategic*** project.

Bozinovic informed the US official about a special law to be adopted to facilitate the implementation of the project, while Mitchel confirmed that it was one of the ***strategic*** projects also for President Donald Trump's administration and enjoyed full US support.

Mitchel was particularly interested in Croatia's position on the dynamic of relations with Slovenia in light of an international arbitration ruling on the two countries' border dispute.

Bozinovic informed him in detail of the chronology of the case, as well as of Croatia's position on the matter, stressing that Slovenia's attempt to unilaterally implement the arbitration ruling was not possible and that Croatia was in favour of dealing with the matter bilaterally.

In line with that, Croatia has given Slovenia a concrete proposal in the form of a protocol which specifies steps to be taken and confirms Croatia's constructive approach to the issue, said Bozinovic.

Mitchel said his country expected the two EU and NATO allies to deal with the matter constructively and conveyed his country's readiness to possibly join in efforts to reach an agreement, if the two countries so decide.

He said that he would visit the region in the spring this year.

Meeting with Senator Johnson

After visiting the State Department, Bozinovic also visited the Senate and met there with Senator Ron Johnson whom he informed of the current situation in Croatia and Southeast Europe.

They also discussed the LNG terminal on Krk, stressing in that context Croatia's ***strategic*** position which, they said, both the US and Croatia were interested in utilising.

Bozinovic said the talks also focused on the fight against terrorism and organised crime.

Commenting on a reporter's remark that despite the slogan of the new US administration "America first", the interest of the US administration in this part of the world was not waning, Bozinovic said: "America first, but an America which is aware that Croatia is its most stable partner in Southeast Europe."

ZAGREB, Jan 17 (Hina) - Prime Minister Andrej Plenkovic said on Wednesday that seven renowned finance houseshad submitted bids to the government's call for consultants in the buyout ofHungarian oil company MOL's stake in its Croatian peer INA.

Earlier on Wednesday, Finance Minister Zdravko Maric said that seven bids had been submitted so far for the position of the government's financial consultant for a possible buyout of its stake in the INA oil company and subsequent sale to a ***strategic*** partner. Speaking on Croatian Radio, he said the whole procedure was being conducted transparently. In mid-December, the government called for bids at 18 addresses for submission by January 15.

Maric said the calls were sent to the most eminent companies in the field and that all were interested, but that some did not respond due to a possible conflict of interest because they might have been consultants for the Hungarian energy company MOL, the majority stakeholder in INA.Maric said seven bids had been submitted and that there would be a dozen "very quality bids" eventually because the submission deadline was extended.

He said it would take some time to examine them "because it's a complex matter." The energy and finance ministries will analyse the bids and then submit them to the government, and it remains to be seen if the bidders will be shortlisted or if a consultant will be chosen immediately, he added.

ZAGREB, Jan 17 (Hina) - Fertiliser ***producer*** Petrokemija announced on Wednesday that the INA company would suspend natural gas deliveries to it as of Thursday because of problems with collecting payments for the previous deliveries.

ZAGREB, Jan 17 (Hina) - Croatian Prime Minister Andrej Plenkovic told parliament during Question Time on Wednesday that he expected the European Commission to provide Zagreb very soon with its position on the government's approval of a state guarantee for the Uljanik shipyard to help with its restructuring and financial consolidation.

ZAGREB, Jan17(Hina) - During Question Time on Wednesday, Finance Minister Zdravko Maric boasted about the state of and trends inpublic finances, arevenue surplus and areduction of the public debt for a second consecutive year, saying Croatia was spending what it was earning.

ZAGREB, Jan17(Hina) - Prime Minister Andrej Plenkovic said during Question Time in Parliament on Wednesday that the government would reduce Value Added Tax (VAT).

ZAGREB, Jan17(Hina) - Social Democratic Party (SDP) chief Davor Bernardic on Wednesday criticised Prime Minister Andrej Plenkovic for censorship, asking him "Where's the money?" which in Croatian (Di su pare?) is the name of a satirical Facebook profile, to which Plenkovic responded there was no censorship in Croatia and that everyone was allowed to speak their mind responsibly and in accordance with the law.

ZAGREB, Jan17(Hina) - During Question Time in parliament on Wednesday, Sanja Putica ofthe ruling Croatian Democratic Union (HDZ)asked Culture Minister Nina Obuljen Korzinek about a letter which former members of the Supervisory Board of the HRT national broadcaster sent last week accusing the government of "covering up the truth about chaotic and uneconomical operations by the HRT."

ZAGREB, Jan17(Hina) - In a comment on announcements that a law on the prevention of hate speech on social networks would be adopted, the GONG non-governmental organisation said on Wednesday that the effect of existing laws should be analysed and the objectives of the new regulations defined before any legislative changes were undertaken as there was a risk of censorship and self-censorship.

ZAGREB, Jan 17 (Hina) - Migration, Europe's future and digital development were the main topics on the EU's agenda in 2017, Prime Minister Andrej Plenkovic said in parliament on Wednesday while presenting a report on meetings of the European Council in 2017, with emphasis on Croatia.

Along with work on creating, implementing and following EU policies, Croatia in 2017 also presented a national strategy for the introduction of the euro, it continued meeting conditions for accession to the Schengen area of passport-free travel and continued advocating and supporting EU enlargement to Southeast Europe, the report notes.

In 2017 the EU was presided over by Malta and Estonia, with Malta's presidency in the first half of the year having been marked by the issue of migration and political discussions about the future of the EU on the occasion of the 60th anniversary of the Treaty of Rome, while Estonia's presidency put emphasis on digital development, said Plenkovic.

The EU continues the discussion on the reform of the asylum policy in 2018 and an agreement on the matter should be reached by June. However, the Visegrad Group countries are hampering the process by continuing to oppose binding quotas for the redistribution of refugees.

In that context, Plenkovic said that Croatia had undertaken to take in 1,583 refugees from Greece, Italy and Turkey. So far, 60 people have been taken over from Greece, 21 from Italy and 48 from Turkey, he said, recalling that in December Croatia paid EUR 200,000 into the Fund for Africa.

As for discussions on the future of Europe, Plenkovic said that he would present Croatia's positions on the matter at a plenary session of the European Parliament in early February.

He underlined that by 2019 Croatia was expected to meet all technical requirements for accession to the Schengen area.

Croatia will also continue meeting conditions for the introduction of the euro and hopes to be ready to enter the EU Exchange Rate Mechanism (ERM II), a kind of waiting room for the euro, by 2020, he said, adding that the country was expected to introduce the euro by the end of the term of the next government.

As for further EU enlargement, he said that the European Commission would present a new enlargement strategy in February, and that the strategy was expected to include a message of encouragement to Southeast European countries to persist in their efforts to join the EU.

The PM also recalled that in the first half of 2020 Croatia would be chairing the EU as part of a troika to preside over the EU over an 18-month period, the other two countries being Romania and Finland.

The focus of Croatia's EU presidency will be on encouraging further EU enlargement, economic growth and employment, and better transport and energy connections in Europe, he said.

Noting that EU enlargement would be one of the priorities of Bulgaria's EU presidency in the first half of this year, Plenkovic said that a summit of EU member countries and Western Balkan countries would be held in Sofia in May.

He underlined that last year Croatia joined closer European cooperation in the field of defence (PESCO) together with 24 other EU members.

That cooperation for the time being envisages 17 specific projects and Croatia is taking part in five of them, focusing on assistance in natural disasters, military deployability, military mobility, logistics and cyber security, he said.

With regard to Brexit, he said that EU heads of state and government agreed at a summit in December that sufficient progress had been made in talks on Britain's exit from the EU and approved the second stage of the talks, to focus on a transition period and a framework for future relations.

He recalled his attendance at a summit on fair jobs and growth, held in Gothenburg in November 2017, when the European Parliament, the Council and the EC declared the European Pillar of Social Rights with the aim of strengthening EU social law and making it possible for citizens to exercise their rights more efficiently based on 20 key principles.

As for the issue of young people, Plenkovic said that youth unemployment in Croatia dropped from almost 48% in 2013 to 26% in 2017.

He also noted that 2018 had been declared the European Year of Cultural Heritage and that this should be used to raise awareness of the social and economic importance of cultural heritage. Croatia will mark the year with international conferences "Underwater Cultural Heritage in Europe Today" and "The Best in Heritage - Dubrovnik".

Social Democratic Party MP Josko Klisovic asked the prime minister how his government was positioning the country in the EU in light of a special statement that was sent to the common EU position on human rights, the Three Seas Initiative and Jerusalem.

Last February, the Council of the EU adopted conclusions on EU priorities at UN human rights fora. Croatia, along with Hungary and Poland, has sent its views on the document and its statement has been assessed as being more conservative than those made by Poland and Hungary, Klisovic said.

Plenkovic responded by saying that "apart from some internal comments in Croatia, no one saw this as a problem, nor did that statement change in any way the EU's position during discussions on many states and during thematic discussions at the Human Rights Council."

As for the Three Seas Initiative, Plenkovic said that it has certain historical connotations, but that it is good because it aims to strengthen cooperation with countries that are close to Croatia linguistically and culturally and that it can help Croatia to better position itself politically and economically on the map of Europe, especially once the LNG terminal has been completed.

On the subject of Jerusalem, the prime minister said that the fact that Croatia abstained from voting in the UN General Assembly in December on the resolution that condemned the decision by US President Donald Trump to recognise Jerusalem as the capital of Israel did not change Croatia's position on the two-state solution.

"The European Union did not have a consistent and coherent position in New York. We are not changing our two-state policy in any way. We thought that the initiative in the General Assembly was not necessary," he said. The resolution was backed by 128 of 193 UN member states.

Responding to a question from Miro Bulj of the Bridge party about Serbia's EU accession talks and prosecution of war crimes in that country, Plenkovic said that Croatia had raised the issue of the legitimacy of the Serbian law on universal jurisdiction many times claiming that it violated not only the sovereignty of the neighbouring countries but also that of EU member states. He promised to continue closely monitoring the issue.

Asked by Bridge MP Robert Podolnjak about the position Croatia would take with regard to the so-called nuclear option against Poland, Plenkovic said that right now this was only a risk.

In December, the European Commission recommended to the Council of the EU to trigger the Article 7 procedure against Poland for violating the rule of law. The procedure may result in suspension of voting rights.

Plenkovic said that the issue was not yet on the agenda of either the Council of the EU or the European Council and that no one in the EU had clearly articulated their position on the matter.

Poland has been given three months to remove the problems identified by the Commission, and Croatia expects a solution to be found to avoid triggering Article 7, after which it would be very difficult to reverse the situation, the PM said.

ZAGREB, Jan 17 (Hina) -The Ministry of the Sea, Transport and Infrastructure on Wednesday presented a project that ***plans*** to digitise all key public services in maritime trafficwith the aim of relieving red tape for all stakeholders in that segment.

ZAGREB, Jan17(Hina) - All markets regulated by the Croatian Regulatory Authority for Network Industries (HAKOM) -- postal, railway, electronic communications -- should generate even better results in 2018 and absorb more money from EU funds, HAKOM Council chairman Drazen Lucic said at the 5th Market Days in Zagreb on Wednesday.

ZAGREB, Jan17(Hina) - UNICEF and its partners have launched an HRK 1.69 million aid ***programme*** for children with autism spectrum disorders, as part of which 32 institutions have been given equipment and training courses for assisted communication.

ZAGREB, Jan 18 (Hina) - Zagreb Mayor Milan Bandic on Wednesday gave a traditional New Year's reception for members of the diplomatic corps, thanking them for successful and productive cooperation in 2017.

The mayor said the past year was marked by numerous challenges, but it was also a year of great successes and results.

He said Zagreb was particularly proud of the fact that it had been affirmed as a significant business centre in this part of Europe.

"We hosted numerous political, science and cultural events that helped build bridges between peoples, cultures and states. I would like to stress how proud we are of Zagreb's cultural projects and especially of being able, after 40 years of efforts, to unveil a monument to Rudjer Boskovic in Milan last February," Bandic said.

He also mentioned the anniversaries of friendship Zagreb marked with Lisbon and Mainz, adding that Croatia's capital would soon mark 50 years of friendship with Saint Petersburg, 20 years of friendship with Buenos Aires and 10 years of friendship with Pecs.

The mayor also underscored the results the capital city is recording in the tourism sector and the fact that Zagreb had been declared the best Christmas destination for the past three years.

On behalf of the diplomatic corps, apostolic nuncio in Croatia Giuseppe Pinto thanked the Zagreb mayor for the reception.

ZAGREB, Jan 18 (Hina) - Kosovo President Hashim Thaci told his Serbian counterpart Aleksandar Vucic on Wednesday that Pristina was willing to accept "any help" in the investigation into the assassination of Kosovo Serb leader Oliver Ivanovic.

Thaci and Vucic talked on the telephone on Wednesday afternoon, the day after Ivanovic's murder in Kosovska Mitrovica, which has strained relations between Belgrade and Pristina and between Serbs and Albanians in Kosovo.

Ivanovic, leader of the Serbian civil initiative in Kosovo, "Serbia, Democracy, Justice" (SDP), was killed by unidentified assassins outside his party's offices in the northern part of Kosovska Mitrovica on Tuesday morning.

Vucic asked Thaci that the investigation into the assassination also include Serbian agencies, the office of the Serbian president said, and Thaci said on his Facebook wall that he had assured Vucic that "the Kosovo authorities are willing, in line with the relevant laws, to cooperate and accept any help."

Thaci said that Kosovo institutions were investigating the case intensively in order to identify and arrest the perpetrators.

"Both presidents stressed the need to give the relevant agencies enough time to do their work in a professional and autonomous way," Thaci said.

According to a statement from Vucic's office, the Serbian president once again asked Thaci to let Serbian agencies become involved in the investigation.

Both presidents agreed that the dialogue between Serbs and Albanians, as well as cooperation in calming and stabilising the situation in Kosovo, was of crucial importance for both sides, said the statement from Vucic's office.

Vucic is expected to visit Kosovo this weekend.

Vucic said on Tuesday that Ivanovic's assassination was an act of terrorism, and asked EULEX, UNMIK and Kosovo police to allow Serbian services to participate in the investigation.

On Wednesday, Kosovo Justice Minister Abelard Tahiri responded that all information, both from Albanians and from Serbs, that could help shed light on the murder was welcome, but that Belgrade's involvement in the investigation was not.

The chief prosecutor in Kosovska Mitrovica, Shikri Sila, said that the murder was being investigated by two prosecutors, a Serb and an Albanian.

Meanwhile, Serbian prosecutorial authorities have launched a preliminary investigation into the murder.

ZAGREB, Jan 18 (Hina) - Slovenian Prime Minister Miro Cerar on Wednesday strongly denied an article in the Croatian newspaper Vecernji List according to which he backed down from a draft agreement on resolution of the border dispute a day before his recent visit to Zagreb, saying that Slovenia was insisting on the implementation of the border arbitration ruling.

ZAGREB, Jan17(Hina) -Annual inflation in both the European Union and euro area was down in December 2017 and similar trendswere recorded in Croatia, according to preliminary figures released by Eurostat, the statistical office of the European Union, on Wednesday.

ZAGREB, Jan17(Hina) - Demand for new cars in Europe fell at the end of 2017, and Croatia also registered a strong decline after a rise in car sales for months, according to figures provided by the European Automobile Manufacturers Association (ACEA).

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HINA Digest

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**Body**

Zagreb, 12 April 2018 (Hina) - Seselj found guilty of deportation of Croats, given 10 yrsZAGREB, April 11(Hina) - Serbian Radical Partyleader Vojislav Seselj is responsible for the persecution and deportation of Vojvodina Croats by giving ahate-mongering speech in Hrtkovci on 6 May 1992, the Appeals Chamber of the Mechanism for International Criminal Tribunals (MICT), the successor to the International Criminal Tribunal for the former Yugoslavia (ICTY), saidin afinal verdict on Wednesday.The MICT Appeals Chamber sentenced him to ten years' imprisonment and counted the time he had spent in the ICTY's detention against the sentence.Systematic and widespread crimes occurred in Croatia and Bosnia and Herzegovina (BiH) and the trial chamber erred by finding otherwise, MICT said.Seselj did not attend today's hearing. Two years ago, hewas acquitted of allwar crimes chargespending appealand the ICTY prosecutionappealed, asking thatthe acquittal bequashedover graveerrors by the ICTY trial chamber.The prosecution said that despite abundant evidence, the trial chamber brought a "stunning"finding that there had beenno systemic and widespread attacks on non-Serbs in Croatia and BiH, that there had been no joint criminal enterprise, and that Seselj was not responsible for persecutions, murder and other war crimes in Croatia and BiH and against Croats in Vojvodina, Serbia.The prosecution also askedthat it be found that Seselj contributed significantly to that criminal enterprise with his hate-mongering speeches and by deploying volunteers, thus instigating crimes, and that the Appeals Chamber sentence him to 28 years in prison or order a retrial.On 31 March 2016, Trial Chamber III of the ICTY acquitted Seseljof all charges of the indictment, finding that the ***plan*** to create a Great Serbia was a political project and not a crime.It also found that there was no evidence that Seselj was criminally responsible for deploying volunteer fighters because it was not proven that this was done for criminal purposes but was possibly meant to protect Serbs.It also ruled that nationalist ideology propaganda was not a crime in itself.

It ruled that Seselj's hate-mongering speeches served to raise soldiers' morale on the ground and that they did not result in persecution. The trial chamber also ruled by a majority vote that there was no joint criminal enterprise led by Milosevic because the purpose of the consensus among Serb officials was the defence of Serbs and the preservation of Yugoslavia, rather than the commission of crimes.MICT: Seselj's speeches were inflammatory, clear link between Hrtkovci speech and crimeZAGREB, April 11(Hina) - Serbian Radical Party presidentVojislav Seselj's speeches during the war in the former Yugoslavia were inflammatory and aimed at the persecution of non-Serbs, and there is a clear link between the speech in which he called for the persecution of Vojvodina Croats and the crime itself,the Appeals Chamber of the Mechanism for International Criminal Tribunalssaid in a final judgement on Wednesday, sentencing Seselj to ten years' imprisonment.Five judges led by Theodor Meronfound that, with his speech in Hrtkovci, Serbia on 6 May 1992, in which he called for the persecution of Croats, Seseljcommitted a crime against humanity by inciting and substantially contributing to the persecution and deportation of Croats that followed."The Appeals Chamber considers that, in light of Mr. Seselj's influence over the crowd and thestriking parallels between his inflammatory words and the acts subsequently perpetrated by,among others, members of his audience, Mr. Seselj substantially contributed to the conduct ofthe perpetrators, thereby instigating the crimes of persecution, deportation, and otherinhumane actsas crimes against humanity," Judge Meron said.The judges found that Seselj's speeches in Mali Zvornik, BiH and before the Serbian parliament, in which he threatened"rivers of blood",contributed to fear among non-Serb populations and incited to ethnic cleansingbut that, due to thelapse of time between the speechesand the commission of the crimes, there was no reasonable link between them.As for Seselj's speeches in the Vukovar area, Croatia, the Appeals Chamber found that the trial chamber did not err in its findingthat that their content was not established beyond reasonable doubt.The Appeals Chamber found Seselj guilty on three of nine counts of the indictment.Croatia satisfied with guilty verdict against Seselj, regrets mild sentenceZAGREB, April 11 (Hina) - Croatia is satisfied with the guilty verdict against Vojislav Seselj, handed down earlier on Wednesday by the UN court in The Hague, but considers the pronounced sentence to be far too mild with respect to the acts committed and their consequences, the Croatian Foreign and European Affairs Ministry said in a press release.The Appeals Chamber of the Mechanism for International Criminal Tribunals (MICT), the successor to the International Criminal Tribunal for the former Yugoslavia (ICTY), said in a final verdict that Serbian Radical Party leader Seselj is responsible for the persecution and deportation of Vojvodina Croats by giving an inflammatory speech in Hrtkovci on 6 May 1992.The MICT Appeals Chamber sentenced him to ten years' imprisonment and counted the time he had spent in the ICTY's detention against the sentence, which is 11 and a half years, so Seselj will not have to go back to prison."The Ministry also welcomes the important finding of the Mechanism regarding the existence of a systematic and widespread attack against the non-Serbian civilian population, in which Vojislav Seselj also participated, as a confirmation of ***planned*** criminal activity aimed at creating a Greater Serbia. At the same time, the Ministry considers the pronounced sentence to be far too mild with respect to the acts committed and their consequences," read the press release.The ministry expresses its regret that the Appeals Chamber failed to find Seselj responsible for committing and being involved in committing the gravest crimes against humanity and war crimes during the aggression against Croatia and Bosnia and Herzegovina."The Ministry also expresses its regrets that the Appeals Chamber failed to find Vojislav Seselj responsible for participating in the joint criminal enterprise aimed at permanently removing the non-Serbian population, primarily Croats and Bosniaks, from the areas that the then Serbian political and military leadership considered to be Serbian," the press release said.As one of the main advocates of the idea of a Greater Serbia, with the western border Virovitica-Karlovac-Karlobag, Seselj, through his inflammatory and barbaric rhetoric, motivated and instigated his volunteers, as well as other Serbian troops to the persecution and killing of Croats and Bosniaks, the Croatian foreign ministry said.The Croatian government especially sympathises with all the victims and families of victims of the crimes committed during and under the aegis of the Greater Serbian aggression, who regretfully, after more than two decades of waiting, have not seen long-awaited justice being served today."The Government of the Republic of Croatia will continue to promote the truth about the Homeland War and the role of all those who in any way participated in committing war crimes during the aggression against the Republic of Croatia and will persist in demanding their punishment," the press release said.Documenta: Seselj punished for war-mongeringZAGREB, April 11 (Hina) - The Croatian nongovernmental organisation Documenta said on Wednesday that the decision by the Mechanism for International Criminal Tribunals (MICT) to overturn the acquittal of Serbian Radical Party leader Vojislav Seselj penalised the spreading of ethnic hatred and a war-mongering policy which had resulted in the persecution of tens of thousands of people and killing of more than 900 in Croatia, Bosnia and Herzegovina and the northern Serbian province of Vojvodina.The appeals chamber of the MICT, the successor to the International Criminal Tribunal for the former Yugoslavia (ICTY) in The Hague, on Wednesday reversed the acquittal, handed down in 2016, and found Seselj guilty of three counts of crimes against humanity, sentencing him to 10 years in prison. Seselj will not have to serve the sentence because he had spent 11 and a half years in pre-trial detention in The Hague before he was released to undergo treatment for colon cancer in Serbia. He did not attend today's hearing.Judges found that non-Serbs in Croatia and Bosnia and Herzegovina had been subjected to systematic and widespread attacks, and that there was a connection between Seselj's speech in the predominantly Croat village of Hrtkovci in Vojvodina and subsequent crimes there.Seselj's speech in Hrtkovci on May 6, 1992 was a clear call for the expulsion and forcible transfer of non-Serbs and a considerable contribution to the commission of crimes against humanity through persecutions on political and religious grounds, deportations and inhumane acts, Documenta said."It is important to point out that the spreading of ethnic hatred and a war-mongering policy which resulted in the persecution of tens of thousands of people and killing of more than 900, the destruction of whole villages and places of worship, the torture and rape of civilians and prisoners of war in Croatia, Bosnia and Herzegovina and Vojvodina have been penalised by this ruling of the appeals chamber," Documenta said.The confusing indictment by MICT prosecutors, continued obstruction of the legal process and the inadequate capacity of the trial chamber resulted in the most deplorable ICTY trial chamber ruling to date, the NGO said.Croats in Vojvodina consider Seselj's conviction "little solace"ZAGREB, April 11 (Hina) - Croats in Vojvodina, Serbia, believethat Vojislav Seselj's conviction for the persecution and deportation, primarily ofCroats in the Srijem area, is of little solace for everything that was done to the Croat community during the 1990s.The Mechanism for International Criminal Tribunals (MICT) on Wednesday convicted the leader of the Serb Radical Party for being responsible for the persecution and deportation of Vojvodina Croats during the 1990s sentencing him to 10 years.Seselj however will not be going to prison because he hadspent 11.5 years in detention already.The president of the Democratic Alliance of Croats in Vojvodina (DSHV), Tomislav Zigmanov, said that this was the first official admission by a high international court that crimes were committed against Croats in Vojvodina."We could say that a little justice has been served. We won't talk about whether the length of the sentence corresponds to the crimes but we have to say that the tribunal confirmed what representatives of the Croat minorities and victims have been saying for years - that crimes against Croats in Vojvodina did occur. And that these were not individual crimes but part of broader policies and activities committed by paramilitary units and political stakeholders in Serbia," Zigmanov underscored."The crimes committed were backed by state structures and paramilitary and police forces."He expects that now after this admission, "policies of facing the past will continue to be implemented," and that other crimes against Croats in Vojvodina too will be brought to trial and their perpetrators brought to justice."It is to be expected that the MICT ruling will strengthen policies of facing the past in the former Yugoslavia," Zigmanov told Hina, "because we shouldn't forget that 25 people were killed and about 35,000 were deported," from Vojvodina.He recalled that "there was no war in Serbia," and that Serbian citizens - ethnic Croats - did not show any disloyalty to that state.Bosnia partly satisfied with Seselj convictionZAGREB, April 11 (Hina) - The Mechanism for International Criminal Tribunals (MICT) conviction of Vojislav Seseljfor war crimes, sentencing him to ten years in prison, was described in Bosnia and Herzegovina as late but nevertheless important for the satisfaction of the victims of his actions which included hate-mongering and the expulsion of non-Serbs from that country.Most electronic media in the country broadcastthe MICT ruling live and almost all of them underscored the importance of the fact that he was foundguilty, which at least partly fulfils the expectations of the victims of ethnic persecution and families of thosekilled or still unaccounted for."We aren't satisfied with the length of the prison term, however no sentence can bring back the dead," said the president of aPOWs association, Jasmin Meskovic, adding that justice was partly served as Seselj was found guilty of crimes against humanity.Hajra Catic of the Women of Srebrenica association was deeply disappointed with the conviction because she expected it to be a lot more drastic.She told reporters that the MICT ruling was in fact "shameful," and yet another similar one to those passed by the International Criminal Tribunal for the Former Yugoslavia (ICTY)."He has been convicted only on three counts. We are truly disappointed and this isn't the first time that the ICTY and now MICT have done this," Catic told reporters.President of the "Women - War Victims," association, Bakira Hasecic, said that the victims are never satisfied, butin this case, justice has in some way been served."Knowing that the first instance ruling acquitted Seselj and today he was convicted to ten years for crimes against humanity, I have to say that in some way, justice has been servedfor what Seselj and the men under his command did in all of Bosnia and Herzegovina," Hasecic said as cited by the Avaz news website.She believes that the most important thing is thatSeselj has been "branded as a war criminal," and the MICT ruling has confirmed that Serbia participated in the aggression against Bosnia and Herzegovina.Seselj says sentence is scandalous, unfounded: announces appealZAGREB, April 11(Hina) - Serbian Radical Party leader and MP Vojislav Seselj said on Wednesday the ten-year final sentence against him was scandalous and that he wouldappeal, denying the charges of a systematic and widespread attack against Croats in Hrtkovci, Serbia.Commenting on the sentence for the persecution of Croats in Vojvodinahanded down today bythe Appeals Chamber of the Mechanism for International Criminal Tribunals, Seselj told Serbian Informer tabloidthe judges in The Hague had to "justify themselves" somehow.He said that "legally speaking, the sentence is scandalous... There was no widespread and systematic attack on Croats in Hrtkovci. And my incitement could have happened only as part of that systematic and widespread attack."Seselj admitted that he had advocated the expulsion of Croats, explaining it with theneed for reciprocity to the extent that Serbs had been expelled from Croatia.He said "theonly goal" of the Appeals Chamberwas "to somewhat cover the time" he spentin the detention of the Hague war crimes tribunal. "The sentence is not based on any legal principle whatsoever. It's shameful, just as the Tribunal as a whole is shameful."Seselj said the Appeals Chamber could only have reduced or increased a conviction had it been handed down by the trial chamber. "But since it was an acquittal, they couldn't turn it into a conviction. I will appeal this sentence."Electronic media in Serbia said Seselj was found guiltybut that he had already served the sentence as he spent 11 and a half years in the Hague tribunal's detention.Plenkovic calls on MPs to vote for Istanbul ConventionZAGREB, April 11 (Hina) - Prime Minister Andrej Plenkovic on Wednesday called on Croatian lawmakers to support the bill ratifying the Council of Europe Convention on preventing and combating violence against women and domestic violence, known as the Istanbul Convention, saying that it would strengthen the national mechanisms in preventing violence against women and domestic violence.In the last five years 195 people have been killed in Croatia, including 91 women. In 70 percent of cases women were killed by persons close to them and in 54 percent of cases by their partners. Last year, 12,000 offences involving domestic violence were recorded, in which 8,000 women were victims, as well as 552 acts of domestic violence in 84 percent of which women were victims, the PM said."The Convention deals with this worrying social phenomenon and offers specificmeasuresfor prevention of violence, protection of victims and prosecution of perpetrators," Plenkovic said while introducing the bill in Parliament.He noted that Croatian family and criminal law experts had also been involved in drafting the Convention, and denied that the inclusion of the Convention on the parliamentary agenda was the result of pressure or dictate."This Convention was put on the agenda as a result of the ***programme*** and political will of the HDZ government andin cooperation with its partners,not as a result of their pressure. Not as a result of pressure from the opposition, the non-government sector or any international institution. The public must be aware of this because anti-European sentiment has developed in Croatia, which I never thought would happen in Croatia in 2018," the PM stressed.Implementation doesn't requirea billion kunaPlenkovic denied that the implementation of the Istanbul Convention would requirea billion kuna. He said that about 70 million kuna had been allocated for the implementation of the 2017-2022 national strategy for prevention of violence against women.Plenkovic said that GREVIO,the independent expert body responsible for monitoring the implementation of the Convention, is no "bogeyman" but a typical monitoring body which will not deprive Croatia of its sovereignty.The PMdenied that the Convention would introduce gender ideology into the Croatian legal system. "By ratifying the Convention, Croatia will be under no obligation to introduce gender ideology into its legal system or education system or to change the definition of marriage," he underscored.Plenkovic also denied that the interpretive statement, which will accompany the ratification act, was irrelevant, saying that it was not a worthless document but a clear instruction on how the Croatian government and parliament read the Convention and how they intended to implement it.He mentioned the existing laws in which reference is made to gender and gender equality.The Minister of Demography, Family, Youth and Social Policy, Nada Murganic, said that by ratifying the Istanbul Convention Croatia would join civilised countries aspiring to reach a higher degree of human rights protection."The purpose of the Convention is to protect women against all forms of violence, to prevent, prosecute and eliminate violence against women and domestic violence," Murganic said, adding that the focus of the Convention was on prevention, education and raising public awareness that violence was unacceptable.She said that this Convention was necessary because nothing more could be done in national legislation with respect to preventing violence against women and domestic violence.PM says it's possible part of HDZ wants to destabilise him through Istanbul ConventionZAGREB, April 11(Hina) - Prime Minister Andrej Plenkovic said on Wednesday one could conclude that a part of his Croatian Democratic Union (HDZ) party wanted to destabilise him by using the dissatisfaction with the ratification of the Istanbul Convention.Responding to questions from the press after Question Time in parliament, he said there would be no sanctions in the HDZ for those who might voteagainst the ratification. "The HDZ is a democratic party. However, some (members) evidently have stronger views. Some are under pressure, some have ethical doubts."Asked if Davor Ivo Stier, who said he would vote against the ratification, could remain theHDZ's political secretary, Plenkovic said, "We'll see."As for the possibility that HDZ MPsvote on the ratification of the Convention according to their conscience, he said this was not in question and that there were no contentious details. "As a responsible government, in consultation with the best legal experts, we addressed all that was problematic to any colleague in the parliamentary majority, whom I listened to and talked to."As for the compatibility of the Convention with the constitution,its essence and the fearof a possible introduction of gender ideology, Plenkovic said there should be no fearin terms of legal obligations, changes to the education system or the constitutional definition of marriage."Everything that plays on people's fears, we have addressed in a very precise and good way. There have been several relevant comments on the nature of the Interpretive Statement, the legal impact and content. From my point of view, we have done all weshould have to tell those who are afraid that they shouldn't be."Asked why they were afraid, he said "people are under pressure because of the general atmosphere, including of you, the media."Plenkovic said he was not worried that Hrvoje Zekanovic of the HRAST party walked out of the ruling coalition over the Istanbul Convention or about the increasingly tight parliamentary majority."There were 78 of us, now there's 77," he said, adding that Zekanovic became an MP on anHDZ slate. "I'm surehe and his party generally made a certain contribution, but over the past eight weeks, instead of talking and trying to exchange views with the HDZ, they went too far. None of this surprised me. That's the political choice of a small party which uses one to two topics it deals with to be a little more visible."Stier says in parliament he will vote according to his conscience, MPs to reconvene ThursdayZAGREB, April 12 (Hina) - MP Davor Ivo Stier of the Croatian Democratic Union (HDZ) said on Wednesday evening that nobody should ask of him not to follow his conscience during the vote on the ratification of the Istanbul Convention in parliament on Friday, saying he would not allow anyone to take away his freedom of conscience because only a free man can walk with his head high and look his people in the eye."I am not saying this from a position of power or in a condescending fashion, I am not judging anyone for their views. I don't think of myself as some kind of a moral authority. I am perfectly aware that I am a sinful man. I am aware of that because I have a conscience. This is why I will not allow anyone to take away my freedom of conscience because only a free man can walk with his head high and look his people in the eye, " Stier said in parliament on Wednesday during a debate on the ratification of the Istanbul Convention.Stier, who wants members of parliament to be able to vote on the ratification of the Istanbul Convention in line with their conscience, has said that he will vote against the ratification of the Council of Europe document.According to media reports, this caused a row between the HDZ chief, Prime minister Andrej Plenkovic, and Stier.According to the media, Plenkovic told Stier at a session of the party leadership last week that if he did so, he would no longer be able to stay in the position of the HDZ's political secretary.MPs wrapped up the discussion about the Istanbul Convention. The debate lasted until midnight. Deputies are to reconvene on Thursday when a no confidence vote in Economy Minister Martina Dalic will be on the agenda.Most parliamentary groups in favour of Istanbul ConventionZAGREB, April 11 (Hina) - Most political groups in the Croatian parliament said during a debate on Wednesday that they would support the ratification of the Istanbul Convention, emphasising that it was an important step forward in protecting human rights and warning of the politicisation of the issue in public.Speaking on behalf of the strongest opposition party, the Social Democrats (SDP), Arsen Bauk said that his party would vote in favour of the Convention, expressing hope that it would receive more than two-thirds of votes in parliament.He noted that no other international document had attracted so much public attention in Croatia. "Crusaders can't stand freedom. This same group, with the clear assistance of the Church, which is interfering in party affairs while hiding paedophilia within its own ranks, is today leading the battle against the Istanbul Convention, mostly using the arguments of the global movement against the ratification of this convention of the Council of Europe," Bauk said.Bauk said that "the aim of the modern crusaders, no matter how much they speak of love, morality and family, is enslavement, and what is happening in Croatia is large-scale aggression." He said that now is the time for "active democratic resistance", with the ratification of the Istanbul Convention as one step in that struggle.Sanja Putica of the ruling Croatian Democratic Union (HDZ) said that the purpose of the Convention was to protect women against all forms of violence and domestic violence, adding that the deplorable data on violence against women in Croatia showed how important it was to adopt the Convention.Putica said that groups opposed to the ratification of the Convention were politicising the issue and causing "moral panic" in the public sphere. She stressed that the Convention did not contain gender ideology.Milorad Pupovac of the Independent Democratic Serb Party (SDSS), a member of the ruling coalition, said that he supported the Istanbul Convention and the government's interpretive statement that would accompany the ratification act.Boris Miletic of the opposition Istrian Democratic Party (IDS) said that his party had always advocated protection of fundamental human rights and that the level of human rights protection must not depend on political calculations. He said that by ratifying the Istanbul Convention Croatia was becoming a modern European state."We must resist the retrograde views and the radical right which, by attacking this Convention, aims to prevent Croatia from being among the developed countries of the European Union," Miletic said.The HSS, GLAS, HSU and HNS said that they would support the bill ratifying the Istanbul Convention, warning that false news, intolerance and hatred had been used during public consultation on its ratification. HSS leader Kreso Beljak praised Prime Minister Andrej Plenkovic for opposing conservative organisations that are against the Convention.The HDSSB and HSLS deputies said they would vote for the ratification, while Branko Hrg of the HDS said he would vote against.Zlatko Hasanbegovic of the Independents for Croatia said this group would vote against the ratification, saying the main purpose of the Convention was gender ideology.Miro Bulj of the Bridge party accused Plenkovic of putting the Convention up for ratification without a public consultation and dividing the Croatian people. Plenkovic told him to stop lying.Davor Bernardic of the SDP said the time had come in Croatia to "distance ourselves from reactionary forces in society which are trying to push us into the Middle Ages, to separate people on gender, sexual, religious or ethnic grounds."Question Time in Parliament unusually tameZAGREB, April 11 (Hina) - Question Time in Parliament on Wednesday was unusually tamewithout any verbal duels between the ruling and opposition parties and most of the questionswere addressed to Prime Minister Andrej Plenkovic.MP Zlatko Hasanbegovic of the Independents for Croatia party asked when the bill on the LNG terminal would be put into parliamentary procedure. The prime minister explained Croatia's intention for the project, to which Hasanbegovic countered that the government isn't judged by its intentions but actions."The LNG project on Krk island is continuing and there is no reason it should be put into question. Wehad an environmental impact study, the relevant commission within the Ministry of Environment Protection voted 14:2 in favour.The project was presented to the European Commission and we were given 101 million euros for it. The ministry has prepared a special bill that will be presented to parliament with the aim of diversifying supply routes for Croatia's energy resources, specificallygas. The LNG Croatia company has an important role and it is important to select a floating unit, that is ship," Plenkovic explained.Unsatisfied with the the PM's answer, Hasanbegovic asked that a reply be put in writing and added that he had asked when the bill would be put to parliament as the EU grant could soon be called into question.SDP MPSabinaGlasovac expressed suspicion that a call for tenders for a concession to operate Zadar's Gazenica port may have been rigged."The Zadar port is going to a company that was founded only a few months ago and was the only bidder with unfavourable terms, yet the tender wasn't recalled," Glasovac said, criticising the Croatian Democratic Union (HDZ) for a "new trend in tender rigging.""Croatia has for years built its port infrastructure with huge loans with the aim that when new terminals are built, large numbers would be achieved that would enable the repayment of those loans and that activities at those ports are revived. That was a good move, but we haven't been entirely successful," Transport MinisterOleg Butkovic said.There aren't enough ships...and all Croatian governments have decided that they (the ports) will be offered for concessions,he added.He explained that the tender for Zadar port lasted for three months and anyone who wanted to could have applied and that the process was conducted transparently, stressingthat there was no cause to consider that any favouritism had occurred.Gordan Maras of the strongest opposition Social Democratic Party (SDP) asked Plenkovic how it was possible that a company like Texo Management, with wages of HRK 4,000a year and a half ago, was now paying HRK 12 million a year."These are companies close to your deputy prime minister Martina Dalic," Maras said, referring to consulting services in the ailing Agrokor food and retail chain. He was interested in how much that company would be rewarded for the restructuring and settlement process and how much the HDZ would get."Your insinuation that the consultants could have any connections to meor Deputy Prime Minister Dalic are shameless and I resolutely deny any such insinuation. That has nothing to do with me or the HDZ. You can't connect me with corruption, you can be 100 per cent sure of that," Plenkovic answered."You took the contracts and studied them. You say that you can't revealhow much Texo will get but it's obvious that you are putting money in the pockets of those companies," Maras insisted.Plenkovic on abortion: Everything should be done to avoid itZAGREB, April 11 (Hina) - Prime Minister Andrej Plenkovic did not answer directly during Question Time in parliament whether he was personally in favour or against the right to abortion, stating only that in his opinion, everything should be done to avoid abortion."As far as my opinion is concerned, my position is that everything needs to be done so it doesn't come to that situation. The Croatian Democratic Union (HDZ) too is of the opinion that a general ban isn't realistic while everything else will be on the agenda considering that we have the Constitutional Court ruling and that a new task force will work on such an important issue," Plenkovic said answering a question by Social Democratic Party (SDP) MP Vedran Babic who asked whether abortion was an inviolable andfree right of every woman that must not be limited.Babic retorted that he was not satisfied with the prime minister's reply and that he could have simply said 'yes' or 'no' and added that the SDP believes that the right to abortion should not be restricted."People who have their life's path cannot stop their activities nor should they be thwarted in that just because someone is in office," Plenkovic told SDP MP Sinisa Hajdas Doncic who called the PM out because his brother-in-law has been appointed director of the Dubrovnik airport, his cousin head of the Croatian Tourism Board in Germany, his uncle a member of the management board of the Biokovo Nature Park and his close friend ambassador to Great Britain.PM, ministers answer questions about Agrokor, pension reform, curricular reformZAGREB, April 11 (Hina) -Prime Minister Andrej Plenkovic said during Question Time in Parliament on Wednesday that information on the future structure of the Agrokor food and retail conglomerate, its corporate management and detailed ownership structure would be known in the next three months.Plenkovic said this after Croatian Peasant Party (HSS) MP Kreso Beljak recalled that thelaw on emergency administration in systemic companies had been adopted a year ago, including a list of companies of systemic importance, headed by Agrokor.Beljak wondered if this meant that now, given that Agrokor's majority owner was a Russian state bank and its headquarters would move to the Netherlands, the company would be removed from the list of systemic companies."You are aware that financial creditors have practically determined the ownership and they are there neither because I wanted it nor because you wanted it. They are there because before the activation of the law they had lent money to the then management and owner for the then management's projects and activities," said Plenkovic.He reiterated that the government was very much satisfied with the agreement reached by Agrokor's emergency administration and creditors on a debt settlement ***plan***.Pavic: Pension system sustainableMP Kazimir Varda of the BM 365 party wanted to know about the coming pension reform.Labour and Pension System Minister Marko Pavic said that under the law adopted in 2014, Croatians would retireat 67 but added that those who entered the labour market early in their life already had the right to retire before 67."We will keep the institute of so-called pensions with long years of service," he said, adding that this referred to workers such as cashiers and construction workers.He noted that the national pension system was sustainable and that of the HRK 39 billionallocated from the budget for pensions, only 56% came from pension contributions."Only 20% of Croatian pensioners have 40 years of service. The reform is aimed at ensuring sustainability. Most of the reform will refer to future pensioners, but also to current pensioners in terms of their inclusion in the labour market. This year we ***plan*** to set aside 1.4 billion kuna for an increase in pensions based on the Swiss formula and we are aware that that's little," said Pavic.The reform, which starts on 1 January 1, 2019, will not be to the detriment of any pensioner category, in 2020 a national pension will be introduced for those with up to 15 years of service and an accelerated pension scheme for certain professions will not be cancelled, the minister said.Funds to be secured for rehabilitation of landslidesIn the next two to three years the Construction Ministry will have to invest around HRK 150 million to rehabilitate landslides, Minister Predrag Stromar said when HNS MP Marija Puh warned about the large number of landslides, notably in the north of the country, that jeopardised buildings and roads.Stromar said his ministry had secured HRK 10 million this year for the repair of roads damaged by landslides.Curricular reform to start in autumnScience and Education Minister Blazenka Divjak said that she could guarantee that everything would be ready for the experimental phase of the education reform, to start this autumn. The experimental stage will cover 72 schools - 46 primary and 26 high schools - and involve 1,500 teachers, teaching assistants and 8,500 students, she said.Answering a question by HNS MP Bernarda Topolko, Divjak said that schools that had not applied for the experimental stage of the reform would be able to join in as well.Dalic: Agrokor's emergency administration still has a lot of workZAGREB, April 11 (Hina) -During Question Time in parliament on Wednesday, Economy Minister Martina Daliccommended the results achieved by the emergency administration in the ailing Agrokor food and retail conglomerate but noted that the administration still had a lot of work ahead of it."All the current results of the emergency administration process indicate that systemic risks to the entire economy,which could have led to Agrokor's uncontrolled bankruptcy, have been overcome, and the legal agreement between creditors has secured preconditions for Agrokor to function normally in the future with new owners," Dalic said.She said that she expected the conglomerate's future operations to be on much sounder business foundations and that situations such as the non-payment of invoices for goods supplied, intolerably long payment periodsand the dependency ofsmall businesseson large ones would never happen again."The agreement in principle on a settlement ***plan*** that was reached by creditors represents one of the essential, majorsteps toward completing the entire emergency administration procedure and enabling Agrokor to return to normal business operations," Dalic said.She noted that the emergency administration still hada lot of work ahead of it. "The agreement needs to be transformed into a legal document that will be submitted to thecourt and be voted on by creditors. Theagreement in principle contains an agreement on essential issues that are related to arrangements between creditors as to how Agrokor will function in the future, how its future ownership structure will be defined and how creditors will be paid their dues," Dalic added.Seeing that the enormous debt of HRK 57 billion will not be possible to be paidout in money, current creditors will be given ownership stakes, a part of the claims will be settled by taking a new loan, while a portion of thedebt will be written off, she underscored.An especially important aspect of the agreement on the settlement ***plan***, she added, is an agreement with suppliers who will be paid an additional 80 million euro of the border debt over the next four years. The agreementalso defines the manner in which the future owners will ensure the continuation of cooperation between Agrokor and its current suppliers,that is, theCroatian industry, Dalic said.PM says it's crucial that Uljanik finds ***strategic*** partnerZAGREB, April 11(Hina) - Itis crucial that in the continuation of its restructuring process the Uljanik shipyard finds a ***strategic*** partner, which will guarantee jobs and the continuation of its business operations, Prime Minister Andrej Plenkovic said during Question time in the parliament on Wednesday in a comment on Bridge MP Ines Strenja Linic's claim that a criminal report had been filed against responsible persons in Uljanik.Ananonymous criminal report mentions suspicion of abuse of trust in business operations and wrongdoing in book-keeping and the restructuring process, Strenja Linic said, noting that a newspaper had reported about this.Plenkovic answered that he was not aware of the news article but that the state had invested in the Pula-based shipyard and provided expert assistance in recent years to help in its restructuring process.He underlined thatresponsibility rested primarily with the shipyard's management but that the government would help in the search for a ***strategic*** partner.Transport Minister Oleg Butkovic said that a bridge over the Korana River at Veljun near Karlovac and an access road were expected to be completed this year.The bridge costs five million kuna and40% of the construction work has been completed. The constructionwork was not possible due to poor weather but it will resume now, Butkovic said in his answer to Serb minority MP Boris Milosevic who raised the issue of investment in the transport infrastructure in areas of special state concern and the fact that residents of Veljun had been waiting for four years for the reconstruction of the bridge, destroyed byfloods in 2014.Minister says pension reform to be stepped upZAGREB, April 11(Hina) - Economy Minister Martina Dalic said in an interview with Croatian Radio on Wednesday that the implementation of the pension reform would be stepped up and that the education reform would continue this year.Dalic said that work on a national ***programme*** of reforms was nearing completion."That document will result inthe continuation of some of the current reforms... which means that changes and further improvements will be made with regard to the investmentclimate and the strengthening of Croatia's appeal as an investment destination. Preparations that we did last year will make it possible for us to intensify work on the implementation of the pension reform, including changes to regulations on the pension system andstate administration, as well as on the further implementation of the education reform," said Dalic.The government must send the national reform ***programme*** as well as aconvergence ***programme*** to the European Commission by the end of April.The national reform ***programme*** defines the situation and ***plans*** regarding the implementation of the country's key structural policies while the convergence ***programme*** defines the key characteristics of its macroeconomic and fiscal policies.These activities are part of a process of obligatory reporting and adjustment of EU member-countries' economic policies with the EU's jointly defined goals and regulations, and non-compliance results in sanctions, including the freezing of EU funds.HRAST party leaves ruling coalitionZAGREB, April 11(Hina) - Member of parliament Hrvoje Zekanovic of the HRAST party told a news conference on Wednesday that his party was leaving the ruling coalition and all positions in government structuresover the ***planned*** ratification of the Istanbul Convention, which also meant that it would withhold its support for Economy Minister Martina Dalic in a coming parliamentary vote on her impeachment.Hrvoje Slezak, a state secretary at the Science and Education Ministry, and Ladislav Ilcic, an advisor at the Culture Ministry, both members of HRAST, will leave their positions to confirm their credibility, said Zekanovic.According to unofficial sources, even though he is not a member of HRAST but enjoys its support, Matko Gluncic, a state secretary at the Science and Education Ministry who until a few days ago was being mentioned as the prime minister's candidate for the head of the Expert Task Force for the implementation of the curricular reform but was eventually not appointed due to opposition from the HNS party, a junior partner in the HDZ-led coalition government, could step down as well.Zekanovic said that "there are red lines that cannot be crossed" in politics and life, and that for HRAST a red line was the fact that with the ratification of the Istanbul Convention the HDZ, a Christian Democratic party, was making a turn to liberalism and left-of-centre politics.The HDZ and the SDP have the same position on the Istanbul Convention, which is contrary to the Church's, said Zekanovic, adding that the Church's position on the matter was important to him as a Christian Democrat.He criticised the HDZ for lack of credibility, claiming that the ratification of the Istanbul Convention was not envisaged by the party's election platform, which, he said, HDZ official Ivana Maletic, one of the authors of the platform, had confirmed to him.Asked if as a credible politicianhe would return the parliamentary seat he won in the elections to the HDZ, on whose slate he entered the parliament, Zekanovic said the real question was whether HDZ MPs would return their seats.He said that HRAST officials were giving up on benefits but did not answer when asked what he was giving up on if he ***planned*** to keep his parliamentary seat.With Zekanovic's departure, the parliamentary majority now has 77 members, only one more than the required minimum.The parliament has 151 seats.NGO says Fuchs' appointment political trade-off between HDZ, HNSZAGREB, April 11(Hina) - The nongovernmental organisation GOOD has described the appointment of former education minister Radovan Fuchs as a special advisor to the prime minister to coordinate the work of the Expert Task Force for the curricular reform as the latest political trade-off between the HDZ and the HNS, accusing Prime Minister Andrej Plenkovic of appointing his playersto slow down the curricular reform."Giving up on the appointment of the head of the Expert Task Force... and appointing Radovan Fuchs... to coordinate the work of the Expert Task Force is the latest political trade-off between the HDZ and the HNS. On the other hand, PM Plenkovic has willingly sacrificed (Matko) Gluncic as he did earlier Pavo Barisic and Dijana Vican in order to seemingly satisfy his coalition partner, however,in reality he has brought in his players who will keep slowing down the curricular reform, that is, what is left of it," the NGO said in a statement.It warned that the real indicator of how serious the government was about the education reform were the ***planned*** investments in the reform, which, even though ostensibly bigger than in 2017, were actually lower as 75% of the funding for the reform was intended for the purchase of computers.Investing in the computerisation of schools is commendable but in no way sufficient for the real change Croatian schools need, the NGO said.It also criticised the HNS and Science and Education Minister Blazenka Divjak for giving up on transparency and depoliticisation of the education reform so as to prevent the appointment of theperson who was not to the minister's liking, and for accepting a compromise to save their own positions.GOOD recalled that it had previously demanded the resignation of the minister and other relevant officials over the reform, noting that it did not expect professionalism or ethical responsibility from people willing to go back on their own promises and use in political trade-offs the education and future of children and society in general just to save their own positions."The cost of their trade-offs will not be paid by them but by current and future generations of students," the NGO said.Finland opens consular office in SplitZAGREB, April 11 (Hina) - Finnish President Sauli Niinisto, who is on a visit to Croatia, on Wednesday opened Finland's honorary consular office in the southern Croatian Adriatic city of Split.This is the 21st foreign diplomatic office in Split.Addressing those present at the opening ceremony, Niinisto said that ties between Croatia and Finland were long-lasting and that the two countries want to continue their good political relations and expand economic cooperation.The Split region is one of the most popular Mediterranean destinations among Finnish tourists and last year approximately 110,000 Finns visited Croatia, Niinisto said.He added he was confident that the consular office in Split would help expand and deepen the exchange between the two countries on the official level.Niinisto said that Finnish honorary consul in Split Marin Budimir was one of the four honorary consuls his country had in Croatia and that the country has approximately 400 honorary consuls in more than 130 countries.Finnish Ambassador to Croatia Risto Piipponen said Finland and Croatia had established diplomatic relations 26 years ago and that there was a small Finnish community living in Dalmatia.The event was also attended by Split Mayor Andro Krstulovic OparaCroatia will respond to Slovenia's letter to EC on timeZAGREB, April 11 (Hina) - Croatia will send by April 17 its response to Slovenia's letter to the European Commission in which it proposed that a suit be filed against Croatia for non-compliance with the arbitration ruling on the border dispute, after which it will orally present its stance to the European Commission on May 2, the Croatian Ministry of Foreign and European Affairs (MVEP) told Hina on Wednesday."In its written and oral submissions, Croatia will respond to Slovenia's allegations and present its stance that it is not violating European Union law (by not accepting and implementing the arbitration decision that resulted from the arbitration proceeding that Slovenia had compromised) ," the MVEP said in response to Hina's enquiry.The European Commission called on Croatia to submit a written opinion by April 17 on Slovenia's letter asking the Commission for its opinion on whether Croatia was in breach of European and international law and announcing a suit at the European Court of Justice against Croatia unless the decision was implemented.The EC has proposed May 2 for the oral hearing on Slovenia's motion."Slovenia has launched the procedure before the European Commission... that procedure lasts three months and both sides need to exchange written submissions and hold an oral hearing atthe European Commission," the MVEP said.At the end of the procedure, the EC can give its opinion of the alleged breach of EU law (rationale of its opinion), but it doesn't have to. Regardless of whether the EC will or won't do so, Slovenia can sue Croatia after those three months, the ministry explained.Croatia's foreign minister, Marija Pejcinovic Buric, stated earlier that the border issue with Slovenia was not subject to EU law and that Slovenia had no grounds for instigatinglegal proceedings against Croatia."We once again invite Slovenia to dialogue because we think the issue can be solved through dialogue," she said.Djuro Sessa appointed member of UN Global Judiciary Integrity Network's Advisory BoardZAGREB, April 11 (Hina) - Croatian Supreme Court President Djuro Sessa has been selected as a member of the Advisory Board of the newly-formed UN Global Judiciary Integrity Network.The Global Judiciary Integrity Network was established by the UN Office on Drugs and Crime at a meeting in Vienna on April 9-10.The purpose of this network is to assist judiciaries across the world in strengthening the independence, integrity, impartiality, transparency and responsibility of judges and the judiciary in general, the Supreme Court said on its website on Wednesday.Adrian Saunders, President of the Caribbean Court of Justice, was appointed Chairman of the 10-member Advisory Board.7th forum of Croatian and Polish regions opens in PorecZAGREB, April 11 (Hina) - The seventh forum of Croatian and Polish regions opened in the northern Adriatic town of Porec on Wednesday, bringing together about a hundred participants for a two-day meeting."We want to influence the European Union's cohesion policy in the financial perspective beyond 2020.In meetings with our Polish colleagues, we will learn on examples of good practice and seek inspiration for new, Croatian models," said Goran Pauk, chairman of the Croatian Association of Countiesand representative of the Croatian president and parliament.Pauk said that the two countries' regions had begun cooperating and exchanging positive experiences seven years ago as there were many similarities between Croatia and Poland."What started out as an exchange of experience in absorbing EU funds has turned into something much bigger, as shown by individual partnership agreements between Croatian counties and Polish voivodeships," he said.The focus of this year's forum will be on balanced development, the potential of rural areas, investment, training and culture.These topics are important because both Croatian and Polish regional government units are drivers of economic development, Pauk said.Olgierd Geblewicz, chairman of the Union of Voivodeships, said they all were already thinking of new strategies to develop their respective regions, adding that European funds would play a great role in their implementation. He said that intensive discussions on the next EU budget were under way in Brussels and that the budget would probably be smaller."Both Polish and Croatian regions must be watchful and protect the cohesion policy because it ensures the possibility of further development,"Geblewicz said.The head of Istria County, Valter Flego, said: "I am certain that this forum too will result in many lasting relationships and new projects that will improve living both in Croatia and Poland." He said that Istria was the spearhead of international cooperation in Croatia.Officials advocate better traffic flow at Corridor XZAGREB, April 11(Hina) - Problems in border freight transport on Corridor X are major and the situation with migrants is making things worse, but despite that the authorities must improve traffic flow, it was said at a meeting of representatives of transport ministries, interior ministries and customs authorities from Croatia, Slovenia, Serbia and Bulgaria, held in the eastern Croatian town of Vinkovci on Wednesday.According to Croatian Assistant Maritime Affairs, Transport and Infrastructure Minister, Alen Gospocic, Croatia is trying to reduce border wait times for freight traffic, but it is encountering numerous problems."These problems can be resolved by better coordination between border police and customs authorities," Gospocic said, announcing a new meeting in six months in Belgrade. By then, wait times should bereduced by at least 15 minutes, he added.The president of the Croatian Association of Road Hauliers, Dragutin Kranjcec, said that in the past three months more then 50 migrants were found in trucks.Great potential for cooperation in Adriatic-Ionian regionZAGREB, April 11 (Hina) - Several investment opportunities were presented at a conference of the chambers of commerce in the Adriatic-Ionian region held on Wednesday in Mostar, and the Croat member of the Bosnia and Herzegovina presidency, Dragan Covic, underscored that it was necessary to continue with the construction of motorways, forwhichsignificant European funding can be absorbed."Germany's administration strongly advocates those projects and opens the possibility to absorb more than 30 billion euros if we will know how to connect," Covic said opening the conference, which is part of the 21st International Mostar Fair.Covic saidthat he would strongly advocate that the Adriatic-Ionian Transport Corridor passes through Herzegovina and that it is connected with the Vc corridor near Pocitelj.The Vice-President of the Croatian Chamber of Commerce, Mirjana Cagalj, said that Croatia wants to build the Peljesac bridge after all the obstacles are removed.She underscored the great potential for cooperation in ***producing*** electricity from renewable resources, transport connectivity,tourism and trade."Equalising regions is a prerequisite for the development ofall of the EU and initiatives that obtain money and support go in that direction," she said.Croatia Boat Show features more than 300 brands and 150 vesselsZAGREB, April 11(Hina) -The city of Split is hosting the Croatia Boat Show from 11to 15April, gathering the most important names of Croatian and world nautical elite and featuring more than 300 brands and 150 vessels.Marinas, shipbuilders, nautical equipment manufacturers, charter companies, restaurateurs and many other representatives of the tourist and economic sector have gathered on Split's West Bank to attractively present their products and services.Five days of this prestigious event in the heart of Dalmatia will enable participants to contact many clients, make new deals, and enjoy glamorous events, attractions, conferences, and presentations at the fair.Jenneau, Beneteau, Princess, Capelli, Pirelli, Lagoon, Azimut, Benetti, Sunseeker, Cranchi and many other renowned nautical brands will be featured at the fair. The fair will also feature reputable companies from other nautical sectors, guaranteeing the highest level of quality and generating numerous business opportunities in one place.General sponsors, patrons and partners are the main sail of this fair. Long-term collaboration has enabled the achievement of ***strategic*** goals and a full-fledged relationship - their name is most definitely a guarantee for quality of the fair.State Secretary for Tourism Frano Matusic said Croatia was one of the leading destinations in nautical tourism, recalling that last year a total of 470,000 arrivals and more than 3 million overnight stays were recorded in the charter segment.Tickets for the fair are sold for HRK 40 for Wednesday and Thursday and HRK 50 for Friday, Saturday and Sunday.House prices up 7.6% year on yearZAGREB, April 12, 2018 (Hina) - Residential property prices in Croatia increased by 3.2% in the fourth quarter of 2017 compared with the previous quarter and by 7.6% in comparison with the fourth quarter of 2016, according to figures from the National Bureau of Statistics (DZS).Newly-built residential properties increased in prices by an average of 1% in relation to the third quarter of 2017 and 4.1% in relation to the fourth of 2016. Prices of the existing residential properties rose by 3.6% on average compared with the third quarter of 2017 and by 8.3% against the fourth quarter of 2016.In the fourth quarter of last year compared with the third quarter, residential property prices were up 3.8% in Zagreb, while in the Adriatic region they were up 3% and elsewhere in the country 2.1%.Croatia among EU member states with highest annual increases in house pricesHouse prices, as measured by the House Price Index, rose by 4.2% in the euro area and by 4.5% in the EU in the fourth quarter of 2017 compared with the same quarter of the previous year, according to figures come from Eurostat, the statistical office of the European Union.Compared with the third quarter of 2017, house prices rose by 0.9% in the euro area and by 0.7% in the EU in the fourth quarter of 2017.Among the Member States for which data are available, the highest annual increases in house prices in the fourth quarter of 2017 were recorded in Ireland (+11.8%), Portugal (+10.5%) and Slovenia (+10.0%), while prices fell in Italy (-0.3%).Compared with the previous quarter, the highest increases were recorded in Slovenia (+3.7%), Croatia (+3.2%) and Cyprus (+2.7%), while decreases were observed in Sweden (-2.8%), Denmark (-1.7%), Belgium (-0.4%) and Finland (-0.3%).13th edition of Croatian Theatre Showcase starts this weekendZAGREB, April 11(Hina) - The 13th edition of the Croatian Theatre Showcase will be held in Zagreb theatres on April 14-18, featuringa selection of ten plays that foreign curators and theatre critics from Bosnia and Herzegovina, Bulgaria, Estonia, Georgia, Hungary, Iran, Kosovo, Poland, Slovenia and Serbia will have an opportunity to see.The ***programme*** is designed to be a discussion topic for future visits, performances at internationalfestivals or translations of Croatian plays, as well as their potential inclusion in foreign theatre repertories.The line-up begins with a play for children and young audiences, the iconic Alice's Adventures in Wonderland, ***produced*** by the Zagreb Youth Theatre and directed by the Croatia-based Argentinian Renata Carola Gatica - a famous title told in a visually, musically and artistically attractive way to analyse the coming-of-age.***Produced*** by his own artistic association Moving Music Theatre, Macedonian composer Marjan Necak directed, composed and designed the sets for the play Diary of a Madman, defining it in genre as a mono-opera.Also shown will be What Is Missing --the latest piece by playwrightTomislav Zajec, directed by the up-and-coming Bosnian director Selma Spahic.The event will also feature the monodrama Lampedusa Beach, performed by one of the finest Croatian actresses Nina Violic. This independent play focuses on the refugee crisis.The latest play by stage director Oliver Frljic, Six Characters in Search of an Authoris his reading of Pirandello from the point of view of Croatian society today.Kristian Novak is currently one of the most popular bestselling prose writers, whose novels are being successfully adapted for stage. One of them will be featured at the Croatian Theatre Showcase --Black Mother Earth, ***produced*** by the Zagreb Youth Theatre and directed by Dora Ruzdjak Podolski, focusing on a series of suicides taking place in the most developed region in Croatia, Medimurje, in the early 1990s.Other plays to be featured are Out There and in Here, Lookatme and Nukleon.The works chosen for this showcase aim to attract and motivate foreign theatre professionals, and at the same time represent a cross-section of the current performative scene in Croatia.World Bank says Western Balkan economies underperform in 2017ZAGREB, April 11 (Hina) - Economic growth in Western Balkan countries in 2017 was lower than in the previous year as a direct consequence of political instability in some of those countries, unfavourable weather conditions as well as a decline in investments in the region, shows a regular World Bank analysis presented in Sarajevo on Wednesday.The average economic growth in 2017 in Bosnia and Herzegovina, Serbia, Montenegro, Macedonia, Albania and Kosovo in 2017 was 2.4% while in 2016it was 3.1%.World Bank analysts expect economic growth this year to reach 3.2% and to continue rising to 3.5% in 2019 on the condition economic recovery continues.The World Bank director for the Western Balkans, Linda Van Gelder, warned that the expected growth depended primarily on the type of economic and financial policies to be pursued.Growth will depend on the adoption of appropriate policies and regulations that will reducesensitivity to shocks and sustain economic growth, said Van Gelder.Earlier World Bank estimates were based on a 2.6% GDP growth projection for the Western Balkans in 2017. Thelower-than-expected results are also due to external conditions such as a harsh winter, resulting in higher electricity imports, as well as a lower-than-expected growth, notably in Serbia, whose economy, even though the biggest in the region, grew at a rate of only 1.9%.The decline in the country's economic growth is ascribed to last year's droughts and harsh winter, which have led to poorer results in ***agriculture*** and higher electricity imports.Macedonia's growth rate was at 0%, a direct consequence of political instability, but the country's GDP is expected to grow to 3.2% in 2018.Bosnia and Herzegovina's GDP grew by 3% in 2017, Montenegro's grew by 4.3% and Kosovo's grew by 4.4%.The positive outlook on economic growth is based on the estimate that Serbia and Macedonia's economies should gradually recover, that investments in Bosnia and Herzegovina and Kosovo will increase and that the fiscal consolidation launched inMontenegro would continue.World Bank analysts consider as important an increase in regional employment. In 2017 unemployment dropped by 5.6 percentage points compared to 2016, and in the first nine months of 2017 alone 190,000 new jobs were created.Regional growth could be ashigh as5% annually, on the condition structural reforms are implemented more resolutely, which would also result in the countries' faster integration with the EU, the World Bank chief analyst for Bosnia and Herzegovina, Sandra Hlivnjak, told the news conference.In other news:Croatian parliament speaker, PM extend condolences over Algeria plane crashZAGREB, April 11(Hina) - Croatian Parliament Speaker Gordan Jandrokovic has extended his condolences tothe Speaker the People's National Assembly of Algeria, Said Bouhadja, over a tragic plane crash in Algeria, Jandrokovic's office said on Wednesday."It is with sadness that I received the news of the crash of a plane with more than 200 passengers near the Algerian city of Boufarik," Jandrokovic said in a note, expressing solidarity and sympathies with the victims' families and the Algerian people.Ten crew members and 247 passengers, mainly soldiers and members of their families, were killed in the crash this morning.Croatian Prime Minister Andrej Plenkovic also extended his condolences, to his Algerian counterpartAhmed Ouyahia."It is with great sadness that I received the news of the plane crash in your country in which, unfortunately, many human lives were lost," Plenkovic said, also extending condolences to the Algerian people and the victims' families and friends.ZSE indices, turnover dropZAGREB, April 11 (Hina) - The main Zagreb Stock Exchange indices decreased on Wednesday, the Crobex by 0.38% to 1,805.03 points and the Crobex10 by 0.32% to 1,045.84 points.Regular turnover was HRK 4.3 million. No stock crossed the million kuna threshold. The most traded stock was the HT telecom, turning over HRK 946,600. It closed at HRK 162 per share, the same as on Tuesday.(EUR 1 = HRK 7.42)THIS BULLETIN INCLUDES ITEMS RELEASED BY 0830 HRS THURSDAY. (Hina) its Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulicev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentic, DirectorEditor in Chief: Serdo Obratov Bulletin Editor: Marija Sestan

ZAGREB, April 11(Hina) - Serbian Radical Party presidentVojislav Seselj's speeches during the war in the former Yugoslavia were inflammatory and aimed at the persecution of non-Serbs, and there is a clear link between the speech in which he called for the persecution of Vojvodina Croats and the crime itself,the Appeals Chamber of the Mechanism for International Criminal Tribunalssaid in a final judgement on Wednesday, sentencing Seselj to ten years' imprisonment.

ZAGREB, April 11 (Hina) - Croats in Vojvodina, Serbia, believethat Vojislav Seselj's conviction for the persecution and deportation, primarily ofCroats in the Srijem area, is of little solace for everything that was done to the Croat community during the 1990s.

ZAGREB, April 11 (Hina) - The Mechanism for International Criminal Tribunals (MICT) conviction of Vojislav Seseljfor war crimes, sentencing him to ten years in prison, was described in Bosnia and Herzegovina as late but nevertheless important for the satisfaction of the victims of his actions which included hate-mongering and the expulsion of non-Serbs from that country.

ZAGREB, April 11(Hina) - Serbian Radical Party leader and MP Vojislav Seselj said on Wednesday the ten-year final sentence against him was scandalous and that he wouldappeal, denying the charges of a systematic and widespread attack against Croats in Hrtkovci, Serbia.

ZAGREB, April 11 (Hina) - Prime Minister Andrej Plenkovic on Wednesday called on Croatian lawmakers to support the bill ratifying the Council of Europe Convention on preventing and combating violence against women and domestic violence, known as the Istanbul Convention, saying that it would strengthen the national mechanisms in preventing violence against women and domestic violence.

ZAGREB, April 11(Hina) - Prime Minister Andrej Plenkovic said on Wednesday one could conclude that a part of his Croatian Democratic Union (HDZ) party wanted to destabilise him by using the dissatisfaction with the ratification of the Istanbul Convention.

ZAGREB, April 11 (Hina) - Question Time in Parliament on Wednesday was unusually tamewithout any verbal duels between the ruling and opposition parties and most of the questionswere addressed to Prime Minister Andrej Plenkovic.

ZAGREB, April 11 (Hina) - Prime Minister Andrej Plenkovic did not answer directly during Question Time in parliament whether he was personally in favour or against the right to abortion, stating only that in his opinion, everything should be done to avoid abortion.

ZAGREB, April 11 (Hina) -Prime Minister Andrej Plenkovic said during Question Time in Parliament on Wednesday that information on the future structure of the Agrokor food and retail conglomerate, its corporate management and detailed ownership structure would be known in the next three months.

ZAGREB, April 11 (Hina) -During Question Time in parliament on Wednesday, Economy Minister Martina Daliccommended the results achieved by the emergency administration in the ailing Agrokor food and retail conglomerate but noted that the administration still had a lot of work ahead of it.

ZAGREB, April 11(Hina) - Itis crucial that in the continuation of its restructuring process the Uljanik shipyard finds a ***strategic*** partner, which will guarantee jobs and the continuation of its business operations, Prime Minister Andrej Plenkovic said during Question time in the parliament on Wednesday in a comment on Bridge MP Ines Strenja Linic's claim that a criminal report had been filed against responsible persons in Uljanik.

ZAGREB, April 11(Hina) - Economy Minister Martina Dalic said in an interview with Croatian Radio on Wednesday that the implementation of the pension reform would be stepped up and that the education reform would continue this year.

ZAGREB, April 11(Hina) - Member of parliament Hrvoje Zekanovic of the HRAST party told a news conference on Wednesday that his party was leaving the ruling coalition and all positions in government structuresover the ***planned*** ratification of the Istanbul Convention, which also meant that it would withhold its support for Economy Minister Martina Dalic in a coming parliamentary vote on her impeachment.

ZAGREB, April 11(Hina) - The nongovernmental organisation GOOD has described the appointment of former education minister Radovan Fuchs as a special advisor to the prime minister to coordinate the work of the Expert Task Force for the curricular reform as the latest political trade-off between the HDZ and the HNS, accusing Prime Minister Andrej Plenkovic of appointing his playersto slow down the curricular reform.

ZAGREB, April 11 (Hina) - Croatia will send by April 17 its response to Slovenia's letter to the European Commission in which it proposed that a suit be filed against Croatia for non-compliance with the arbitration ruling on the border dispute, after which it will orally present its stance to the European Commission on May 2, the Croatian Ministry of Foreign and European Affairs (MVEP) told Hina on Wednesday.

ZAGREB, April 11 (Hina) - Croatian Supreme Court President Djuro Sessa has been selected as a member of the Advisory Board of the newly-formed UN Global Judiciary Integrity Network.

ZAGREB, April 11 (Hina) - The seventh forum of Croatian and Polish regions opened in the northern Adriatic town of Porec on Wednesday, bringing together about a hundred participants for a two-day meeting.

ZAGREB, April 11(Hina) - Problems in border freight transport on Corridor X are major and the situation with migrants is making things worse, but despite that the authorities must improve traffic flow, it was said at a meeting of representatives of transport ministries, interior ministries and customs authorities from Croatia, Slovenia, Serbia and Bulgaria, held in the eastern Croatian town of Vinkovci on Wednesday.

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**Body**

Knights Bachelor

Professor Timothy John Besley London School of Economics and Political Science, services to economics and public policy Graham Stuart Brady Member of Parliament for Altrincham and Sale West, for political and public service Christopher Robert Chope Member of Parliament for Christchurch, for political and public service Rt Hon Nicholas William Peter Clegg for political and public service Geoffrey Robert Clifton-Brown Member of Parliament for the Cotswolds, for political and public service Professor John Kevin Curtice professor of politics, University of Strathclyde and senior research fellow, NatCen Social Research, services to the social sciences and politics Barry Alan Crompton Gibb singer, songwriter and record ***producer***, services to music and charity Anthony John Habgood chairman Court of the Bank of England, services to UK industry Mark Hendrick Member of Parliament for Preston, for parliamentary and political service Rt Hon Lindsay Harvey Hoyle Member of Parliament for Chorley, for parliamentary and political services Richard Julian Long artist and sculptor, services to art Craig Thomas MacKey deputy commissioner, Metropolitan Police Service, services to policing Timothy David Melville-Ross chairman, Higher Education Funding Council for England, services to higher education Michael Andrew Bridge Morpurgo author, services to literature and charity Kenneth Aphunezi Olisa services to business and philanthropy Andrew Charles Parmley formerly lord mayor of London, services to music education and civic engagement Professor Bernard Walter Silverman formerly chief scientific adviser Home Office, for public service and services to science Professor Robert Stephen John Sparks professorial research fellow, University of Bristol, services to volcanology and geology Richard Starkey musician, services to music Professor Terence John Stephenson chairman General Medical Council, services to healthcare and children's health services Very Reverend Professor Iain Richard Torrance pro-chancellor University of Aberdeen, services to higher education and theology Edward Astley (John) Troup formerly executive chairman HM Revenue and Customs, for public service to taxpayers and the tax system Alan John Tuckett professor of education, University of Wolverhampton, services to education, particularly adult learning Alan Thorpe Richard Wood formerly corporate director, children and young people's services, London Borough of Hackney, services to children's social care and education William Thompson Wright founder, Wrightbus Ltd, services to the economy and the bus industry

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Royal Victorian Medal

RVM Stephen Henry Ronald Marshall Yeoman of the Glass and China Pantry, Royal Household Bar to

RVM Paul Alexander Lawrence tractor and machinery operator, Crown Estate, Windsor RVM Philip Anthony Collins fire safety and access officer Buckingham Palace John Anthony Denton Yeoman Bed Goer the Queen's Body Guard of the Yeomen of the Guard Henry Melbourne Everist Warden Windsor Castle Alan Campbell Haggarty formerly dining room assistant Royal Household Alan Richard Parry Semi-State harness cleaner and assistant to the stores manager Royal Mews Barry Lyndon Jacob Shrubb deputy head chauffeur (operations), Royal Household

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principal and chief executive officer, Gateshead College, services to education and skills in the northeast Janette Anita Durbin director, Civil Service Talent, services to diversity in the Senior Civil Service Elizabeth Lucy Dymond finance director, the Charity for Civil Servants, for public service David Robert Earnshaw chairman, Outwood Grange Academies Trust, services to education Professor Richard Ludlow English pro-vice-chancellor and professor of politics, Queen's University Belfast, services to the understanding of modern-day terrorism and political history Phillip Andrew Evans head, DFID Somalia, Department for International Development, services to humanitarian relief Peter Kenrick Florence co-founder and director, Hay Festival, services to literature and charity Professor Jonathan Freeman-Attwood principal, Royal Academy of Music, services to music Hilary Mary Garratt director of nursing, NHS England, services to nursing and the safeguarding of vulnerable people Michael Anthony Giannasi chairman, Welsh Ambulance Services NHS Trust, services to the NHS Professor Simon John Gibson chief executive, Wesley Clover Corporation, services to the economy in Wales Martin Keith Green chief executive and director, Hull UK City of Culture, services to the arts in Hull Paul Gregg professor of economic and social policy, University of Bath, services to children and social mobility Andrew Melvin Hamilton services to government and to charitable fundraising Jane Sarah Hamlyn services to philanthropy and the arts Demis Hassabis co-founder and chief executive officer, DeepMind, services to science and technology Dave Christopher Hill executive director for social care and education, Essex county council, services to children's social care Dawn Elysea Hill chairman, Black Cultural Archives, services to culture Lilian Hochhauser services to the arts and cultural relations Professor Karen Margaret Holford deputy vice-chancellor, Cardiff University, services to engineering and the advancement of women in science and engineering Denise Susan Horsfall work services director, Department for Work and Pensions, services to welfare in Scotland Stephen William Howlett group chief executive, Peabody, services to housing Professor Katherine Jane Humphries professor of economic history, University of Oxford, services to social science and economic history Raymond Joseph James formerly president, Association of Directors of Adult Social Services, London Borough of Enfield, services to adult social services Shaun Kingsbury chief executive, Green Investment Bank, services to the UK green economy Susan (Lady Kulukundis) Hampshire actress, services to drama and to charity James Hugh Calum Laurie actor, services to drama Professor Richard James Lilford professor of public health, University of Warwick, services to health research Suzannah Claire Lishman consultant histopathologist, North West Anglia NHS Foundation Trust, services to pathology Robin Howard Lovell-Badge senior group leader, Francis Crick Institute, services to genetics, stem cell research and the public understanding of science James Brown Martin formerly Scottish Public Services Ombudsman, services to the Scottish public sector Professor Maureen Lesley McAra professor of penology and assistant principal for community engagement, University of Edinburgh, services to criminology Anne McGaughrin legal director for Department for Education government legal department, services to law and order in the public sector Julia Kathleen Nancy McKenzie actress, singer and director, services to drama David Robert Michael Melding for political and public service David Robert Meller founder, Meller Educational Trust, and chairman, National Apprenticeship Ambassadors Network, services to education Nigel John Mills co-founder and chairman, the Lakes Distillery, services to entrepreneurship in the northeast and Cumbria Professor Andrew David Morris formerly chief scientist (health), Scottish government, and vice-principal (data science), University of Edinburgh, services to science in Scotland Joseph John Morrow president, Mental Health Tribunal for Scotland, for public service to mental health John Frederick Nelson formerly chairman, Lloyd's of London, services to the global promotion of British business and to diversity in the workplace Professor Philip Arthur Nelson chief executive officer, Engineering and Physical Sciences Research Council, and chairman, Research Councils UK, services to UK engineering and science Peter Richard Nichols playwright, services to drama Anne Louise Rainsberry regional director London, NHS England, services to the NHS Norma Redfearn for public and community service in Tyneside Hilary Marion Ruth Reynolds executive director, Research Councils UK, services to policy and research Howard Charles Fraser Riddle formerly senior district judge (chief magistrate) for England and Wales, services to the administration of justice Timothy John Rix Group managing director, JR Rix and Sons Ltd, services to the economy and regeneration in the Humber region Andrew Ogilvie Robertson chairman, LAR Housing Trust, services to veterans, healthcare and affordable housing in Glasgow and the west of Scotland Jacqueline De Rojas (Mrs Andrews) president, techUK, services to international trade in the technology industry Professor Philip Alexander Routledge consultant physician, Llandough Hospital, Cardiff, and professor emeritus of clinical pharmacology, Cardiff University, services to medicine Kevin Ian Sadler director, Courts and Tribunals Development, HM Courts and Tribunals Service, services to the administration of justice Nuzhat Saleh assistant director, directorate of legal services, Metropolitan Police, services to policing Alan Scott deputy director North West Prisons, services to

HM Prison and Probation Service and to the community in the northwest Siu Hung Robin Sham Global Long Span and Speciality Bridges director

AECOM, services to the civil engineering profession Alexandra Shulman formerly editor, British Vogue, services to fashion journalism Amanda Skelton chief executive, Redcar and Cleveland council, services to the Redcar and Tees Valley economy Alison Helen Stanley services to the creation and leadership of civil service employee policy with a particular focus on improving and implementing workforce policies Christopher Richard Stein chef and restaurateur, services to the economy David James Edwin Stephens director of resources (Army) HM Armed Forces, Ministry of Defence, services to defence Andrea Mary Sutcliffe chief inspector of Adult Social Care Care Quality Commission, services to adult social care in England Robert William Ashburnham Swannell non-executive chairman, UK Government Investment, services to the public, retail and financial sectors Joanna Kate Swinson for political and public service Benjamin John Paget Thomson formerly chairman board of trustees, National Galleries of Scotland, services to arts and culture in Scotland Anthony Edward Timpson for public and parliamentary service Dana Rachel Pressman Tobak chief executive officer and managing director, Hyperoptic, services to the digital economy Veronica Judith Colleton Wadley chairwoman, Arts Council London, services to the arts Anthony James Walker deputy managing director, Toyota Manufacturing (UK) Ltd, services to the motor industry Deborah Anne Walsh deputy head of counterterrorism, Special Crime and Counter Terrorism Division, Crown Prosecution Service, services to law and order Lindsey Janet Whiterod chief executive, South Tyneside College, services to education and the community in South Tyneside Nick Gerard Peter Whitfield chief executive, Achieving for Children and Children's Services, and lately commissioner, Sunderland and Reading, services to children Professor Ngaire Tui Woods dean, Blavatnik School of Government, Oxford University, services to higher education and public policy Order of the British Empire OBE Christine Abbott chief executive officer, the Education Alliance and Executive Principal, South Hunsley School and Sixth Form College, Melton, services to education Irene Adams adviser to the chair, Green Investment Bank, services to the UK Green Economy Raja Mohammed Adil chairman, the Adil Group, services to business, job creation and charity Sarah Alexander chief executive and artistic director, National Youth Orchestra, services to music Peter Mark (Marc) Almond singer-songwriter, musician and campaigner, services to arts and culture Sophie Andrews chief executive, Silver Line, services to older people Patricia Ann Armstrong chief executive officer, Association of Chief Officers of Scottish Voluntary Organisations, services to voluntary organisations William Stewart Arnold principal mechanical specialist inspector, Health and Safety Executive, services to industry health and safety Professor James Arthur professor of education and civic engagement, University of Birmingham, services to education Jarnail Singh Athwal founder and managing director, Premier Decorations Ltd, services to business and charity Professor Jeremy Bagg head of dental school, University of Glasgow, services to dental education Tina Lorraine Barsby chief executive and director, National Institute of ***Agricultural*** Botany, services to UK ***agricultural*** science and biotechnology Professor Clive Behagg formerly vice-chancellor, University of Chichester, services to higher education and economic regeneration Professor Derek Bell president, the Royal College of Physicians of Edinburgh, services to unscheduled care and quality improvement Jacqueline Bene chief executive, Bolton NHS Foundation Trust, services to healthcare Pamela Birch executive principal, Hambleton Primary Academy, and deputy chief executive officer, Fylde Coast Academy Trust, services to education Nilufer von Bismarck head financial institutions group and equity capital markets, Slaughter and May, services to financial services Professor Charanjt Bountra professor of translational medicine, University of Oxford, services to translational medical research Brian Robert Bowsher chief executive, Science and Technology Facilities Council, services to international and national metrology James Gerard Boyle head of infrastructure architecture Telford, HM Revenue and Customs, services to taxpayers and government modernisation Matthew Boyle president and chief executive, Sevcon, services to engineering and skills Fiona Janet Bradley director, the Fruitmarket Gallery, services to the arts Stephen Brady leader, Hull city council, services to local government Professor Karen Bryan formerly pro-vice-chancellor regional engagement and dean, Faculty of Health and Wellbeing, Sheffield Hallam University, services to higher education Thomas Lional Ashley Burgess services to charity, the RNLI and business David George Harmer Buttery formerly deputy director high speed rail legislation and environment, Department for Transport, services to transport John Neil Buxton general manager, Association of Community Rail Partnerships, services to local and rural railways David Alexander Canning services to children, young people and education Zoe Elizabeth Carr chief executive officer, WISE Academies Multi Academy Trust, services to education Katharine Elizabeth Carruthers director,

UCL Institute of Education, Confucius Institute for Schools, services to education Suranga Chandratillake FREng general partner, Balderton Capital, services to engineering and technology Professor Antony Chapman formerly vice-chancellor, Cardiff Metropolitan University, services to higher education Sarah Joanne Churchman head of diversity, inclusion and employee wellbeing, PricewaterhouseCoopers, services to women in business Jane Clare (Margaret Jane Buddle) lately executive ***producer***, English Touring Theatre, services to drama Catherine Jane Clarke formerly headteacher, King's Oak Primary School, New Malden, services to education Kevin Leslie Clifford formerly chief nurse, NHS Sheffield Clinical Commissioning Group, services to nursing Lynn Codling executive headteacher, Portswood Primary and St Mary's

CE Primary School, services to education Joanna Clare Coleman director of strategy, Energy Technologies Institute, services to the energy sector Michael Hyde Collon for parliamentary and public service Professor Sally-Ann Cooper professor of learning disabilities, University of Glasgow, services to science and medicine Stephen Melville Criddle principal, South Devon College, Paignton, services to education Professor Timothy John Crow honorary scientific director, Prince of Wales International Centre for SANE Research, services to schizophrenia research and treatments David Deane headteacher, St Thomas of Canterbury Primary School, national leader for education and Ofsted inspector, services to primary education Anthony Peter Delahunty non-executive board member, Marine Management Organisation, services to the fishing industry Ranjit Lal Dheer services to local government and to charity Robert John (Jack) Dobson group executive director, Dunbia (NI) Ltd, and consultant, Cranswick (Ballymena) Ltd, services to economic development in Northern Ireland Caroline Docherty deputy Keeper of the Signet, services to the legal profession and the Society of Writers to Her Majesty's Signet David Docherty chief executive, National Centre for Universities and Business, services to higher education and business Geraldine Patricia Doherty services to public safety and social care Nicholas Byron Drinkal deputy director, Border Force, Home Office, services to border security in Calais and Dunkirk Michael Anthony Patrick Durkin formerly national director, Patient Safety, NHS England, services to patient safety Ian Trevor Edwards executive vice-president, Spectrum Geo, services to the UK oil and gas exploration industry Robert Thomas Edwards chairman, Scotframe Timber Engineering Ltd, services to business and charity in Inverurie, Aberdeenshire Oliver James Entwistle formerly chair, Civil Service Rainbow Alliance, services to diversity and inclusion in the civil service Raymond Marvin Entwistle for voluntary and charitable services, particularly to the arts in Scotland Professor Margaret Catherine Frame professor of cancer research and science director, Edinburgh Cancer Research Centre, services to cancer research Lynne Joanne Franks services to business, fashion and women's empowerment Janet Frost chief executive, Health Research Authority, services to health and social care research Andrew John Fry formerly chief fire officer and chief executive, Royal Berkshire Fire and Rescue Service, services to the Fire and Rescue Service Carol Garrett team leader for ports and borders, Trading Standards, services to business Graham Henry Tarbet Garvie formerly convener, Scottish Borders council, services to local government and to the community in the Scottish Borders Alan James Giles non-executive director, Competition and Markets Authority, services to UK business and the economy John Harry Godber writer and director, services to the arts Jonathan Philip Pryce Goodwin entrepreneur and co-founder, Lepe Partners and the Founders Forum, services to the economy Professor Ian Michael Goodyer professor of child and adolescent psychiatry, University of Cambridge, services to psychiatry research Ellvena Graham chair, Northern Ireland Economic Advisory Group, services to the economy and the advancement of women in business Giles Andrew Graham technical sponsor, Atomic Weapons Establishment, services to national security and counter-terrorism Professor Hilary Joyce Grainger dean, academic development and quality assurance, London College of Fashion, University of the Arts London, services to higher education David Greensmith justices clerk, HM Courts and Tribunals Service, services to the administration of justice and to the UK Scout movement Professor Christopher Ernest Maitland Griffiths foundation professor of dermatology, Faculty of Biology, Medicine and Health, University of Manchester, services to dermatology Revel Sarah Guest Albert chair, Hay Festival, services to literature Philip Hamilton chief executive officer and founding trustee, Community Academies Trust, services to education Willimina Ann Beauchamp (Annie) Hampson chief ***planning*** officer and development director, City of London Corporation, services to ***planning*** in London Shabana Rounak Haque head, Government Science and Engineering Profession Team, Government Office for Science, services to civil service science and the engineering profession Edward Mortimer Harley services to heritage Dennis Harvey leader, Nuneaton and Bedworth borough council, for political service in Warwickshire Frances Anne Hawkes headteacher, the Federation of St Elpheges and Regina Coeli Catholic Schools, services to education Judith Ann Hay assistant director for children and families, North Yorkshire county council, services to child protection in North Yorkshire Paul Leslie Hayden chair, Anglian Eastern Regional Flood and Coastal Committee, services to flood risk management and disaster response Francesca Elizabeth Hegyi executive director, Hull City of Culture 2017, services to culture in Hull Jeannine Hendrick governor, HM Prison Exeter, and violence reduction project manager, services to prison safety and governance Robert Herman-Smith services to the global aerospace sector Jacqueline Hewitt-Main chief executive officer, the Cascade Foundation, services to prisoners Stanley Derek Higgins formerly chief executive, North East Process Industry Cluster, services to the chemical process industry Graham Russell Hoare director of global product verification engineering operations, Ford Motor Company, services to the automotive industry Barbara Jane Holm principal, Westminster Adult Education Service, and founder, National Adult Community Learning Support and Development Network, services to adult education Eamonn Holmes services to broadcasting Joseph Holness formerly inspector, Kent Police, services to policing and the National Police Memorial Day Ralph Christopher Hoult services to the community in Ramsgate, Kent Professor Margaret Ann House vice-chancellor, Leeds Trinity University, services to higher education Nora Helen Houston senior delivery manager, HM Revenue and Customs, services to taxpayers John Hudson for political and public service Joan Ingram for voluntary service to healthcare, particularly type 1 diabetes treatment Rilesh Kumar Jadeja national Access to Work Delivery manager, Department for Work and Pensions, services to people with disabilities Poppy Jaman chief executive, Mental Health First Aid England, services to people with mental-health issues Clare James Ministry of Defence, services to defence Richard James tailor, services to men's fashion David Johnston chief executive, Social Mobility Foundation, services to social mobility and education Harry Johnston services to charity and the community in Manchester Philip James Kevin Jones defence adviser to the Ukrainian Ministry of Defence, services to international defence relations Rohinton Minoo Kalifa vice-chairman, Worldpay, services to financial services and technology Stephanie Jane Karpetas founder and director, Sustainability Connections CIC, and director, Orchard Community Energy, services to the community in east Kent Martin Kelly head of resources, Children and Young People's Services, North Yorkshire county council, services to children and young people in North Yorkshire Aina Khan services to the protection of women and children in unregistered marriages Rosamund Ann Kidman Cox wildlife editor and writer, services to wildlife conservation through photography William Stanyer Kilby deputy head Afghanistan, Department for International Development, services to international development Heather Clare Knight captain, England women's cricket team, services to cricket Emma Shevvan Knights chief executive, National Governance Association, services to education Paromita Konar-Thakkar deputy director, Energy Economics and Analysis, Department for Business, Energy and Industrial Strategy, services to energy analysis Professor Elizabeth Alice Kuipers professor of clinical psychology, Kings College London, services to clinical research, treatment and support for people with psychosis Deborah Lamb deputy chief executive, Historic England, services to heritage Stephen Alan Lamb formerly director, Returns Preparation, Immigration Enforcement, Home Office, services to improving immigration systems Susan Lancioni customer insight and analysis lead, HM Revenue and Customs, services to UK and global nuclear security Bernard Derek Lane Grade 6 Tackling Crime Unit, Crime Policing and Fire Group, Home Office, services to community safety and reducing crime Professor Hilary Margaret Lappin-Scott services to microbiology and the advancement of women in science and engineering Donna Leong deputy director, Consumer and Competition Policy. Department for Business, Energy and Industrial Strategy, services to business Sarah Lewis secretarygeneral, International Ski Federation, services to sport Professor Christopher Swee Chau Liu consultant ophthalmic surgeon, Sussex Eye Hospital, services to ophthalmology Alwen Lyons formerly company secretary, Post Office Ltd, services to the Post Office and to equality and diversity Rajan Madhok trustee, Darlindas Charity for Renal Research, services to renal research and tackling health inequalities in Scotland Clifford John Mann president, Royal College of Emergency Medicine, services to emergency medicine Naomi Marek chief executive, Sky Badger, services to special educational needs Jane Marjorie Marriott Cabinet Office, services to public administration and finance Wendy Matthews director of midwifery and deputy chief nurse, Barking, Havering and Redbridge University Hospitals NHS Trust, services to midwifery Olive Mary Maybin formerly ***strategic*** policy adviser to head of the Northern Ireland Civil Service, for public service Geraldine McAndrew chief executive, Buttle UK, and chairwoman, Grant Management Panel, Consortium of Voluntary Adoption Agencies, services to the voluntary sector Bernice Alda McCabe headmistress, North London Collegiate School, services to education Elizabeth Angela McDonnell formerly head, Biomass Electricity Policy, Department for Business, Energy and Industrial Strategy, services to bioenergy policy John McGregor founder, Contamac, services to international trade and innovation in polymer technology John Ian McLauchlan services to rugby and charity Clive Julian Meux consultant forensic psychiatrist, Oxford Health NHS Foundation Trust, services to people with mental ill health Rosemary Harriet Millard chairwoman, Hull City of Culture 2017, services to culture in Hull Richard Mintz services to philanthropy Victoria Marion Miro gallery owner, services to art Deborah Moggach services to literature and drama Patricia Anne Moore regional chairwoman South West of England, Conservative Party, for voluntary political service Jonathan Howell Morgan services to disability sport in Wales Colin Morrison for charitable services to vulnerable young people Edward Francis Morrison services to rugby union Elma Murray chief executive, North Ayrshire council, services to local government, education and the economy Vinodka (Vin) Murria services to the UK digital economy and advancing women in the software sector Robert Anthony Neil head of Project Race, Ministry of Justice, services to race equality in the workplace and the community Grace Foster Nesbitt head, Pensions Division, Department of Finance, Northern Ireland Executive, services to government in Northern Ireland and for voluntary and charitable services Trevor Leo Ogden services to occupational hygiene and workplace air quality Anthony O'Hear professor of philosophy and lately head Department of Education, University of Buckingham, services to education Gavin David Redvers Oldham services to children and young people through the Share Foundation Sarah Louise Parkinson (Lou Cordwell) chief executive officer, Magnetic North, services to the creative and digital economy Kevin Allen Huw Parry chairman, Royal National Children's Springboard Foundation, services to vulnerable children Norman Nathaniel Pascal formerly chief inspector operations, Avon and Somerset Constabulary, services to diversity in the community in Avon and Somerset John Cook Pattullo formerly chairman, NHS Blood and Transplant, services to healthcare Graham Richard Pellew formerly deputy chief executive officer, Families for Children Adoption Agency, services to children Lynsey Pinfield Grade 6 British Defence Staff Washington, services to international defence relations Nicholas Powell formerly director, National Film and Television School, services to the music, film and television industries William John Priestley services to criminal justice Antony Alan Pritchard deputy command secretary, Navy Command Ministry of Defence, services to the Royal Navy Jonathan Peter Pywell city culture and place manager, Hull city council, services to culture Rhona Mary Quinn services to the construction industry and the community in Northern Ireland Jaswant Ramewal Ministry of Defence, services to defence Barbara Kathleen Rayment director, Youth Access, services to children and young people Dorothy Glenda Cerys Rees fellow chemical and biological analysis, Defence Science and Technology Laboratory, services to defence Richard Rhodes district manager Essex, Work Services directorate, Department for Work and Pensions, services to disadvantaged people in Essex Gary Ridley assistant chief officer, Durham Constabulary, services to policing Mark Robinson head coach, England women's cricket team, services to cricket Marian Brooke Rogers reader in risk and terror, King's College London, services to academia and government Christian Rucker founder, the White Company, services to retail Lesley Sawers equality and human rights commissioner for Scotland, services to business and equality Teresa Patricia Scott founder and chief executive officer, Kennedy Scott, services to entrepreneurship and employability Professor Judith Carmel Sebba services to higher education and to disadvantaged young people Alison Norma Sellar chief executive, Activpayroll, services to business in Scotland and abroad Professor Richard Sennett chairman LSE Cities ***Programme***, services to design Samenua Sesher coach and culture management consultant, services to art Naymitkumar Shah manager international liaison officer, National Crime Agency, services to law enforcement and diversity John Strother Shallcross for voluntary services to young people and youth clubs in the northeast Pauline Shaw director of care and service development, the Royal Star and Garter Homes, services to veterans Professor Andrew Hoseason Shennan consultant obstetrician, St Thomas Hospital London, services to maternity care Acting Detective Inspector David John Simm Metropolitan Police, services to national security and counter-terrorism Professor John Anthony Sloboda research professor, Guildhall School of Music and Drama, services to psychology and music Annika Elisabeth Small social entrepreneur and co-founder Centre for Acceleration of Social Technology, services to social innovation and digital technology Bartholomew Evan Eric Smith founder, Amber Foundation, services to young people Colin Stuart Squire services to the horticultural industry and to charity Emeritus Professor Nicholas David Stafford professor of otolaryngology, head and neck surgery, University of Hull, services to medical research and healthcare Peter Graham Stebbings formerly regional chairman, East of England, Conservative Party, for voluntary political service in the east of England Professor Mary (Maria) Josephine Stokes professor of musculoskeletal rehabilitation, University of Southampton, services to physiotherapy research Lynne Marie Swift director of people and organisational development, Buckinghamshire Fire and Rescue Service, services to the fire and rescue service Paul Taiano chairman of governors, Central School of Speech and Drama, services to drama training and horse racing welfare Timothy William Trelawny Tatton-Brown services to heritage Kim Bernadette Taylor headteacher, Spring Common Academy, services to education Julia Templeman chief executive officer, Northampton Primary Academy Trust Partnership, services to education Teresa Tennant co-founder, Jupiter Ecology Fund, services to sustainable investment Professor Angela Eleine Thomas consultant paediatric haematologist, Royal Hospital for Sick Children, Edinburgh, services to the regulation of public health David Barrie Thompson head, First World War and ceremonials team, Department for Digital, Culture, Media and Sport, services to the First World War centenary commemorations Professor Richard Charles Thompson professor of marine biology, University of Plymouth, services to marine science John Richard Tiffany theatre director, services to drama Sally Clare Uren chief executive, Forum for the Future, services to sustainability practice in business James Patrick Vestey formerly consultant dermatologist and head of service, NHS Highland, services to dermatology Marc Ferdinand Vlessing chief executive officer, Pocket Living, services to housing delivery Joanne Wade chief executive, Association for the Conservation of Energy, services to energy efficiency Paul Walker Grade 6 Department for Environment, Food and Rural Affairs, services to engineering, bio-containment and UK animal, plant and food science Sam Kennedy-Warburton services to rugby union William Ward chief executive officer and co-founder, Clipper Round the World Yacht Race, services to the economy and the GREAT Campaign David Arwyn Watkins managing director, Cambrian Training Company, services to education and training in Wales Professor Kathryn Anne Whaler chairwoman of geophysics, University of Edinburgh, services to geophysics Nicholas Charles Tyrwhitt Wheeler founder and managing director, Charles Tyrwhitt Shirts, services to retail Joyce Helen White chief executive, West Dunbartonshire council, services to local government, further education and Girlguiding Linda Teresa Willson formerly head maritime commerce and infrastructure, Department for Transport, services to transport Richard Wilson head office of the chairman and chief executive, Maritime and Coastguard Agency, services to transport Richard Christopher Wilson chief executive officer, Independent Game Developers Association, services to the video-game industry Diane Winder Neighbourhood Watch co-ordinator, West Yorkshire Police, services to community safety Elizabeth Wolverson chief executive, London Diocesan Board for Schools Academies Trust, services to education John Nicholas Woolf co-founder, Charities Leadership ***Programme***, services to the charitable sector in the UK and abroad Marion Wynn services to Girlguiding in the UK and abroad Order of the British Empire MBE Charmian Jacqueline (Jackie) Adams-Bonitto head of training assurance, London Fire Brigade, services to the fire and rescue service and to equality and diversity Joyce Adeluwoye-Adams formerly head of diversity, Pact, services to diversity in the media Philipa Ann Ailion casting director, services to theatre and diversity in the arts Adetunji Adeboyejo Akintokun director of CISCO Systems and co-director, Your Future, Your Ambition, services to young people from minority ethnic backgrounds in science and technology Anwara Ali general practitioner, the Spitalfields Practice, East London, services to community healthcare Daphne Claire Amlot for voluntary service to the community in Wirral, Merseyside Peter Robert Andrew deputy chairman House Builders Federation, services to the construction industry Maria Emilia Angel services to the community in Normandy in Surrey Susan Jane Anstiss services to grassroots and women's sport Afrasiab Anwar services to community cohesion in Burnley Ethel Armstrong chair, NHS Retirement Fellowship, services to the NHS workforce and retired people Janet Mary Armstrong services to the community in Oakworth, West Yorkshire Sally Arnison pharmacist and director, Barnton Pharmacy and Travel Clinic, services to healthcare and the community in Edinburgh Elaine Louise Atkins ***programme*** leader Society of Musculoskeletal Medicine, services to physiotherapy Elizabeth Rachel Atkinson cancer specialist nurse, Cancer Focus Northern Ireland, services to cancer patients and their families Robert Henry Bagley services to disadvantaged children and the community in Canterbury Lisa Anne Baldock administrative officer, human resources, Department for Work and Pensions, services to people with disabilities in public service Iain Godfrey Ball services to cathedral choral music and to young people Joan Bamber governor, Dame Evelyn Fox and Newfield schools, services to education Comfort Louise Anna Banahene head of educational engagement, University of Leeds, services to higher education Isabella Bell Banks secretary, Lightburn Elderly Association Project, services to older people in South Lanarkshire Norman Leslie Banner for public and charitable services Anne Ellen (Annie) Barr founder, Annie Barr Associates, services to exports in healthcare Michael John Barratt director of Road Space Management Surface Transport, services to transport Claire Elizabeth Batt welfare officer, Defence Police Federation, services to the Ministry of Defence Police Philip Andrew Batt services to community safety in Northern Ireland Jean Barbara Beauchamp services to young people in Lockerley, Hampshire Tamsin Tilley Beaumont services to cricket Sara Catherine Beauregard co-founder, Youth Vision, services to special needs education in Edinburgh William Alexander Beckett services to the voluntary sector and to sport Cindy Bonita Beckford principal ***programme*** controls manager, Network Rail, network operations, High Speed Rail Phase One team, services to the railway industry Michael Bell services to the Cardiff Philharmonic Orchestra Paul Nicholas Berman chairman of trustees, Wargrave House School, services to children with special educational needs and disabilities Onkardeep Singh Bhatia services to the community, particularly young people Detective Constable Timothy John Bird North Wales Police, services to policing and the community in North Wales Robert George Black Northern Ireland district chairman, Royal British Legion, services to ex-service personnel and their families Rosamund Anne Blair county vice-president, Girlguiding Dunbartonshire and instructor, Riding for the Disabled, services to children and people with disabilities Lorraine Bliss services to disadvantaged young people in Norfolk and Suffolk Neil David Bohanna head of operations, Royal Northern College of Music, services to higher education Donovan Bolessa head of international visits Department for International Trade, services to international trade Leanne Jayne Bonner-Cooke managing director, Evolve-IT Consulting Ltd, services to women in business Barbara Bower foster carer, West Sussex county council, services to children and families Christine Ann Bower athletes services coordinator, British Olympic Association, services to British Olympic sport John Edwards Bowers chairman of governors, Dixons Kings Academy, services to education Patricia Edith Boyd services to religious and moral education in Scotland Douglas Bradbury master farrier and fellow, Worshipful Company of Farriers, services to the farrier profession and the community in the East Midlands Jayne Brady services to economic development in Northern Ireland Ian James Brailey services to the magistracy and the community in Bristol Lucille de Zalduondo Briance founder, London Children's Ballet, services to dance Morris Bright leader, Hertsmere borough council, services to local government John Ross Brodie chief executive, Scottish Midland Co-operative Society, services to business and the voluntary Sector in Scotland Joanna Caroline Jane Brotherstone governor, Greenmead School, Wandsworth, London and co-founder, Small Steps Charity, services to children with special educational needs and disabilities Christopher Malcolm Brown governor Sir Tom Finney Community High School, Preston, services to children with special educational needs and disabilities James (Jim) Brown policy officer, secure children's homes, Department for Education, services to education Carol Leslie Browne coordinator, 16 Air Assault Brigade, Ministry of Defence, services to army personnel Deborah Louise Brownson services to autism awareness Jane Bruce formerly clinical director, out of hours service, NHS Tayside, services to general practice and primary care services in Tayside Colin George Bryant services to young people Adrian James Bull director of external relations, National Nuclear Laboratory, services to the development of public understanding in nuclear research Michael Burgess services to disadvantaged young people in North Tyneside David Richard Beveridge Burn services to the magistracy and the community in Hexham, Northumberland Margaret Rose Burn services to the Salvation Army and vulnerable people Kathleen Nancy Burns services to post-16 education and skills in Wales Jessica Rose Butcher co-founder and director, Blippar, services to digital technology and entrepreneurship Sarah Butcher director of care, Priors Court School, Berkshire, services to children with special educational needs and disabilities Charles Richard Butler assistant headteacher (community) and head of performing arts, Ulverston Victoria High School, Cumbria, services to music education Darrell George Buttery services to heritage in York Philip Peter Buxton services to mountain rescue and the community in Cumbria Rosemary Jayne Cadbury services to philanthropy and the community in Bournville, West Midlands Donald Delachevois Campbell formerly chairman, East Devon area of outstanding natural beauty, services to nature conservation Hilary Cantle services to older people and to charity in Bedfordshire and Hertfordshire Ian David Carnell services to young people in Solihull Monica Catherine Carroll services to the community in South Yorkshire Craig Carscadden services to athletes with disabilities and to the Paralympics David Carter services to the community in Teesside Richard Alan Carter governor, West Suffolk College, services to education John Millar Caskie services to the community in Dumfries Balwant Singh Chadha formerly councillor, North Lanarkshire council, services to local government and community cohesion in the west of Scotland Professor David Hugh Gray Cheape services to Scottish cultural education and traditional music Cynthia Louise Hart Cherry services to the community and charitable fundraising in Northern Ireland Claire Marie Chippington deputy director, Border Force, Home Office, services to border security Elinor Chohan chairwoman, North West regional board, Remembering Srebrenica, services to interfaith and community cohesion Nicola Clark tax professional manager, HM Revenue and Customs, services to business and the community in the North East Derek Kenneth Clarke Duke of Edinburgh's Award coordinator, Broxbourne and Richard Hale schools, services to young people in Hertfordshire Jane Helen Clarke formerly chief executive, Churches Housing Association, Dudley and District, services to vulnerable women and children Catherine Vivian Lindsay Clay for political and public service Jeffrey Alan Coates social worker and member adoption support expert advisory group, services to children Susan Mary Coates services to Girlguiding Paul Anthony Cobbing chief executive officer, National Flood Forum, services to flood management risk Lt-Col Mordaunt Cohen services to Second World War education Michael Francis Coker services to the community in Warwickshire Linda Colclough services to victims of sexual abuse in West Yorkshire Mary Barbara Collen volunteer, Young Witness Service, NSPCC, services to children and young people in Northern Ireland George Edward Colligan services to the museums sector Christine Rosemary Collins member Northern Ireland Rare Disease Partnership, services to people with rare diseases Alec George Collyer chairman Dartmoor Search and Rescue Group, services to search and rescue in Dartmoor Christopher Constantine Ministry of Defence, services to defence Martin James Paul Cooke services to the arts and the community in Chester and Tattenhall and North Cornwall Wendy Coombey Community Partnership and funding officer Hereford Diocese, services to churches in Herefordshire Tracey Cooper head of midwifery at Warrington and Halton Hospitals NHS Foundation Trust, services to midwifery James Cosmo Copeland services to drama Royston Vincent Court services to inclusive judo Richard Cowie musician, services to music Gail Crouchman senior officer, Border Force, Home Office, services to border security and prevention of modern slavery Brian Albert Leopold Davies senior executive officer Engineering Authority Ministry of Defence, services to military aviation Ian Morris Davies ***programme*** manager renewables and energy at Marine Scotland Science, services to marine science and voluntary service in the UK and abroad Alan Davis coach Maindy Flyers, Cardiff and Newport, services to youth cycling and diversity inclusion in south Wales Bobby Gurbhej Singh Dev services to young people in Sheffield South Yorkshire Albert George Dicken for charitable services Gillian Dillon senior executive officer, district employer and partnership manager, Department for Work and Pensions, services to employment and skills in the Humber Nora Dillon services to affordable housing credit management and the community in Rutherglen and Cambuslang, South Lanarkshire Julie Dixon services to the community in Northumberland Nicholas Dobrik volunteer The Thalidomide Trust, services to people affected by Thalidomide Michael John Doherty services to community cohesion in Northern Ireland Grant Jonathan Douglas founder and chief executive officer Sup Products Ltd, services to people with disabilities Mary Louise Drinkwater services to the community in Worcester Jill Dudley-Toole chairwoman Frank Dudley Ltd services to business and the community in Birmingham David Duke founder and chief executive Street Soccer Scotland, services to football and socially disadvantaged people Alexander Duncan regional commissioner east region, Scout Association, services to the Scouting movement and the Vine Trust William Jake Dunning deputy ***programme*** director for high consequence infectious disease NHS England, services to clinical research Karyn Dunning head of Detained Casework Immigration Enforcement, Home Office, services to asylum and humanitarian operations Richard Anthony Edwards services to the community in Hastings Derek Ernest Elton services to Scouting and the community in Stourbridge West Midlands John Alfred Eltringham chairman of trustees South Shields Sea Cadets, for voluntary service to young people Alistair Mark Emslie-Smith general practitioner Arthurstone Medical Centre, Dundee, services to healthcare, particularly diabetes treatment in Scotland David Martyn Evans formerly general practitioner Budleigh Salterton Health Centre, services to the community in Budleigh Salterton, Devon Geoffrey Frank Evans services to local government and the community in Falmouth Maria Eves chairwoman of governors, Broughton Hall Catholic High School and vice-chairwoman, St Teresa of Lisieux Catholic Primary School, services to education Brian Timothy Exell president Seashell Trust and chairman of governors, Ysgol y Deri, Penarth, services to special needs education in Wales and England Julia Emma Farman head European Intake Unit, UK Visas and Immigration, Home Office, for public service Neelam Farzana co-founder and managing director The Listening Service, services to mental health in the community Susan Mary Fazackerley services to the community in Lytham St Annes Lancashire James William Ferguson services to mental health awareness in Devon Paul Hugh Paterson Ferguson services to carving, gilding and conservation Shimon Fhima ***programme*** director HM Revenue and Customs, services to taxpayers Norman Finlay services to UK shipbuilding Michael William Finney director of advice, admissions and marketing, South Cheshire College, services to education Louise Fitzroy-Stone executive director of sport, Guildford High School, services to education Sara Lee Fitzsimmons executive charity director, SiMBA, services to bereaved families William David Fleetwood services to the community in the northeast of England Charlie Fogarty services to young people in Solihull West Midlands Lawrence Forshaw life-president Governing BodyAlder Grange School, Rossendale, Lancashire, services to education Rebecca Jane Foster course leader for physical education and senior lecturer in adapted physical education University of Worcester, services to inclusive sport and young people Rosemary Fox national director for screening ***programmes*** Public Health Wales, services to healthcare in Wales Arthur Frost foster carer East Cheshire council, services to children and families Dorothy Ann Frost foster carer, East Cheshire council, services to children and families Patricia Veronica Fuller services to the community in Norwich Nicholas Pearson Gair services to exservice personnel and young people in London Sgt Scott John Gallagher North Wales Police, services to policing and the National Police Air Service Constable James David Gallienne Devon and Cornwall Police, services to policing and search and rescue Angela Gannon training standards verifier London and South Region, St John Ambulance, for voluntary service to first aid Deborah Sylvia Gardiner chief executive officer, Qube Learning, services to apprenticeships and charity Donovan John Gardner services to the community in Cornwall Edward Gatenby head of residence and services HM Prison Durham, services to HM Prison Service Beverly Gayle higher executive officer Department for Work and Pensions, services to unemployed people Jacqueline Alexandra Gerrard chairwoman of the Corporation Stodes College, Egham, services to education Margaret Emily Gianotti executive officer Work Service directorate, Department for Work and Pensions, services to employment in south London Ben Michael Goldacre senior clinical research fellow Centre for Evidence-Based Medicine, University of Oxford, services to evidence in policy Antony Goodman chief executive officer Yumsh Snacks Ltd, services to international trade and UK exports Tobiasz Gorniak services to young people in Plymouth Craig Andrew Graham chairman The Spartans Community Football Academy, services to football and the community in Edinburgh Michael William Graham formerly constable Police Service of Northern Ireland, services to policing and the community in Northern Ireland Ruth Graham services to disabled and bereaved children in Northern Ireland Evelyn Joan Grieve speaker, Children's Hospice Association Scotland, for voluntary service in Perthshire Malcolm Grindrod services to mountain rescue in Cumbria Anita Rosina Grodkiewicz manager, the Rosmini Centre, services to the community in Wisbech, Cambridgeshire Howard Groves member Senior Mathematical Challenge Problems Group and member, UK Mathematics Trust Challenges Sub Trust, services to education Catherine Diane Gullen services to children Rosemary Hadfield member The Clement Danes Trust Board and associate governor, Westfield Academy in Hertfordshire, services to education Susan Morgan Hallam managing director, Hallam Internet Ltd, services to entrepreneurship and innovation Sacha Ian Harber-Kelly case controller Serious Fraud Office, services to investigating and prosecution of fraud, bribery and corruption David Lawrence Harcourt services to the community in Stourbridge Jill Hardy for voluntary service to the arts in Dumfries and Galloway Jane Harley team leader Teacher Strategy and Practice Unit, Department for Education, services to education and to the community in Sheffield Florence Harper services to cardiology in County Tyrone Ian David Harrabin services to heritage and regeneration in Coventry Ian Michael Harris chief executive Wine and Spirit Education Trust, services to the wine and spirit industry Ian Richard Harris honorary trustee Citizens Advice Bureau, services to the Citizens Advice Bureau in Newcastle upon Tyne Eric George Harrison formerly youth team coach Manchester United Football Club, services to football Professor Matthew Harrison Trustee STEMNET, services to engineering and education Margaret Ann Harvey vice-chairwoman, Camden Association of Foster Carers, services to children Deborah Maria Heald managing director, Heald Ltd, services to exports and promotion of STEM Careers for Women Peter John Heald director, Lunds of Otley, services to business and the community in West Yorkshire Roderick John Heather services to flood risk management Christopher Charles Hebden chairman, Southend MENCAP, services to people with disabilities in Essex Jonathan Heggarty director of curriculum, Belfast Metropolitan College, services to further education in Northern Ireland Margaret Dorothy Heller services to the magistracy and to vulnerable families in the community in Southampton Jennifer Henderson for parliamentary and voluntary service Anne Hendy Teacher, Hitchin Girls School, services to education Inez May Henriques services to the West Midlands Caribbean Parents and Friends Association Matt Henry actor and singer, services to musical theatre Maureen Constance Hercules founder and headteacher, Dallington School, London, services to education Hedley George Heron services to charity and the community in Northumberland Kenneth Malcolm Hewitt services to cross-community relations in Londonderry Beverley Elizabeth Hickey administrative officer, services to defence Patricia Hiley services to adoption Rachael Maria Hill national flood and coastal risk manager, Environment Agency, services to flood risk management and flood recovery Michele Hodgson formerly chairwoman, County Durham and Darlington Fire and Rescue Authority, services to fire and rescue Margaret Helen (Maggie) Hollingsworth formerly trustee, Inspiration Trust, services to education Susan Yvonne Hollister headteacher, Cefn Hengoed Community School, Swansea, services to education in Swansea Carol Holt flood incident manager, Environment Agency, services to flood risk management and the environment Colin Roy Hopkins School governor and chairman of trustees Church of England Central Education Trust, services to education William Thomas Hopkins services to the community, particularly children and maritime safety, in south Wales Pearline Evadney Howard Foster Carer, Wandsworth borough council, services to children and families Christopher Paul Hudson founder and owner of Chimo Sheffield (Manufacturing) Ltd, services to exports and investment in Sheffield Alan Thomas Hughes area convener, Glasgow Children's Panel, services to the children's hearings system in Scotland Glenys Irene Hughes services to music in Orkney and charity in Malawi John Martin Hughes managing director, Ryobi Aluminium Castings (UK), services to economic development in Northern Ireland Christopher Robin Hyson services to the magistracy and the community in Hampshire Anthony Impey founder and chief executive officer, Optimity, services to apprenticeships, small businesses and broadband connectivity Lindsey Ann Isaacs formerly head of prevention, Dorset Fire and Rescue Service, services to fire prevention and community safety in Dorset Adrian Antony Jackson artistic director and chief executive officer, Cardboard Citizens, services to the arts Sarah Caroline Jarvis General practitioner in Shepherds Bush, London, services to general practice and public understanding of health Mark Richard Jefferson formerly higher officer, National Deep Rummage Team Immingham, Border Force North Region, Home Office, for public service Christine Ann Jeffery chairwoman, Skills Group UK Ltd, services to skills training and charity David Ellis Jenkins services to maritime Safety Philippa Helen Dodds John services to young people and culture in London Sian Bassett John formerly chief security strategist, Symantec Corporation, services to cyber security Anthony Colin Johnson chairman of governors at Oaklands Primary School, Yeovil, Somerset, services to education Shahina Baloch Johnson services for the arts and creative industries in Swindon and Wiltshire Elizabeth Anne Johnston for voluntary service to the community in Donaghadee, County Down Carly Jayne Jones services to people with autism Karen Jones services to children with life-limiting Illnesses in the northwest and north Wales Peter Jones national account manager, National Employer and Partnership Team, Department for Work and Pensions, services to unemployed people Rowena Wendy Jones paediatric oncology outreach specialist nurse, Hywel Dda University Health Board, services to sick and disabled children and end of life care Trevor John Jones services to the community in Stoke-on-Trent Staffordshire Mohammad Yaqub Joya services to the Army and the Muslim community in Northern Ireland Shirley Kankowski project manager HM Revenue and Customs, services to state pension reform Andrew Charles Kaufman services to Holocaust education Dorothy Harriet Keane clinical lead, E-Learning for Healthcare Image Interpretation Project, Society of Radiographers, services to radiography Kathleen Keillor governor, Caroline Haslett Primary School, services to education Susan Stephen Kennedy formerly national co-ordinator, general practice nursing in NHS Education Scotland, services to general practice nurse education Alexander Khan chief executive officer, Lifetime Training, services to apprenticeships Sadi (Mehmood Sajdah) Khan services to cultural/religious awareness training and voluntary service to vulnerable women Ronald George Knight co-founder, Knight Farm Machinery Ltd and harvesting machinery historian, services to ***agricultural*** engineering entrepreneurship and charitable fundraising Geoffrey Arthur Knights services to the community in High Kelling in Norfolk Reverend Bernd Koschland services to Holocaust education Susan Elizabeth Kruse services to community archaeology in the Highlands of Scotland Grace Ladoja services to music Gillian Lane formerly vice-chairwoman of governors, Central College Nottingham and Governor, Acorn Primary Federation, services to education Mark Ralph Langshaw managing director, Continental Teves Ltd, services to the economy and community in Blaenau Gwent Ganiyu Laniyan managing director of Shian, services to the community in London John Larke services to music in Cornwall Susan Florence Moyes Law chairwoman, Muirfield Riding Therapy, services to riding for the disabled Rosemary Leach principal lecturer in sport development, Sheffield Hallam University, services to education Ivy Agnes Lee services to Girlguiding in Northern Ireland Michele Ganley Lee chairwoman, Dyspraxia Foundation Charity, services to improving the diagnosis and treatment of children with dyspraxia Professor Michael Levin professor of paediatrics and international child health, Imperial College London and St Marys Hospital, services to infectious disease critical care and research Alison Lewis site lead, HM Revenue and Customs, for public service Christopher David Lewis Lifeguard RNLI, services to maritime safety Hannah Lewis services to Holocaust education Leonie Rachelle Lewis services to the Jewish community in London Robert Joseph Stanley Long services to the community in Maldon Essex Christopher Charles Loveday services to children to people with mental health issues and the community in Swindon Elizabeth Ann Lovesey services to education and the community in Great Barford, Bedfordshire Deborah Karen Lovett director of export and trade finance, Credit Agricole Corporate and Investment Bank, services to exports Timothy James Lovett director of public affairs, British Beekeepers Association, services to the beekeeping industry Carol Lukins services to HM Coastguard and the prison service Margaret Ann Lynch for political service Inez Therese Philomena Alice Lynn services to literature and libraries in London James Jamieson Lyon forest management director, Forestry Commission, services to forestry and to conservation in the northeast Katherine Mary (Kay) MacKay chairwoman, Isle of Lewis local committee, Cancer Research UK, services to charitable fundraising Sine Cameron MacVicar formerly headteacher of Dunbeg Primary School, services to education and the community in Dunbeg, Argyll Roisin Maguire formerly principal of St Josephs College, Stoke-on-Trent, services to education Sajda Majeed services to the community in Burnley Suzanne Marie Marklew senior executive officer, foreign liaison staff (Army), Ministry of Defence, services to defence engagement Ian George Marks services to the community in Warrington Lucy Marks chief executive officer and clinical psychologist, Compass Wellbeing, services to children's mental health and primary care Margaret Patricia Martin for voluntary service to road safety in Northern Ireland Anthony Marwood violinist, services to classical music Margaret Mather founder of Dundee Junior Showtime Youth Theatre, services to the arts and community in Dundee John Bernard Roger Matthews trustee, Heart Your Smile, services to dentistry Linda Jane McAuley presenter BBC Radio Ulster, services to consumers in Northern Ireland Thomas Adrian McAuley services to first aid and healthcare in Northern Ireland Thomas Celestine McBride head of department for business services, South West College, services to further education in Northern Ireland Margaret Lynne McCabe head, Welsh Tribunals Unit, services to administrative justice in Wales Daniel McCallum co-founder and managing director of Awel Aman Tawe, services to community energy in Wales Hazel Roberta McCready services to disabled ex-police officers in Northern Ireland Angus James McIntosh managing director of Lecht Ski Centre, services to skiing and tourism in North East Scotland John Stuart McLester services to education and the community in Monmouth Stefa Janita McManners services to the community in County Durham Robert Duncan McPhail services to the community in Tarbert Donald Wallace McPhie national trustee and regional representative for the West Midlands, SSAFA, for voluntary service to ex-service personnel Carolyn Anne McVittie managing director, Stepahead, services to children and families Bazil Leonard Duncan Meade London Community Gospel Choir, services to the development of British gospel music Jennifer Meakin services to children with disabilities, particularly through sport Thomas Frederic Metcalfe services to bell ringing in Cumbria Detective Constable Garry Millar Police Service of Northern Ireland, services to policing and the community in Northern Ireland Professor Mark Andrew Miodownik professor of materials science, University College London, services to science, engineering and broadcasting Christine Valerie Mitchell account manager, Department for International Trade, services to international trade Gillian Moglione services to the community in Liverpool Moira Anne Monaghan formerly head teacher, Bushes Primary School, Paisley, services to education in Renfrewshire Margaret Gilmour Wilson Moodie formerly volunteer, St Columbas, services to people with life limiting illnesses and to deaf people in Scotland Henry Joseph Moore services in support of the Northern Ireland peace process Sandra Moore chief executive officer, Welcome Organisation, services to tackling homelessness Rachel Duncan Morgan services to UK Antarctic Heritage and Conservation Constable Richard Hugh Morgan South Wales Police, for charitable services to armed forces veterans Elizabeth Julie Morris headteacher, Severn Primary School, Cardiff, services to education Margaret Anne Morris services to health and wellbeing in Salford Richard Morris formerly senior head of service, Children and Family Courts Advisory and Support Service, services to children in England Karen Vivienne Morrison services to the Children's Hearings System in Scotland and the community in North Lanarkshire Michael Cecil Moss services to golf tourism and charity in Northern Ireland Alison Moth services to education in Northern Ireland Sylvia Doreen Moys member, Court of Common Council, services to the City of London Corporation and education in Croydon Ann Stewart Muir volunteer, Macmillan Cancer Voice, services to people affected by cancer in Scotland Eric Eugene Murangwa services to raising awareness of the Rwandan genocide Kenneth John Nelson chief executive officer, LEDCOM, services to economic development and the voluntary sector Edward Augustus Nestor services to radio and to charity Moira Newton services to the Jewish community in north London Peter John Wellesley Noble services to photography and to charity Alison Elizabeth North teacher and choir leader, Lindley Junior School, Huddersfield, services to education Josephine Maria O'Farrell services to the community in Crowthorne and Bridport, Dorset David George Openshaw services to music in Northern Ireland Professor Gerard Patrick Parr services to developing telecoms infrastructure in Northern Ireland Janet Elizabeth Parrott for voluntary political service Bernard Neil Parsons co-founder and chief executive officer, Becrypt, services to digital technology Atulkumar Bhogilal Patel services to heritage and the community in the East Midlands Mubeen Yunus Patel administrative officer, Personal Tax Operations, HM Revenue and Customs, services to public sector digital transformation ***programme*** Robert Ian Paterson services to Paralympic sport Desmond George Arthur Payne Master distiller at Beefeater London Dry Gin, services to the British gin industry Bernadette Peers compliance manager at ***Strategic*** Shipping Ltd, services to export control Maj (retired) Donald Peploe staff officer, Army Equipment Support, Ministry of Defence, services to military capability Clifford Edward Perry business coordinator, Railway Division, Institution of Mechanical Engineers, services to railways Janice Pettit services to youth work and the community in the London Borough of Waltham Forest Marcella Eileen Phelan services to young people in Ealing London Helen Margaret Phillips services to Welsh gymnastics and the Commonwealth Games Council for Wales Martin Graham Highmore Phipps harbourmaster, services to UK exports David Pickering education administrator and teacher, The Royal Ballet, services to the arts and education Michael John Pipes formerly school governor, services to education Susan Platten Bedfordshire and Hertfordshire business and partnership manager, Department for Work and Pensions, services to young people Timothy Michael Staden Pocock services to education and charity Kathryn Podmore formerly principal, Birkenhead Sixth Form College, services to education Diana Lois Porter founder, Fresh Start-New Beginnings, services to sexually abused children, young people and their families Stephen Philip Prenter services to arts, business and education Michael Julian Prior commercial officer, Military Flying Training System ***Programme***, Ministry of Defence, services to military training provision Adrian John Prior-Sankey services to the community in Taunton Capt (retired) Santa Pun staff officer, Army Division, Defence Academy, services to defence Naeem Rabbani Qureshi services to the community in Sparkbrook Robert Ramdhanie services to dance Michael John Rance services to the community in Macclesfield Dorothy Anne Rand services to local government and the community in Durham Gurmit Singh Randhawa services to community cohesion in the Vale of Glamorgan Linda Mary Ransom services to the community in east London and Essex Andrew Rowland Ready senior surgeon, renal transplant ***programmes***, University Hospital Birmingham, services to renal transplantation Alan Regin services to campanology and its heritage Allan Martin Russell Reid services to the community in Winchester Ann Lorraine Reid councillor, City of York council, services to local government Patricia Ann Reid secretary, Dunfermline Tennis Club, services to tennis and lacrosse in Scotland Stefanie McLeod Reid services to Paralympic sport Janet Elizabeth Riches for political and public service Christine Elizabeth Robson watch manager, County Durham and Darlington Fire and Rescue Service, services to the Fire and Rescue Service and the community in County Durham James Peter Robson doctor, Scotland national rugby team and head of medical services, Scottish Rugby Union, services to rugby Louise Mary Rooney senior nurse and head of prison healthcare, HM Prison Usk, services to nursing and prison healthcare in Monmouthshire Paula Roots group manager, early years and early ***intervention***, West Lothian council, services to the community in West Lothian Carolyn Ann Roseberry-Sparkes deputy director, Border Force, Home Office, services to border security Nicholas Andrew Nesbitt Rowe director of Converge, York St John University, services to people with mental ill-health in Yorkshire and the North East Linda Ruth Rowles personal assistant to directors for higher education reform, Department for Education, services to education and to the community in Bromley Professor Helen Elizabeth Roy Group leader, population ecology, Centre for Ecology and Hydrology, services to biodiversity research, science communication and citizen science Leslie Ann Roy services to athletics in Scotland Sean Edward Ryan volunteer, St Monica's Flixton Parish, Manchester, services to refugee resettlement Simon Charles Ryder watch manager, Greater Manchester fire and rescue service, for voluntary service to the Manchester Children's Burns Camp and Northern Burns Care Network Joan Salter services to Holocaust education Joan Mary Sanger services to charity and the community in Beckingham, South Yorkshire Mehool Harshadray Sanghrajka services to the Jain faith and education Jeffrey Scorah Ministry of Defence, services to defence Neil Duncan Scott project support officer, Department for Business, Energy and Industrial Strategy, for public service Martin Pengton Seah emeritus senior fellow in surface and nanoanalysis, National Physical Laboratory, services to measurement science Keith Dennis Sears formerly inspector, Sports Ground Safety Authority, services to sport Diana Joyce Seeney services to the Girls Brigade Shyamal Kanti Sengupta services to interfaith relations in Renfrewshire William Robert Sergeant county vice-chairman, Merseyside and West Lancashire, Royal British Legion, for voluntary service to ex-service personnel and to First World War remembrance Professor Vikas Sagar Shah member, Industrial Development Advisory Board and chief executive officer, Swiscot Group, services to business and the economy Summera Naheed Shaheen owner, The Diamond Studio, services to business and the community in Glasgow Rohit Shankar Consultant in adult developmental psychiatry, Cornwall Partnership NHS Foundation Trust, services to people with learning disabilities in Cornwall Anne Florence May Shaw foster carer, Sheffield city council, services to children and families Margaret Ann Shields administrative assistant, Ministry of Defence, services to defence Patricia Anne Shore services to the community in Harrogate Sanjiv Kumar Shridhar General Practitioner in Nantwich, Cheshire, services to primary care Anya Shrubsole services to cricket Hazel Marie Simmons services to local government in Luton Colin Ian Angus Skeath formerly neighbourhood inspector, West Yorkshire Police, services to policing and the community in Halifax Frances Jane Sloan chairwoman, Aldouran Wetland Garden, for voluntary service in Leswalt, Wigtownshire Emma Louise Smith head of operations, National Crime Agency, services to tackling economic crime Jeffrey Douglas Reginald Smith founder, Ards Peninsula First Responders group, services to health in Northern Ireland Raymond John Smith ceremonial technical officer, House of Commons, services to parliament Susan Smith joint chief executive, South Northamptonshire and Cherwell district councils, services to local government Wendy Jane Smith community engagement ***strategic*** lead, Peninsula School of Dentistry, services to oral healthcare and dental education in the South West Jonathan William Spencer head of ***planning*** and environment, Forest Enterprise England, services to woodlands, nature conservation and the environment Peter Stewart Spencer adviser, Environment Agency, services to flood hydrology and the economy Andrew Spiers director of science and technology, Ardingly College, services to education Michael George Squire foster carer, Wiltshire council, services to children and families Rachel Denise Squire foster carer, Wiltshire council, services to children and families Seema Srivastava safety ***programme*** and falls lead, North Bristol NHS Trust, services to improving quality and patient safety David Leonardus Steenvoorden superintendent coxswain, Humber lifeboat station, RNLI, services to maritime safety Professor William Stephens university secretary and head executive office, Cranfield University, services to higher education Martin Adam Stern services to Holocaust education Alison Rosemary Stewart services to libraries in Suffolk David Arthur Stone services to young people and the community in Wolverton, Warwickshire Freda Streeter services to open water swimming Paul Anthony Strothers formerly chief executive officer, Zodiac Seats (UK) Ltd, services to the development of aerospace manufacturing in the UK Deborah Alison Sugg for political and public service Madeleine Sumption director, Migration Observatory, University of Oxford, services to social science Bryan James Sutherland engineer, Loganair, services to the Orkney air service Claudette Joyce Sutton formerly chief executive officer, Minority Ethnic Talent Association, services to diversity in the civil service Rosamund Anne Sweet police community support officer, City of London Police, services to policing and the community in the City of London Melinda Tan Rector, University of Central Lancashire, Cyprus branch campus, services to British higher education overseas and the promotion of bi-communal relations in Cyprus Elizabeth Tappenden owner and founder, In to Biz Ltd, services to small business start-ups and women in business on the Isle of Wight Angela Tate probation officer, HM Prison Isle of Wight, services to probationers and voluntary work to the community on the Isle of Wight Patrick Francis Benjamin (Ben) Tatham services to the community in the Mole Valley Suzanne Jane Taylor services to education David Anthony Temple musical director, Crouch End Festival Chorus, services to music Gerald Robert Tessier review manager, Boundary Commission for England, Cabinet Office, services to democracy David Thomas services to social work education and people with disabilities Elizabeth Ann Patricia Thomas group leader, bereavement service, Gloucestershire, services to supporting people bereaved by suicide in Gloucestershire Michael Everard Thornhill services to the community in Leominster Robert Telford Tinlin formerly chief executive, Southend on Sea borough council, services to local government in Essex Professor Michael John Tipton professor of human and applied physiology, University of Portsmouth, services to physiological research in extreme environments Stella Gladys Tomkinson services to foster care in Warwickshire Adrian Treharne Grade 7 capabilities and resources, Home Office, services to people with disabilities in the public and charitable sectors Kevin Trickett services to the community in Wakefield, West Yorkshire Ian Nigel Tully services to music Professor Lynne Frances Turner-Stokes consultant in rehabilitation medicine, Northwick Park NHS Trust, and Herbert Dunhill professor of rehabilitation, Kings College, University of London, services to rehabilitation medicine Professor Philippa Jane Tyrell professor and consultant, stroke medicine, Salford Royal NHS Foundation Trust and University of Manchester, services to stroke medicine and care Frances Margaret Veal services to the community in Bridgnorth, Shropshire Tracey Jayne Vell General Practitioner, Surrey Lodge Group Practice, Greater Manchester, services to primary care John Victor Frederick Voss services to rugby Joanna Margaret Walker consultant paediatrician, Portsmouth Hospitals NHS Trust, services to children, young people and families in Hampshire and West Sussex Anne Amelia Manson Wallace senior personal secretary, Department for Communities Northern Ireland Executive, services to the Northern Ireland civil service Verena Lesley Wallace midwife, services to midwifery in Northern Ireland David Walsh Ministry of Defence, services to defence Jennifer Mary Walsh independent research and development manager, services to transmissions research and development Hayley Walters welfare and anaesthesia veterinary nurse, University of Edinburgh, services to veterinary education and animal welfare Stephen James (Steve) Waltho formerly mayor of Dudley, services to local government and the community in Dudley Cleveland Alexander Watkiss jazz vocalist, actor and composer, services to music Alison Jayne Watson chief executive officer, Class of Your Own, services to education Andrew Paul Watson leader, Geese Theatre Company, services to the arts in the criminal justice system William John Allen Watson services to cycling William Duncan Watt chairman, Wick Harbour Authority, services to the community in Wick and Caithness Edward John Watts services to the Scouting movement, Mission to Seafarers and community cohesion in South Wales Derek Weaver curator, Marine Engineering Museum, HMS Sultan, for voluntary service to naval heritage James Lewis West formerly head, product assurance, AWE Aldermaston, services to nuclear safety Christopher John Whiteside for political and public service Derrick John Willer schools liaison officer, Institution of Engineering and Technology, services to education Cheryl Barbara Williams director, Yorkshire Wildlife Park, and chief executive, Yorkshire Wildlife Park Foundation, services to business and conservation James Hugh Alexander Williams services to the shrievalty and the community in Hertfordshire Mark Williams manager, investigations, specialist operations, National Crime Agency, services to law enforcement Martin Williams Foster carer, Croydon borough council, and chairman, Croydon Foster Carer Association, services to children and families Jacqueline Frances Williamson founder, Kinship Care Northern Ireland, services to carers and children in Northern Ireland Robert Clive Wilson director of estates and facilities, University of Bradford, services to higher education and sustainability John Albert Wood General Practitioner, St Elizabeths Medical Centre, services to general practice in Leicester Janet Sarah Woodroffe for voluntary and charitable services in Wistanstow, South Shropshire Barbara Ann Woodward-Carlton chairwoman, University of Bradford panel for dementia research, services to patient and public involvement in furthering dementia research British Empire Medal BEM David John Allen services to the community in Barnsley Thomas Allen services to the community in Donemana County Tyrone Yasmin Jade Allen clinical fellow, NHS, services to oral health Michael Anthony Amies formerly chair, organ donation committee, Worcestershire Acute Hospitals NHS Trust, services to healthcare Anthony Robin Ardron services to people with learning difficulties in Cumbria Antony Robin Brian Ashburner services to the community in Exford, Somerset Violet Atkinson road safety volunteer, Northumbria Police, services to road safety awareness and education in Northumberland Sarah Avery team manager, child protection and court team, Bath and North East Somerset council, services to children Gertrude Ayer services to the community in Annfield Plain, County Durham Peter Baillie senior executive officer Ministry of Defence, services to defence and the veterans Ramon Lionel (Ray) Banks services to the community in Tiptree Essex Reginald Robert Barry services to the community on the Isle of Wight Jack Alexander Erwin Beattie services to the development of sport in Lisburn Northern Ireland Mark Macleod Beaumont services to sport broadcasting and charity Catherine Cicely Beech services to the community in Ceredigion James Bell services to the farming community in Northern Ireland Neomi Beverley Bennett managing director Neo-Innovations UK Ltd, services to nursing and healthcare Jean Bett services to education and community drama in Renfrewshire and West Dunbartonshire Mark Gunter Beyer administrative officer Ministry of Defence, services to defence and the Dartmoor Mountain Rescue Group Harry Bibring services to Holocaust education Bryan Birkett services to bell ringing and the community in Nottinghamshire Margaret Jean Bishop services to Age UK and to charity Elizabeth Masson Blades Captain, 5th Motherwell Girls Brigade, services to young people and the community in Motherwell, Lanarkshire Regina Akosua Boakye-Nimo services to dance Terence George Bolt services to the community in Cornwall Sonia Jane Bond services to dance Sandra Jane Booer services to music and the community in Dartford Eileen Borton services to older people in Rugby. Warwickshire Alison Sara Bradbury services to the community in Clophill, Bedfordshire Sandra Bradshaw services to the community in Manchester Kulbir Singh Brar community and diversity officer Thames Valley Police, services to community cohesion Andrew Robert Bromley international student support officer Sheffield Hallam University, services to higher education Joyce Ellen Brooker services to the community in Wing, Buckinghamshire Ann Maureen Browning chairman, Berkhamsted Committee, The Children's Society, for charitable services Frank Eric Bull services to The Royal British Legion and the community in Whitby Derek Alan Burnett services to the community in Nottinghamshire Margaret Cahoon learning support assistant, Knockloughrim Primary School, Magherafelt, services to education in Northern Ireland Gayle Luett Carson administrator, Northern Ireland Custody Visitor Scheme, services to prisoner welfare and charity in Northern Ireland Samuel Frederick Erskine (Ricky) Caruth services to rowing in Northern Ireland Colin Russell Case for voluntary and charitable services to the community in Ruyton XI Towns Shropshire Anita Itallina Castellina services to the community in Cannock Stephen Chapman services to music in Northern Ireland Paul Clabburn member London Veterans Advisory and Pensions Committee, services to veterans and to awareness of cardiac risk Susan Clarey office manager, St Anne's Church of England Primary School, Bishop Auckland, services to education Mary Clarke services to flood defence and the community in Cardiff Jacqueline Clark-Basten services to the community in Sipson, Middlesex Jean Clarkson services to riding for the disabled in Dumfries and Galloway Gayle Denise Clay team manager, homeless healthcare team, Gloucestershire Care Services NHS Trust, services to community health for homeless and vulnerable people Richard Cleaves services to the community in Ewhurst, Surrey Jonathan Victor Cooke services to cross community relations through sport in Northern Ireland John Mervyn Cornish services to the community in Stewkley, Buckinghamshire Lee Coulson services to disability basketball John Charles Cox services to Scouting and to Holy Trinity Church Bradford on Avon Patricia Anne Cox for voluntary and charitable services Michael Credland services to First World War heritage and remembrance June Mary Crew for voluntary service to Natural History and the community in Broxbourne, Hertfordshire Tom Crosby volunteer Network Rail Community Safety ***Programme***, services to railway safety Diane Gail Curtis manager, Bowel Screening Wales, services to cancer patients Nadine Samantha Daniel services to interfaith and community relations in Merseyside Jacqueline Rhys Davies services to young people in Cheshire Dawn Ruth Davis Northern Ireland Environment Agency, for voluntary services through the Samaritans Wendy Elizabeth Daws for voluntary service to visually impaired people in North Kent Hamish Dean Pipe Major Huntly and District Pipe Band, services to piping and the community in Aberdeenshire Elizabeth Gabrielle Deans for voluntary service to the Western Health and Social Care Trust, Northern Ireland Sheila Delahoy services to cancer and cystic fibrosis charities in Flintshire Louise Gail Dembny executive officer, Department for Work and Pensions, for public and charitable services Leslie David Dennison services to charity Watch Cdr David Denvir Northern Ireland Fire and Rescue Service, services to fire safety in Northern Ireland Rosalind Jane Dolding services to the community in Edington and Polden Hill, Somerset Theresa Mary Douglas police staff Police Service of Northern Ireland, services to policing and the community in Northern Ireland Rosemary Enid Dowie services to the community in Weston-Super-Mare, Somerset Mary Dowson services to community radio Gregory Matthew Drozdz services to the community in Hinckley. Leicestershire Hazel Valerie Drummond services to music in Northern Ireland Frances Edwards services to the community in Bishopsteignton, Devon Thomas Wallace Elder services to the community in Ahoghill County Antrim James Andrew Emery for voluntary service to the Boys Brigade and the community in County Tyrone Alison Lesley Evans services to the community in Suffolk Gareth Evans deputy Local Policing Inspector South Wales Police, services to community cohesion and engagement Gordon Malcolm Evans chairman Stafford Town Football Club, services to football in Stafford Efe Elizabeth Ezekiel services to Young People in London Special Constable Lloyd Bartle Fairey Northamptonshire Police, services to policing and the community in Wootton Fields Northampton Adrian Kenneth Farmer services to the community in Belper and Derwent Valley. Derbyshire Gay Sandra Fifield services to older people in South Wales Susan Ann Fifield services to the community in Farringdon Hampshire Robert Fisher services to the Northern Ireland Prison Service Pipes and Drums Band William James Keith Fleming services to young people through the Church Lads and Church Girls Brigades and the Duke of Edinburgh's Award Scheme Joan Marie Flynn formerly senior receptionist, Medical Research Council, services to the Medical Research Council Anne Danson Forbes refugee resettlement coordinator, Ashford borough council, services to the resettlement of Syrian refugees in the UK Hilary Cynthia Ford school volunteer, Herringthorpe Junior School, Rotherham, services to education Edwin Ian Fowles Trumpeter Bunbury Branch, Royal British Legion, for voluntary service to ex-service personnel Gregory Francis senior officer National Cyber Crime Unit, National Crime Agency, services to law enforcement and protecting vulnerable people Sabrina Alicia Francis social media officer City, University of London, services to the University of London Margaret Louise Frost services to charity and the community in Bude, Cornwall Stuart Alan Frost services to the community in Harrogate, North Yorkshire Alan Futter services to people with visual impairments Mathew Fyfe poppy convener Royal British Legion, services to veterans in Aberdeenshire Patrick James Gaul for voluntary service in Turriff, Aberdeenshire Bernard Oswyn George services to Withybush Hospital Chemotherapy Day Unit, Pembrokeshire Patricia Elizabeth George services to Withybush Hospital Chemotherapy Day Unit, Pembrokeshire Teifwen Mary George services to equality, young people, charity and the community in Merthyr Tydfil Mary Bernadette Glass services to nursing and the community in the Causeway Area, Northern Ireland Mary Sydney Grace services to the community in Crawley. West Sussex Aonghas William Grant services to fiddling and music tuition in the Highlands David Edward Gravell services to charity, sport and education in Wales Jenny Griffiths services to Wrexham Maelor Hospital North Wales Lesley Ann Hall services to education Isabella Turnbull Halliday fundraiser, Children's Hospices Across Scotland, services to charity Benjamin David Hammond services to dance and charity Peter George Thomson Hardie badminton and tennis coach, services to sport and young people in the Scottish Borders Celia Hargrave services to charity and the community in Sheepscombe, Gloucestershire Roberta June Harrington education officer, Chelmsford Cathedral, Essex, services to education Margaret Mary Harvie services to music in Dumfries and Galloway Judith Haycocks healthcare assistant, Whitchurch Community Hospital, Shropshire Community Health NHS Trust, services to care of older people Kathryn Jane Heyworth services to the community in Burnley Emmelence Irivuzimana Higgins manager, Barlochan Care Home, services to older people in Castle Douglas, Dumfries and Galloway Henry Arnold Hill tailor to the Royal Navy and Royal Marines, services to naval personnel Norman Wesley Francis Berkeley Hill services to music in Kent Roselyn Hirst senior chief cardiac physiologist Manchester Royal Infirmary, services to the NHS Pauline May Hodgetts services to the community in Tipton West Midlands Colin Brendan Holloway field force collector debt management, HM Revenue and Customs, for voluntary services to young people Jean Holmes services to choral music in Nottinghamshire Lisa Jane Horder domestic abuse champion, British Forces Germany, Ministry of Defence, services to the armed forces and their families in Germany Gail Louise Humphreys troubled families lead, Liverpool city council, services to troubled families in Liverpool James George Hurst administrative officer Compliance Operations Processing, HM Revenue and Customs, for voluntary and charitable services in Salford Caroline Anne Husain services to charity and the community in Chandlers Ford, Hampshire Percy Edwin Iles services to RAF Veterans and the community in Basingstoke, Hampshire Adrian Mark Jacobs volunteer police liaison, Metropolitan Police Service, services to interfaith relations and the community in the London Borough of Barnet Robert Walker James services to the community in Hungerford, Berkshire Margaret Harvey Jamieson founder The Blue Door, services to the community and charity in Orkney Patricia Jardine services to charity through the Annan and District Group of Friends, Dumfries and Galloway Yvonne Margaret Jardine services to the community in Sleaford, Lincolnshire Annwen Selima Amoret Johnson correspondence manager, HM Treasury, for service to diversity and inclusion Betty Irene Johnson visiting assistant, The Royal Star and Garter Home, for voluntary service to veterans Brenda Johnston services to Swimming and the community in Grimsby Bryan Stanley Jones services to education and young people Gareth Jones services to church communities in Skewen and Neath South West Wales Helena Jones services to young people and the community in Wales Buldev Kaur Angela Kandola founder AWAAZ charity, services to vulnerable people with mental health issues Geoffrey Miles Keating founder and conductor Solway Sinfonia, services to music and charity in Dumfries and Galloway John Roger Kennedy services to the community in St Bees and West Cumberland Sarah Gertrude (Sally) Kennedy services to the community in St Bees and West Cumberland Yvonne Teresa Key main reception coordinator, Queen's Medical Centre, services to the community in Nottingham Leslie Kleinman services to Holocaust education Maria Kovacevic-Thomas services to the National Health Service and voluntary service in Merthyr Tydfil Philip Colin Kyle services to young people and the community in Northern Ireland Janet Eve Lake services to the community in Brancaster, Norfolk Sister Mary-Joy Langdon services to disabled and disadvantaged children John Law services to the community in Coldstream Scottish Borders Elizabeth June Lawrence services to the community in Morton, Shropshire Angeline Margaret Lawson services to children, the judiciary and the community in Denbighshire Sonia Jean Lewis services to the community in Colchester, Essex Kathryn Angela Maria Ann Livingston founder, First Person Plural Charity, services to people with dissociative identity disorder Ann Maria Loader services to charity and the community in Tickenham, North Somerset Elizabeth MacColl for voluntary service in North Berwick John Maclean chairman, Peterhead Branch, RAF Association, for voluntary service to ex-service personnel John Madden principal, Roddensvale School, services to the community in Larne, County Antrim Eileen Mary Magee services to Cheltenham Croquet Club and the community in Hartpury. Gloucestershire Subhash Chander Mahajan services to the community in Hounslow Ellen Maisie Mann nurse, Cwm Taf University Health Board, services to Children and Young People James Donald Manning services to young people and the community in Ipswich Andrea Manson for voluntary service to disability sport Giles William Margarson services to the community in Aylsham Norfolk Jennifer Susan Marlow services to vulnerable people in the community in Alton, Hampshire Richard Marriott fundraiser, RNLI, for charitable services Andrew Neil Marshallsay Fire Service trainer, Hertfordshire Fire and Rescue Service, for voluntary service to the Fire Cadets Unit and the Fire Service Youth Training Association George Edwin Martin train manager, CrossCountry Trains, and founder, Myras Wells, services to charity William John Matheson services to music, culture and charity in the Highlands Norman Mawhinney services to running and the community in Comber, County Down Ann Margaret Mayer services to the community in Bollington, Cheshire Clare Beatrice McCarthy Member, London and South Region, St John Fellowship, for voluntary service to First Aid Fiona McCormack services to children and young adults with special educational needs in Essex, Hertfordshire and London Margaret Patricia McDonald services to young people through the Dunmurry Girls Brigade and to the community in Lisburn, Northern Ireland Veronica McDonald club leader, Firpark Alma Group, services to adults with special needs in North Lanarkshire Jennifer Mary McGregor-Smith services to the community in Bromsgrove Alistair McInnes civilian assistant, Gwent and Powys Army Cadet Force, for voluntary service to young people Elaine Davidson McIntee physiotherapy technical instructor, Douglas Grant Rehabilitation Centre, Irvine, services to holistic rehabilitation in Ayrshire Alan McIntosh Company Captain, 1st Buckie Company, services to the Boys Brigade Jennifer Kay McIntosh Officer in Charge, Anchor Boys, 1st Buckie Company, services to the Boys Brigade Barbara McKinley company secretary, Ulster Orchestra, services to culture in Northern Ireland Selma Anne McMullan services to young people through the Girls Brigade in Ballycastle, County Antrim Jeanette McMurray police staff, Police Service of Northern Ireland, services to policing and the community in Northern Ireland Sarah Reeman McNamara services to the community in Terling, Essex Iris Phoebe McSwigin services to charity and community relations in Fivemiletown, County Tyrone Heather Mealing services to people with disabilities and their carers in Leeds and East Sussex Lucia Quinney Mee services to promoting public awareness about organ donation Andrew Menmuir Group Scout Leader, Tannadice Scout Group, services to the Scouting movement in Angus John Robert Middleton formerly facilities manager, School of Physics and Astronomy, University of Nottingham, services to higher education and science Sheila Miller volunteer, Leeds Teaching Hospitals NHS Trust, services to the community in Leeds Gillian Ward Milne senior dental nurse, Department of Oral and Maxillofacial Surgery. Ninewells Hospital, Dundee, services to maxillofacial surgery patients in Tayside Dean John Milton for voluntary service to young people and charitable fundraising William David Alexander Mitchell services to the community in County Down Colin John Moore services to music in East Sussex Jo-Ann Moran senior executive officer, Home Office, services to people with disabilities in the public sector Judith Morris unit manager, Halesowen Young Persons Service Unit, St John Ambulance, for voluntary service to First Aid and to young people Patricia (Patsy) Morrison founder and managing director, Universal Comedy, services to comedy, people with long term health conditions and charity Rachel Morrison services to the community in Portstewart, County Londonderry Helen Arrol Morton Childline volunteer, NSPCC, services to children and young people Janice Inglis Moss for voluntary services and for fundraising for the Christie Hospital, Manchester Peter Francis Mulligan services to archery and the arts in Northern Ireland Diana Stella Murdie services to sport for visually impaired people Peter Neild services to the community in Maghull, Merseyside Elizabeth Mary (Elma) Nelson services to the community in Maguiresbridge, County Fermanagh Hayley Angela Rhodes Nelson services to digital inclusion in Sheffield Lucy Nkwameni Njomo services to vulnerable young people on the dangers of female genital mutilation Jean O'Hanlon Caseworker, Northumberland Branch, SSAFA, for voluntary service to ex-service personnel and to the community in Alnwick, Northumberland Ernest O'Hara services to ***agriculture*** and the community in Northern Ireland Alex Peter Oliver services to charity and the community in Durham Chaim Olmer services to Holocaust education Rebekah Mary Olphert founder and artistic director, Ballymena Chamber Orchestra, services to music Francis Peter George Osborn civilian instructor, Bexley and Lewisham Sea Cadets, for voluntary service to young people Jane Claire Owen train running controller, Network Rail, services to the LGBT community Melanie Jane Petrina Parker services to Girlguiding and the Royal British Legion Martin Richard Parry services to film, media and music Ann Marjorie Francescia Pembroke services to the cultural history of the City of London Josef Perl services to Holocaust education Hugh Raymond Phillips services to gymnastics Sandra Elizabeth Plasting manager and matron, Queen's House Nursing and Residential Home, services to older people and the community in the Scottish Borders Avril Pollock services to the community in Strabane, County Tyrone Samuel Pollock services to the community in Northern Ireland Christine Pratt services to the community in Blurton, Stoke-on-Trent Patrick Joseph Prunty services to the Lough Neagh Rescue Service Elfyn Pugh for voluntary service to Rugby Manju Rajawat higher officer, Border Force, Home Office, services to border security Robert Ramsey services to schools and youth football in Northern Ireland Suryadevara Yadu Purna Chandra Prasad Rao formerly chair, Stoke-on-Trent Clinical Commissioning Group, services to health and care Phyllis Martha Kathleen Reeve services to Basildon Hospital Phoebe Ethel Revill-Johnson secretary and treasurer, Leeds Branch, National Association of Retired Police Officers, for voluntary service to police officers Alison Margaret Reynolds services to community sport in Kent Gillian Mary Rhodes services to digital inclusion in Sheffield Elvet Owen Richards services to the community in Trelystan, Powys Terry Stephen Ridgley welfare officer, Buckinghamshire Fire and Rescue Service, services to the Fire and Rescue Service and the Fire Fighters Charity William Robert Roberts services to in community in Tyn-y-Groes Conwy Mary Gertrude Robinson services to nursing Steven Michael Robinson services to people with disabilities and the community in West Yorkshire Stuart Christopher Rose services to the Multiple Sclerosis Society in Scotland Paul David Roy vice-president, The Spinal Injuries Association, for voluntary service to healthcare Hayley Louise Ryan teaching innovation manager, Southampton City College, services to education Janet Ryles services to the community in Aston-on-Trent, Derbyshire Julie Elizabeth Salmon services to charitable fundraising and the community in the Wirral Robert John Savage caretaker, Southern Regional College, Greenbank Campus, services to further education in Northern Ireland Alfred George Scorer services to the community in Ellesmere, Port Cheshire Elizabeth Pauline Scott crossing patrol warden, Alloway Primary School, services to education in Ayrshire Thomas Richard Scott for voluntary service to the Ulster Special Constabulary Association Carl Jonathan Scrivens services to the community in Glenridding, Cumbria Nancie Caroline Shackleton formerly assistant chief officer (Resources), Lincolnshire Police, services to policing and to charity Paul Terence Sheehy driver, Government Car Service, for public service Janet Mary Shephard trustee, The Sunrise Appeal, services to cancer care in Cornwall Elizabeth Joan Shipton services to the community in South Derbyshire Adele Ellen Silvey volunteer, Thames Valley Hospice, services to hospice patients Daryl Jon Simpson services to community relations and peace and reconciliation in Northern Ireland Joan Edna Simpson services to the community in Coningsby. Lincolnshire Arthur Roy Skellington services to the community in Gedling Nottinghamshire Jeanette Lavon Smith county youth officer, West Glamorgan St John Ambulance, for voluntary service to first aid and to young people Maureen Smith operations manager, Facility for Airborne Atmospheric Measurements, services to atmospheric science and meteorology Ronald Scott Smith for voluntary service to Harmeny School, the Seagull Trust and the community in Midlothian Amy Margaret Smyton services to local government and the community in Omagh, County Tyrone Susan Mary Sollis services to leukaemia research Asish Jaidev Soni for voluntary and charitable services to homeless people in London Michael John Speight services to the community in Rotherham Susan Spence for voluntary service to Rugby Nicola Jane Spencer services to the arts in London Harry Spiro services to Holocaust education Karen Squires services to the community in Sheffield David Stark Pipe Major, for voluntary service to Piping in South Lanarkshire Margaret Elizabeth Stead voluntary worker, Breast Cancer Research Action Group, Leeds, services to women suffering from breast cancer in West Yorkshire Lisa Ann Stephenson founder, Lisa's Challenge for Maggie's, services to Maggie's Cancer Care Scotland Maryon Stewart founder, Angelus Foundation, services to drug education Elizabeth MacPhail Stoddart services to the community in Lanarkshire The Reverend Deacon Roger Stone Apostleship of the Seas Port Chaplain, services to Seafarers Eileen Thelma Strange for voluntary service to The Seven Towers Male Voice Choir Sarah Louise Stringer honorary lecturer, Kings College London, services to psychiatry and equality in mental healthcare Marilyn (Marsie) Stuart founder, Sign and Be Heard, services to British Sign Language Education Margaret Janet Sutton chair, Mount Vernon Hospital Comforts Fund, Hillingdon Hospital NHS Foundation Trust, services to the NHS Deviesh Tankaria international youth chairman, Sathya Sai International Organisation, for voluntary service Geoffrey Taylor services to the Scouts and the community in Chester Joyce Taylor services to Durham Cathedral Stephen Terence Taylor services to the community in Midsomer Norton Sheila Lynnette Thomas services to music, education and the Welsh language in Powys David Thompson services to the community in Billingshurst John Charles Thompson administrative officer, Detection Technology Management Unit, Border Force South and Europe, Home Office, services to border security Martin Piers Grant Thompson higher officer, Border Force, Home Office, services to border security Robert James Hamilton Thornberry services to young people through the Boys Brigade in Northern Ireland Lillian Thornton services to local government and the community in County Fermanagh Joanna Tindall for voluntary service to the Pony Club Lisa Tookey for voluntary service Mary Edith Toward for political service in the North East of England James Travis services to the community in Silkstone Roy William Tricker services to Heritage in Suffolk Robert John Trimble chief executive and Team Leader, the Bromley by Bow Centre, services to the economy Lisa Mariane Turner services to the community in the Four Churches Benifice, South Cambridgeshire Patricia Catherine Venton business manager, Camelsdale Primary School, services to education Alfred Shaun Vickers for voluntary service to sport in Tower Hamlets Margaret Ruth Vincent for charitable services in the UK and abroad and the community in Swansea Graham John Wadley services to church music Marion Maitland (Morag) Wallace for voluntary service in Falkirk and Stirlingshire Bernadette Mary Wallington services to homeless people Scott John Watkin eye care and vision development officer, SeeAbility, services to people with learning disabilities Paul Watson vicechairman, Lee-on-Solent Branch, Royal Naval Association, for voluntary service to veterans Janine Webber services to Holocaust education Philippa Pia Webster trustee, NSPCC, services to children and young people Shirley Ann Wells services to education and young people Kerstin Yvonne Wheeler higher officer, Border Force Intelligence, Home Office, services to preventing modern slavery and protecting vulnerable people Susan Jacqueline Whitham head of student services, St Mary's University, Twickenham, services to higher education Ellen Wiles chef, Oak Field Special School, services to children with special dietary requirements Alyson Elizabeth Williams services to young people and the community in Swansea David John Williams first aid volunteer and Trainer, Shrewsbury Branch, British Red Cross, for voluntary service to first aid Doris Williams services to choral singing in the North East Geoffrey David Williams services to the community in Merseyside David Alan Wilson conductor, Slough Philharmonic Orchestra and Chorus, services to music and young people John Samuel Wilson services to the community in Newtownstewart Freda Wineman services to Holocaust education Alan Robert Witham parish councillor, services to the community in Erpingham Michael John Woodhall services to the community in Hampshire David Thomas William Woodward services to youth hockey in South Yorkshire Frances Elizabeth Woolaway services to The Ways and Means Trust and the community in Caversham, Berkshire Gillian Doreen Worthing manager, Holy Trinity Cadet Unit, Hereford, St John Ambulance, services to first aid and young people Brian Arthur Frederick Yeoman services to Lions Clubs International and the community in Bramley and Wickersley DIPLOMATIC SERVICE AND OVERSEAS LIST Order of the Bath CB Marcus Boyd Willett director-general, Foreign and Commonwealth Office, services to national security Order of St Michael and St George GCMG Sir Mark Justin Lyall Grant former national security adviser, services to UK foreign and national security policy KCMG The Honourable Joseph John Bossano Member of Parliament and minister former chief minister, services to Gibraltar Dominick John Chilcott Former

HM ambassador, Dublin, Ireland, services to British foreign policy Paul John Mahoney UK judge of the European Court of Human Rights in Strasbourg, services to international justice Mark Sedwill national security adviser and former permanent secretary at the Home Office, services to UK national security CMG Duncan Brierton Allan research analyst, Eastern Europe and Central Asia directorate, Foreign and Commonwealth Office, services to supporting and informing British government policy towards Russia Francis Raymond Baker formerly HM ambassador, Baghdad, Iraq, services to British foreign policy and UK/Iraq relations Alison Mary Blake high commissioner Dhaka, Bangladesh, services to British foreign and security policy Professor Terence Vincent Callaghan professor of Arctic ecology and director University of Sheffield, services to advancing knowledge and international collaboration in Arctic science Diana June Nelson head of Health and Welfare International, Human Resources directorate, Foreign and Commonwealth Office, services to the welfare of staff and families working for the British government overseas Quentin James Kitson Phillips director Foreign and Commonwealth Office, services to British foreign policy William George Stirling formerly director-general European Synchrontron Radiation Facility and lately director Institut Laue-Langevin, Grenoble, France, services to British science and international science collaboration Order of the British Empire OBE Margaret Therese Al-Sayer Founding director, Kuwait Association for the Care of Children in Hospital and the Bayt Abdullah Children's Hospice, Kuwait, services to child health and hospice provision in Kuwait Susanna Gisela Berry deputy director, Foreign and Commonwealth Office, services to national security Simon Chapman first secretary, Foreign and Commonwealth Office, services to British foreign policy Angus John Clarkson formerly head Syria Office, Amman, Foreign and Commonwealth Office, services to furthering UK interests in Jordan and Syria Hannah Kathryn Cockburn-Logie head, political and bilateral affairs, British High Commission, New Delhi, services to UK/India relations Colin Wynn Crorkin formerly HM ambassador, Banjul, Gambia, services to British interests in the Gambia Karen Danesi first secretary, Foreign and Commonwealth Office, services to British foreign policy Matthew Kingswood first secretary, Foreign and Commonwealth Office, services to British foreign policy Robert James Lygoe first secretary, Foreign and Commonwealth Office, services to British foreign policy Olive Hilda Miller Community volunteer, services to the community in the Cayman Islands Paul Willion Munro Faure former deputy director, Climate Energy and Tenure Division, United Nations Food and ***Agriculture*** Organisation, Rome, services to the development of international land policy Stephen Christopher Phillips chief executive, China/Britain Business Council, China, services to promoting trade and investment in support of UK/China relations Hugh Stanley Philpott HM ambassador, Dushanbe, Tajikistan, services to British foreign policy Consulota Carmen Price British Council country director, Nigeria, services to UK/Nigeria cultural relations Professor Christopher Douglas Rudd Provost and chief executive officer, University of Nottingham, Ningbo, China, services to higher education and UK/China co-operation Professor Patrick Salmon chief historian, Foreign and Commonwealth Office, services to British foreign policy Nichola Jane Samuel First secretary, Foreign and Commonwealth Office, services to the British government's legal service Susan Barbara Speller formerly consul general, Dusseldorf, services to UK/German relations Philip Neil Trathan head of conservation biology, British Antarctic Survey, and scientific adviser to the Commission for the Conservation of Antarctic Marine Living Resources, services to Southern Ocean science and conservation Barbara Wickham British Council country director, Bangladesh, services to UK/Bangladesh and UK/Pakistan cultural relations MBE Ann Aspinall past patron and lifetime honorary member of the British Women's Association Manila, trustee of Stepping Stone Foundation, services to charity and the British community in the Philippines Betty Louise Baraud fundraiser and community volunteer, services to the community in the Cayman Islands Alison Blair founder and clinical director, Madrugada Associacao, Praia da LuZ. Portugal, services to supporting people with life-limiting illness and their families in Portugal Marrena Ruby Bradshaw chief of staff to the director, Middle East and North Africa directorate, Foreign and Commonwealth Office, services to British foreign policy Paul Broom political officer, British High Commission, Singapore, services to UK/Singapore relations Jeremy Chivers Former stabilisation adviser, British Embassy Beirut, services to UK/Lebanon relations Patricia Coelho first secretary political, British Embassy. Tunisia, services to British foreign policy Lesley Anne Hanson De Moura formerly honorary consul for Bahia and Sergipe, Brazil, services to the British community in Bahia and Sergipe states in Brazil Philip Oscar Dexter global teacher development adviser, English and Exams, British Council, services to special educational needs, equality, diversity and inclusion Paul David Hamilton regional security adviser, Foreign and Commonwealth Office, services to overseas security William Nicholas Harris second secretary, Foreign and Commonwealth Office, services to national security Paul Ian Hebbron second secretary, Foreign and Commonwealth Office, services to British foreign policy Andrew Edward Beare Hirst honorary consul, Maldonado and Rocha, Uruguay, services to British interests in Uruguay David John Hitchen second secretary, Foreign and Commonwealth Office, services to British foreign policy William Hrudey Observatory director, University College of the Cayman Islands, services to promoting science education in the Cayman Islands Gillian Karatas formerly head of corporate services, British Consulate General, Istanbul, services to staff and families at the British Consulate General, Istanbul Kerrie Louise Kearney second secretary, Foreign and Commonwealth Office, services to British foreign policy Derek Ross King television and radio presenter, services to broadcasting the arts and charity Vijay Kumar director of public health, services to the Gibraltar Health Authority Leila Memmi vice-consul, British Embassy. Tunis, services to British victims and families of the terrorist attack in Sousse, Tunisia Carol Angela Murray volunteer and member of the Bahrain Anglican Church Council, services to charity and the community in Bahrain John Rolfe schools outreach manager, British Council, services to international education Adrian Donovan Short president, Rolls-Royce Indonesia and chairman, British Chamber of Commerce, services to UK/Indonesia trade and investment Hulian Lynden Smith formerly teacher in the British Virgin Islands, services to developing education ***programmes*** and advocating literacy in the British Virgin Islands Alan David Thomson managing director, Abu Dhabi Sewerage Services Company, services to the UK and global water industry and associated charities Sally Mary Unsworth director, Cyprus Samaritans, and founder of Paphos Bereavement Group, services to charity and the British community in Cyprus James Verrier chief executive officer, Borgwarner Corporation, USA, services to the UK automotive industry Order of the Companions of Honour CH Professor Margaret Olwen MacMillan formerly warden, St Antony's College, Oxford, services to higher education, history and international affairs British Empire Medal BEM Monica Allen volunteer, services to the community in the British Virgin Islands Ian Alexander Baddon volunteer for Cancer Patients Cyprus, services to supporting patients with both cancer and dementia Peter George Davies third secretary, Foreign and Commonwealth Office, services to British foreign policy Leo Gabriel Paul Marie Joseph Demay director of international affairs, United Nations Military Cemetery in Korea, services to British and Commonwealth Korea war veterans Gillian Hanlon third secretary, Foreign and Commonwealth Office, services to British foreign policy John Allen Hunter formerly chairman of the Argentine-British Community Council, services to the Anglo-Argentine community in Argentina Peter Ibbetson third secretary, Foreign and Commonwealth Office, services to British foreign policy Sonia Penelope Stanton service children's education teacher, Ralston School, Alberta, services to service children's education in Canada Martin Gideon Walsh head of corporate services, British Embassy Budapest, services to British interests in Hungary Sabra Williams director, The Prison Project and director of engagement, The Actors Group, Los Angeles, services to the arts and prison reform Queen's Volunteer Reserves Medal QVRM Superintendent Andreas Pitsillides Sovereign Base Areas Police Cyprus COMMONWEALTH: ANTIGUA AND BARBUDA Order of the British Empire OBE Barbara Jean Paca services to heritage development MBE Stephen Joseph services to business and community development Queen's Police Medal QPM Albert Michael Patrick Wade assistant police commissioner, services to national security and public safety COMMONWEALTH: BAHAMAS Order of St Michael and St George CMG Lawrence Cartwright services to education and politics Mark Holowesko services to business and to the community Reverend Ranford Patterson services to religion education and to the community Order of the British Empire OBE Pastor Rex Major services to religion and to the community Antonius Roberts services to education, the arts and to the community Robin Roberts services to medicine David Thompson services to the legal community and politics MBE Elma Garraway services to education and to the community Nancy Kelly services to education and volunteering Nigel Lewis services to dentistry, the community and politics Jonathan Rodgers services to ophthalmology British Empire Medal BEM Roney Armbrister services to entertainment and the community Willis Bain services to the arts and to the community Lewellyn Augustine Cartwright services to business Kendal Romeo Haurtwerth Culmer Jr services to business and politics Elijah Miller services to politics and to the community Quintin Woodside services to business and to the community Queen's Police Medal QPM Anthony Ferguson commissioner of police, services to policing and the community COMMONWEALTH: BARBADOS Order of the British Empire CBE Shirley Farnum for services to public service Reverend Orlando Seale services to religious education Charles Smith for public service OBE Linda Brooks services to the labour movement Carlton Hinds services to the catering industry Cedric Murrell services to the labour movement MBE Velmo Cadogan services to the Barbados fire service Alvin Carter services to education Clifford Clarke services to the Barbados fire service COMMONWEALTH: BELIZE CBE Douglas Anthony Singh services to commerce, industry and community leadership OBE Dinesh Bhojwani services to commerce, industry and community leadership John Longsworth for public service MBE Armando Chang services to business and to the community Manuel Cowo services to the community and religion Jeaneane Vaneasa Neal services to education and to the community Joel Westby services to education and to the community Marilyn Williams for public service and to the legal fraternity COMMONWEALTH: GRENADA CBE Sister Maureen Alexander services to education OBE Andre Cherman services to business MBE Cecil St Louis services to education British Empire Medal BEM Adrian Blackman services to the community Sgt Lawrence Francis services to the community COMMONWEALTH: SAINT CHRISTOPHER AND NEVIS Order of the British Empire

OBE Patricia Anelta Hobson services to education and public service MBE Benjamin Cromwell Francis services to business Ian Jacobs services to the medical profession Queen's Police Medal QPM Inspector Alphonso Leroy Hendrickson services to police service COMMONWEALTH: SOLOMON ISLANDS Order of the British Empire OBE Kaaba Newton Maagi services to education the Church and rural development MBE Violine Evalita Titiulu Aruafu services to nursing and to the community Chief Patteson Kikolo services to rural and community development Chief Johnson Leamana services to rural and community development Taeasi Sanga for public service and community development British Empire Medal BEM Israel Ratu Adino services to rural and community development Cecil Beliga services to community development John Vine Golomo services to community development Jerry Jackson Suku services to community development COMMONWEALTH: GUERNSEY Order of the British Empire MBE Derek Alfred Webb services to table tennis in Guernsey British Empire Medal BEM Anne Mildred Diamond services to the deaf community in Guernsey COMMONWEALTH: ISLE OF MAN Order of the British Empire MBE Norma Angela Aire services to Breast Cancer Now Isle of Man and the wider community Aileen Norma Gelling services to the Isle of Man Prison's independent monitoring board British Empire Medal BEM Julian Roderick Power services to the Manx community COMMONWEALTH: JERSEY Order of the British Empire OBE Philip Sidney Gower services to vulnerable children and young people in Jersey British Empire Medal BEM Stuart William Elliott services to the community in Jersey MILITARY DIVISION: ROYAL NAVY Order of the Bath KCB Vice-Admiral Simon Jonathan Woodcock Royal Navy CB Rear-Admiral Keith Edward Blount Royal Navy Order of the British Empire CBE Commodore Ross Albon Royal Navy Commodore Ian Shipperley Royal Navy Rear-Admiral Richard Stokes Royal Navy Commodore Phillip James Titterton Royal Navy

OBE Cdr Johanna Deakin Royal Navy Commodore David Graham Elford Royal Navy Capt Clayton Richard Allan Fisher Royal Navy Lt-Col Damian Jon Huntingford Royal Marines Cdr Peter John Pipkin Royal Navy Cdr Philip Charles Richardson Royal Navy Capt Stephen John Thompson Royal Navy

MBE WO 1 (Communications Technician) David John Bagnall Royal Navy Maj Kevin Charles Carter Royal Marines Colour-Sgt Daniel Gad Curtis Royal Marines Maj Edward Charles Malet Hall Royal Marines Lt Cdr (now Cdr) Richard Paul Hewitt Royal Navy Cdr John Lea Royal Navy Lt Cdr David Francis McInerney Royal Navy WO 1 (Seaman) Robert Ratcliffe Royal Navy Lt Cdr (Acting Cdr) Stephen Eric Saywell-Hall Royal Navy Surgeon Lt-Cdr Manish Tayal Royal Navy Lt-Cdr David Nicholas Wilcocks Royal Navy MILITARY DIVISION: ARMY Order of the Bath CB Maj-Gen Angus Stuart James Fay Army Acting Lt-Gen Ivan Hooper Army Order of the British Empire CBE Brig Alastair James Aitken Army. Acting Brig Barry William Bennett Army. Brig Iain Graham Harrison Army. Brig John Henry Ridge Army.

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Order of the British Empire

CBE

Group Capt Richard Andrew Davies Royal Air Force Air Commodore Alan Kenneth Gillespie Royal Air Force Group Capt (now Air Commodore) Michael John Smeath Royal Air Force

OBE

Group Capt Andrew Edgar Battye Royal Air Force Wing-Cdr Sean Donoghue Royal Air Force Wing Cdr Darryn George Rawlins Royal Air Force Group Capt Roland Stephen Smith Royal Air Force

MBE

Wing Cdr Edward Challoner Royal Air Force volunteer Reserve (Training) Wing Cdr John Howard Davies Royal Air Force Flt Sgt Alison Frances Fisher Royal Air Force Sqn Ldr Martin Geraghty Royal Air Force Cpl Liam Paul Grime Royal Air Force WO Alan Stuart Hart Royal Air Force Sqn-Ldr Scott Smith MacColl Royal Air Force Sqn-Ldr Thomas Martin McMorrow Royal Air Force volunteer Reserve (Training) Sgt Louise Mary Mullen Royal Air Force Cpl Anthony Grant Muller Royal Air Force Sqn-Ldr James Andrew Schofield Royal Air Force WO Robert Ernest Weaving Royal Air Force

Queen's Police Medal

QPM

Detective Constable Alice Barr Surrey Police Detective Chief Inspector Michael Vincent Callan Durham Constabulary Jeremy Graham Chief Constable, Cumbria Constabulary Charles Edwin Nelson Hall Chief Constable, Hertfordshire Constabulary Constable Matthew Hone City of London Police Matthew Jonathan Jukes deputy chief constable, South Wales Police Constable Virginia Jupp Sussex Police Constable Paul Lockhart Metropolitan Police Service Andrew David Marsh Chief Constable, Avon and Somerset Constabulary Constable Tina Louise Newman Avon and Somerset Constabulary Constable Adele Owen Greater Manchester Police Superintendent Lee Porter South Wales Police Inspector William James Scott North Yorkshire Police Michelle Skeer deputy chief constable, Cumbria Constabulary Neill Tully formerly Constable, Metropolitan Police Service Constable Sara Widdrington North Yorkshire Police Chief Superintendent Richard Wood Metropolitan Police Service Superintendent Matthew Wratten British Transport Police Superintendent Lesley Clark Police Service of Scotland Chief Superintendent Barry McEwan Police Service of Scotland Superintendent Alywin John Barton Police Service of Northern Ireland Detective Inspector Jeremy Thomas McFarland Police Service of Northern Ireland

Queen's Fire Service Medal

QFSM

Chief Fire Officer James William Courtney South Yorkshire Fire and Rescue Service Chief Fire Officer Philip John Loach West Midlands Fire Service Chief Fire Officer Russell Pearson Surrey Fire and Rescue Service Watch Manager Karen Anne Soady Tyne and Wear Fire and Rescue Service Chief Fire Officer Paul Walker Cornwall Fire and Rescue Service Firefighter Gordon Brown Scottish Fire and Rescue Service

Queen's Ambulance Service Medal

QAM

Kuldip Singh Bhamrah Technician, East Midlands Ambulance Service NHS Trust Kath Charters Clinical Data Specialist, Welsh Ambulance Service NHS Trust David Roger Thomas John Advanced Paramedic Practitioner, Welsh Ambulance Service NHS Trust Diane Jessica Scott deputy chief executive officer West Midlands Ambulance Service NHS Foundation Trust Mark Treherne SORT Team Leader East of Scotland Special Operations Response Team, Scottish Ambulance Service Queen's Volunteer Reserves Medal

QVRM

Cpl Timothy Byrom Royal Marines Reserve WO Class 2 Peter Lewis Gliwitzki The Mercian Regiment Army Reserve WO Class 1 Nigel Christian Marshall Corps of Royal Engineers Army Reserve Sgt Alan Rainey The Royal Logistic Corps Army Reserve WO Class 2 Steven Singleton The Parachute Regiment Army Reserve WO Shobha Earl Royal Auxiliary Air Force Flt-Lt Norman McKay Gray Royal Auxiliary Air Force

**Graphic**

The broadcaster Melvyn Bragg, a Labour life peer, has been appointed to the Order of the Companions of HonourSAMUEL KIRBY/BBCAlexandra Shulman, who stood down from the editorship of British Vogue in June after 25 years, is appointed CBEKI PRICE FOR THE TIMESMichael Morpurgo, the author of War Horse, is appointed knight bachelorJONATHAN BRADY/PA

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**Body**

Knights Bachelor

Professor Timothy John Besley London School of Economics and Political Science, services to economics and public policy Graham Stuart Brady Member of Parliament for Altrincham and Sale West, for political and public service Christopher Robert Chope Member of Parliament for Christchurch, for political and public service Rt Hon Nicholas William Peter Clegg for political and public service Geoffrey Robert Clifton-Brown Member of Parliament for the Cotswolds, for political and public service Professor John Kevin Curtice professor of politics, University of Strathclyde and senior research fellow, NatCen Social Research, services to the social sciences and politics Barry Alan Crompton Gibb singer, songwriter and record ***producer***, services to music and charity Anthony John Habgood chairman Court of the Bank of England, services to UK industry Mark Hendrick Member of Parliament for Preston, for parliamentary and political service Rt Hon Lindsay Harvey Hoyle Member of Parliament for Chorley, for parliamentary and political services Richard Julian Long artist and sculptor, services to art Craig Thomas MacKey deputy commissioner, Metropolitan Police Service, services to policing Timothy David Melville-Ross chairman, Higher Education Funding Council for England, services to higher education Michael Andrew Bridge Morpurgo author, services to literature and charity Kenneth Aphunezi Olisa services to business and philanthropy Andrew Charles Parmley formerly lord mayor of London, services to music education and civic engagement Professor Bernard Walter Silverman formerly chief scientific adviser Home Office, for public service and services to science Professor Robert Stephen John Sparks professorial research fellow, University of Bristol, services to volcanology and geology Richard Starkey musician, services to music Professor Terence John Stephenson chairman General Medical Council, services to healthcare and children's health services Very Reverend Professor Iain 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Stephen Alan Lamb formerly director, Returns Preparation, Immigration Enforcement, Home Office, services to improving immigration systems Susan Lancioni customer insight and analysis lead, HM Revenue and Customs, services to UK and global nuclear security Bernard Derek Lane Grade 6 Tackling Crime Unit, Crime Policing and Fire Group, Home Office, services to community safety and reducing crime Professor Hilary Margaret Lappin-Scott services to microbiology and the advancement of women in science and engineering Donna Leong deputy director, Consumer and Competition Policy.

Department for Business, Energy and Industrial Strategy, services to business Sarah Lewis secretarygeneral, International Ski Federation, services to sport Professor Christopher Swee Chau Liu consultant ophthalmic surgeon, Sussex Eye Hospital, services to ophthalmology Alwen Lyons formerly company secretary, Post Office Ltd, services to the Post Office and to equality and diversity Rajan Madhok trustee, Darlindas Charity for Renal Research, services to renal research and tackling health inequalities in Scotland Clifford John Mann president, Royal College of Emergency Medicine, services to emergency medicine Naomi Marek chief executive, Sky Badger, services to special educational needs Jane Marjorie Marriott Cabinet Office, services to public administration and finance Wendy Matthews director of midwifery and deputy chief nurse, Barking, Havering and Redbridge University Hospitals NHS Trust, services to midwifery Olive Mary Maybin formerly ***strategic*** policy adviser to head of the Northern Ireland Civil Service, for public service Geraldine McAndrew chief executive, Buttle UK, and chairwoman, Grant Management Panel, Consortium of Voluntary Adoption Agencies, services to the voluntary sector Bernice Alda McCabe headmistress, North London Collegiate School, services to education Elizabeth Angela McDonnell formerly head, Biomass Electricity Policy, Department for Business, Energy and Industrial Strategy, services to bioenergy policy John McGregor founder, Contamac, services to international trade and innovation in polymer technology John Ian McLauchlan services to rugby and charity Clive Julian Meux consultant forensic psychiatrist, Oxford Health NHS Foundation Trust, services to people with mental ill health Rosemary Harriet Millard chairwoman, Hull City of Culture 2017, services to culture in Hull Richard Mintz services to philanthropy Victoria Marion Miro gallery owner, services to art Deborah Moggach services to literature and drama Patricia Anne Moore regional chairwoman South West of England, Conservative Party, for voluntary political service Jonathan Howell Morgan services to disability sport in Wales Colin Morrison for charitable services to vulnerable young people Edward Francis Morrison services to rugby union Elma Murray chief executive, North Ayrshire council, services to local government, education and the economy Vinodka (Vin) Murria services to the UK digital economy and advancing women in the software sector Robert Anthony Neil head of Project Race, Ministry of Justice, services to race equality in the workplace and the community Grace Foster Nesbitt head, Pensions Division, Department of Finance, Northern Ireland Executive, services to government in Northern Ireland and for voluntary and charitable services Trevor Leo Ogden services to occupational hygiene and workplace air quality Anthony O'Hear professor of philosophy and lately head Department of Education, University of Buckingham, services to education Gavin David Redvers Oldham services to children and young people through the Share Foundation Sarah Louise Parkinson (Lou Cordwell) chief executive officer, Magnetic North, services to the creative and digital economy Kevin Allen Huw Parry chairman, Royal National Children's Springboard Foundation, services to vulnerable children Norman Nathaniel Pascal formerly chief inspector operations, Avon and Somerset Constabulary, services to diversity in the community in Avon and Somerset John Cook Pattullo formerly chairman, NHS Blood and Transplant, services to healthcare Graham Richard Pellew formerly deputy chief executive officer, Families for Children Adoption Agency, services to children Lynsey Pinfield Grade 6 British Defence Staff Washington, services to international defence relations Nicholas Powell formerly director, National Film and Television School, services to the music, film and television industries William John Priestley services to criminal justice Antony Alan Pritchard deputy command secretary, Navy Command Ministry of Defence, services to the Royal Navy Jonathan Peter Pywell city culture and place manager, Hull city council, services to culture Rhona Mary Quinn services to the construction industry and the community in Northern Ireland Jaswant Ramewal Ministry of Defence, services to defence Barbara Kathleen Rayment director, Youth Access, services to children and young people Dorothy Glenda Cerys Rees fellow chemical and biological analysis, Defence Science and Technology Laboratory, services to defence Richard Rhodes district manager Essex, Work Services directorate, Department for Work and Pensions, services to disadvantaged people in Essex Gary Ridley assistant chief officer, Durham Constabulary, services to policing Mark Robinson head coach, England women's cricket team, services to cricket Marian Brooke Rogers reader in risk and terror, King's College London, services to academia and government Christian Rucker founder, the White Company, services to retail Lesley Sawers equality and human rights commissioner for Scotland, services to business and equality Teresa Patricia Scott founder and chief executive officer, Kennedy Scott, services to entrepreneurship and employability Professor Judith Carmel Sebba services to higher education and to disadvantaged young people Alison Norma Sellar chief executive, Activpayroll, services to business in Scotland and abroad Professor Richard Sennett chairman LSE Cities ***Programme***, services to design Samenua Sesher coach and culture management consultant, services to art Naymitkumar Shah manager international liaison officer, National Crime Agency, services to law enforcement and diversity John Strother Shallcross for voluntary services to young people and youth clubs in the northeast Pauline Shaw director of care and service development, the Royal Star and Garter Homes, services to veterans Professor Andrew Hoseason Shennan consultant obstetrician, St Thomas Hospital London, services to maternity care Acting Detective Inspector David John Simm Metropolitan Police, services to national security and counter-terrorism Professor John Anthony Sloboda research professor, Guildhall School of Music and Drama, services to psychology and music Annika Elisabeth Small social entrepreneur and co-founder Centre for Acceleration of Social Technology, services to social innovation and digital technology Bartholomew Evan Eric Smith founder, Amber Foundation, services to young people Colin Stuart Squire services to the horticultural industry and to charity Emeritus Professor Nicholas David Stafford professor of otolaryngology, head and neck surgery, University of Hull, services to medical research and healthcare Peter Graham Stebbings formerly regional chairman, East of England, Conservative Party, for voluntary political service in the east of England Professor Mary (Maria) Josephine Stokes professor of musculoskeletal rehabilitation, University of Southampton, services to physiotherapy research Lynne Marie Swift director of people and organisational development, Buckinghamshire Fire and Rescue Service, services to the fire and rescue service Paul Taiano chairman of governors, Central School of Speech and Drama, services to drama training and horse racing welfare Timothy William Trelawny Tatton-Brown services to heritage Kim Bernadette Taylor headteacher, Spring Common Academy, services to education Julia Templeman chief executive officer, Northampton Primary Academy Trust Partnership, services to education Teresa Tennant co-founder, Jupiter Ecology Fund, services to sustainable investment Professor Angela Eleine Thomas consultant paediatric haematologist, Royal Hospital for Sick Children, Edinburgh, services to the regulation of public health David Barrie Thompson head, First World War and ceremonials team, Department for Digital, Culture, Media and Sport, services to the First World War centenary commemorations Professor Richard Charles Thompson professor of marine biology, University of Plymouth, services to marine science John Richard Tiffany theatre director, services to drama Sally Clare Uren chief executive, Forum for the Future, services to sustainability practice in business James Patrick Vestey formerly consultant dermatologist and head of service, NHS Highland, services to dermatology Marc Ferdinand Vlessing chief executive officer, Pocket Living, services to housing delivery Joanne Wade chief executive, Association for the Conservation of Energy, services to energy efficiency Paul Walker Grade 6 Department for Environment, Food and Rural Affairs, services to engineering, bio-containment and UK animal, plant and food science Sam Kennedy-Warburton services to rugby union William Ward chief executive officer and co-founder, Clipper Round the World Yacht Race, services to the economy and the GREAT Campaign David Arwyn Watkins managing director, Cambrian Training Company, services to education and training in Wales Professor Kathryn Anne Whaler chairwoman of geophysics, University of Edinburgh, services to geophysics Nicholas Charles Tyrwhitt Wheeler founder and managing director, Charles Tyrwhitt Shirts, services to retail Joyce Helen White chief executive, West Dunbartonshire council, services to local government, further education and Girlguiding Linda Teresa Willson formerly head maritime commerce and infrastructure, Department for Transport, services to transport Richard Wilson head office of the chairman and chief executive, Maritime and Coastguard Agency, services to transport Richard Christopher Wilson chief executive officer, Independent Game Developers Association, services to the video-game industry Diane Winder Neighbourhood Watch co-ordinator, West Yorkshire Police, services to community safety Elizabeth Wolverson chief executive, London Diocesan Board for Schools Academies Trust, services to education John Nicholas Woolf co-founder, Charities Leadership ***Programme***, services to the charitable sector in the UK and abroad Marion Wynn services to Girlguiding in the UK and abroad Order of the British Empire MBE Charmian Jacqueline (Jackie) Adams-Bonitto head of training assurance, London Fire Brigade, services to the fire and rescue service and to equality and diversity Joyce Adeluwoye-Adams formerly head of diversity, Pact, services to diversity in the media Philipa Ann Ailion casting director, services to theatre and diversity in the arts Adetunji Adeboyejo Akintokun director of CISCO Systems and co-director, Your Future, Your Ambition, services to young people from minority ethnic backgrounds in science and technology Anwara Ali general practitioner, the Spitalfields Practice, East London, services to community healthcare Daphne Claire Amlot for voluntary service to the community in Wirral, Merseyside Peter Robert Andrew deputy chairman House Builders Federation, services to the construction industry Maria Emilia Angel services to the community in Normandy in Surrey Susan Jane Anstiss services to grassroots and women's sport Afrasiab Anwar services to community cohesion in Burnley Ethel Armstrong chair, NHS Retirement Fellowship, services to the NHS workforce and retired people Janet Mary Armstrong services to the community in Oakworth, West Yorkshire Sally Arnison pharmacist and director, Barnton Pharmacy and Travel Clinic, services to healthcare and the community in Edinburgh Elaine Louise Atkins ***programme*** leader Society of Musculoskeletal Medicine, services to physiotherapy Elizabeth Rachel Atkinson cancer specialist nurse, Cancer Focus Northern Ireland, services to cancer patients and their families Robert Henry Bagley services to disadvantaged children and the community in Canterbury Lisa Anne Baldock administrative officer, human resources, Department for Work and Pensions, services to people with disabilities in public service Iain Godfrey Ball services to cathedral choral music and to young people Joan Bamber governor, Dame Evelyn Fox and Newfield schools, services to education Comfort Louise Anna Banahene head of educational engagement, University of Leeds, services to higher education Isabella Bell Banks secretary, Lightburn Elderly Association Project, services to older people in South Lanarkshire Norman Leslie Banner for public and charitable services Anne Ellen (Annie) Barr founder, Annie Barr Associates, services to exports in healthcare Michael John Barratt director of Road Space Management Surface Transport, services to transport Claire Elizabeth Batt welfare officer, Defence Police Federation, services to the Ministry of Defence Police Philip Andrew Batt services to community safety in Northern Ireland Jean Barbara Beauchamp services to young people in Lockerley, Hampshire Tamsin Tilley Beaumont services to cricket Sara Catherine Beauregard co-founder, Youth Vision, services to special needs education in Edinburgh William Alexander Beckett services to the voluntary sector and to sport Cindy Bonita Beckford principal ***programme*** controls manager, Network Rail, network operations, High Speed Rail Phase One team, services to the railway industry Michael Bell services to the Cardiff Philharmonic Orchestra Paul Nicholas Berman chairman of trustees, Wargrave House School, services to children with special educational needs and disabilities Onkardeep Singh Bhatia services to the community, particularly young people Detective Constable Timothy John Bird North Wales Police, services to policing and the community in North Wales Robert George Black Northern Ireland district chairman, Royal British Legion, services to ex-service personnel and their families Rosamund Anne Blair county vice-president, Girlguiding Dunbartonshire and instructor, Riding for the Disabled, services to children and people with disabilities Lorraine Bliss services to disadvantaged young people in Norfolk and Suffolk Neil David Bohanna head of operations, Royal Northern College of Music, services to higher education Donovan Bolessa head of international visits Department for International Trade, services to international trade Leanne Jayne Bonner-Cooke managing director, Evolve-IT Consulting Ltd, services to women in business Barbara Bower foster carer, West Sussex county council, services to children and families Christine Ann Bower athletes services coordinator, British Olympic Association, services to British Olympic sport John Edwards Bowers chairman of governors, Dixons Kings Academy, services to education Patricia Edith Boyd services to religious and moral education in Scotland Douglas Bradbury master farrier and fellow, Worshipful Company of Farriers, services to the farrier profession and the community in the East Midlands Jayne Brady services to economic development in Northern Ireland Ian James Brailey services to the magistracy and the community in Bristol Lucille de Zalduondo Briance founder, London Children's Ballet, services to dance Morris Bright leader, Hertsmere borough council, services to local government John Ross Brodie chief executive, Scottish Midland Co-operative Society, services to business and the voluntary Sector in Scotland Joanna Caroline Jane Brotherstone governor, Greenmead School, Wandsworth, London and co-founder, Small Steps Charity, services to children with special educational needs and disabilities Christopher Malcolm Brown governor Sir Tom Finney Community High School, Preston, services to children with special educational needs and disabilities James (Jim) Brown policy officer, secure children's homes, Department for Education, services to education Carol Leslie Browne coordinator, 16 Air Assault Brigade, Ministry of Defence, services to army personnel Deborah Louise Brownson services to autism awareness Jane Bruce formerly clinical director, out of hours service, NHS Tayside, services to general practice and primary care services in Tayside Colin George Bryant services to young people Adrian James Bull director of external relations, National Nuclear Laboratory, services to the development of public understanding in nuclear research Michael Burgess services to disadvantaged young people in North Tyneside David Richard Beveridge Burn services to the magistracy and the community in Hexham, Northumberland Margaret Rose Burn services to the Salvation Army and vulnerable people Kathleen Nancy Burns services to post-16 education and skills in Wales Jessica Rose Butcher co-founder and director, Blippar, services to digital technology and entrepreneurship Sarah Butcher director of care, Priors Court School, Berkshire, services to children with special educational needs and disabilities Charles Richard Butler assistant headteacher (community) and head of performing arts, Ulverston Victoria High School, Cumbria, services to music education Darrell George Buttery services to heritage in York Philip Peter Buxton services to mountain rescue and the community in Cumbria Rosemary Jayne Cadbury services to philanthropy and the community in Bournville, West Midlands Donald Delachevois Campbell formerly chairman, East Devon area of outstanding natural beauty, services to nature conservation Hilary Cantle services to older people and to charity in Bedfordshire and Hertfordshire Ian David Carnell services to young people in Solihull Monica Catherine Carroll services to the community in South Yorkshire Craig Carscadden services to athletes with disabilities and to the Paralympics David Carter services to the community in Teesside Richard Alan Carter governor, West Suffolk College, services to education John Millar Caskie services to the community in Dumfries Balwant Singh Chadha formerly councillor, North Lanarkshire council, services to local government and community cohesion in the west of Scotland Professor David Hugh Gray Cheape services to Scottish cultural education and traditional music Cynthia Louise Hart Cherry services to the community and charitable fundraising in Northern Ireland Claire Marie Chippington deputy director, Border Force, Home Office, services to border security Elinor Chohan chairwoman, North West regional board, Remembering Srebrenica, services to interfaith and community cohesion Nicola Clark tax professional manager, HM Revenue and Customs, services to business and the community in the North East Derek Kenneth Clarke Duke of Edinburgh's Award coordinator, Broxbourne and Richard Hale schools, services to young people in Hertfordshire Jane Helen Clarke formerly chief executive, Churches Housing Association, Dudley and District, services to vulnerable women and children Catherine Vivian Lindsay Clay for political and public service Jeffrey Alan Coates social worker and member adoption support expert advisory group, services to children Susan Mary Coates services to Girlguiding Paul Anthony Cobbing chief executive officer, National Flood Forum, services to flood management risk Lt-Col Mordaunt Cohen services to Second World War education Michael Francis Coker services to the community in Warwickshire Linda Colclough services to victims of sexual abuse in West Yorkshire Mary Barbara Collen volunteer, Young Witness Service, NSPCC, services to children and young people in Northern Ireland George Edward Colligan services to the museums sector Christine Rosemary Collins member Northern Ireland Rare Disease Partnership, services to people with rare diseases Alec George Collyer chairman Dartmoor Search and Rescue Group, services to search and rescue in Dartmoor Christopher Constantine Ministry of Defence, services to defence Martin James Paul Cooke services to the arts and the community in Chester and Tattenhall and North Cornwall Wendy Coombey Community Partnership and funding officer Hereford Diocese, services to churches in Herefordshire Tracey Cooper head of midwifery at Warrington and Halton Hospitals NHS Foundation Trust, services to midwifery James Cosmo Copeland services to drama Royston Vincent Court services to inclusive judo Richard Cowie musician, services to music Gail Crouchman senior officer, Border Force, Home Office, services to border security and prevention of modern slavery Brian Albert Leopold Davies senior executive officer Engineering Authority Ministry of Defence, services to military aviation Ian Morris Davies ***programme*** manager renewables and energy at Marine Scotland Science, services to marine science and voluntary service in the UK and abroad Alan Davis coach Maindy Flyers, Cardiff and Newport, services to youth cycling and diversity inclusion in south Wales Bobby Gurbhej Singh Dev services to young people in Sheffield South Yorkshire Albert George Dicken for charitable services Gillian Dillon senior executive officer, district employer and partnership manager, Department for Work and Pensions, services to employment and skills in the Humber Nora Dillon services to affordable housing credit management and the community in Rutherglen and Cambuslang, South Lanarkshire Julie Dixon services to the community in Northumberland Nicholas Dobrik volunteer The Thalidomide Trust, services to people affected by Thalidomide Michael John Doherty services to community cohesion in Northern Ireland Grant Jonathan Douglas founder and chief executive officer Sup Products Ltd, services to people with disabilities Mary Louise Drinkwater services to the community in Worcester Jill Dudley-Toole chairwoman Frank Dudley Ltd services to business and the community in Birmingham David Duke founder and chief executive Street Soccer Scotland, services to football and socially disadvantaged people Alexander Duncan regional commissioner east region, Scout Association, services to the Scouting movement and the Vine Trust William Jake Dunning deputy ***programme*** director for high consequence infectious disease NHS England, services to clinical research Karyn Dunning head of Detained Casework Immigration Enforcement, Home Office, services to asylum and humanitarian operations Richard Anthony Edwards services to the community in Hastings Derek Ernest Elton services to Scouting and the community in Stourbridge West Midlands John Alfred Eltringham chairman of trustees South Shields Sea Cadets, for voluntary service to young people Alistair Mark Emslie-Smith general practitioner Arthurstone Medical Centre, Dundee, services to healthcare, particularly diabetes treatment in Scotland David Martyn Evans formerly general practitioner Budleigh Salterton Health Centre, services to the community in Budleigh Salterton, Devon Geoffrey Frank Evans services to local government and the community in Falmouth Maria Eves chairwoman of governors, Broughton Hall Catholic High School and vice-chairwoman, St Teresa of Lisieux Catholic Primary School, services to education Brian Timothy Exell president Seashell Trust and chairman of governors, Ysgol y Deri, Penarth, services to special needs education in Wales and England Julia Emma Farman head European Intake Unit, UK Visas and Immigration, Home Office, for public service Neelam Farzana co-founder and managing director The Listening Service, services to mental health in the community Susan Mary Fazackerley services to the community in Lytham St Annes Lancashire James William Ferguson services to mental health awareness in Devon Paul Hugh Paterson Ferguson services to carving, gilding and conservation Shimon Fhima ***programme*** director HM Revenue and Customs, services to taxpayers Norman Finlay services to UK shipbuilding Michael William Finney director of advice, admissions and marketing, South Cheshire College, services to education Louise Fitzroy-Stone executive director of sport, Guildford High School, services to education Sara Lee Fitzsimmons executive charity director, SiMBA, services to bereaved families William David Fleetwood services to the community in the northeast of England Charlie Fogarty services to young people in Solihull West Midlands Lawrence Forshaw life-president Governing BodyAlder Grange School, Rossendale, Lancashire, services to education Rebecca Jane Foster course leader for physical education and senior lecturer in adapted physical education University of Worcester, services to inclusive sport and young people Rosemary Fox national director for screening ***programmes*** Public Health Wales, services to healthcare in Wales Arthur Frost foster carer East Cheshire council, services to children and families Dorothy Ann Frost foster carer, East Cheshire council, services to children and families Patricia Veronica Fuller services to the community in Norwich Nicholas Pearson Gair services to exservice personnel and young people in London Sgt Scott John Gallagher North Wales Police, services to policing and the National Police Air Service Constable James David Gallienne Devon and Cornwall Police, services to policing and search and rescue Angela Gannon training standards verifier London and South Region, St John Ambulance, for voluntary service to first aid Deborah Sylvia Gardiner chief executive officer, Qube Learning, services to apprenticeships and charity Donovan John Gardner services to the community in Cornwall Edward Gatenby head of residence and services HM Prison Durham, services to HM Prison Service Beverly Gayle higher executive officer Department for Work and Pensions, services to unemployed people Jacqueline Alexandra Gerrard chairwoman of the Corporation Stodes College, Egham, services to education Margaret Emily Gianotti executive officer Work Service directorate, Department for Work and Pensions, services to employment in south London Ben Michael Goldacre senior clinical research fellow Centre for Evidence-Based Medicine, University of Oxford, services to evidence in policy Antony Goodman chief executive officer Yumsh Snacks Ltd, services to international trade and UK exports Tobiasz Gorniak services to young people in Plymouth Craig Andrew Graham chairman The Spartans Community Football Academy, services to football and the community in Edinburgh Michael William Graham formerly constable Police Service of Northern Ireland, services to policing and the community in Northern Ireland Ruth Graham services to disabled and bereaved children in Northern Ireland Evelyn Joan Grieve speaker, Children's Hospice Association Scotland, for voluntary service in Perthshire Malcolm Grindrod services to mountain rescue in Cumbria Anita Rosina Grodkiewicz manager, the Rosmini Centre, services to the community in Wisbech, Cambridgeshire Howard Groves member Senior Mathematical Challenge Problems Group and member, UK Mathematics Trust Challenges Sub Trust, services to education Catherine Diane Gullen services to children Rosemary Hadfield member The Clement Danes Trust Board and associate governor, Westfield Academy in Hertfordshire, services to education Susan Morgan Hallam managing director, Hallam Internet Ltd, services to entrepreneurship and innovation Sacha Ian Harber-Kelly case controller Serious Fraud Office, services to investigating and prosecution of fraud, bribery and corruption David Lawrence Harcourt services to the community in Stourbridge Jill Hardy for voluntary service to the arts in Dumfries and Galloway Jane Harley team leader Teacher Strategy and Practice Unit, Department for Education, services to education and to the community in Sheffield Florence Harper services to cardiology in County Tyrone Ian David Harrabin services to heritage and regeneration in Coventry Ian Michael Harris chief executive Wine and Spirit Education Trust, services to the wine and spirit industry Ian Richard Harris honorary trustee Citizens Advice Bureau, services to the Citizens Advice Bureau in Newcastle upon Tyne Eric George Harrison formerly youth team coach Manchester United Football Club, services to football Professor Matthew Harrison Trustee STEMNET, services to engineering and education Margaret Ann Harvey vice-chairwoman, Camden Association of Foster Carers, services to children Deborah Maria Heald managing director, Heald Ltd, services to exports and promotion of STEM Careers for Women Peter John Heald director, Lunds of Otley, services to business and the community in West Yorkshire Roderick John Heather services to flood risk management Christopher Charles Hebden chairman, Southend MENCAP, services to people with disabilities in Essex Jonathan Heggarty director of curriculum, Belfast Metropolitan College, services to further education in Northern Ireland Margaret Dorothy Heller services to the magistracy and to vulnerable families in the community in Southampton Jennifer Henderson for parliamentary and voluntary service Anne Hendy Teacher, Hitchin Girls School, services to education Inez May Henriques services to the West Midlands Caribbean Parents and Friends Association Matt Henry actor and singer, services to musical theatre Maureen Constance Hercules founder and headteacher, Dallington School, London, services to education Hedley George Heron services to charity and the community in Northumberland Kenneth Malcolm Hewitt services to cross-community relations in Londonderry Beverley Elizabeth Hickey administrative officer, services to defence Patricia Hiley services to adoption Rachael Maria Hill national flood and coastal risk manager, Environment Agency, services to flood risk management and flood recovery Michele Hodgson formerly chairwoman, County Durham and Darlington Fire and Rescue Authority, services to fire and rescue Margaret Helen (Maggie) Hollingsworth formerly trustee, Inspiration Trust, services to education Susan Yvonne Hollister headteacher, Cefn Hengoed Community School, Swansea, services to education in Swansea Carol Holt flood incident manager, Environment Agency, services to flood risk management and the environment Colin Roy Hopkins School governor and chairman of trustees Church of England Central Education Trust, services to education William Thomas Hopkins services to the community, particularly children and maritime safety, in south Wales Pearline Evadney Howard Foster Carer, Wandsworth borough council, services to children and families Christopher Paul Hudson founder and owner of Chimo Sheffield (Manufacturing) Ltd, services to exports and investment in Sheffield Alan Thomas Hughes area convener, Glasgow Children's Panel, services to the children's hearings system in Scotland Glenys Irene Hughes services to music in Orkney and charity in Malawi John Martin Hughes managing director, Ryobi Aluminium Castings (UK), services to economic development in Northern Ireland Christopher Robin Hyson services to the magistracy and the community in Hampshire Anthony Impey founder and chief executive officer, Optimity, services to apprenticeships, small businesses and broadband connectivity Lindsey Ann Isaacs formerly head of prevention, Dorset Fire and Rescue Service, services to fire prevention and community safety in Dorset Adrian Antony Jackson artistic director and chief executive officer, Cardboard Citizens, services to the arts Sarah Caroline Jarvis General practitioner in Shepherds Bush, London, services to general practice and public understanding of health Mark Richard Jefferson formerly higher officer, National Deep Rummage Team Immingham, Border Force North Region, Home Office, for public service Christine Ann Jeffery chairwoman, Skills Group UK Ltd, services to skills training and charity David Ellis Jenkins services to maritime Safety Philippa Helen Dodds John services to young people and culture in London Sian Bassett John formerly chief security strategist, Symantec Corporation, services to cyber security Anthony Colin Johnson chairman of governors at Oaklands Primary School, Yeovil, Somerset, services to education Shahina Baloch Johnson services for the arts and creative industries in Swindon and Wiltshire Elizabeth Anne Johnston for voluntary service to the community in Donaghadee, County Down Carly Jayne Jones services to people with autism Karen Jones services to children with life-limiting Illnesses in the northwest and north Wales Peter Jones national account manager, National Employer and Partnership Team, Department for Work and Pensions, services to unemployed people Rowena Wendy Jones paediatric oncology outreach specialist nurse, Hywel Dda University Health Board, services to sick and disabled children and end of life care Trevor John Jones services to the community in Stoke-on-Trent Staffordshire Mohammad Yaqub Joya services to the Army and the Muslim community in Northern Ireland Shirley Kankowski project manager HM Revenue and Customs, services to state pension reform Andrew Charles Kaufman services to Holocaust education Dorothy Harriet Keane clinical lead, E-Learning for Healthcare Image Interpretation Project, Society of Radiographers, services to radiography Kathleen Keillor governor, Caroline Haslett Primary School, services to education Susan Stephen Kennedy formerly national co-ordinator, general practice nursing in NHS Education Scotland, services to general practice nurse education Alexander Khan chief executive officer, Lifetime Training, services to apprenticeships Sadi (Mehmood Sajdah) Khan services to cultural/religious awareness training and voluntary service to vulnerable women Ronald George Knight co-founder, Knight Farm Machinery Ltd and harvesting machinery historian, services to ***agricultural*** engineering entrepreneurship and charitable fundraising Geoffrey Arthur Knights services to the community in High Kelling in Norfolk Reverend Bernd Koschland services to Holocaust education Susan Elizabeth Kruse services to community archaeology in the Highlands of Scotland Grace Ladoja services to music Gillian Lane formerly vice-chairwoman of governors, Central College Nottingham and Governor, Acorn Primary Federation, services to education Mark Ralph Langshaw managing director, Continental Teves Ltd, services to the economy and community in Blaenau Gwent Ganiyu Laniyan managing director of Shian, services to the community in London John Larke services to music in Cornwall Susan Florence Moyes Law chairwoman, Muirfield Riding Therapy, services to riding for the disabled Rosemary Leach principal lecturer in sport development, Sheffield Hallam University, services to education Ivy Agnes Lee services to Girlguiding in Northern Ireland Michele Ganley Lee chairwoman, Dyspraxia Foundation Charity, services to improving the diagnosis and treatment of children with dyspraxia Professor Michael Levin professor of paediatrics and international child health, Imperial College London and St Marys Hospital, services to infectious disease critical care and research Alison Lewis site lead, HM Revenue and Customs, for public service Christopher David Lewis Lifeguard RNLI, services to maritime safety Hannah Lewis services to Holocaust education Leonie Rachelle Lewis services to the Jewish community in London Robert Joseph Stanley Long services to the community in Maldon Essex Christopher Charles Loveday services to children to people with mental health issues and the community in Swindon Elizabeth Ann Lovesey services to education and the community in Great Barford, Bedfordshire Deborah Karen Lovett director of export and trade finance, Credit Agricole Corporate and Investment Bank, services to exports Timothy James Lovett director of public affairs, British Beekeepers Association, services to the beekeeping industry Carol Lukins services to HM Coastguard and the prison service Margaret Ann Lynch for political service Inez Therese Philomena Alice Lynn services to literature and libraries in London James Jamieson Lyon forest management director, Forestry Commission, services to forestry and to conservation in the northeast Katherine Mary (Kay) MacKay chairwoman, Isle of Lewis local committee, Cancer Research UK, services to charitable fundraising Sine Cameron MacVicar formerly headteacher of Dunbeg Primary School, services to education and the community in Dunbeg, Argyll Roisin Maguire formerly principal of St Josephs College, Stoke-on-Trent, services to education Sajda Majeed services to the community in Burnley Suzanne Marie Marklew senior executive officer, foreign liaison staff (Army), Ministry of Defence, services to defence engagement Ian George Marks services to the community in Warrington Lucy Marks chief executive officer and clinical psychologist, Compass Wellbeing, services to children's mental health and primary care Margaret Patricia Martin for voluntary service to road safety in Northern Ireland Anthony Marwood violinist, services to classical music Margaret Mather founder of Dundee Junior Showtime Youth Theatre, services to the arts and community in Dundee John Bernard Roger Matthews trustee, Heart Your Smile, services to dentistry Linda Jane McAuley presenter BBC Radio Ulster, services to consumers in Northern Ireland Thomas Adrian McAuley services to first aid and healthcare in Northern Ireland Thomas Celestine McBride head of department for business services, South West College, services to further education in Northern Ireland Margaret Lynne McCabe head, Welsh Tribunals Unit, services to administrative justice in Wales Daniel McCallum co-founder and managing director of Awel Aman Tawe, services to community energy in Wales Hazel Roberta McCready services to disabled ex-police officers in Northern Ireland Angus James McIntosh managing director of Lecht Ski Centre, services to skiing and tourism in North East Scotland John Stuart McLester services to education and the community in Monmouth Stefa Janita McManners services to the community in County Durham Robert Duncan McPhail services to the community in Tarbert Donald Wallace McPhie national trustee and regional representative for the West Midlands, SSAFA, for voluntary service to ex-service personnel Carolyn Anne McVittie managing director, Stepahead, services to children and families Bazil Leonard Duncan Meade London Community Gospel Choir, services to the development of British gospel music Jennifer Meakin services to children with disabilities, particularly through sport Thomas Frederic Metcalfe services to bell ringing in Cumbria Detective Constable Garry Millar Police Service of Northern Ireland, services to policing and the community in Northern Ireland Professor Mark Andrew Miodownik professor of materials science, University College London, services to science, engineering and broadcasting Christine Valerie Mitchell account manager, Department for International Trade, services to international trade Gillian Moglione services to the community in Liverpool Moira Anne Monaghan formerly head teacher, Bushes Primary School, Paisley, services to education in Renfrewshire Margaret Gilmour Wilson Moodie formerly volunteer, St Columbas, services to people with life limiting illnesses and to deaf people in Scotland Henry Joseph Moore services in support of the Northern Ireland peace process Sandra Moore chief executive officer, Welcome Organisation, services to tackling homelessness Rachel Duncan Morgan services to UK Antarctic Heritage and Conservation Constable Richard Hugh Morgan South Wales Police, for charitable services to armed forces veterans Elizabeth Julie Morris headteacher, Severn Primary School, Cardiff, services to education Margaret Anne Morris services to health and wellbeing in Salford Richard Morris formerly senior head of service, Children and Family Courts Advisory and Support Service, services to children in England Karen Vivienne Morrison services to the Children's Hearings System in Scotland and the community in North Lanarkshire Michael Cecil Moss services to golf tourism and charity in Northern Ireland Alison Moth services to education in Northern Ireland Sylvia Doreen Moys member, Court of Common Council, services to the City of London Corporation and education in Croydon Ann Stewart Muir volunteer, Macmillan Cancer Voice, services to people affected by cancer in Scotland Eric Eugene Murangwa services to raising awareness of the Rwandan genocide Kenneth John Nelson chief executive officer, LEDCOM, services to economic development and the voluntary sector Edward Augustus Nestor services to radio and to charity Moira Newton services to the Jewish community in north London Peter John Wellesley Noble services to photography and to charity Alison Elizabeth North teacher and choir leader, Lindley Junior School, Huddersfield, services to education Josephine Maria O'Farrell services to the community in Crowthorne and Bridport, Dorset David George Openshaw services to music in Northern Ireland Professor Gerard Patrick Parr services to developing telecoms infrastructure in Northern Ireland Janet Elizabeth Parrott for voluntary political service Bernard Neil Parsons co-founder and chief executive officer, Becrypt, services to digital technology Atulkumar Bhogilal Patel services to heritage and the community in the East Midlands Mubeen Yunus Patel administrative officer, Personal Tax Operations, HM Revenue and Customs, services to public sector digital transformation ***programme*** Robert Ian Paterson services to Paralympic sport Desmond George Arthur Payne Master distiller at Beefeater London Dry Gin, services to the British gin industry Bernadette Peers compliance manager at ***Strategic*** Shipping Ltd, services to export control Maj (retired) Donald Peploe staff officer, Army Equipment Support, Ministry of Defence, services to military capability Clifford Edward Perry business coordinator, Railway Division, Institution of Mechanical Engineers, services to railways Janice Pettit services to youth work and the community in the London Borough of Waltham Forest Marcella Eileen Phelan services to young people in Ealing London Helen Margaret Phillips services to Welsh gymnastics and the Commonwealth Games Council for Wales Martin Graham Highmore Phipps harbourmaster, services to UK exports David Pickering education administrator and teacher, The Royal Ballet, services to the arts and education Michael John Pipes formerly school governor, services to education Susan Platten Bedfordshire and Hertfordshire business and partnership manager, Department for Work and Pensions, services to young people Timothy Michael Staden Pocock services to education and charity Kathryn Podmore formerly principal, Birkenhead Sixth Form College, services to education Diana Lois Porter founder, Fresh Start-New Beginnings, services to sexually abused children, young people and their families Stephen Philip Prenter services to arts, business and education Michael Julian Prior commercial officer, Military Flying Training System ***Programme***, Ministry of Defence, services to military training provision Adrian John Prior-Sankey services to the community in Taunton Capt (retired) Santa Pun staff officer, Army Division, Defence Academy, services to defence Naeem Rabbani Qureshi services to the community in Sparkbrook Robert Ramdhanie services to dance Michael John Rance services to the community in Macclesfield Dorothy Anne Rand services to local government and the community in Durham Gurmit Singh Randhawa services to community cohesion in the Vale of Glamorgan Linda Mary Ransom services to the community in east London and Essex Andrew Rowland Ready senior surgeon, renal transplant ***programmes***, University Hospital Birmingham, services to renal transplantation Alan Regin services to campanology and its heritage Allan Martin Russell Reid services to the community in Winchester Ann Lorraine Reid councillor, City of York council, services to local government Patricia Ann Reid secretary, Dunfermline Tennis Club, services to tennis and lacrosse in Scotland Stefanie McLeod Reid services to Paralympic sport Janet Elizabeth Riches for political and public service Christine Elizabeth Robson watch manager, County Durham and Darlington Fire and Rescue Service, services to the Fire and Rescue Service and the community in County Durham James Peter Robson doctor, Scotland national rugby team and head of medical services, Scottish Rugby Union, services to rugby Louise Mary Rooney senior nurse and head of prison healthcare, HM Prison Usk, services to nursing and prison healthcare in Monmouthshire Paula Roots group manager, early years and early ***intervention***, West Lothian council, services to the community in West Lothian Carolyn Ann Roseberry-Sparkes deputy director, Border Force, Home Office, services to border security Nicholas Andrew Nesbitt Rowe director of Converge, York St John University, services to people with mental ill-health in Yorkshire and the North East Linda Ruth Rowles personal assistant to directors for higher education reform, Department for Education, services to education and to the community in Bromley Professor Helen Elizabeth Roy Group leader, population ecology, Centre for Ecology and Hydrology, services to biodiversity research, science communication and citizen science Leslie Ann Roy services to athletics in Scotland Sean Edward Ryan volunteer, St Monica's Flixton Parish, Manchester, services to refugee resettlement Simon Charles Ryder watch manager, Greater Manchester fire and rescue service, for voluntary service to the Manchester Children's Burns Camp and Northern Burns Care Network Joan Salter services to Holocaust education Joan Mary Sanger services to charity and the community in Beckingham, South Yorkshire Mehool Harshadray Sanghrajka services to the Jain faith and education Jeffrey Scorah Ministry of Defence, services to defence Neil Duncan Scott project support officer, Department for Business, Energy and Industrial Strategy, for public service Martin Pengton Seah emeritus senior fellow in surface and nanoanalysis, National Physical Laboratory, services to measurement science Keith Dennis Sears formerly inspector, Sports Ground Safety Authority, services to sport Diana Joyce Seeney services to the Girls Brigade Shyamal Kanti Sengupta services to interfaith relations in Renfrewshire William Robert Sergeant county vice-chairman, Merseyside and West Lancashire, Royal British Legion, for voluntary service to ex-service personnel and to First World War remembrance Professor Vikas Sagar Shah member, Industrial Development Advisory Board and chief executive officer, Swiscot Group, services to business and the economy Summera Naheed Shaheen owner, The Diamond Studio, services to business and the community in Glasgow Rohit Shankar Consultant in adult developmental psychiatry, Cornwall Partnership NHS Foundation Trust, services to people with learning disabilities in Cornwall Anne Florence May Shaw foster carer, Sheffield city council, services to children and families Margaret Ann Shields administrative assistant, Ministry of Defence, services to defence Patricia Anne Shore services to the community in Harrogate Sanjiv Kumar Shridhar General Practitioner in Nantwich, Cheshire, services to primary care Anya Shrubsole services to cricket Hazel Marie Simmons services to local government in Luton Colin Ian Angus Skeath formerly neighbourhood inspector, West Yorkshire Police, services to policing and the community in Halifax Frances Jane Sloan chairwoman, Aldouran Wetland Garden, for voluntary service in Leswalt, Wigtownshire Emma Louise Smith head of operations, National Crime Agency, services to tackling economic crime Jeffrey Douglas Reginald Smith founder, Ards Peninsula First Responders group, services to health in Northern Ireland Raymond John Smith ceremonial technical officer, House of Commons, services to parliament Susan Smith joint chief executive, South Northamptonshire and Cherwell district councils, services to local government Wendy Jane Smith community engagement ***strategic*** lead, Peninsula School of Dentistry, services to oral healthcare and dental education in the South West Jonathan William Spencer head of ***planning*** and environment, Forest Enterprise England, services to woodlands, nature conservation and the environment Peter Stewart Spencer adviser, Environment Agency, services to flood hydrology and the economy Andrew Spiers director of science and technology, Ardingly College, services to education Michael George Squire foster carer, Wiltshire council, services to children and families Rachel Denise Squire foster carer, Wiltshire council, services to children and families Seema Srivastava safety ***programme*** and falls lead, North Bristol NHS Trust, services to improving quality and patient safety David Leonardus Steenvoorden superintendent coxswain, Humber lifeboat station, RNLI, services to maritime safety Professor William Stephens university secretary and head executive office, Cranfield University, services to higher education Martin Adam Stern services to Holocaust education Alison Rosemary Stewart services to libraries in Suffolk David Arthur Stone services to young people and the community in Wolverton, Warwickshire Freda Streeter services to open water swimming Paul Anthony Strothers formerly chief executive officer, Zodiac Seats (UK) Ltd, services to the development of aerospace manufacturing in the UK Deborah Alison Sugg for political and public service Madeleine Sumption director, Migration Observatory, University of Oxford, services to social science Bryan James Sutherland engineer, Loganair, services to the Orkney air service Claudette Joyce Sutton formerly chief executive officer, Minority Ethnic Talent Association, services to diversity in the civil service Rosamund Anne Sweet police community support officer, City of London Police, services to policing and the community in the City of London Melinda Tan Rector, University of Central Lancashire, Cyprus branch campus, services to British higher education overseas and the promotion of bi-communal relations in Cyprus Elizabeth Tappenden owner and founder, In to Biz Ltd, services to small business start-ups and women in business on the Isle of Wight Angela Tate probation officer, HM Prison Isle of Wight, services to probationers and voluntary work to the community on the Isle of Wight Patrick Francis Benjamin (Ben) Tatham services to the community in the Mole Valley Suzanne Jane Taylor services to education David Anthony Temple musical director, Crouch End Festival Chorus, services to music Gerald Robert Tessier review manager, Boundary Commission for England, Cabinet Office, services to democracy David Thomas services to social work education and people with disabilities Elizabeth Ann Patricia Thomas group leader, bereavement service, Gloucestershire, services to supporting people bereaved by suicide in Gloucestershire Michael Everard Thornhill services to the community in Leominster Robert Telford Tinlin formerly chief executive, Southend on Sea borough council, services to local government in Essex Professor Michael John Tipton professor of human and applied physiology, University of Portsmouth, services to physiological research in extreme environments Stella Gladys Tomkinson services to foster care in Warwickshire Adrian Treharne Grade 7 capabilities and resources, Home Office, services to people with disabilities in the public and charitable sectors Kevin Trickett services to the community in Wakefield, West Yorkshire Ian Nigel Tully services to music Professor Lynne Frances Turner-Stokes consultant in rehabilitation medicine, Northwick Park NHS Trust, and Herbert Dunhill professor of rehabilitation, Kings College, University of London, services to rehabilitation medicine Professor Philippa Jane Tyrell professor and consultant, stroke medicine, Salford Royal NHS Foundation Trust and University of Manchester, services to stroke medicine and care Frances Margaret Veal services to the community in Bridgnorth, Shropshire Tracey Jayne Vell General Practitioner, Surrey Lodge Group Practice, Greater Manchester, services to primary care John Victor Frederick Voss services to rugby Joanna Margaret Walker consultant paediatrician, Portsmouth Hospitals NHS Trust, services to children, young people and families in Hampshire and West Sussex Anne Amelia Manson Wallace senior personal secretary, Department for Communities Northern Ireland Executive, services to the Northern Ireland civil service Verena Lesley Wallace midwife, services to midwifery in Northern Ireland David Walsh Ministry of Defence, services to defence Jennifer Mary Walsh independent research and development manager, services to transmissions research and development Hayley Walters welfare and anaesthesia veterinary nurse, University of Edinburgh, services to veterinary education and animal welfare Stephen James (Steve) Waltho formerly mayor of Dudley, services to local government and the community in Dudley Cleveland Alexander Watkiss jazz vocalist, actor and composer, services to music Alison Jayne Watson chief executive officer, Class of Your Own, services to education Andrew Paul Watson leader, Geese Theatre Company, services to the arts in the criminal justice system William John Allen Watson services to cycling William Duncan Watt chairman, Wick Harbour Authority, services to the community in Wick and Caithness Edward John Watts services to the Scouting movement, Mission to Seafarers and community cohesion in South Wales Derek Weaver curator, Marine Engineering Museum, HMS Sultan, for voluntary service to naval heritage James Lewis West formerly head, product assurance, AWE Aldermaston, services to nuclear safety Christopher John Whiteside for political and public service Derrick John Willer schools liaison officer, Institution of Engineering and Technology, services to education Cheryl Barbara Williams director, Yorkshire Wildlife Park, and chief executive, Yorkshire Wildlife Park Foundation, services to business and conservation James Hugh Alexander Williams services to the shrievalty and the community in Hertfordshire Mark Williams manager, investigations, specialist operations, National Crime Agency, services to law enforcement Martin Williams Foster carer, Croydon borough council, and chairman, Croydon Foster Carer Association, services to children and families Jacqueline Frances Williamson founder, Kinship Care Northern Ireland, services to carers and children in Northern Ireland Robert Clive Wilson director of estates and facilities, University of Bradford, services to higher education and sustainability John Albert Wood General Practitioner, St Elizabeths Medical Centre, services to general practice in Leicester Janet Sarah Woodroffe for voluntary and charitable services in Wistanstow, South Shropshire Barbara Ann Woodward-Carlton chairwoman, University of Bradford panel for dementia research, services to patient and public involvement in furthering dementia research British Empire Medal BEM David John Allen services to the community in Barnsley Thomas Allen services to the community in Donemana County Tyrone Yasmin Jade Allen clinical fellow, NHS, services to oral health Michael Anthony Amies formerly chair, organ donation committee, Worcestershire Acute Hospitals NHS Trust, services to healthcare Anthony Robin Ardron services to people with learning difficulties in Cumbria Antony Robin Brian Ashburner services to the community in Exford, Somerset Violet Atkinson road safety volunteer, Northumbria Police, services to road safety awareness and education in Northumberland Sarah Avery team manager, child protection and court team, Bath and North East Somerset council, services to children Gertrude Ayer services to the community in Annfield Plain, County Durham Peter Baillie senior executive officer Ministry of Defence, services to defence and the veterans Ramon Lionel (Ray) Banks services to the community in Tiptree Essex Reginald Robert Barry services to the community on the Isle of Wight Jack Alexander Erwin Beattie services to the development of sport in Lisburn Northern Ireland Mark Macleod Beaumont services to sport broadcasting and charity Catherine Cicely Beech services to the community in Ceredigion James Bell services to the farming community in Northern Ireland Neomi Beverley Bennett managing director Neo-Innovations UK Ltd, services to nursing and healthcare Jean Bett services to education and community drama in Renfrewshire and West Dunbartonshire Mark Gunter Beyer administrative officer Ministry of Defence, services to defence and the Dartmoor Mountain Rescue Group Harry Bibring services to Holocaust education Bryan Birkett services to bell ringing and the community in Nottinghamshire Margaret Jean Bishop services to Age UK and to charity Elizabeth Masson Blades Captain, 5th Motherwell Girls Brigade, services to young people and the community in Motherwell, Lanarkshire Regina Akosua Boakye-Nimo services to dance Terence George Bolt services to the community in Cornwall Sonia Jane Bond services to dance Sandra Jane Booer services to music and the community in Dartford Eileen Borton services to older people in Rugby. Warwickshire Alison Sara Bradbury services to the community in Clophill, Bedfordshire Sandra Bradshaw services to the community in Manchester Kulbir Singh Brar community and diversity officer Thames Valley Police, services to community cohesion Andrew Robert Bromley international student support officer Sheffield Hallam University, services to higher education Joyce Ellen Brooker services to the community in Wing, Buckinghamshire Ann Maureen Browning chairman, Berkhamsted Committee, The Children's Society, for charitable services Frank Eric Bull services to The Royal British Legion and the community in Whitby Derek Alan Burnett services to the community in Nottinghamshire Margaret Cahoon learning support assistant, Knockloughrim Primary School, Magherafelt, services to education in Northern Ireland Gayle Luett Carson administrator, Northern Ireland Custody Visitor Scheme, services to prisoner welfare and charity in Northern Ireland Samuel Frederick Erskine (Ricky) Caruth services to rowing in Northern Ireland Colin Russell Case for voluntary and charitable services to the community in Ruyton XI Towns Shropshire Anita Itallina Castellina services to the community in Cannock Stephen Chapman services to music in Northern Ireland Paul Clabburn member London Veterans Advisory and Pensions Committee, services to veterans and to awareness of cardiac risk Susan Clarey office manager, St Anne's Church of England Primary School, Bishop Auckland, services to education Mary Clarke services to flood defence and the community in Cardiff Jacqueline Clark-Basten services to the community in Sipson, Middlesex Jean Clarkson services to riding for the disabled in Dumfries and Galloway Gayle Denise Clay team manager, homeless healthcare team, Gloucestershire Care Services NHS Trust, services to community health for homeless and vulnerable people Richard Cleaves services to the community in Ewhurst, Surrey Jonathan Victor Cooke services to cross community relations through sport in Northern Ireland John Mervyn Cornish services to the community in Stewkley, Buckinghamshire Lee Coulson services to disability basketball John Charles Cox services to Scouting and to Holy Trinity Church Bradford on Avon Patricia Anne Cox for voluntary and charitable services Michael Credland services to First World War heritage and remembrance June Mary Crew for voluntary service to Natural History and the community in Broxbourne, Hertfordshire Tom Crosby volunteer Network Rail Community Safety ***Programme***, services to railway safety Diane Gail Curtis manager, Bowel Screening Wales, services to cancer patients Nadine Samantha Daniel services to interfaith and community relations in Merseyside Jacqueline Rhys Davies services to young people in Cheshire Dawn Ruth Davis Northern Ireland Environment Agency, for voluntary services through the Samaritans Wendy Elizabeth Daws for voluntary service to visually impaired people in North Kent Hamish Dean Pipe Major Huntly and District Pipe Band, services to piping and the community in Aberdeenshire Elizabeth Gabrielle Deans for voluntary service to the Western Health and Social Care Trust, Northern Ireland Sheila Delahoy services to cancer and cystic fibrosis charities in Flintshire Louise Gail Dembny executive officer, Department for Work and Pensions, for public and charitable services Leslie David Dennison services to charity Watch Cdr David Denvir Northern Ireland Fire and Rescue Service, services to fire safety in Northern Ireland Rosalind Jane Dolding services to the community in Edington and Polden Hill, Somerset Theresa Mary Douglas police staff Police Service of Northern Ireland, services to policing and the community in Northern Ireland Rosemary Enid Dowie services to the community in Weston-Super-Mare, Somerset Mary Dowson services to community radio Gregory Matthew Drozdz services to the community in Hinckley. Leicestershire Hazel Valerie Drummond services to music in Northern Ireland Frances Edwards services to the community in Bishopsteignton, Devon Thomas Wallace Elder services to the community in Ahoghill County Antrim James Andrew Emery for voluntary service to the Boys Brigade and the community in County Tyrone Alison Lesley Evans services to the community in Suffolk Gareth Evans deputy Local Policing Inspector South Wales Police, services to community cohesion and engagement Gordon Malcolm Evans chairman Stafford Town Football Club, services to football in Stafford Efe Elizabeth Ezekiel services to Young People in London Special Constable Lloyd Bartle Fairey Northamptonshire Police, services to policing and the community in Wootton Fields Northampton Adrian Kenneth Farmer services to the community in Belper and Derwent Valley. Derbyshire Gay Sandra Fifield services to older people in South Wales Susan Ann Fifield services to the community in Farringdon Hampshire Robert Fisher services to the Northern Ireland Prison Service Pipes and Drums Band William James Keith Fleming services to young people through the Church Lads and Church Girls Brigades and the Duke of Edinburgh's Award Scheme Joan Marie Flynn formerly senior receptionist, Medical Research Council, services to the Medical Research Council Anne Danson Forbes refugee resettlement coordinator, Ashford borough council, services to the resettlement of Syrian refugees in the UK Hilary Cynthia Ford school volunteer, Herringthorpe Junior School, Rotherham, services to education Edwin Ian Fowles Trumpeter Bunbury Branch, Royal British Legion, for voluntary service to ex-service personnel Gregory Francis senior officer National Cyber Crime Unit, National Crime Agency, services to law enforcement and protecting vulnerable people Sabrina Alicia Francis social media officer City, University of London, services to the University of London Margaret Louise Frost services to charity and the community in Bude, Cornwall Stuart Alan Frost services to the community in Harrogate, North Yorkshire Alan Futter services to people with visual impairments Mathew Fyfe poppy convener Royal British Legion, services to veterans in Aberdeenshire Patrick James Gaul for voluntary service in Turriff, Aberdeenshire Bernard Oswyn George services to Withybush Hospital Chemotherapy Day Unit, Pembrokeshire Patricia Elizabeth George services to Withybush Hospital Chemotherapy Day Unit, Pembrokeshire Teifwen Mary George services to equality, young people, charity and the community in Merthyr Tydfil Mary Bernadette Glass services to nursing and the community in the Causeway Area, Northern Ireland Mary Sydney Grace services to the community in Crawley. West Sussex Aonghas William Grant services to fiddling and music tuition in the Highlands David Edward Gravell services to charity, sport and education in Wales Jenny Griffiths services to Wrexham Maelor Hospital North Wales Lesley Ann Hall services to education Isabella Turnbull Halliday fundraiser, Children's Hospices Across Scotland, services to charity Benjamin David Hammond services to dance and charity Peter George Thomson Hardie badminton and tennis coach, services to sport and young people in the Scottish Borders Celia Hargrave services to charity and the community in Sheepscombe, Gloucestershire Roberta June Harrington education officer, Chelmsford Cathedral, Essex, services to education Margaret Mary Harvie services to music in Dumfries and Galloway Judith Haycocks healthcare assistant, Whitchurch Community Hospital, Shropshire Community Health NHS Trust, services to care of older people Kathryn Jane Heyworth services to the community in Burnley Emmelence Irivuzimana Higgins manager, Barlochan Care Home, services to older people in Castle Douglas, Dumfries and Galloway Henry Arnold Hill tailor to the Royal Navy and Royal Marines, services to naval personnel Norman Wesley Francis Berkeley Hill services to music in Kent Roselyn Hirst senior chief cardiac physiologist Manchester Royal Infirmary, services to the NHS Pauline May Hodgetts services to the community in Tipton West Midlands Colin Brendan Holloway field force collector debt management, HM Revenue and Customs, for voluntary services to young people Jean Holmes services to choral music in Nottinghamshire Lisa Jane Horder domestic abuse champion, British Forces Germany, Ministry of Defence, services to the armed forces and their families in Germany Gail Louise Humphreys troubled families lead, Liverpool city council, services to troubled families in Liverpool James George Hurst administrative officer Compliance Operations Processing, HM Revenue and Customs, for voluntary and charitable services in Salford Caroline Anne Husain services to charity and the community in Chandlers Ford, Hampshire Percy Edwin Iles services to RAF Veterans and the community in Basingstoke, Hampshire Adrian Mark Jacobs volunteer police liaison, Metropolitan Police Service, services to interfaith relations and the community in the London Borough of Barnet Robert Walker James services to the community in Hungerford, Berkshire Margaret Harvey Jamieson founder The Blue Door, services to the community and charity in Orkney Patricia Jardine services to charity through the Annan and District Group of Friends, Dumfries and Galloway Yvonne Margaret Jardine services to the community in Sleaford, Lincolnshire Annwen Selima Amoret Johnson correspondence manager, HM Treasury, for service to diversity and inclusion Betty Irene Johnson visiting assistant, The Royal Star and Garter Home, for voluntary service to veterans Brenda Johnston services to Swimming and the community in Grimsby Bryan Stanley Jones services to education and young people Gareth Jones services to church communities in Skewen and Neath South West Wales Helena Jones services to young people and the community in Wales Buldev Kaur Angela Kandola founder AWAAZ charity, services to vulnerable people with mental health issues Geoffrey Miles Keating founder and conductor Solway Sinfonia, services to music and charity in Dumfries and Galloway John Roger Kennedy services to the community in St Bees and West Cumberland Sarah Gertrude (Sally) Kennedy services to the community in St Bees and West Cumberland Yvonne Teresa Key main reception coordinator, Queen's Medical Centre, services to the community in Nottingham Leslie Kleinman services to Holocaust education Maria Kovacevic-Thomas services to the National Health Service and voluntary service in Merthyr Tydfil Philip Colin Kyle services to young people and the community in Northern Ireland Janet Eve Lake services to the community in Brancaster, Norfolk Sister Mary-Joy Langdon services to disabled and disadvantaged children John Law services to the community in Coldstream Scottish Borders Elizabeth June Lawrence services to the community in Morton, Shropshire Angeline Margaret Lawson services to children, the judiciary and the community in Denbighshire Sonia Jean Lewis services to the community in Colchester, Essex Kathryn Angela Maria Ann Livingston founder, First Person Plural Charity, services to people with dissociative identity disorder Ann Maria Loader services to charity and the community in Tickenham, North Somerset Elizabeth MacColl for voluntary service in North Berwick John Maclean chairman, Peterhead Branch, RAF Association, for voluntary service to ex-service personnel John Madden principal, Roddensvale School, services to the community in Larne, County Antrim Eileen Mary Magee services to Cheltenham Croquet Club and the community in Hartpury. Gloucestershire Subhash Chander Mahajan services to the community in Hounslow Ellen Maisie Mann nurse, Cwm Taf University Health Board, services to Children and Young People James Donald Manning services to young people and the community in Ipswich Andrea Manson for voluntary service to disability sport Giles William Margarson services to the community in Aylsham Norfolk Jennifer Susan Marlow services to vulnerable people in the community in Alton, Hampshire Richard Marriott fundraiser, RNLI, for charitable services Andrew Neil Marshallsay Fire Service trainer, Hertfordshire Fire and Rescue Service, for voluntary service to the Fire Cadets Unit and the Fire Service Youth Training Association George Edwin Martin train manager, CrossCountry Trains, and founder, Myras Wells, services to charity William John Matheson services to music, culture and charity in the Highlands Norman Mawhinney services to running and the community in Comber, County Down Ann Margaret Mayer services to the community in Bollington, Cheshire Clare Beatrice McCarthy Member, London and South Region, St John Fellowship, for voluntary service to First Aid Fiona McCormack services to children and young adults with special educational needs in Essex, Hertfordshire and London Margaret Patricia McDonald services to young people through the Dunmurry Girls Brigade and to the community in Lisburn, Northern Ireland Veronica McDonald club leader, Firpark Alma Group, services to adults with special needs in North Lanarkshire Jennifer Mary McGregor-Smith services to the community in Bromsgrove Alistair McInnes civilian assistant, Gwent and Powys Army Cadet Force, for voluntary service to young people Elaine Davidson McIntee physiotherapy technical instructor, Douglas Grant Rehabilitation Centre, Irvine, services to holistic rehabilitation in Ayrshire Alan McIntosh Company Captain, 1st Buckie Company, services to the Boys Brigade Jennifer Kay McIntosh Officer in Charge, Anchor Boys, 1st Buckie Company, services to the Boys Brigade Barbara McKinley company secretary, Ulster Orchestra, services to culture in Northern Ireland Selma Anne McMullan services to young people through the Girls Brigade in Ballycastle, County Antrim Jeanette McMurray police staff, Police Service of Northern Ireland, services to policing and the community in Northern Ireland Sarah Reeman McNamara services to the community in Terling, Essex Iris Phoebe McSwigin services to charity and community relations in Fivemiletown, County Tyrone Heather Mealing services to people with disabilities and their carers in Leeds and East Sussex Lucia Quinney Mee services to promoting public awareness about organ donation Andrew Menmuir Group Scout Leader, Tannadice Scout Group, services to the Scouting movement in Angus John Robert Middleton formerly facilities manager, School of Physics and Astronomy, University of Nottingham, services to higher education and science Sheila Miller volunteer, Leeds Teaching Hospitals NHS Trust, services to the community in Leeds Gillian Ward Milne senior dental nurse, Department of Oral and Maxillofacial Surgery. Ninewells Hospital, Dundee, services to maxillofacial surgery patients in Tayside Dean John Milton for voluntary service to young people and charitable fundraising William David Alexander Mitchell services to the community in County Down Colin John Moore services to music in East Sussex Jo-Ann Moran senior executive officer, Home Office, services to people with disabilities in the public sector Judith Morris unit manager, Halesowen Young Persons Service Unit, St John Ambulance, for voluntary service to First Aid and to young people Patricia (Patsy) Morrison founder and managing director, Universal Comedy, services to comedy, people with long term health conditions and charity Rachel Morrison services to the community in Portstewart, County Londonderry Helen Arrol Morton Childline volunteer, NSPCC, services to children and young people Janice Inglis Moss for voluntary services and for fundraising for the Christie Hospital, Manchester Peter Francis Mulligan services to archery and the arts in Northern Ireland Diana Stella Murdie services to sport for visually impaired people Peter Neild services to the community in Maghull, Merseyside Elizabeth Mary (Elma) Nelson services to the community in Maguiresbridge, County Fermanagh Hayley Angela Rhodes Nelson services to digital inclusion in Sheffield Lucy Nkwameni Njomo services to vulnerable young people on the dangers of female genital mutilation Jean O'Hanlon Caseworker, Northumberland Branch, SSAFA, for voluntary service to ex-service personnel and to the community in Alnwick, Northumberland Ernest O'Hara services to ***agriculture*** and the community in Northern Ireland Alex Peter Oliver services to charity and the community in Durham Chaim Olmer services to Holocaust education Rebekah Mary Olphert founder and artistic director, Ballymena Chamber Orchestra, services to music Francis Peter George Osborn civilian instructor, Bexley and Lewisham Sea Cadets, for voluntary service to young people Jane Claire Owen train running controller, Network Rail, services to the LGBT community Melanie Jane Petrina Parker services to Girlguiding and the Royal British Legion Martin Richard Parry services to film, media and music Ann Marjorie Francescia Pembroke services to the cultural history of the City of London Josef Perl services to Holocaust education Hugh Raymond Phillips services to gymnastics Sandra Elizabeth Plasting manager and matron, Queen's House Nursing and Residential Home, services to older people and the community in the Scottish Borders Avril Pollock services to the community in Strabane, County Tyrone Samuel Pollock services to the community in Northern Ireland Christine Pratt services to the community in Blurton, Stoke-on-Trent Patrick Joseph Prunty services to the Lough Neagh Rescue Service Elfyn Pugh for voluntary service to Rugby Manju Rajawat higher officer, Border Force, Home Office, services to border security Robert Ramsey services to schools and youth football in Northern Ireland Suryadevara Yadu Purna Chandra Prasad Rao formerly chair, Stoke-on-Trent Clinical Commissioning Group, services to health and care Phyllis Martha Kathleen Reeve services to Basildon Hospital Phoebe Ethel Revill-Johnson secretary and treasurer, Leeds Branch, National Association of Retired Police Officers, for voluntary service to police officers Alison Margaret Reynolds services to community sport in Kent Gillian Mary Rhodes services to digital inclusion in Sheffield Elvet Owen Richards services to the community in Trelystan, Powys Terry Stephen Ridgley welfare officer, Buckinghamshire Fire and Rescue Service, services to the Fire and Rescue Service and the Fire Fighters Charity William Robert Roberts services to in community in Tyn-y-Groes Conwy Mary Gertrude Robinson services to nursing Steven Michael Robinson services to people with disabilities and the community in West Yorkshire Stuart Christopher Rose services to the Multiple Sclerosis Society in Scotland Paul David Roy vice-president, The Spinal Injuries Association, for voluntary service to healthcare Hayley Louise Ryan teaching innovation manager, Southampton City College, services to education Janet Ryles services to the community in Aston-on-Trent, Derbyshire Julie Elizabeth Salmon services to charitable fundraising and the community in the Wirral Robert John Savage caretaker, Southern Regional College, Greenbank Campus, services to further education in Northern Ireland Alfred George Scorer services to the community in Ellesmere, Port Cheshire Elizabeth Pauline Scott crossing patrol warden, Alloway Primary School, services to education in Ayrshire Thomas Richard Scott for voluntary service to the Ulster Special Constabulary Association Carl Jonathan Scrivens services to the community in Glenridding, Cumbria Nancie Caroline Shackleton formerly assistant chief officer (Resources), Lincolnshire Police, services to policing and to charity Paul Terence Sheehy driver, Government Car Service, for public service Janet Mary Shephard trustee, The Sunrise Appeal, services to cancer care in Cornwall Elizabeth Joan Shipton services to the community in South Derbyshire Adele Ellen Silvey volunteer, Thames Valley Hospice, services to hospice patients Daryl Jon Simpson services to community relations and peace and reconciliation in Northern Ireland Joan Edna Simpson services to the community in Coningsby. Lincolnshire Arthur Roy Skellington services to the community in Gedling Nottinghamshire Jeanette Lavon Smith county youth officer, West Glamorgan St John Ambulance, for voluntary service to first aid and to young people Maureen Smith operations manager, Facility for Airborne Atmospheric Measurements, services to atmospheric science and meteorology Ronald Scott Smith for voluntary service to Harmeny School, the Seagull Trust and the community in Midlothian Amy Margaret Smyton services to local government and the community in Omagh, County Tyrone Susan Mary Sollis services to leukaemia research Asish Jaidev Soni for voluntary and charitable services to homeless people in London Michael John Speight services to the community in Rotherham Susan Spence for voluntary service to Rugby Nicola Jane Spencer services to the arts in London Harry Spiro services to Holocaust education Karen Squires services to the community in Sheffield David Stark Pipe Major, for voluntary service to Piping in South Lanarkshire Margaret Elizabeth Stead voluntary worker, Breast Cancer Research Action Group, Leeds, services to women suffering from breast cancer in West Yorkshire Lisa Ann Stephenson founder, Lisa's Challenge for Maggie's, services to Maggie's Cancer Care Scotland Maryon Stewart founder, Angelus Foundation, services to drug education Elizabeth MacPhail Stoddart services to the community in Lanarkshire The Reverend Deacon Roger Stone Apostleship of the Seas Port Chaplain, services to Seafarers Eileen Thelma Strange for voluntary service to The Seven Towers Male Voice Choir Sarah Louise Stringer honorary lecturer, Kings College London, services to psychiatry and equality in mental healthcare Marilyn (Marsie) Stuart founder, Sign and Be Heard, services to British Sign Language Education Margaret Janet Sutton chair, Mount Vernon Hospital Comforts Fund, Hillingdon Hospital NHS Foundation Trust, services to the NHS Deviesh Tankaria international youth chairman, Sathya Sai International Organisation, for voluntary service Geoffrey Taylor services to the Scouts and the community in Chester Joyce Taylor services to Durham Cathedral Stephen Terence Taylor services to the community in Midsomer Norton Sheila Lynnette Thomas services to music, education and the Welsh language in Powys David Thompson services to the community in Billingshurst John Charles Thompson administrative officer, Detection Technology Management Unit, Border Force South and Europe, Home Office, services to border security Martin Piers Grant Thompson higher officer, Border Force, Home Office, services to border security Robert James Hamilton Thornberry services to young people through the Boys Brigade in Northern Ireland Lillian Thornton services to local government and the community in County Fermanagh Joanna Tindall for voluntary service to the Pony Club Lisa Tookey for voluntary service Mary Edith Toward for political service in the North East of England James Travis services to the community in Silkstone Roy William Tricker services to Heritage in Suffolk Robert John Trimble chief executive and Team Leader, the Bromley by Bow Centre, services to the economy Lisa Mariane Turner services to the community in the Four Churches Benifice, South Cambridgeshire Patricia Catherine Venton business manager, Camelsdale Primary School, services to education Alfred Shaun Vickers for voluntary service to sport in Tower Hamlets Margaret Ruth Vincent for charitable services in the UK and abroad and the community in Swansea Graham John Wadley services to church music Marion Maitland (Morag) Wallace for voluntary service in Falkirk and Stirlingshire Bernadette Mary Wallington services to homeless people Scott John Watkin eye care and vision development officer, SeeAbility, services to people with learning disabilities Paul Watson vicechairman, Lee-on-Solent Branch, Royal Naval Association, for voluntary service to veterans Janine Webber services to Holocaust education Philippa Pia 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Foreign and Commonwealth Office, services to furthering UK interests in Jordan and Syria Hannah Kathryn Cockburn-Logie head, political and bilateral affairs, British High Commission, New Delhi, services to UK/India relations Colin Wynn Crorkin formerly HM ambassador, Banjul, Gambia, services to British interests in the Gambia Karen Danesi first secretary, Foreign and Commonwealth Office, services to British foreign policy Matthew Kingswood first secretary, Foreign and Commonwealth Office, services to British foreign policy Robert James Lygoe first secretary, Foreign and Commonwealth Office, services to British foreign policy Olive Hilda Miller Community volunteer, services to the community in the Cayman Islands Paul Willion Munro Faure former deputy director, Climate Energy and Tenure Division, United Nations Food and ***Agriculture*** Organisation, Rome, services to the development of international land policy Stephen Christopher Phillips chief executive, China/Britain Business 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UK automotive industry Order of the Companions of Honour CH Professor Margaret Olwen MacMillan formerly warden, St Antony's College, Oxford, services to higher education, history and international affairs British Empire Medal BEM Monica Allen volunteer, services to the community in the British Virgin Islands Ian Alexander Baddon volunteer for Cancer Patients Cyprus, services to supporting patients with both cancer and dementia Peter George Davies third secretary, Foreign and Commonwealth Office, services to British foreign policy Leo Gabriel Paul Marie Joseph Demay director of international affairs, United Nations Military Cemetery in Korea, services to British and Commonwealth Korea war veterans Gillian Hanlon third secretary, Foreign and Commonwealth Office, services to British foreign policy John Allen Hunter formerly chairman of the Argentine-British Community Council, services to the Anglo-Argentine community in Argentina Peter Ibbetson third secretary, Foreign and Commonwealth 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to business and to the community Reverend Ranford Patterson services to religion education and to the community Order of the British Empire OBE Pastor Rex Major services to religion and to the community Antonius Roberts services to education, the arts and to the community Robin Roberts services to medicine David Thompson services to the legal community and politics MBE Elma Garraway services to education and to the community Nancy Kelly services to education and volunteering Nigel Lewis services to dentistry, the community and politics Jonathan Rodgers services to ophthalmology British Empire Medal BEM Roney Armbrister services to entertainment and the community Willis Bain services to the arts and to the community Lewellyn Augustine Cartwright services to business Kendal Romeo Haurtwerth Culmer Jr services to business and politics Elijah Miller services to politics and to the community Quintin Woodside services to business and to the community Queen's Police Medal QPM Anthony Ferguson commissioner of police, services to policing and the community COMMONWEALTH: BARBADOS Order of the British Empire CBE Shirley Farnum for services to public service Reverend Orlando Seale services to religious education Charles Smith for public service OBE Linda Brooks services to the labour movement Carlton Hinds services to the catering industry Cedric Murrell services to the labour movement MBE Velmo Cadogan services to the Barbados fire service Alvin Carter services to education Clifford Clarke services to the Barbados fire service COMMONWEALTH: BELIZE CBE Douglas Anthony Singh services to commerce, industry and community leadership OBE Dinesh Bhojwani services to commerce, industry and community leadership John Longsworth for public service MBE Armando Chang services to business and to the community Manuel Cowo services to the community and religion Jeaneane Vaneasa Neal services to education and to the community Joel Westby services to education and to the community Marilyn Williams for public service and to the legal fraternity COMMONWEALTH: GRENADA CBE Sister Maureen Alexander services to education OBE Andre Cherman services to business MBE Cecil St Louis services to education British Empire Medal BEM Adrian Blackman services to the community Sgt Lawrence Francis services to the community COMMONWEALTH: SAINT CHRISTOPHER AND NEVIS Order of the British Empire OBE Patricia Anelta Hobson services to education and public service MBE Benjamin Cromwell Francis services to business Ian Jacobs services to the medical profession Queen's Police Medal QPM Inspector Alphonso Leroy Hendrickson services to police service COMMONWEALTH: SOLOMON ISLANDS Order of the British Empire OBE Kaaba Newton Maagi services to education the Church and rural development MBE Violine Evalita Titiulu Aruafu services to nursing and to the community Chief Patteson Kikolo services to rural and community development Chief Johnson Leamana services to rural and community development Taeasi Sanga for public service and community development British Empire Medal BEM Israel Ratu Adino services to rural and community development Cecil Beliga services to community development John Vine Golomo services to community development Jerry Jackson Suku services to community development COMMONWEALTH: GUERNSEY Order of the British Empire MBE Derek Alfred Webb services to table tennis in Guernsey British Empire Medal BEM Anne Mildred Diamond services to the deaf community in Guernsey COMMONWEALTH: ISLE OF MAN Order of the British Empire MBE Norma Angela Aire services to Breast Cancer Now Isle of Man and the wider community Aileen Norma Gelling services to the Isle of Man Prison's independent monitoring board British Empire Medal BEM Julian Roderick Power services to the Manx community COMMONWEALTH: JERSEY Order of the British Empire OBE Philip Sidney Gower services to vulnerable children and young people in Jersey British Empire Medal BEM Stuart William Elliott services to the community in Jersey MILITARY DIVISION: ROYAL NAVY Order of the Bath KCB Vice-Admiral Simon Jonathan Woodcock Royal Navy CB Rear-Admiral Keith Edward Blount Royal Navy Order of the British Empire CBE Commodore Ross Albon Royal Navy Commodore Ian Shipperley Royal Navy Rear-Admiral Richard Stokes Royal Navy Commodore Phillip James Titterton Royal Navy OBE Cdr Johanna Deakin Royal Navy Commodore David Graham Elford Royal Navy Capt Clayton Richard Allan Fisher Royal Navy Lt-Col Damian Jon Huntingford Royal Marines Cdr Peter John Pipkin Royal Navy Cdr Philip Charles Richardson Royal Navy Capt Stephen John Thompson Royal Navy MBE WO 1 (Communications Technician) David John Bagnall Royal Navy Maj Kevin Charles Carter Royal Marines Colour-Sgt Daniel Gad Curtis Royal Marines Maj Edward Charles Malet Hall Royal Marines Lt Cdr (now Cdr) Richard Paul Hewitt Royal Navy Cdr John Lea Royal Navy Lt Cdr David Francis McInerney Royal Navy WO 1 (Seaman) Robert Ratcliffe Royal Navy Lt Cdr (Acting Cdr) Stephen Eric 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Acting Brig Barry William Bennett Army. Brig Iain Graham Harrison Army. Brig John Henry Ridge Army.

OBE Lt Col Matthew Richard Baker The Rifles Col Nicholas Hugh De Renzy Channer Army. Lt-Col Richard George Hallett The Royal Logistic Corps WO Class 1 Glenn John Haughton Grenadier Guards Lt Col Rachel Samantha Hawes Royal Army Medical Corps Army Reserve Col Neill Allan Page Army. Lt-Col Rhodri David Phillip Royal Army Medical Corps Lt-Col Victoria Caroline Reid The Royal Logistic Corps Col Michael Peter Sykes Army. 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Midlands Fire Service Chief Fire Officer Russell Pearson Surrey Fire and Rescue Service Watch Manager Karen Anne Soady Tyne and Wear Fire and Rescue Service Chief Fire Officer Paul Walker Cornwall Fire and Rescue Service Firefighter Gordon Brown Scottish Fire and Rescue Service Queen's Ambulance Service Medal QAM Kuldip Singh Bhamrah Technician, East Midlands Ambulance Service NHS Trust Kath Charters Clinical Data Specialist, Welsh Ambulance Service NHS Trust David Roger Thomas John Advanced Paramedic Practitioner, Welsh Ambulance Service NHS Trust Diane Jessica Scott deputy chief executive officer West Midlands Ambulance Service NHS Foundation Trust Mark Treherne SORT Team Leader East of Scotland Special Operations Response Team, Scottish Ambulance Service Queen's Volunteer Reserves Medal QVRM Cpl Timothy Byrom Royal Marines Reserve WO Class 2 Peter Lewis Gliwitzki The Mercian Regiment Army Reserve WO Class 1 Nigel Christian Marshall Corps of Royal Engineers Army Reserve Sgt Alan Rainey The Royal Logistic Corps Army Reserve WO Class 2 Steven Singleton The Parachute Regiment Army Reserve WO Shobha Earl Royal Auxiliary Air Force Flt-Lt Norman McKay Gray Royal Auxiliary Air Force

**Graphic**

The broadcaster Melvyn Bragg, a Labour life peer, has been appointed to the Order of the Companions of HonourSAMUEL KIRBY/BBCAlexandra Shulman, who stood down from the editorship of British Vogue in June after 25 years, is appointed CBEKI PRICE FOR THE TIMESMichael Morpurgo, the author of War Horse, is appointed knight bachelorJONATHAN BRADY/PA

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[***Distributing dollars for democracy: changing foreign policy contexts and the shifting determinants of US democracy aid, 1975–2010***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:671W-P2V1-F0C0-342F-00000-00&context=1516831)

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**Body**

Introduction

While the US has long espoused democracy promotion as a means to a safer, more cooperative world, implementing this goal through democracy aid strategies mostly awaited the end of the Cold War, when scarce foreign aid resources were first substantially devoted to the policy (e.g. Clinton ; Bush ). A key component of democracy promotion is democracy aid, a sub-type of foreign aid consisting of targeted aid packages for civil society organisations and political institutions to empower individuals, groups, and institutions within the recipient state. After 1989, democracy aid averaged about 13% of US foreign aid, reaching roughly $5 billion in Fiscal Year 2010, which is as much or more than aid allocated for health initiatives, ***agriculture***, emergency response, and other aid priorities.

Both democracy aid allocations and recipients vary substantially over time. For example, Latin American countries received considerable democracy aid in the late 1980s and early 1990s but much less after 1994. The Middle East received almost no democracy assistance prior to 1994, but substantially more after 2001. While Asia was never a major target for US democracy aid, African countries received sequentially more such aid in the 1990s and 2000s. Individual countries show similar changes. El Salvador was the top recipient of US democracy aid in Latin America in the late Cold War, but fell to the seventh in the region in the 2000s, while Colombia changed from non-recipient during the Cold War to the second highest recipient in the 2000s. Democracy aid to countries such as Jordan, the Philippines and Liberia fluctuated between 1975 and 2010 (Tierney et al. ). What accounts for differing allocations and changing country targets of US democracy assistance across time?

To answer this question, we assess the changing impact of interest-based and ideational determinants on US democracy aid from 1975 to 2010. While domestic political factors trigger many foreign policy changes, our analysis focuses on the external political environment that shapes foreign policy choices and behaviour, to which perspectives ranging from realism to foreign policy analysis all devote attention (e.g. Snyder et al. ; Rosati et al. ; Rosenau ; Waltz ). We argue that changing foreign policy contexts—which we define as the external environment of foreign policy—trigger unique calculations for democracy aid, with the relative effect of aid determinants varying in each context. We situate our investigation in foreign aid and foreign policy change literatures and contend that democracy aid allocations are ***strategic*** choices driven by different constellations of determinants in different foreign policy contexts, with interest-based factors more significant during the Cold War, ideational factors more consequential during the post-Cold War, and a combination favouring interest-based factors at work in the Global War on Terror. We find support for our explanations in tests of the US Agency for International Development democracy aid from the period between 1975 and 2010.

Our analysis makes several important contributions. First, we provide an explanation of democracy aid, a major new component of US foreign aid strategies, shedding light on the factors that explain its rise and shifting allocations over time. Second, our analysis exposes the ***strategic*** calculations underlying democracy aid allocations, which are driven by both interest-based and ideational factors rather than just the latter. Third, our analysis also highlights the importance of foreign policy context and the advantages of incorporating variation in such context for explanations of aid allocations. Fourth, our analysis contributes to the understanding of broader foreign policy change and the impact of international factors in the foreign policy context, a conceptual and theoretical focal point for foreign policy analysis that scholars have identified as warranting greater attention (e.g. Hermann ; Welch ). Finally, our analysis has theoretical and policy-relevant implications for the practice and goals of democracy assistance from the US and other donors.

US democracy aid and foreign policy adaptation

Democracy aid is a case of foreign policy adaptation to opportunities and constraints as donors adjust democracy assistance to changing foreign policy contexts. Donors use foreign aid for a wide variety of purposes as they adapt to the foreign policy context and pursue their goals and interests, and the calculations and donor-recipient bargaining underlying allocation decisions is complex (e.g. Alesina and Dollar ; Bueno de Mesquita and Smith ; Fariss ; Lebovic ; Heinrich ; McKinlay and Little ; Meernik et al. ; Palmer et al. ). Such calculations include the following:

recipient needs like development and humanitarian concerns (e.g. Apodaca and Stohl ; Drury et al. );

colonial legacies (e.g. Alesina and Dollar ; Schraeder et al. );

ideational concerns focused on recipient regime structure and behaviour, with particular attention to democratic structures and human rights behaviour (e.g. Apodaca and Stohl ; Cingranelli and Pasquarello ; Poe ; Scott and Steele );

donor ***strategic***/political/economic interests and donor-recipient bargaining (e.g. Bueno de Mesquita and Smith ; Boschini and Olofsgard ; Boutton and Carter ; Lebovic ; McKinlay and Little ; Rudloff et al. );

situational factors such as responding to economic crises, humanitarian disasters, conflict, political changes (e.g. Balla and Reinhardt ; Drury et al. ; Kang and Meernik ).

In general, studies indicate that donor interests are more important than recipient needs or humanitarian concerns. As Palmer et al. (, p. 8) conclude, ‘donors expect political benefits from their aid’.

As the US and other countries adapted foreign policy goals and instruments to elevate the importance of democracy promotion, such efforts took a variety of forms, including diplomacy, economic aid, conditionality, sanctions and economic coercion, and even military ***intervention*** (e.g. Bridoux and Kurki ; Lavenex and Schimmelfennig ; Levitsky and Way , ). In this context, explicit democracy assistance ***programmes***—a sub-set of foreign aid—emerged as a central and heavily emphasised component of democracy promotion (e.g. Cox et al. ; Mitchell ), growing to take up 10–15% of North American and European foreign aid budgets by the late 1990s (Tierney et al. ). For the US, the Agency for International Development (USAID) administers about 85% of US democracy aid through ***programmes*** supporting democratic institutions, processes, and participation, the rule of law, and human rights. USAID channels democracy aid through state institutions and through grassroots NGOs to civil society organisations, civic education, and the media (Collins ). About a third of such aid bypasses top-down aid channels to implement projects through NGOs.

Democracy aid allocations should be shaped by concerns similar to those affecting foreign aid more generally, but recipient regime structure and behaviour and donor interests seem likely to be even more important. However, like foreign aid, democracy aid is a strategically allocated scarce resource and the impact of interest-based, ideational, and other factors varies as donors adapt to changing foreign policy contexts. Approaching democracy aid as a case of foreign policy change thus improves explanations of shifting allocations. So, we draw on two main elements of the foreign policy change literature: first, levels/types of change, and second, factors that contribute to/inhibit change.

Levels/types of foreign policy change

A synthesis of key literature on foreign policy change/adaptation (e.g. Goldmann ; Hermann , ; Rosati et al. ) suggests four increasingly extensive levels of change: policy adjustment (changes to the level of effort, scope of recipients, etc., consistent with the existing policy goals); policy refinement (changes in method or means, still within the context of the existing policy goals); policy reform (changes in goals/purposes resulting in new initiatives or approaches); and policy restructuring (broad changes in role, purpose, and method to address new conditions, problems, opportunities and/or goals). In foreign aid terms, increasing the amount of US developmental aid to address an economic crisis illustrates adjustment; adding debt forgiveness represents refinement (pursuing the development goal through a different means/method); establishing and allocating democracy assistance initiatives in the existing foreign aid ***programmes*** represents reform (devoting resources to a new goal—political development rather than economic development); and establishing a new foreign aid ***programme*** (e.g. the 1948 European Recovery ***Plan***, the 1961 Foreign Assistance Act) illustrates restructuring.

The foreign policy context and foreign policy change

Our analysis of the shifting determinants and targets of US democracy aid focuses on the role of changing foreign policy context in allocation decisions. Scholars of foreign policy change highlight the role of international, institutional, societal, and individual factors promoting and/or inhibiting broad foreign policy adaptation (e.g. Hermann ; Goldmann ; Rosati et al. ; Welch ; see Hermann for a review). We focus our study on international factors, which include the role of the nature of the system, balance of power, threat environment, problem agenda, and events/crises as ‘prime determinants’ of foreign policy change (Rosati et al. , p. 13; see also Scott and Carter ; Rosenau ; Dueck ). As Rosenau (, p. 42) argues, foreign policy is a central mechanism through which state adapts to changes in its environment, and external factors have long been recognised as important to foreign policy choices (e.g. Sprout and Sprout ; Hermann ; Rosenau , ; Waltz ). We characterise these external or environmental factors as foreign policy context: the particular, dominant set of features, constraints, opportunities, and policy issues in the external environment in a given period of time. Foreign policy contexts change and, as they do, policies gradually become maladaptive. However, as the punctuated equilibrium model of policy change (e.g. Baumgartner and Jones ) suggests, adjustment/adaptation occurs only incrementally. Large changes are more episodic, usually generated by external ‘shocks’ or crises that trigger major shifts in the foreign policy context (e.g. Diehl and Goertz ; Gustavsson ).

The determinants of democracy aid in changing foreign policy context

We build on these foundations in foreign aid and foreign policy change to extend existing explanations, focusing on the role of external foreign policy context as a key factor in democracy aid allocations. At the broadest level, we argue that democracy aid itself is an adaptation/innovation to a changing external foreign policy context. More narrowly, we contend that the relative roles of ideational (human rights, democracy) and interest-based (political, ***strategic***, economic) factors in democracy aid allocations change with shifts in foreign policy context, resulting in shifts in both targets and amounts of aid among recipients. Finally, we introduce democratic demand/feasibility and post-conflict strategies to the calculations behind democracy aid allocation, arguing that their role and impact also change with foreign policy context. Ultimately, we argue that understanding the rise and varying targeting/allocations of US democracy aid as a foreign policy initiative depend on accounting for changing foreign policy contexts.

Democracy aid as adaptation to foreign policy context

We expect shifts in foreign policy context to impact the US approach to democracy assistance. To begin, we argue that, for the US, the international environment of the 1975–2010 period falls into three distinct foreign policy contexts: Cold War (1975–1989), post-Cold War (1990–2001), and Global War on Terror (2002–2010). The end of the Cold War (1989) and the terrorist attacks on the US on September 11, 2001, constitute major ‘shocks’ clarifying the new foreign policy contexts and creating framing effects for different constellations of US perceptions, priorities, and interests, and perceived threat environments (e.g. Dueck ; Ikenberry ; Kupchan ; Lake ; Scott and Carter ). We therefore expect two levels of adaptation in US foreign aid/democracy assistance policy—foreign policy change—both of which reflect these contexts and shocks. First, and most broadly, we expect democracy aid itself to emerge and expand with the shift from Cold War to post-Cold War foreign policy context. Second, we expect the relative roles of ideational goals, recipient factors, and donor interests to change in each foreign policy context, so that each context has a distinct constellation of factors shaping democracy aid, and democracy aid targets vary by context.

Foreign policy context I: Cold War, 1975–1989

The central factors shaping US Cold War foreign aid strategies and allocations were concerns about countering the Soviet Union, sustaining anti-Soviet allies, and extending US influence in the context of the bipolar system and the ideological contest between the US and the Soviet Union. The Truman, Eisenhower, Nixon, and Reagan doctrines were driven by a Cold War consensus regarding the need to confront and counter communism around the world. Thus, political interests, alliance ties, and other aid ties to regimes dominated the calculus, and the troubling human rights records of friendly non-communist regimes were often overlooked. US foreign aid allocations generally reflected these concerns (e.g. Boschini and Olofsgard ; Lebovic ; McKinlay and Little ; Meernik et al. ). Hence, despite rhetoric to the contrary, throughout the Cold War, ideational goals such as democracy promotion and human rights were of relatively low priority, while interest-based calculations stemming from the emphasis on countering the Soviet Union and extending US influence in non-communist regimes dominated (e.g. Bearce and Tirone ; Meernik et al. ). Even studies of humanitarian assistance and disaster relief—subcategories of aid with high ideational purpose—show the dominance of interest-based calculations in this foreign policy context (e.g. Drury et al. ; Fink and Redaelli ).

Foreign policy context II: Post-Cold War, 1990–2001

The ‘shock’ of the end of the Cold War changed the foreign policy context, generating a new political/security environment that freed the US from the need to contain communist expansion and allowed it to promote ideational values consistent with its political culture (see Lipset ). In the changed context, policymakers adjusted foreign aid strategies to respond to changing imperatives and opportunities. The US paid greater attention to the kind of regimes it supported, with issues of human rights and democracy becoming increasingly important factors (e.g. Bearce and Tirone ; Fleck and Kilby ; Lai ; Meernik et al. ). The end of the Cold War and the practical consequences of the ‘democratic peace’ literature (e.g. Doyle ; Russett ) jump-started the importance of promoting democracy in this new foreign policy context. As Cox et al. (, pp. 5–6) concluded, democracy promotion ‘rather neatly filled the missionary gap left behind by the collapse of international communism’ as a motivating factor in aid allocations. The US adapted with policy reform/restructuring in the foreign aid, developing a new initiative for democracy aid as the new context elevated the importance of ideational goals and recipient factors. The first fully post-Cold War president—Bill Clinton—established a democracy assistance ***programme*** within USAID that reached nearly 15% of developmental aid worldwide by the end of the twentieth century (Tierney et al. ).

Foreign policy context III: Global War on Terror, 2002–2010

The ‘shock’ of the September 11, 2001, terrorist attacks on the US again shifted the foreign policy context. As more terrorist strikes followed across the globe, targeting both US interests and friendly regimes, the new security challenges affected foreign aid strategies and priorities—including democracy assistance (e.g. Fleck and Kilby ). As Boutton and Carter (, p. 1145) argued, ‘Since the attacks of 9/11 […] aid policy has undergone yet another shift, this time toward countering the threat from international terrorism’. Thus, the new threat environment generated policy adjustment and refinement: foreign aid increased from post-Cold War levels, and previously ignored areas became major foreign aid recipients. Yet, democracy assistance continued under both US presidents during the Global War on Terror, even as strategies and priorities for addressing the new context shifted. In particular, the US adjusted and refined democracy aid levels and targets to combat terrorism. As President George W. Bush argued in speeches after the 2001 attacks and in his administration’s 2002 National Security Strategy, defeating terrorism depended on the support and promotion of democratic institutions. Ideational goals continued to play a role, conditioned by other concerns, but US political/security interests relevant to the terrorist threat increased in importance (e.g. Boutton and Carter ).

Applying these distinctions among foreign policy contexts, we begin most broadly by arguing that the changing foreign policy contexts described above lead to the rise and adaptation of democracy assistance as an aid strategy. In the Cold Wademocracy aid. After controllingr context, democracy assistance should not be a high priority. Instead, political/security interests should be paramount, led by the need to confront the Soviet threat with anti-communist allies (regardless of the nature of their regime). We expect the shift from Cold War to post-Cold War foreign policy contexts to prompt policy reform/restructuring, namely the establishment and expansion of systematic democracy assistance ***programmes***. With the Cold War over, the US was able to focus on ideational goals concerning regime type and behaviour, promoting the ‘democratic peace’, and improving human rights. We further expect the shift from post-Cold War to Global War on Terror contexts to result in foreign policy adjustment/refinement: re-targeting/re-prioritisation of recipients—emphasising areas such as the Middle East/Southwest Asia—and changing levels of US democracy aid allocations to reflect the increased priority on countering terrorism. Thus, our most general, hypothesis is:

H1

Post-Cold War and Global War on Terror contexts prompt more democracy aid than the Cold War context.

Shifting determinants by foreign policy context

However, we also argue that the determinants of US democracy assistance shift predictably as these contexts shift. Our foreign policy change framework and argument lead us to expect unique constellations of factors to guide aid allocations in each foreign policy context. Overall, we expect ideational determinants (goals of improving human rights conditions and promoting democracy by responding to democratic demand/feasibility) to be relatively more influential in the post-Cold War and Global War on Terror contexts than in the Cold War (e.g. freed from concerns for countering the Soviet Union and sustaining anti-Soviet allies). Thus, on ideational factors, we generally hypothesise:

H2

States with high ideational factors receive more democracy aid allocations in post-Cold War and Global War on Terror contexts than in the Cold War context.

We emphasise two key ideational factors. First, when the US is committed to the ideational goal of democracy promotion, democracy assistance allocations are ***strategic*** bets placed on the likelihood of progress toward and consolidation of democracy (e.g. Scott and Steele ). Aid allocators weigh the possibilities of achieving this ideational goal in part by gauging the demand for and feasibility of democratisation in a potential recipient. As a consequence, if democracy promotion is preferred, an important cue for democracy aid allocators comes from regime conditions relevant to the prospects for democratic progress and consolidation.

Building on Scott and Steele () and Nielson and Nielson (), we therefore argue that, to pursue this ideational goal, aid allocators respond to cues about the demand for and feasibility of progress toward democracy, manifested by specific types of democracy levels. To promote democracy, allocators seek to distribute greater democracy aid to recipients that both demonstrate demand and are more likely to transition to and consolidate democracy, thus increasing its feasibility. We posit a non-linear relationship. Regimes in the middle (anocratic) range of the autocracy–democracy scale (e.g. the 21-point Polity IV scale) are most interesting to aid allocators as potential recipients because they exhibit signs of democratic opening, thus demonstrating both demand and feasibility to aid allocators concerned with the potential effectiveness of democracy assistance but seeking to promote democratisation. Regimes at the democratic end of the continuum are likely to be of less interest for aid allocators than those at the autocratic end, because they exhibit less demand, while still offering opportunities to support the existing democratisation. Regimes at the most autocratic end are likely to be of least interest, because they exhibit the least democratic demand and feasibility. For democracy promotion, our ranked (ascending) preference scale is thus autocracy–democracy–anocracy. In terms of foreign policy context, we expect that democracy promotion is less consequential in Cold War context (e.g. Pipes and Garfinkle ), but, driven by the adaptations of foreign policy reform/restructuring, it is of higher priority after the end of the Cold War (e.g. Mitchell ). Therefore, to capture the relative importance of the ideational goal of democracy promotion in different foreign policy contexts, we further hypothesise:

H2a

Higher democratic demand/feasibility (the higher a regime places on the autocracy [low]—democracy [middle]—anocracy [high] scale) results in greater democracy aid allocation in the post-Cold War and Global War on Terror contexts more than in the Cold War context.

The second ideational factor shaping democracy aid is improving human rights conditions. As an ideational goal, the goal of improving human rights should lead the US to target poorly performing (in human rights terms) regimes for democracy assistance. In the Cold War context, improving human rights in recipient regimes should not weigh heavily on US foreign policymakers, so allocating democracy aid to recipients to generate better human rights performance should not be a priority. Adapting to the changing foreign policy context after the Cold War, targeting poorly performing regimes for human rights improvement should be a higher priority. Thus, we further hypothesise:

H2b

Poorly performing (human rights) states receive more democracy aid allocations in the post-Cold War and Global War on Terror contexts than in the Cold War context.

Conflict conditions also play a role in democracy aid allocations by foreign policy context. We expect states in ongoing violent conflicts—most of which are civil wars after 1989 (Themner and Wallensteen )—to be less likely to receive democracy assistance, as allocators calculate that it will be ineffective and on-site providers of such assistance would be physically at risk. However, when ideational concerns are most salient (i.e. in the post-Cold War foreign policy context), states in post-civil war conflict periods should be more likely to receive democracy aid, as such assistance is regarded by policymakers as a means to resolve and address the consequences of conflict, consolidate peace, and prevent the reoccurrence of violence (e.g. Balla and Reinhardt ; Kang and Meernik ). Thus, as part of the foreign policy reform/restructuring at the end of the Cold War, and the subsequent policy adjustment/refinement after the post-Cold War, we hypothesise:

H3

States in post-civil war windows receive more democracy aid in the post-Cold War context than in the Cold War and Global War on Terror contexts.

We further argue that the degree to which democracy assistance is affected by US interest-based calculations should vary by context as well. Interest-based factors such as economic gains, ***strategic***/security concerns, and political support should be relatively more influential in the Cold War and Global War on Terror environment than in the post-Cold War (e.g. driven by dominant political/security concerns of anti-communism and counter-terrorism). Specifically, we expect interest-based factors to be of the greatest priority in the Cold War, least central to democracy aid allocations in the post-Cold War context (pursuant to the reform/restructuring adaptations of the end of the Cold War), and important, but balanced against ideational factors in the Global War on Terror (per adjustment/refinement adaptations). Therefore, most broadly, we hypothesise:

H4

States of greater interest to the US receive democracy aid allocations more in Cold War and Global War on Terror contexts than in the post-Cold War context.

Our argument suggests that different interest-based factors affect democracy aid allocations in particular ways according to foreign policy context. We focus on three interest-based concerns: political, ***strategic***/security, and economic. First, because of Cold War and Global War on Terror threat/security concentrations (on containing Soviet influence and countering terrorism, respectively) and concerns for stability, democracy aid allocators should be hesitant to promote regime change in states that are most compatible with US political interests, all else equal, while in the post-Cold War such concerns for stability should be muted. Second, the varying threat/security environments of the three foreign policy contexts make US ***strategic***/security interests more central to democracy aid allocations in the Cold War and Global War on Terror contexts (e.g. the need for anti-communist allies or to combat terrorism) than in the post-Cold War context. Finally, because of globalisation and increasing importance of economic relationships, US economic interests are more important to democracy aid allocations in the post-Cold War and Global War on Terror contexts than in the post-Cold War context. Thus, our framework leads us to hypothesise:

H4a

Less politically compatible states are more likely to receive democracy aid in the Cold War and Global War on Terror contexts than in the post-Cold War context.

H4b

States of greater ***strategic***/security interest to the US receive democracy assistance more in the Cold War and Global War on Terror contexts than in the post-Cold War context.

H4c

States of greater economic interest to the US receive democracy assistance more in the post-Cold War and Global War on Terror contexts than in the Cold War context.

Research design and data

To test our arguments, we examine country-year US democracy aid from USAID to the developing world from 1975 to 2010, which provides us with Cold War, post-Cold War and Global War on Terror years. For democracy assistance, we rely on the AidData 2.1 dataset (Tierney et al. ) of OECD member development assistance by individual project and project purpose. We select US democracy aid (via USAID) and aggregate it to the annual, country-level commitments by purpose, differentiating between democracy assistance and other development aid with the AidData 2.1 project codes. We identify purpose codes 15,000–15,199 as democracy assistance, and all others as general foreign aid. In our analysis, we consider both the annualised sum of democracy aid to a given recipient state and a dichotomous variable differentiating between democracy aid recipients and non-recipients. On the former, we take the logarithm of democracy aid in constant 2009 dollars.

To explain democracy aid, we include measures for ideational concerns (democratic demand/feasibility, human rights), interest-based concerns (US economic, political and ***strategic***/security interests), and conflict conditions.

Democratic demand/feasibility

To measure the ideational goal of democracy promotion represented by recipient democratic demand/feasibility, we rely on Polity IV (Marshall and Jaggers ), while acknowledging its limitations (e.g. Munck and Verkuilen ). The 21-point Polity2 variable is a composite score ranging from − 10 (least democratic) to 10 (most democratic), with interregnum and transition scores (− 77, − 88) replaced with scores of 0 and interpolated scores respectively to reduce missing data, and interruption (− 66) scores designated as missing values. Guided by Plumper and Neumayer (), we adjust the Polity2 variable for better face validity. Specifically, for the relevant country-years, we retain the Polity2 interpolation for transition scores (−88), and recode interregnum scores (− 77) with the minimum value preceding/following the interregnum to avoid artificial improvements/deteriorations of the Polity2 score from using the 0 value during the interregnum. Following Plumper and Neumayer (), we also recode interruptions (− 66), by replacing the Polity2 missing variable with Freedom House scores (2–14, transposed to set lower values as less free), adjusted to the Polity2 scale, rounding to the lower value. We then recode the adjusted Polity2 score into an ordinal scale that reflects our argument about non-linearity: 0 = autocracy (Polity2 score − 10 to − 6); 1 = democracy (Polity2 score 7–10); 2 = anocracy (Polity2 score − 5 to 6). We expect a positive relationship between our democratic demand/feasibility measure and democracy aid in the post-Cold War period.

Human rights conditions

To measure the ideational concern for human rights, we rely on the Political Terror Scale (Gibney et al. ), a 1–5 ranking of human rights performance in which 5 represents the worst conditions. We expect a negative relationship between this variable and democracy aid (as democracy promoters target poor human rights performers for improvement) in the post-Cold War and Global War on Terror contexts.

US interests

We include four measures to gauge the impact of interest-based concerns: US 1 measure each for economic and political interests, and 2 measures of ***strategic***/security interests. Diagnostics indicate that collinearity among these four interest variables is not a concern. First, for US economic interests, we measure the volume of US trade (sum of exports from and imports to the US) with a potential recipient in current dollars (Barbieri and Keshk ). We expect a positive relationship between US trade and democracy aid in the post-Cold War and Global War on Terror periods. Second, for political interests, we include affinity scores (s-score) an index ranging from − 1 to 1 generated from the UN General Assembly voting data (Strezhnev and Voeten ). Higher scores represent similar voting between the US and potential recipient. We expect a negative relationship between political affinity and democracy aid during the Cold War and Global War on Terror, and a positive relationship during the post-Cold War. Third, to measure ***strategic***/security interests, we include two variables. In all models, we include a dichotomous variable indicating the presence of an alliance between the US and potential recipient in a given year, relying on Correlates of War Alliance data (Gibler ). We expect a greater, positive relationship between alliance and democracy aid in the Cold War and Global War on Terror periods than in the post-Cold War period. Finally, in some models, we also measure US ***strategic*** interests with Bell et al. () security salience measure. Higher values indicate less ***strategic*** salience for the US. We expect more salient countries to receive less democracy aid in the Cold War.

Conflict

To gauge the effect of conflict on democracy aid allocations, we rely on the Major Episodes of Political Violence data from the Center for Systemic Peace (Marshall ). For each country-year, from this data we identify countries involved in ongoing conflicts. Additionally, for countries experiencing intrastate conflicts, we code a dichotomous measure for ‘post-civil war conflict window’ as the three-year period when a given country is currently not involved in intrastate conflict, but was in the 1- to 3-year period preceding the current year. We expect a positive relationship between post-civil war conflict window and democracy in the post-Cold War context, during which democracy promotion is most powerfully viewed as a solution to and antidote for conflict.

Controls

Guided by the general foreign aid literature, we control for recipient economic need, country size and other US assistance. To capture recipient economic need, we include annual per capita gross domestic product (GDP) in current dollars for each country. Since country size may impact aid allocations, all else equal (e.g. Demirel-Pegg and Moskowitz ), we also control for the population size of a potential recipient. GDP and population data derive from the Penn World Tables. To control for the impact of general aid commitments on democracy aid, we subtract democracy aid from total aid to obtain a measure of ‘other aid’, and include its logarithm in constant 2009 dollars.

We begin our empirical tests with descriptive and bivariate data on democracy aid patterns across the period. Then, we test our model for the entire period (1975–2010), weighing the relative impact of the determinants while including a dichotomous variable for Cold War years to gauge the impact of the shock of the end of the Cold War. Third, we test our model for each specific foreign policy context sub-sample—Cold War (1975–1989), post-Cold War (1990–2001) and Global War on Terror (2002–2010)—to gauge the impact of these contexts on democracy aid allocation and, specifically, the relative influence of the determinants in our model in these different external foreign policy contexts. Because we expect our explanatory variables to vary by foreign policy context, using split samples is preferable to interacting each independent variable by foreign policy context. Testing our models in each sub-sample allows all coefficients for explanatory variables to vary in each foreign policy context, per our theoretical arguments. All results are derived from STATA, version 14.

In the tests for the overall period and the sub-samples, we model the impact of selection effects on democracy aid allocations. Since some states are excluded from aid allocations, it is common to model foreign aid decisions as a two-step process: in effect, states are considered for certain amounts of aid/arms sales only if they pass through the selection stage. Thus, aid allocations are subject to censoring, and recipients constitute a non-random sample. Failure to account for such selection effects results in biased estimates (see, for instance, Heckman , ). In our data, modelling a selection effect is important: depending on model and aid variable, 50–70% of the country-year cases received no US democracy assistance, while 25–40% received no development assistance.

Like others (e.g. Blanton ; Drury et al. ; Meernik et al. ), we apply Heckman selection models to the allocation of aid to control for selection bias (Heckman , ). Heckman models estimate a maximum likelihood model for the first stage (selection), ***producing*** a non-selection hazard rate (inverse Mills ratio). The second stage applies an OLS model with the non-selection hazard rate to account for the non-random sample. Estimates at the second stage reflect the impact of the non-selection hazard rate and are consistent and unbiased. To properly identify the model, we rely on the exclusion restriction, by which at least one variable is present in the first stage but not the second stage. For our tests, we model recipient economic need (per capita GDP) as the exclusion variable.

For robustness, we apply four alternative techniques, applied to each foreign policy context: (a) a random effects logistic regression model; (b) a generalised least squares (GLS) regression for panel data (with robust standard errors); (c) GLS with a lagged dependent variable; (d) GLS with corrections for a first-order autoregressive (AR1) process.

Results: foreign policy context and the calculus of US democracy aid

Overall, the results show that the end of the Cold War and the start of the Global War on Terror generate high-order foreign policy reform/restructuring and low/mid-order foreign policy adjustment/refinement, respectively. The tests also support our arguments about the effects of foreign policy context on the relative role of interest-based and ideational factors, with some limits.

To begin, Fig.  presents descriptive data on the distribution of democracy aid from 1975 to 2010. The figure’s two panels present the annualised sum of US democracy assistance and a smoothed trend line. Together, these data show the rise of democracy aid as a new foreign policy initiative in the post-Cold War and Global War on Terror foreign policy contexts, providing descriptive support for Hypothesis 1.

US democracy aid, 1975–2010 (constant 2009 USD)

Table  presents evidence of the context-specific nature of US democracy aid that further supports our first, and most general, hypothesis about foreign policy change and the rise of democracy aid. As a proportion of US assistance, democracy aid increased by a factor of six from less than two percent in the Cold War years to almost thirteen percent after the shock of the end of the Cold War. This shift is consistent with policy reform/restructuring, the highest levels of foreign policy change from our typology. From post-Cold War to Global War on Terror contexts, a more modest, but still meaningful change—policy adjustment/refinement—appears. These same shifts appear in the per capita democracy aid allocations, which increased by 150 percent from the Cold War to post-Cold War periods, and then by about 68 percent from post-Cold War to Global War on Terror periods.

US democracy assistance, 1975–2010

| **Time period** | **Proportion of US aid (%)\*** | **Per capita democracy aid\*** |
| --- | --- | --- |
| Cold War (1975?1989) | 1.9 | $0.24 |
| post-Cold War (1990?2001) | 12.8 | $0.60 |
| Global War on Terror (2002?2010) | 13.9 | $1.02 |

\*Difference of means tests for each period significant at the 0.01 level

Tables , , and present the results of our primary tests, applying Heckman selection models to the overall 1975–2010 period without disaggregating by foreign policy context (Table ), and then to each individual sub-period to reveal the variations in the role and impact of the democracy aid determinants (Tables  and ). Together, these results support much—though not all—of our theoretical argument: (1) changes in foreign policy context generate high-order foreign policy reform/restructuring with the post-Cold War shock, and low/mid-order adjustment/refinement with the Global War on Terror shock; (2) changes in foreign policy context cause shifts in the relative importance of US democracy aid determinants. Most importantly, contrasting the results in Table  with those in Tables  and shows that failure to account for different foreign policy contexts ***produces*** inaccurate explanations of democracy aid allocations.

Baseline: ignoring foreign policy context

Table  presents the results for the overall time period (1975–2010), without accounting for the differences in foreign policy context. Model 1 includes the alliance variable to measure ***strategic***/security interests, while Model 2 includes the alliance variable and the ***strategic*** salience variable (Bell et al. ), and covers the period from 1981 to 2006 due to the limited availability of that variable.

Determinants of US democracy aid, 1975–2010, Heckman models

| **Selection: aid recipient** | **Model 1 (1975?2010)** | **Model 2 (1981?2006)** |
| --- | --- | --- |
| Constant | ? 2.40(0.14)\*\*\* | ? 2.30(0.16)\*\*\* |
| Human rights (PTS) | 0.07(0.04)\*\* | 0.06(0.04)\* |
| Democratic demand/feasibility (polity) | 0.11(0.03)\*\*\* | 0.11(0.04)\*\*\* |
| Trade with US | 0.000001(0.000002) | 0.0000009(0.000002) |
| Political interests (affinity) | ? 1.46(0.13)\*\*\* | ? 0.1.05(0.15)\*\*\* |
| Alliance | 0.86 (0.07)\*\*\* | 0.91 (0.08)\*\*\* |
| ***Strategic*** salience | ? | 0.004 (0.009) |
| Ongoing conflict | ? 0.01(0.08) | ? 0.02(0.09) |
| Post-conflict (civil) | ? 0.03(0.12) | 0.03(0.12) |
| Cold War years | ? 1.25(0.07)\*\*\* | ? 1.16(0.08)\*\*\* |
| Per capita GDP | ? 0.00002(0.000006)\*\*\* | ? 0.00002(0.000008)\*\*\* |
| Population | ? 0.0000001(0.0000002) | ? 0.000000005(0.0000003) |
| Other aid (logged) | 0.12(0.01)\*\*\* | 0.12(0.005)\*\*\* |
| Amount: logged democracy aid (2009 $) |  |  |
| Constant | ? 2.75(1.81) | 5.10(1.80)\*\* |
| Human rights (PTS) | 0.40(0.12)\*\*\* | 0.35(11)\*\*\* |
| Democratic demand/feasibility (polity) | 0.16(0.13) | 0.18(0.12) |
| Trade with US | 0.000004(0.000003) | 0.000003(0.000003) |
| Political interests (affinity) | ? 2.06(0.69)\*\*\* | ? 0.88(0.55)\* |
| Alliance | 1.78(0.35)\*\*\* | 1.40(0.36)\*\*\* |
| ***Strategic*** salience | ? | ? 0.06(0.03)\*\* |
| Ongoing conflict | 0.52(0.26)\*\* | 0.40(0.23)\* |
| Post-conflict (civil) | 0.35(0.35) | 0.40(0.31) |
| Cold War years | ? 2.94(0.57)\*\*\* | ? 2.36(0.50)\*\*\* |
| Population | ? 0.0000006(0.0000007) | ? 0.0000008(0.0000007) |
| Other aid (logged) | 0.44(0.06)\*\*\* | 0.39(0.06)\*\*\* |
|  | Obs = 3324 | Obs = 2688 |
|  | Wald X2 = 103.10 (0.000) | Wald X2 = 94.94 (0.000) |
| Mills lambda = 3.81 Rho = 1.0 | Mills lambda = 3.14 Rho = 1.0 |  |

\*\*\* = 0.01, \*\* = 0.05, \* = 0.10

First, in Models 1 and 2, the Cold War variable, statistically significant at the 0.01 level, indicates that the 1975–1989 and 1990–2010 periods are substantially different regarding democracy aid allocations. During the Cold War, the likelihood of any state receiving democracy aid and the amounts of aid allocated to recipients are substantially less than in the Post-Cold War and Global War on Terror years. In combination with the evidence in Table , this provides additional support for Hypothesis 1: democracy aid is a post-Cold War innovation/adaptation to a changed foreign policy context.

Without accounting for changing foreign policy context, these initial results indicate that a combination of ideational concerns and interests explains US democracy aid. After controlling for the effects of recipient economic need, population, and other aid commitments, in both models, democratic demand/feasibility, human rights, and US political and ***strategic*** interests are statistically significant predictors (0.10 level or higher) of democracy aid in the selection and/or amount stages. Neither economic interests nor post-civil war windows are statistically significant. For ideational factors, democratic demand/feasibility is statistically significant at the selection stage, indicating that the democracy promotion calculus—rank-ordering target preferences from autocracy (low)—democracy (medium)—anocracy (high)—improved the likelihood of receiving democracy aid. Human rights are statistically significant at both selection and amount stage, with more aid allocated to countries with worse human rights performance.

However, Table  indicates that interest-based factors are the more powerful predictors for the overall period. For political interests, less compatible countries are more likely to receive democracy aid, and in greater amounts. At the amount stage, a 1 point shift from greater affinity (0.5) to less affinity (-0.5) is associated with about 9.6% more aid in Model 1 and about 4.1% more aid in Model 2, greater impact than either ideational variable. For the overall period, this appears to reflect a ‘cultivating friends’ rationale as the US appears to distribute aid in part to contribute to regime changes that might bring greater convergence of interests (e.g. Rudloff et al. ). Strategically, being a US ally increases the likelihood of receiving democracy aid and is associated with about 6.5% (Model 2)–8.3% (Model 1) more assistance. When ***strategic*** salience is added, it is statistically significant (amount stage): more salient countries receive more democracy aid (Model 2).

Accounting for context and change

While revealing, Table  hides critical differences in the role of democracy aid determinants that are contingent on changing foreign policy context. To remedy this misleading perspective, Tables  and present the results by each foreign policy context, which allows us to directly assess most of our hypothesised relationships and account for foreign policy change. Table  presents models with the alliance variable for ***strategic***/security interests, while Table  presents the models with both alliance and ***strategic*** salience (with the corresponding truncation of time period noted above).

Determinants of US democracy aid by era, Heckman models

| **Selection: aid recipient** | **Cold War** | **Post-Cold War** | **Global War on Terror** |
| --- | --- | --- | --- |
| Constant | ? 3.51(0.30)\*\*\* | ? 1.52(0.21)\*\*\* | ? 2.48(0.44)\*\*\* |
| Human rights (PTS) | ? 0.19(0.07)\*\* | 0.006(0.05) | 0.30(0.09)\*\*\* |
| Democratic demand/feasibility (polity) | 0.08(0.07) | 0.11(0.05)\*\* | ? 0.15(0.10)\* |
| Trade with US | ? 0.00003 (0.00002)\* | ? 0.000002 (0.000003) | 0.000007 (0.000007) |
| Political interests (affinity) | ? 2.82(0.31)\*\*\* | 0.67(0.22)\*\* | ? 1.73(0.42)\*\*\* |
| Alliance | 1.71(0.16)\*\*\* | 0.69(0.11)\*\*\* | 0.55(0.19)\*\*\* |
| Ongoing conflict | 0.15(0.15) | 0.17(0.13) | 0.24(0.27) |
| Post-conflict (civil) | ? 0.68(0.30)\*\* | 0.38(0.16)\*\* | 0.10(0.34) |
| Per capita GDP | ? 0.00006(0.00005) | ? 0.00004(0.00001)\*\*\* | ? 0.00004(0.00001)\*\*\* |
| Population | ? 0.0000001 (0.0000006) | ? 0.00000002(0.0000003) | 0.0000006(0.000001) |
| Other aid (logged) | 0.11(0.01)\*\*\* | 0.10(0.007)\*\*\* | 0.12(0.01)\*\*\* |
| Amount: logged democracy aid (2009 $) |  |  |  |
| Constant | 6.54(5.90) | 13.20(1.13)\*\*\* | ? 0.98(3.78) |
| Human rights (PTS) | ? 0.28(0.28) | 0.09(08) | 0.88(0.30)\*\*\* |
| Democratic demand/feasibility (polity) | 0.08(0.20) | 0.04(0.08) | ? 0.36(0.26) |
| Trade with US | 0.00005(0.00007) | ? 0.000005(0.000003)\* | 0.000005(0.000005) |
| Political interests (affinity) | ? 2.94(3.34) | 0.80(0.41)\*\* | ? 4.87(1.78)\*\*\* |
| Alliance | 1.95(1.82) | 0.40(0.21)\* | 1.08(0.49)\*\* |
| Ongoing conflict | 0.90(0.49)\* | 0.49(0.19)\*\*\* | 0.28(0.57) |
| Post-conflict (civil) | 0.44(1.09) | 0.65(0.22)\*\*\* | 0.29(0.79) |
| Population | 0.000002 (0.000002) | ? 0.000001(0.0000005)\*\*\* | 0.0000006(0.000001) |
| Other aid (logged) | 0.26(0.14)\* | 0.09(0.04)\*\* | 0.54(0.13)\*\*\* |
|  | Obs = 1150 | Obs = 1177 | Obs = 792 |
| Wald *X*2 = 17.77 | Wald *X*2 = 26.82 | Wald *X*2 = 26.20 |  |
| Mills lambda = 1.63 | Mills lambda = 0.08 | Mills lambda = 4.74 |  |
| Rho = 0.70 | Rho = 0.06 | Rho = 0.1.0 |  |

\*\*\* = 0.01, \*\* = 0.05, \* = 0.10

Determinants of US democracy aid by era, with ***strategic*** salience, Heckman models

| **Selection: aid recipient** | **Cold War (1981?1989)** | **PCW (1990?2001)** | **GWOT (2002?2006)** |
| --- | --- | --- | --- |
| Constant | ? 5.01(0.57)\*\*\* | ? 1.37(0.23)\*\*\* | ? 1.64(0.53)\*\*\* |
| Human rights (PTS) | ? 0.21(0.09)\*\* | ? 001(0.54) | 0.28(0.10)\*\*\* |
| Democratic demand/feasibility (polity) | 0.04(0.09) | 0.12(0.05)\*\* | ? 0.10(0.12) |
| Trade with US | ? 0.00005(0.00002)\*\* | ? 0.000002(0.000003) | 0.00001(0.000009) |
| Political interests (affinity) | ? 3.60(0.64)\*\*\* | 0.71(0.24)\*\*\* | ? 1.25(0.46)\*\*\* |
| Alliance | 2.36(0.21)\*\*\* | 0.63(0.11)\*\*\* | 0.46(0.21)\*\* |
| ***Strategic*** salience | 0.05(0.02)\*\* | ? 0.02(0.01) | ? 0.07(0.03)\*\* |
| Ongoing conflict | 0.26(0.20) | 0.17(0.13) | 0.16(0.30) |
| Post-conflict (civil) | ? 0.63(0.36)\* | 0.44(0.17)\*\*\* | 0.17(0.37) |
| Per capita GDP | ? 0.00008(0.00006) | ? 0.00005(0.00001)\*\*\* | ? 0.00006(0.00002)\*\*\* |
| Population | ? 0.0000004(0.0000007) | ? 0.0000001(0.0000004) | 0.0000004(0.000001) |
| Other aid (logged) | 0.16(0.02)\*\*\* | 0.10(0.007)\*\*\* | 0.12(0.02)\*\*\* |
| Amount: logged democracy aid (2009 $) |  |  |  |
| Constant | 3.15(5.81) | 13.59(1.10)\*\*\* | 6.43(1.45)\*\*\* |
| Human rights (PTS) | ? 0.13(0.26) | 0.10(0.08) | 0.63(0.14)\*\*\* |
| Democratic demand/feasibility (polity) | 0.08(0.21) | 0.03(0.09) | ? 0.11(0.11) |
| Trade with US | 0.00006(0.00007) | ? 0.000005(0.000003) | 0.000006(0.000002)\*\* |
| Political interests (affinity) | ? 5.38(3.06)\* | 0.65(0.42) | ? 2.27(0.73)\*\*\* |
| Alliance | 2.56(1.78) | 0.29(0.21) | 0.26(0.21) |
| ***Strategic*** salience | 0.19(0.07)\*\*\* | ? 0.01(0.02) | ? 0.19(0.03)\*\* |
| Ongoing conflict | 1.08(0.51)\*\* | 0.43(0.19)\*\* | ? 0.003(0.25) |
| Post-conflict (civil) | 0.38(0.96) | 0.59(0.23)\*\*\* | 0.23(0.36) |
| Population | 0.000002(0.000002) | ? 0.000001(0.0000005)\*\* | 0.000002(0.0000006)\*\*\* |
| Other aid (logged) | 0.32(0.16)\*\* | 0.08(0.04)\* | 0.32(0.05)\*\*\* |
|  | Obs = 761 | Obs = 1164 | Obs = 559 |
| Wald *X*2 = 18.95 | Wald *X*2 = 24.98 | Wald *X*2 = 83.15 |  |
| Mills lambda = 1.58 | Mills lambda = ? 0.09 | Mills lambda = 1.38 |  |
| Rho = 0.71 | Rho = ? 0.08 | Rho = 0.80 |  |

\*\*\* = 0.01, \*\* = 0.05, \* = 0.10

Consistent with our argument, these results show that changes in foreign policy context matter for establishing democracy aid as a policy initiative and for targeting democracy aid allocations. Comparing Table  with Tables  and shows that failing to differentiate among the contexts ***produces*** inaccurate explanations, while disaggregating the overall period reveals variation in the purposes behind democracy aid distribution by context. These results indirectly support Hypothesis 1 and offer full or partial support to Hypotheses 2, 2a, 2b, 3, 4, 4a, and 4b.

First, Tables  and support Hypotheses 2, 2a, and 2b, on the impact of ideational factors. Without accounting for different foreign policy contexts, democracy aid initially appears to be primarily a function of interest-based calculations. However, differentiating among foreign policy contexts provides a very different picture, correcting the inaccuracies of the undifferentiated model and demonstrating the leverage gained by incorporating the foreign policy change framework. In both tables, ideational factors (improving human rights; promoting democracy) are consequential after the end of the Cold War. During the Cold War, US democracy aid is more likely to be targeted to respecters of human rights (negative relationship), indicating that the ideational goal of using democracy aid to improve human rights performance in poorly performing regimes is not a factor. Conversely, in the Global War on Terror context, democracy aid is more likely to be directed to poorly performing regimes (positive relationship), and a shift of 2 points higher on the 5-point human rights scale is associated with 6–8% more democracy aid in the amount stage. Thus, allocating democracy aid to pursue the ideational goal of improving human rights appears to be a calculus in the latter period, and not the former. These results thus support both Hypothesis 2 about the role of ideational factors in changing contexts, and the more specific arguments of Hypothesis 2b on the role of the goal of improving human rights after the end of the Cold War.

In addition, the results in Tables  and on our variable for the ideational goal of promoting democracy (i.e. responding to democratic demand/feasibility) also support Hypothesis 2. This ideational variable is not statistically significant during the Cold War, indicating that democracy aid allocations are not associated with regime structure and opportunity for democracy promotion. However, in both tests, our measure for democratic need and feasibility increases the likelihood of receiving democracy aid in the post-Cold War context (in the selection stage); anocratic regimes are most likely to receive democracy aid, followed by democratic regimes. In the Global War on Terror context, our measure is significant in the selection stage in Table , but not in Table . However, the negative relationship indicates that autocratic regimes are most likely to receive aid. Together, these results provide partial support to the combination for Hypothesis 2a. Higher placement on the autocracy–democracy–anocracy scale results in greater likelihood of democracy aid, but only in the post-Cold War context. Thus, it appears the democracy promotion goal was overridden by other more pressing factors in both the Cold War and Global War on Terror contexts.

The results in Tables  and indicate that democracy aid is also prioritised as a means to address post-civil war conflict situations in the post-Cold War context as well, which offers partial support to Hypothesis 3. In both tests, the post-civil war windows measure is statistically significant in both the selection and amount stages and ***produces*** increased democracy aid in the post-Cold War foreign policy context. In the amount stage, the results indicate that post-civil war conflict windows are associated with about 3% more democracy aid, all else equal. This result partially confirms our argument that such assistance is regarded by policymakers as a means to resolve conflict, consolidate peace, and prevent the reoccurrence of violence. However, unlike our argument, this hypothesised relationship is not statistically significant in the Global War on Terror context. Note as well that the measure is statistically significant in the Cold War context in the selection stage, but the relationship is negative, signifying that post-civil war conflict windows result in less democracy aid during the Cold War. Thus, these results support Hypothesis 3, but only for the post-Cold War context.

Tables  and also provide substantial support for Hypothesis 4. In both tests, key interest-based factors are more powerful factors in democracy aid decisions in the Cold War and Global War on Terror contexts than in the post-Cold War period. For political interests, both tests show that the impact of political interests is greatest in the Cold War and Global War on Terror. For example, in Table  in the amount stage, a (negative) one point shift in the political affinity variable (from 0.5 to − 0.5) is associated with a 13.7% increase in democracy aid in the Cold War context, and a 22.7% increase in the Global War on Terror context. Conversely, in the post-Cold War context, a (positive) shift in the reverse direction (from − 5 to 0.5) is associated with 3.7% more democracy assistance. Note further that, while the affinity variable is a significant determinant in the selection and the amount stages of the both tests in all three periods, its relationship to democracy aid is negative in the Cold War and Global War on Terror periods, and positive in the post-Cold War period. Thus, the ***strategic*** calculus of democracy aid (cultivating friends) for the overall results appears to have been operative in the earlier and latter contexts, but not during the post-Cold War years, when countries sharing US interests were more likely to receive aid. Thus, these results also provide support for Hypothesis 4a.

Similarly, ***strategic***/security interests (alliances; ***strategic*** salience) are more powerful explanatory factors in the Cold War and Global War on Terror contexts than in the post-Cold War context, lending support for the general hypothesis (Hypothesis 4) on the role of interest-based factors compared to ideational factors in the three foreign policy contexts. For alliances, countries allied with the US are relative more likely to be selected as democracy aid recipients during the Cold War than after in both tests (Tables  and ). Moreover (Table ), ***strategic*** salience is a statistically significant predictor of democracy aid in both the Cold War and Global War on Terror contexts, but not in the post-Cold War years. Table  also indicates that the nature of the ***strategic*** calculations is distinct in the two foreign policy contexts in which they matter most. During the Cold War, less strategically salient states receive more democracy aid, but during the Global War on Terror, more strategically salient states receive greater democracy assistance. Thus, ***strategic*** salience seems downgraded in importance in the post-Cold War years and reprioritised slightly in the changed security environment brought on by the rise of global terror. These results support both Hypotheses 4 and 4b on the relative primacy of ***strategic***/security factors in the Cold War and Global War on Terror contexts.

However, although some studies conclude that trade relations and structures affect general foreign aid (e.g. Alesina and Dollar ), economic interests are not consistent predictors of democracy aid. US trade is negatively related to democracy aid in the selection stage in the Cold War in both tests and in the amount stage in the post-Cold war in Table ; it is positively related to democracy aid in the amount stage in Table . Thus, Hypothesis 4c is unsupported by our evidence.

To bring these context-dependent results into sharper relief, consider the profile of the most likely recipient of US democracy aid in each period. During the Cold War, that recipient was most likely a country positioned high on a scale of US political and security interests and with whom the US sought stronger political affinity, with an already democratic regime with a good human rights performance. This is consistent with the inference that democracy aid during the Cold War was driven by interest-based more than ideational concerns with promoting democracy and human rights. During the post-Cold War, that recipient was a country demonstrating democratic demand/feasibility with problematic human rights performance, that was emerging from violent civil conflict, and in which the US had more limited political/security interests. This is consistent with the inference that promoting democracy and human rights was prioritised more highly in this period. Finally, during the Global War on Terror period, the most likely recipient of US democracy aid was a country positioned high on a scale of US political and security interests, with whom the US sought stronger political ties, with a regime demonstrating problematic human rights performance. This is consistent with the inference that interests were relatively more important to the distribution of democracy aid in this context, with human rights and democracy promotion a relevant, but secondary factors.

Tables , , and present additional tests of our argument for each foreign policy context for robustness. Together, these supplemental results increase our confidence in our main findings and tests, as they indicate that our results are robust across a variety of techniques. Across four alternative techniques (random-effects logistic regression, random-effects generalised least squares with and without a lagged dependent variable, and random effects generalised least squares with AR1 correction), the patterns of our findings are generally consistent. Democracy aid—opposed to democracy rhetoric—appears to be a post-Cold War innovation. Ideational considerations are most consistent with a prioritised democracy promotion purpose in the post-Cold War period, during which democracy aid was also a strategy for coping with the aftermath of civil conflict and preventing its reoccurrence, and interests were the least important determinants of democracy aid. Conversely, political and security interests are most powerful in the Cold War and the Global War on Terror periods, with the latter reflecting a secondary concern with democracy promotion. These alternative tests thus reinforce further our findings supporting Hypotheses 1, 2, 2a, 2b, 3, 4, 4a and 4b.

Determinants of US democracy aid in the Cold War years, alternative approaches

| **Variables** | **Random effects logistic regression** | **GLS random effects regression (robust SE)** | **GLS random effects regression, lagged DV (robust SE)** | **GLS regression with AR1, random effects** |
| --- | --- | --- | --- | --- |
|  | **DV: democracy aid recipient (dichotomous)** | **DV: logged democracy aid (2009 $)** | **DV: logged democracy aid (2009 $)** | **DV: logged democracy aid (2009 $)** |
| Constant | ? 7.81(0.83)\*\*\* | ? 1.03(0.70) | ? 0.32(0.33) | ? 0.22(0.63) |
| Lagged DV | ? | ? | 0.62(0.05)\*\*\* | ? |
| Human rights (PTS) | ? 0.27(0.18) | ? 0.27(0.21) | ? 0.24(0.14)\* | ? 0.29(0.19) |
| Dem. demand/feasibility (polity) | 0.17(0.22) | 0.33(0.31) | 0.14(16) | 0.29(0.26) |
| Trade with US | ? 0.00007(0.00007) | ? 0.0001(0.00008) | ? 0.00008(0.00004)\* | ? 0.0001(0.00008) |
| Political interests (affinity) | ? 7.49(0.90)\*\*\* | ? 6.01(0.97)\*\*\* | ? 2.19(0.44)\*\*\* | ? 5.02(0.69)\*\*\* |
| Alliance | 3.95(0.59)\*\*\* | 4.40(0.87)\*\*\* | 2.18(0.39)\*\*\* | 4.41(0.62)\*\*\* |
| Ongoing conflict | 0.04(0.46) | 0.70(0.66) | 0.15(0.33) | 0.17(0.50) |
| Post-conflict (civil) | ? 0.98(0.67) | ? 0.61(0.71) | ? 0.92(0.54)\* | ? 0.90(0.71) |
| Per capita GDP | ? 0.0002(0.0002) | ? 0.00008(0.00005)\* | ? 0.00004(0.00003) | ? 0.00009(0.00007) |
| Population | 0.000001(0.000002) | 0.000001(0.000001) | 0.0000009(0.0000004) | 0.000002(0.000002) |
| Other aid (logged) | 0.18(0.03)\*\*\* | 0.10(02)\*\*\* | 0.08(0.02)\*\*\* | 0.08(0.02)\*\*\* |
|  | Obs = 1150 | Obs = 1150 | Obs = 1150 | Obs = 1150 |
| Wald *X*2 = 117.14 | Wald *X*2 = 65.72 | Wald *X*2 = 636.02 | Wald X2 = 127.65 |  |
| Log likelihood = ? 298.8 | *R*2 (between) = 0.40 | *R*2 (between) = 0.92 | *R*2 (between) = 0.40 |  |
|  | *R*2 (overall) = 0.25 | *R*2 (overall) = 0.52 | *R*2 (overall) = 0.25 |  |
|  |  |  | Rho?AR = 0.44 |  |

|  | **With *strategic* salience (1981?1989)** | **With *strategic* salience (1981?1989)** | **With *strategic* salience (1981?1989)** | **With *strategic* salience (1981?1989)** |
| --- | --- | --- | --- | --- |
| Constant | ? 9.52(1.59)\*\*\* | ? 2.78(1.14)\*\* | ? 2.50(0.80)\*\*\* | ? 2.55(1.27)\*\* |
| Lagged DV | ? | ? | 0.55(0.05)\*\*\* |  |
| Human rights (PTS) | ? 0.23(0.25) | ? 0.29(0.23) | ? 0.36(0.21)\* | ? 0.31(0.24) |
| Dem. demand/feasibility (polity) | 0.26(0.31) | 0.35(0.31) | 0.15(0.27) | 0.26(0.35) |
| Trade with US | ? 0.0001(0.00009) | ? 0.0001(0.0001) | ? 0.0001(0.00006)\* | ? 0.0002(0.0001) |
| Political interests (affinity) | ? 7.43(1.95)\*\*\* | ? 7.18(1.67)\*\*\* | ? 5.10(1.35)\*\*\* | ? 7.03(1.67)\*\*\* |
| Alliance | 5.82(0.97)\*\*\* | 7.01(1.21)\*\*\* | 3.76(0.73)\*\*\* | 7.16(0.90)\*\*\* |
| ***Strategic*** salience | 0.03(0.09) | ? 006(0.12) | 0.007(0.06) | ? 0.01(0.10) |
| Ongoing conflict | ? 0.32(0.68) | ? 0.15(0.63) | 0.40(0.56) | ? 0.16(0.69) |
| Post-conflict (civil) | ? 1.59(0.97)\* | ? 0.84(0.53)\* | ? 0.80(0.67) | ? 1.00(0.79) |
| Per capita GDP | ? 0.0004(0.0003) | ? 0.00006(0.00005) | ? 0.000003(0.00003) | ? 0.00006(0.00009) |
| Population | 0.000002(0.000003) | 0.000004(0.000002)\*\* | 0.000002(0.0000007)\*\*\* | 0.000004(0.000003) |
| Other aid (logged) | 0.25(0.05)\*\*\* | 0.17(0.04)\*\*\* | 0.15(0.03)\*\*\* | 0.17(0.04)\*\*\* |
|  | Obs = 761 | Obs = 761 | Obs = 761 | Obs = 761 |
| Wald *X*2 = 64.20 | Wald *X*2 = 88.97 | Wald *X*2 = 808.5 | Wald *X*2 = 104.26 |  |
|  | *R*2 (between) = 0.47 | *R*2 (between) = 0.90 | *R*2 (between) = 0.48 |  |
| Log likelihood = ? 202.4 | *R*2 (overall) = 0.34 | *R*2 (overall) = 0.56 | *R*2 (overall) = 0.35 |  |
|  |  |  | Rho?AR = 0.22 |  |

\*\*\* = 0.01, \*\* = 0.05, \* = 0.10

Determinants of US democracy aid in the post-Cold War years, alternative approaches

| **Variables** | **Random effects logistic regression** | **GLS random effects regression (robust SE)** | **GLS random effects regression, lagged DV (robust SE)** | **GLS regression with AR1, random effects** |
| --- | --- | --- | --- | --- |
|  | **DV: democracy aid recipient (dichotomous)** | **DV: logged democracy aid (2009 $)** | **DV: logged democracy aid (2009 $)** | **DV: logged democracy aid (2009 $)** |
| Constant | ? 3.02(0.72)\*\*\* | 2.94(0.99)\*\*\* | 0.21(0.61) | 3.52(1.01)\*\*\* |
| Lagged DV | ? |  | 0.62(0.03)\*\*\* | ? |
| Human rights (PTS) | 0.12(0.16) | 0.12(0.21) | 0.07(0.16) | 0.02(0.23) |
| Dem. demand/feasibility (polity) | 0.45(0.16)\*\* | 0.75(0.32)\*\* | 0.19(0.16) | 0.78(0.28)\*\* |
| Trade with US | 0.00002(0.00001) | 0.00003(0.00001)\*\* | 0.0000009(0.000005) | 0.00003(0.00002) |
| Political interests (affinity) | 1.65(0.70)\*\* | 2.99(1.33)\*\* | 1.17(0.1.36) | 2.11(0.99)\*\* |
| Alliance | 1.70(0.58)\*\*\* | 2.75(1.09)\*\*\* | 0.82(0.41)\*\* | 3.12(0.89)\*\*\* |
| Ongoing conflict | 0.48(0.40) | 1.18(0.81) | 0.39(0.50) | 1.32(0.65)\*\* |
| Post-conflict (civil) | 0.71(0.43)\* | 1.34(0.57)\*\* | 0.93(0.43)\*\* | 1.43(0.68)\*\* |
| Per capita GDP | ? 0.00007(0.00005) | ? 0.0001(0.00008) | ? 0.00002(0.00004) | ? 0.0001(0.00006)\*\* |
| Population | 0.0000009(0.000002) | ? 0.000002(0.000002) | ? 0.0000002(0.0000006) | ? 0.000001(0.000003) |
| Other aid (logged) | 0.15(0.02)\*\*\* | 0.23(0.04)\*\*\* | 0.19(0.03)\*\*\* | 0.17(0.03)\*\*\* |
|  | Obs = 1177 | Obs = 1177 | Obs = 1177 | Obs = 1177 |
|  | Wald *X*2 = 81.94 | Wald *X*2 = 101.1 | Wald *X*2 = 1992.98 | Wald *X*2 = 87.81 |
|  | Log likelihood = ? 455.2 | *R*2 (between) = 0.48 | *R*2 (between) = 0.95 | *R*2 (between) = 0.42 |
|  |  | *R*2 (overall) = 0.31 | *R*2 (overall) = 0.61 | *R*2 (overall) = 0.28 |
|  |  |  |  | Rho?AR = 0.38 |

|  | **With *strategic* salience** | **With *strategic* salience** | **With *strategic* salience** | **With *strategic* salience** |
| --- | --- | --- | --- | --- |
| Constant | ? 3.89(0.85)\*\*\* | 1.82(1.29) | 0.60(0.78) | 2.68(1.11)\*\* |
| Lagged DV | ? |  | 0.62(0.04)\*\*\* | ? |
| Human rights (PTS) | 0.07(0.17) | 0.06(0.22) | 0.04(0.17) | ? 0.01(0.23) |
| Dem. demand/feasibility (polity) | 0.24(0.17) | 0.63(0.31)\*\* | 0.23(0.17) | 0.69(0.29)\*\*\* |
| Trade with US | 0.00002(0.00001) | 0.00003(0.00001)\*\* | 0.0000004(0.000005) | 0.00002(0.00002) |
| Political interests (affinity) | 1.14(0.76) | 2.50(1.36)\* | 1.31(1.40) | 1.89(1.00)\* |
| Alliance | 2.23(0.68)\*\*\* | 3.20(1.12)\*\*\* | 0.67(0.49)\* | 3.41(0.90)\*\*\* |
| ***Strategic*** salience | 0.15(0.05)\*\*\* | 0.19(0.10)\*\* | ? 0.05(0.05) | 0.15(0.07\*\*) |
| Ongoing conflict | 0.65(0.43) | 1.38(0.81) | 0.45(0.50) | 1.50(0.65)\*\* |
| Post-conflict (civil) | 0.80(0.47)\* | 1.48(0.57)\*\*\* | 1.07(0.43)\*\* | 1.55(0.69)\*\* |
| Per capita GDP | ? 0.00007(0.00005) | ? 0.0001(0.00008) | ? 0.00002(0.00004) | ? 0.0001(0.00006)\*\* |
| Population | ? 0.0000002(0.000002) | ? 0.0000009(0.000002) | ? 0.0000005(0.0000006) | ? 0.0000006(0.000003) |
| Other aid (logged) | 0.15(0.02)\*\*\* | 0.24(0.04)\*\*\* | 0.19(0.03)\*\*\* | 0.18(0.03)\*\*\* |
|  | Obs = 1164 | Obs = 1164 | Obs = 1164 | Obs = 1164 |
|  | Wald *X*2 = 80.92 | Wald *X*2 = 101.72 | Wald *X*2 = 2078.92 | Wald *X*2 = 94.43 |
|  | Log likelihood = ? 441.2 | *R*2 (between) = 45 | *R*2 (between) = 0.95 | *R*2 (between) = 0.40 |
|  |  | *R*2 (overall) = 0.30 | *R*2 (overall) = 0.61 | *R*2 (overall) = 0.28 |
|  |  |  |  | Rho?AR = 0.39 |

\*\*\* = 0.01, \*\* = 0.05, \* = 0.10

Determinants of US democracy aid in the Global War on Terror, alternative approaches

| **Variables** | **Random effects logistic regression** | **GLS random effects regression (robust SE)** | **GLS random effects regression, lagged DV (robust SE)** | **GLS regression with AR1, random effects** |
| --- | --- | --- | --- | --- |
|  | **DV: democracy aid recipient (dichotomous)** | **DV: logged democracy aid (2009 $)** | **DV: logged democracy aid (2009 $)** | **DV: logged democracy aid (2009 $)** |
| Constant | ? 5.79(1.34)\*\*\* | ? 0.27(1.4) | ? 2.59(0.72)\*\*\* | ? 0.33(1.2) |
| Lagged DV | ? | ? | 0.52(0.05)\*\*\* | ? |
| Human rights (PTS) | 0.76(0.27)\*\*\* | 0.89(0.23)\*\*\* | 0.72(0.21)\*\*\* | 0.93(0.24)\*\*\* |
| Dem. demand/feasibility (polity) | ? 0.03(0.33) | 0.20(0.29) | ? 10(0.21) | 0.12(0.27) |
| Trade with US | 0.000008(0.00002) | 0.000004(0.000004) | 0.000004(0.000002)\*\*\* | 0.000005(0.000006) |
| Political interests (affinity) | ? 4.06(0.1.18)\*\*\* | ? 5.68(1.27)\*\*\* | ? 3.85(0.63)\*\*\* | ? 5.39(1.19)\*\*\* |
| Alliance | 1.55(0.68)\*\* | 2.00(0.72)\*\*\* | 0.86(0.32)\*\*\* | 1.92(0.64)\*\*\* |
| Ongoing conflict | 0.76(0.79) | 0.97(0.57)\* | 0.08(0.39) | 0.93(0.58)\* |
| Post-conflict (civil) | 0.06(0.87) | 0.28(0.54) | 0.05(0.33) | 0.30(0.66) |
| Per capita GDP | ? 0.00008(0.00003)\*\* | ? 0.00006(0.00002)\*\*\* | ? 0.00003(0.00001)\*\* | ? 0.00007(0.00002)\*\*\* |
| Population | 0.000002(0.000005) | 0.000002(0.000001) | ? 0.0000004(0.0000005) | 0.000001(0.000002) |
| Other aid (logged) | 0.25(0.04)\*\*\* | 0.35(0.07)\*\*\* | 0.26(0.06)\*\*\* | 0.38(0.04)\*\*\* |
|  | Obs = 792 | Obs = 792 | Obs 792 | Obs = 792 |
|  | Wald *X*2 = 73.92 | Wald *X*2 = 292.11 | Wald *X*2 = 2268.7 | Wald *X*2 = 256.4 |
|  | Log likelihood = ? 192.6 | *R*2 (between) = 0.69 | *R*2 (between) = 0.95 | *R*2 (between) = 0.70 |
|  |  | *R*2 (overall) = 0.53 | *R*2 (overall) = 0.68 | *R*2 (overall) = 0.54 |
|  |  |  |  | Rho?AR = 0.11 |

|  | **With *strategic* salience (2002?2006)** | **With *strategic* salience (2002?2006)** | **With *strategic* salience (2002?2006)** | **With *strategic* salience (2002?2006)** |
| --- | --- | --- | --- | --- |
| Constant | ? 3.08(1.65)\* | 3.56(1.90) | ? 1.22(1.07) | 2.91(1.59) |
| Lagged DV | ? | ? | 0.52(0.06)\*\*\* | ? |
| Human rights (PTS) | 0.67(0.31)\*\* | 0.99(0.32)\*\*\* | 0.68(0.25)\*\*\* | 1.04(0.30)\*\*\* |
| Dem. demand/feasibility (polity) | ? 0.01(0.38) | 0.21(0.31) | ? 0.09(0.24) | 0.17(0.33) |
| Trade with US | 0.00002(0.00003) | 0.00001(0.000004)\*\*\* | 0.000006(0.000002)\*\*\* | 0.00001(0.000009) |
| Political interests (affinity) | ? 2.50(1.34)\* | ? 3.70(1.65)\*\* | ? 3.56(0.93)\*\*\* | ? 3.85(1.41)\*\*\* |
| Alliance | 1.29(0.78)\* | 1.35(0.81)\* | 0.68(0.40)\* | 1.31(0.75)\* |
| ***Strategic*** salience | ? 0.20(0.09)\*\* | ? 0.36(0.10)\*\*\* | ? 0.15(0.05)\*\*\* | ? 0.35(0.09)\*\*\* |
| Ongoing conflict | 0.63(0.90) | 0.69(0.76) | 0.04(0.45) | 0.58(71) |
| Post-conflict (civil) | 0.47(0.1.00) | 0.72(0.68) | 0.41(0.40) | 0.70(0.82) |
| Per capita GDP | ? 0.0001(0.00006)\*\* | ? 0.0001(0.00002)\*\*\* | ? 00004(0.00002)\*\* | ? 0.0001(0.00003)\*\*\* |
| Population | 0.0000001(0.000005) | 0.000001(0.000001) | ? 0.000001(0.0000007) | 0.000001(0.000002) |
| Other aid (logged) | 0.24(0.05)\*\*\* | 0.31(0.06)\*\*\* | 0.24(0.06)\*\*\* | 0.35(0.05)\*\*\* |
|  | Obs = 559 | Obs = 559 | Obs = 559 | Obs = 559 |
|  | Wald *X*2 = 51.16 | Wald *X*2 = 272.8 | Wald *X*2 = 1593.1 | Wald *X*2 = 204.83 |
|  | Log likelihood = ? 151.9 | *R*2 (between) = .0.64 | *R*2 (between) = 0.91 | *R*2 (between) = .0.65 |
|  |  | *R*2 (overall) = 0.51 | *R*2 (overall) = 0.66 | *R*2 (overall) = 0.51 |
|  |  |  |  | Rho?AR = 0.01 |

\*\*\* = 0.01, \*\* = 0.05, \* = 0.10

Conclusions: democracy aid in context

Democracy assistance is best understood as a foreign policy innovation/adaptation to a changing external foreign policy context. Overall, the establishment and expansion of democracy aid allocations from 1975 to 2010 reflect high-order changes triggered by the shift from Cold War to post-Cold War contexts, and low/mid-order changes affecting its targets and priorities generated by the shift from post-Cold War to Global War on Terror contexts. Furthermore, our analysis indicates that democracy assistance is a ***strategic*** calculation involving a complicated blend of interest-based and ideational goals that changes to adapt to changing foreign policy contexts. Significantly, in no case is democracy aid driven by purely ideational goals.

Moreover, and importantly for theoretical and practical explanation and understanding of democracy promotion and democracy assistance, we demonstrate that failing to differentiate between foreign policy contexts ***produces*** an inaccurate explanation of the factors behind democracy aid allocations as shifting effects in the relative role of those factors are masked when context is not incorporated. The contrast between the results in Table  and those in Tables  and reveals a significant explanatory payoff from disaggregating by changing foreign policy context, shedding light on the calculations and allocation decisions in each period. Incorporating foreign policy context, our examination supports our theoretical arguments and hypotheses, with a few exceptions: ideational factors are relatively more important in the post-Cold War context—a period less driven by security fears—than in the other periods; political and security interests are relatively more important in the Cold War; the Global War on Terror context ***produces*** a blend that tilts toward political/security interests, but also reflects different political/security calculations than the Cold War. These findings indicate that both political/security interests and ideational interests are a major part of the ***strategic*** calculus behind democracy aid, but their roles vary in each foreign policy context.

States receive US democracy aid in different amounts for different reasons at different times. Thus, understanding why states receive more or less democracy aid and when depends first on understanding the nature of foreign policy change and the role of foreign policy context. It then requires matching key determinants to the foreign policy context in which they are most important, recognising the shifting goals, opportunities, and constraints relevant to each context, and their impact on the selection of democracy aid recipients. Doing so yields better understanding and explanation of the factors driving the distribution of democracy assistance. Further, these findings should be suggestive of the calculations made by other democracy aid donors (the OECD states) and, more broadly, suggestive of other foreign aid and foreign policy changes over time. Examination of other donors and other foreign policy instruments would yield further insight into the relationship between foreign policy context and foreign policy behaviour, but we expect that the balance between interest-based and ideational goals is just as contingent on relevant external foreign policy context for other donors as we find it to be for the US. Moreover, while we focus our analysis on the explanatory payoff derived from incorporating external foreign policy context, factors driving change at the institutional, societal and leader levels also warrant attention in future work. Overall, though, our findings suggest that—for the US distribution of democracy aid at least—foreign policies change as conditions change, and in predictable ways.

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**End of Document**



[***Higher commodity prices boost Ghana's mining sector***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-742P-00000-00&context=1516831)

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**Body**

For more than 150 years the mining industry has been one of the key pillars of the Ghanaian economy. While it contributes a modest and - as a result of rising oil, gas and ***agricultural*** production - declining proportion of GDP, it remains a major source of government revenue, through taxation and royalty payments, and an indispensable driver of employment and infrastructure development.

Following several years of weak commodities prices, the rebound in global prices resulted in bigger profit margins for miners while upgrades in key projects helped boost production. However, the lack of greenfield exploration work in recent times means there is only a thin pipeline of future projects, and despite the tough stance set by the current government, illegal mining remains prevalent, taking a serious toll on government revenues and the environment.

**Performance**

The sector's contribution to GDP has varied over the last decade, according to data from the Ghana Statistical Service (GSS). In 2008 the mining and quarrying sector was responsible for 2.4% of economic output, increasing to 9.4% in 2013 - the same year the country's nascent oil industry was responsible for 8.2% of GDP. In 2016 mining and quarrying accounted for 4.2% of GDP.

A number of factors have affected the sector's performance in recent years. Fluctuations in global commodities prices - especially gold - led to a worldwide decline in mining activities. The price of gold per oz peaked at $1896.50 in September 2011, but by November 2017 it dropped to $1294.85, according to the London Bullion Market Association. In addition, Ghana's mining sector and its related industries have experienced difficulties, such as rising utility tariffs, limited access to energy supplies and frequent changes to the tax environment.

However, in 2016, backed by record gold production, the industry surpassed the financial sector to become the country's largest taxpayer, contributing GHS1.6bn ($383m) to the Ghana Revenue Authority. This represented 15.8% of all direct taxes and 5% of total government revenue. Of the total contribution, GHS400m ($95.8m) came from pay-as-you-earn tax, GHS697m ($166.9m) from corporate income tax and GHS551m ($131.9m) was earned from royalty payments, according to the Ghana Chamber of Mines (GCM). Continuing this trend, the second quarter of 2017 saw the sector experience year-on-year (y-o-y) growth of 75% of total GDP, contributing significantly to the industrial sector's leading performance with an overall growth rate of 19.3%.

Mining is also the leading sector in exports, and as such a key source of foreign exchange. In 2016 exports of minerals, including those from small-scale mining, increased to $5.1bn, up from $3.3bn in 2015. The 2016 figure represents 45.5% of Ghana's gross export earnings, twice as much as that of cocoa, the country's second-largest export earner.

**Gold Production**

Gold accounts for the vast majority of Ghanaian mining and quarrying output. In 2016 the country ***produced*** its highest output in more than 40 years, with total production reaching 4.1m oz, up 46% on 2.8m oz the previous year. A sizeable portion of this increase came from artisanal miners and represents a major success for the government's policies of both supporting small-scale mining and cracking down on illegal gold exports.

Elsewhere, national gold output was boosted by ramp ups at a number of existing mines. In the third quarter of 2017 AngloGold Ashanti's Iduapriem mine saw an increase in production of 997,000 oz with a y-o-y growth of 11%. Meanwhile in the same period, output at Newmont's Ahafo mine expanded by 7% y-o-y reaching output of 1.3m oz.

The most significant increase in formal gold production in 2016 came courtesy of the Asanko gold mine. In 2014 Asanko Gold acquired two firms - Keegan Resources and PMI Gold - with neighbouring mining concessions, developing them as a single project and overseeing its entry into commercial production in April 2016. By December that year it had ***produced*** 162,802 oz, and in 2017 output from the mine was expected to rise by as much as 47%, to between 230,000 and 240,000 oz. An expansion ***plan*** is scheduled to double throughput capacity at the mine to 5m tonnes per annum, with a production target of 450,000 oz a year by 2020.

The Asanko gold mine expansion project has benefitted from good timing. "We entered the sector at a time when many mining firms were struggling to finance their projects," Frederick Attakumah, executive of corporate affairs at Asanko Gold Ghana, told OBG. "We were able to take advantage of the downturn at the time to negotiate competitive rates with service and construction companies. The Asanko mine is the first new gold mine in Ghana in the past six years, and it will play an important role in maintaining production as other mines go into decline." In September 2017 Asanko reached an agreement with AngloGold Ashanti and acquired ownership of the latter's prospective Miradani Exploration Project located close to the Asanko mine.

**Declining Output**

The Asanko acquisition and expansion is in contrast with the broader slump in production for most of the country's gold projects. Of the 12 mines reporting data to the GCM, nine submitted weaker figures for 2016 than for the previous year. Aside from the Iduapriem mine, Ghana has five mines ***producing*** 100,000 to 200,000 oz a year. Most of these mature mines showed modest production declines of between 3% and 12%. However, many of these sites have the potential to expand their resources and mine life through additional brownfield and step-out exploration work. Cost-cutting measures introduced during the gold price downturn have limited such work in recent years, but there is scope for reversing that in light of commodities prices rising again.

The general downturn in commodities prices also nudged miners toward prioritising the highest-grade areas of their pits during the period of low gold prices, with the consequence that what remains is lower-grade material. Production at Ghana's largest mine Tarkwa fell to 568,036 oz in 2016 from 586,051 in 2015, primarily because mining moved from high-grade areas like the village of Teberebie to new areas, resulting in the average grade of ore mined falling from 1.35 g per tonne in 2015 to 1.30 g per tonne in 2016. "The Tarkwa mine is one of the five largest gold mines in the world and is our flagship project," Alfred Baku, executive vice-president and head of the West Africa Region at Gold Fields Ghana, told OBG. "It has another 13 or 14 years of future production at a range of between 500,000 and 550,000 oz a year. It is a low-grade project, so we have to selectively mine the resource and invest in exploration to increase our resources and extend the mine's life."

**Possible Revival**

The sharpest production decline came from the Obuasi mine in the Ashanti region, a mammoth underground facility that began operations in 1897, where just 3072 oz were ***produced*** in 2016 compared to 52,648 in 2015. However, it should be noted that Obuasi is something of a special case and the headline figures do not quite tell the whole story. Activity at the mine, which reached a peak production of 533,000 oz in 1973, has been all but suspended while its owner, AngloGold Ashanti, determines how to steer its future development. The South African firm tried to offer the mine as a joint venture to Randgold Resources but the latter turned down the option in December 2015 before a major invasion of illegal miners forced the facility to shut down completely.

However, in August 2017 there were positive signals from AngloGold Ashanti that the mine could be brought back to production should the firm gain the necessary approvals from the government. Speaking in Johannesburg on the occasion of the firm's first half-year results, Graham Ehm, executive vice-president of group ***planning*** and technical division at AngloGold Ashanti, told attendees that it would take a year and up to $1bn in capital to bring the mine online. This investment is expected to result in output of 200,000 oz by the second year. Production could hit as high as 400,000 oz with the development of new ore zones, with potential mine life stretching for a further 20 years. Should that happen, Obuasi would have a huge impact on national gold production.

**Investing In Expansion**

With gold prices rising in 2016 and 2017, a number of Ghanaian gold miners have invested in expansion projects. In September 2017 Canadian firm Golden Star Resources began stoping activities at its Prestea underground mine in the Ashanti belt, having poured its first gold in the first half of the year. Commercial production from the Prestea mine, at a rate of 90,000 oz per year, was scheduled to begin before the end of 2017. The operating cost of $468 per oz is competitive, and Golden Star Resources hopes to build on its 792, 000-oz resource estimate through further exploration.

In addition to extending exploration operations at its Tarkwa mine, South African firm Gold Fields also has a $1.4bn investment ***plan*** for its Damang mine, which extracted 147,720 oz in 2016. "In recent years, extraction at the Damang mine has focused on the main pit, which has the best grades, but now it has become depleted, leaving only lower-grade areas and satellite pits," Baku told OBG. "In 2016 we completed a study that aimed to recapitalise the whole mine and we began to implement it in 2017."

The Damang Reinvestment Project (DRP) aims to extend its life of mine by eight years beyond its current 2024 expiration date, which will involve a $340m intensive waste-strip ***programme*** to remove unproductive earth to expose the high-grade ore body beneath. The project's independent energy generation plant will be optimised for constant delivery, and a new tailings storage facility for unusable mineral run-off is due to be built. Rather than employ their own staff and vehicles at the mine, Gold Fields will hire a mining contractor. "The DRP has a huge capital requirement, and by hiring a contract miner, we can avoid spending further capital on upgrading the fleet," Baku said. "We're still not back to the boom years of 2009 to 2012, and with our Life of Mine ***Plan*** and other cost considerations, contractor mining is certainly the more feasible model or option."

In addition, the firm will invest on exploration around the site and, according to Baku, there is a potential case for moving the mine's tailings pit, which currently lies 50 metres from the crest of the pit, preventing its expansion. "The dam was built 10 years ago at a time when the gold price was $270 per oz," Baku told OBG. "We have undertaken another study to assess the impact of moving the dam, and it could give us an additional 10 years life of mine, as long as exploration proceeds as expected."

**Development Projects**

Compared to its neighbours Burkina Faso and Mali - whose previously undeveloped mining industries attracted a wave of investment between 2010 and 2013 - Ghana has relatively few greenfield mine projects set to enter production in the coming years. The exploration and development projects under way include those of Australian mining firm Cardinal Resources. In September 2017 the company updated its resource estimate for its Namdini gold project in the country's north. Using a cut-off grade of 0.5 g per tonne, the project registered 4.3m oz of indicated gold and a further 3.1m oz of indicated resources. The success of the firm's 11-rig drilling campaign has been reflected in the stock price, with shares rising from A$0.14 ($0.11) at the start of 2016 to A$0.71 ($0.53) by early October 2017.

A preliminary economic assessment of the Namdini project was expected in the fourth quarter of 2017, after which development of a mine ***plan*** could begin. "We are going to the market with a potential large-scale, low-opex mine development, on a multimillion-ounce resource base with exploration potential outside the initial project footprint," Archie Koimtsidis, CEO and managing director of Cardinal Resources, told industry press in September 2017. "Ghana has been among the best places in Africa to finance and build a mine for the past 10-15 years."

**Exploration**

After over a century's worth of gold production, Ghana still holds opportunities for junior mining firms intent on finding and developing greenfield projects. The country has a relatively straight-forward, first-come-first-served mining title licensing system, with a number of foreign junior companies already holding acreage in Ghana.

For example, Pelangio Exploration, which is listed on the Toronto Stock Exchange, owns three exploration projects in the south of the country. The most advanced is Manfo, which was acquired as a grassroots project in 2016 and has a resource estimate of 195,000 oz indicated and 298,000 oz of inferred gold. "There is still plenty of exploration potential in Ghana," Baku told OBG. "Looking at the geological data, it is clear that gold mineralisation in the established gold belts does not truncate suddenly. There are still opportunities in these well-trodden areas, as well as in the north of the country."

A continental comparison also suggests there is room to encourage further greenfield projects. A February 2017 report by S&P Global Market Intelligence identified 19 mining firms in Ghana engaged in exploration activities. However, the total exploration expenditure of these firms was $65.3m in 2016, putting the country sixth out of the top-15 mining sectors on the continent, one spot lower than in 2015. This means that Ghana remained behind Burkina Faso and was overtaken by Mali, which are both places where gold dominates mining in terms of exploration activity. Burkina Faso saw 29 companies active in exploration and a total of $72.9m in total exploration spending in 2016. In the same year Mali recorded 20 active mining firms and total expenditure of $70.3.

Furthermore, Burkina Faso and Mali devoted 26% and 21% of their budgets to greenfield exploration in 2016, whereas the figure in Ghana stood at 12%. Of the $65.3m total expenditure in Ghana, $39m took place on existing mines and $18.2m on late-stage development projects, leaving just $8.1m for grassroots exploration. While across Africa one in every four exploration dollars went towards greenfield exploration, in Ghana this figure was one in eight. This has prompted a discussion by sector players over investment attractiveness. It has been suggested that in neighbouring countries the fiscal conditions are more attractive, and permitting and licensing processes are generally quicker. Greenfield exploration in Ghana is decreasing at a time when a pipeline of new projects is required (see analysis).

However, David Ebo Johnson, vice president and head of stakeholder relations at West Africa Gold Fields Ghana, believes that the country needs to look beyond greenfield explorations. "Local content in the mining sector is needed and it should go beyond core exploration and extractive operations. The supply chain should be structured in such a way that maximises and develops local capabilities," Johnson told OBG.

**Northern Exposure**

A number of junior firms have placed their bets on the prospects in the north of the country. In addition to its Namdini project, located in the Bolgatanga region, Cardinal Resources has an exploration project named after the region. Meanwhile, also in the north, but further to the west near the border with Côte d'Ivoire, Perth-based Azumah Resources has accumulated over 2400 sq km of mining licences. The most advanced target is the Wa Gold project, which hosts 2.1m oz of gold at a 1.5 gram-per-tonne cut-off. In September 2017 the company raised a further $2.3m from the capital markets to advance the project.

**At The Vanguard**

While large-scale miners develop and expand their projects at a rate that just about exceeds the rate of decline from mature projects, the major boost to Ghana's 2016 gold production figures came from the Precious Minerals Marketing Company (PMMC), a state-owned firm that purchases gold and diamonds from small-scale miners for export. In 2016 PMMC's gold exports increased to 1.57m oz from 267,662 oz the previous year. In 2015 the Bank of Ghana issued a directive demanding that all gold sales from small-scale miners be certified by and exported via PMMC. In 2016 the successful enforcement of this ruling led to the surge in PMMC figures, but the revenues from these sales were not repatriated to Ghana, according to Kojo Hammond, CEO of PMMC. He told local press in late September 2017 that $2.3bn worth of gold was shipped through PMCC in 2016; however, the money was never returned to the country.

The current government has also taken a tough stance towards illegal mining, commonly referred to as *galamsey* in Ghana. Since the rapid rise in gold prices in 2009, a large number of illegal mining operations - many of them backed by Chinese funds and personnel - have established themselves, particularly in the north of the country. The task of formalising licensed miners and eradicating galamsey is at the top of President Nana Akufo-Addo's political agenda. In April 2017 the government introduced a moratorium on new licences for small-scale mining as a first step towards bringing order to the industry. Then, in August 2017 squads of Operation Vanguard, an anti-galamsey 400-member task force made up of the Ghanaian armed forces and the police service, were sent out to the mining areas of Ashanti and the Eastern and Western Regions with the mission of eradicating illegal mining and destroying pits.

By the end of September 2017 local media reported the force had arrested 392 suspected illegal miners - including Chinese nationals - and captured numerous items of heavy-duty mining machinery. According to officials, the troops will remain in these regions until rivers have been restored and reforestation ***programmes*** implemented, and further task forces could be sent to other regions before the end of 2017. Furthermore, the moratorium on new titles, initially intended to last six months, was set to be extended for another three months in October 2017, with the government announcing ***plans*** to procure $3m worth of drones to monitor areas at risk of galamsey.

However, the government's tough direct action, while effective, has drawn criticism as there is often a blurred line between traditional artisanal miners and illegal mining operations. In September 2017 the expected continuation of the small-scale mining moratorium drew protests from traditional miners who say their livelihoods are put at risk by the ban. In addition, the crackdown on galamsey is expected to hit 2017 national gold production figures hard. In September 2017 Sulemanu Koney, CEO of GCM, said that PMMC indicated their purchases had fallen around 70% on the figure from the previous year.

**Regulations**

Nevertheless, for medium- and large-scale miners, the sector remains one of the most stable and inviting in Africa. Under the 2006 Minerals and Mining Act, foreign firms are prohibited from engaging in small-scale mining operations and must acquire titles of no less than 10 ha, with a proposed investment of more than $10m. Those mining firms with investment projections in excess of $500m can sign stability agreements with the government, freezing in their financial terms for a duration of 15 years.

In the Fraser Institute's Survey of Mining Companies 2016 Ghana ranked 22nd out of 104 jurisdictions surveyed in terms of attractiveness of investment, behind only Botswana and Côte d'Ivoire in Africa. Its score of 75.56 was the highest the country has achieved in the annual survey. Ghana was also second in the continent in terms of miners' perception of the country's policy framework, with very few investors citing political instability, judicial issues or uncertainty regarding the interpretation or enforcement of regulations as being a deterrent to investment.

This favourable view was echoed by a February 2017 report published by the Africa Centre for Economic Transformation after nearly two years of research on the effectiveness of governance and investment in the Ghanaian mining sector. Funded by the World Bank, the report highlighted the need for better enforcement of environmental regulations, particularly in the small-scale mining segment. However, the overall message of the document was positive, despite the caveat that investor protection contracts could be more transparent. The mining code was seen as fit for purpose, with strong performance in the management of licensing and permitting processes.

**Cadastre Registry**

In July 2016 the Minerals Commission, the government agency charged with regulating and monitoring mineral resources, launched the Minerals Cadastre Administration System (MCAS), its online cadastre registry, with funding from the Australian High Commission. Traditionally the commission has had to rely on hard copy documents to administer licences, and thus the new web-based portal is expected to boost both the efficiency and the transparency of the licensing and permitting process, as well as help weed out illegal miners. By September 2017 MCAS was upgraded to allow companies to acquire licences online. "When complete, the Minerals Commission's online cadastral system should make a big difference to the ease of doing business for mining firms," Koney told OBG. "By adding a transparent permit-tracking function that allows miners to see the progress of their permit applications at the Environmental Protection Agency, the system will be a feather in the cap for the Ghanaian mining industry."

**Manganese**

An uptick in steel demand in 2015 and 2016 saw a dramatic reversal in the fortunes and successes of Ghana Manganese Company (GMC), the country's only ***producer*** of steel alloy. Headquartered in the Channel Island of Jersey, Consolidated Minerals (Consmin) owns 90% of GMC, which operates the Nsuta mine in the Western Region, with the remaining 10% belonging to the government.

A reorganisation of key processes and the addition of a third production stream resulted in an increase in manganese production from 1.29m tonnes in 2015 to 2.02m tonnes in 2016. In 2014 the mine had shipped just 1.17m tonnes, meaning production nearly doubled in two years. That figure is likely to rise further on the back of transport upgrades. In recent years, the manganese freight capacity of the Nsuta-Tarkwa railroad has fallen from 80,000 to 30,000 tonnes during the rainy season in the middle of the year. Manganese needs to be transported by road during this period, which pushes up costs and damages local road infrastructure. In August 2017, however, GMC and the Ghana Railway Company signed an agreement whereby the former will pay a $10m freight advance to the latter for important upgrades to the line. Of the total sum, some $5.1m will be put towards capital expenditure, with the remainder earmarked for operational expenditure, and the government matching the funds invested. Oleg Sheyko, CEO of Consmin, told local media in August 2017 that the upgrade would play an important role in boosting manganese production to its targeted 3m-tonnes-per-annum rate.

**Other Minerals**

In addition to an existing bauxite segment that is set for a major overhaul with the help of investment from China (see analysis), Ghana houses significant iron ore deposits. According to data from the Minerals Commission, the Sheini Hills deposit in the Northern Region holds more than 1.27bn tonnes of ore while the Oppon-Manso deposit in the Western Region contains 150m tonnes.

Meanwhile, after signing a partnership with local firm Emmaland Resources in 2011, Cardero Ghana, a subsidy of Canadian mining company Cardero Resource, holds the licence to explore the Sheini Hills on the back of a $7.5m investment in January 2013. The location recorded a resource estimate of 1.3bn tonnes of inferred iron ore at a grade of 33.8% iron.

Environmental and social concerns have delayed further development of the project, and Cardero has since exited. However, President Akufo-Addo stated his support for the development of the domestic iron and steel industry to assist industrialisation. Speaking at an event in Accra in August 2017, he said: "I think the time has come for Ghana to develop ***strategic*** industries out of its abundant natural resources of bauxite and iron ore... we've decided to exploit our substantial iron and manganese deposit situated in the northern and western regions of our country to build an integrated steel industry to serve the needs of our country and region." Although ***plans*** for the development of iron ore projects are not as developed as those in bauxite, it is likely that they, too, could become the target of Chinese investment.

**Outlook**

The government's push to encourage small-scale miners to export gold through PMMC gave a significant and welcomed boost to national production figures in 2016, but the moratorium on licences for small-scale mining, combined with the crackdown on illegal mining operations, means that this production increase is set to be a one-off. Having said that, expansion projects and continued exploration activities indicate that Ghana's history of large-scale gold mining is set to continue for many years to come. The addition of major new iron ore and bauxite projects will ensure that the well-regulated mining sector remains a mainstay of the Ghanaian economy.

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[***Investment in transport infrastructure will unlock PNG's potential***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-73D1-00000-00&context=1516831)

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**Body**

Challenging, disparate geography and low population density have created a unique set of challenges for Papua New Guinea's transport industry. Costs are high across all three major modes of transport, and a lack of connectivity presents a serious challenge to doing business outside of Port Moresby. The country's recent construction boom in the lead up to ExxonMobil's $19bn liquefied natural gas (LNG) project has not been as beneficial to public spending as initially anticipated, and budgetary shortfalls caused by low global commodities prices and a macroeconomic slowdown have significantly affected delivery of ***planned*** new transport upgrades. Public spending on transport is set to further contract every year until 2021 as a result.

**Come On Board**

This creates considerable new opportunities for private sector players, as PNG and its international development partners edge towards launching new transport projects under a public-private partnership (PPP) framework. Projects, including a proposed new international passenger terminal at Port Moresby's main international airport, are ***planned*** for delivery using a PPP model, raising hopes that future large-scale transport projects could benefit from private investment. Beyond PPPs, international lenders have also been actively investing in rehabilitating and upgrading transport networks, including the Highlands Highway, one of the country's most important arterial roads, which should help stabilise transport costs in 2017 and 2018. Completion of the Lae Tidal Basin project and a new port at Motukea Island have also raised hopes of boosting competition in the international maritime shipping segment.

**At A Glance**

Roads, ports and airports meet the bulk of PNG's transport demands, and the government continues to play an important role in managing transport systems. The country's national transport network - which covers all infrastructure managed by the central government - comprises 8738 km of national roads, 22 ports and 27 airports, as well as air and marine navigation and communications infrastructure, all of which are owned and operated by the central government. In total PNG's national and provincial infrastructure includes 22,000 km of roads, 46 airports, 450 airstrips, with 16 of the 22-government managed ports considered major sea ports.

Several government agencies oversee transport development in PNG, including the Department of Transport (DoT), which is responsible for transport infrastructure policy and ***planning***. The DoT works closely with six separate government agencies in formulating new policy, including the Department of Works and Implementation (DWI), the Civil Aviation Safety Authority (CASA), the National Maritime Safety Authority, PNG Ports Corporation (PNG Ports), the National Roads Authority (NRA) and the National Road Safety Council. The CASA operated as the Civil Aviation Authority until 2015, when it was split into three separate entities: the CASA; the National Airports Corporation (NAC), which manages the country's airports; and PNG Air Services. One of the largest departments in PNG, the DWI is responsible for road improvements and rehabilitation, while the NRA is tasked with roads maintenance.

**Road Challenges**

PNG faces a unique set of challenges in transport sector development. Spanning 600 islands and 5150 km of coastline across a total area of 462,840 sq km, the country's geography is largely mountainous, with 63% of total land area covered in dense jungle and rainforest. High levels of precipitation and volcanic activity also make the country prone to natural disasters. Population density is low, fluctuating between 66 people per sq km in Eastern Highlands Province and just two people per sq km in Western Province. According to DoT figures, average density is 15 people per sq km, compared to 142 in Indonesia, 338 in the Philippines and 7807 in Singapore. Furthermore, PNG's urbanisation rate stands at 13%, with the majority of the population not part of the formal economy and remaining rural-based and widely distributed. This further exacerbates transport challenges, and according to Asian Development Bank (ADB) figures, just 68% of the population lives within 2 km of access to an all-season road. Nelson Terema, CEO of the Papua New Guinea Road Traffic Authority, told OBG, "PNG needs to be brought up to international standards. That is what we are doing with the transport network, centralising, cutting bureaucracy and enabling companies to get work done."

**Population Disparity**

Much of PNG's population is concentrated in the Highlands Region, and while Southern Highlands Province has one of the largest single provincial populations, it remains one of the least accessible in the country. The Papua Region, which includes the Western, Gulf and Central provinces, among others, is the least populated and home to some of the most challenging terrain, including large rivers with extensive coastal deltas. The Islands Region holds the second-highest population density outside of the Highlands Region, much of which is concentrated in coastal areas.

Port Moresby has tended to benefit from significantly more investment in roads and infrastructure than remote rural areas. In October 2016, for example, Port Moresby City Hall reported that PGK1.27bn ($402.6m) had been earmarked for road construction in the capital city, with officials reporting that several major projects had been completed or were close to completion, including PGK28m ($8.9m) of upgrades on the 7 Mile Road to Jacksons International Airport (JIA); PGK77m ($24.4m) in upgrades between Erima and 9 Mile Road; PGK63m ($20m) spent on the link between 6 Mile and 7 Mile Road; PGK86m ($27.3m) in roadworks in the Gordon Industrial Area; PGK119m ($37.7m) in upgrades between the Port Moresby Grammar School and 6 Mile Road; and the PGK160.2m ($50.8m) 6 Mile roundabout between Dogura-Bautama. The PGK160m ($50.7m) Kumul Flyover had also been completed. With connectivity between resource-rich rural areas, Port Moresby and larger ports remaining extremely limited, transport costs in PNG are some of the highest in the Asia-Pacific region (see analysis).

**Vision 2050**

The government has launched several strategies that aim to improve transport networks, boost connectivity and support economic development, although public spending on the sector has contracted in recent years and will likely continue to do so until 2020. Long-term transport development goals are encapsulated in the country's National ***Strategic*** ***Plan***, or Vision 2050, which was published February 2010 as an economic development framework. Vision 2050 identified service delivery, development of human capital and wealth creation as top priorities for the country, with the expansion of transport services underscoring all of these goals. The sector-specific goals of Vision 2050 include construction and maintenance of high-quality transport networks, which will allow the country to develop new economic corridors and improve trade volumes; extension of the country's national road network and improvements to highway connectivity; development of paved airstrips across the country; and increasing the number of jetties and wharfs across all coastal provinces.

***Strategic* *Plan***

The PNG Development ***Strategic*** ***Plan*** (PNGDSP) 2010-30, released months after Vision 2050, aims to increase the country's share of national roads in "good" condition from 28.7% in 2010 to 100% by 2030, in addition to tripling the network's length to 25,000 km. Under this strategy, priority highways include the Highlands, New Britain and Buluminski highways, as well as the Koroba-Mendi and Pogera-Togoba roads. The PNGDSP also targeted construction of "missing link" roads, including a coastal line connecting Aitape and Vanimo, a highway linking Madang to East Sepik from Bogia to Angoram, and a highway connecting Gulf Province to Southern Highlands Province, between the Kerema and Kopi roads.

With an estimated 59% of the country's population dependent on sea transport, the PNGDSP also targets tripling the number of routes served and vessels serviced by 2030, as well as upgrades across the country's ports network. This would also reduce international turnaround times at ports in Lae and Port Moresby from an average of three days to one. The PNGDSP found that just seven out of 22 national airports met international safety certification standards in 2008, and it targets boosting compliance to 100%. Finally, the ***plan*** includes upgrades at 10 regional airports, enabling them to handle large jets.

**National Transport Strategy**

Roads development was the most important priority under the National Transport Strategy (NTS), which was released in 2013. This ***plan*** includes a prioritised list of transport investments, and calls for clarification of institutional roles, increased public capacity and detailed cost-recovery mechanisms for new projects. According to the ADB, the NTS identified national road maintenance as the top transport priority for PNG. Policy goals under the strategy include bringing 95% of the population within easy reach of all-weather transport infrastructure, providing transport access to 95% or more of arable ***agricultural*** land, and establishing well-***planned*** and regulated traffic networks and urban public transport systems in major cities. These targets are unlikely to be met with public spending alone, however, after oil and commodities price dropped in mid-2014, which has significantly affected revenue.

**Ups & Downs**

National government funding for transport grew rapidly in the years to 2014 as activity at the PNG LNG project ramped up, driving resource-derived GDP growth to 93.1% in 2014, according to the IMF. ADB figures show PNG's 2014 budget for transport was about $1bn, and additional funding from overseas development assistance and international lenders brought the budget total to nearly three times the amount allocated in 2011, with roads comprising 82% of total investment, followed by the maritime and aviation segments with 9% each. The bank found that challenges in accessing financing for new projects had improved, although implementation capacity had stalled by 2014 and risen to become a significant challenge for the sector spending.

At the same time, global oil prices plummeted from around $115 per barrel in June 2014 to less than $50 in early 2016. They remained around the $50-per-barrel mark in June 2017. PNG, which derived 77.3% of exports from petroleum and mineral resources in 2014, according to the IMF, has been significantly affected by the oil price collapse, as well as a concurrent contraction in global commodities prices, which had an impact on copper and ***agricultural*** production. The IMF reported that real GDP growth fell from a high of 7.4% in 2014 to 6.6% in 2015, contracting again in 2016 to reach 2.5%. Although the IMF expects growth will rebound to 3% in 2017, budgetary shortfalls are expected to significantly limit public spending on transport until at least 2020.

**Budget Cuts**

Indeed, in the 2017 national budget total expenditure is expected to fall by 3.5% compared to 2016, with transport set to receive 6.7% of total spending. In an analysis of the 2017 budget, accountancy and auditing firm Deloitte reported that transport spending fell by 12.5% in 2017 to PGK897.1m ($284.4m), compared to PGK1.03bn ($326.5m) in the 2016 budget. Transport spending is projected to contract further in the coming years, dropping by 1.1% to PGK887.2m ($281.2m) in 2018, 5.6% to PGK837.1m ($265.4m) in 2019, 2.9% to PGK813m ($257.7m) in 2020 and 1.3% to PGK802.4m ($254.4m) in 2021. By Deloitte's estimates, public expenditure on transport will be 22.1% lower in 2021 than in 2016.

The ADB reported that misalignment between transport agency budget submissions and Cabinet-approved budget results has led agencies to rush implementation of unfamiliar projects. Tendering delays, cost escalation, private sector construction capacity, training, governance, security issues and geography also present challenges. On top of this, the government has made limited progress in introducing viable cost-recovery models. The NRA, for example, recoups just one-sixth of its annual maintenance requirements through fuel taxes each year. The ADB reported that community service obligations have forced PNG Ports and other state-owned transport authorities to cross subsidise loss-making activities, which has been counterproductive to their financial health.

Better redistribution of central government funds to lower tiers of government could also help. The 2017 budget will see provincial allocations rise by 11.9% to PGK3.99bn ($1.3bn), up from PGK3.57bn ($1.1bn) in 2016. However, the ADB reported that provincial road management capacity remains insufficient, with the DWI expected to play a more prominent role in managing lower-level government roads moving forward.

**PPP Priority**

With public expenditure on transport projects forecast to be significantly constrained over the medium term, the private sector is set to benefit from new investment opportunities across the board. After launching a comprehensive review of the country's existing PPP framework in 2012, the National Executive Council (NEC) moved to reform PPPs in the country with the PPP Act, which went into effect in 2014. Built on the NEC's 2008 National PPP Policy, the act introduced a regulatory framework for the procurement and delivery of infrastructure facilities and services under a PPP model. Section 14 of the PPP Act calls for the establishment of a PPP Centre that will support the government in attracting, advising and assisting public sector entities with new PPP projects, with the centre required to be involved in all stages of project investment. The PPP Act also requires a relevant public body to conduct a prescribed initial assessment at the start of the PPP procurement process, which will include project details and value, as well as its viability under a PPP model.

Advancement of new PPPs has faced multiple challenges since 2014, however, and in a February 2017 analysis the Pacific Legal Network reported that while the PPP Act has been passed and certified, there had not been a gazette notice to confirm it is in force and it was thought to be under review in early 2017. Some PPPs have moved forward regardless of the legal uncertainty, including a ***planned*** PPP by Kumul Consolidated Holdings (KCH) in the utilities segment (see Energy chapter). However, the Pacific Legal Network reported that growth in major infrastructure projects besides KCH's portfolio has remained stagnant, while the PPP Centre has not yet been established.

**Aviation**

PPP development is slated to accelerate in the coming years, as the government and its largest infrastructure development partner, the ADB, move forward on a major new aviation project. Development of a robust aviation network has been an important policy priority since the mid-1980s, when the government launched the ***Planning*** and Budget Strategy 1988-92, which included pillars emphasising civil aviation and tourism industry development. What was then the Department of Civil Aviation, Culture and Tourism launched a five-year ***plan*** to improve Port Moresby's JIA during this time, with the country already home to 480 airport facilities, including airports and temporary runways, of which 20 are linked to JIA.

Although the capital's airport has been the country's primary aviation hub since commercial services began in PNG, many of its facilities are out-of-date and often run well above capacity. The airport has handled more than 1.5m domestic and international passengers annually in recent years, despite a design capacity for just 400,000 passengers.

**Airport Upgrades**

The airport in Port Moresby underwent an expansion project in advance of the country hosting the 2015 Pacific Games, which saw its existing international terminal extended by 20 metres to the south-east and 30 metres to the north-west. New passenger-handling systems were also installed, reducing the average processing time from between seven and 10 minutes to just three minutes. However, with the JIA still operating above capacity and international passenger volumes rising, the government is seeking to build a new international terminal there. Announced as a transaction services advisory agreement between the ADB and NAC in February 2017, the project will be the first of its kind for the ADB in both PNG and the Asia-Pacific region, and is one of the country's first large-scale transport PPP projects.

Perhaps more significantly for near-term aviation development, PNG is moving forward on the ADB-backed Civil Aviation Development Investment ***Programme***, which was launched in 2009 to rehabilitate five airports, and upgrade safety and navigational infrastructure across seven additional regional airports. The ***programme***, which is split into three tranches, recently launched its third tranche, which includes a $248m facility. Tranche two projects are almost completed, according to the NAC, putting the country well on track towards meeting it aviation safety goals for 2030 (see analysis).

**Domestic Carriers**

As international passenger numbers have risen, government aviation stakeholders in PNG have come under increased pressure to further liberalise the sector. Recent market entrants have complained that new codeshare agreements stand as a significant obstacle to market entry, even as national carrier Air Niugini moves to expand its domestic and international service offerings.

Air Niugini was established in 1972, with the government of PNG originally holding a 60% stake, followed by Trans Australia Airlines (TAA) and Qantas Airways, each with a 12% stake. Ansett Australia, another Australian airline which folded in 2001, held the remaining 16%. Air Niugini carried 350,000 passengers during its first year of operations in 1973, and underwent its first fleet upgrade in 1975, launching international services to Brisbane, Manila and Hong Kong in the same year.

In 1976 the government acquired TAA and Qantas' stakes in the company, followed by Ansett's stake in 1980. The country's second PNG-based carrier, PNG Air, began as a charter services company in 1987. Its major shareholders include the Mineral Resources Development Company and the National Superannuation Fund. Low-cost Air Niugini subsidiary Link PNG, launched in 2014, focusing on domestic services.

**Air Niugini Expansion**

In February 2016 Air Niugini announced it had ordered four Boeing 737 MAX8 aircraft at the Singapore Airshow, adding to its fleet of Boeing Next-Generation 737s and 767-300ERs. The new aircraft are expected for delivery in 2020. With much of the country inaccessible via roads, Air Niugini has played a critical role in maintaining domestic connectivity, offering service to 25 domestic airports and launching Link PNG. Air Niugini has also expanded its own international services in recent years.

In June 2016 the carrier entered into a codeshare agreement with Solomon Airlines and Air Vanuatu on routes to Honiara, Port Vila and Port Moresby, and the following month it began operating a second weekly service to Tokyo's Narita International Airport. Services to Australia expanded further in October and November 2016, when Air Niugini increased frequencies from Port Moresby to Cairns and Sydney, respectively, and in December 2016 the airline launched services to Chuuk and Pohnpei in Micronesia. More recently, in March 2017, the PNG carrier launched domestic services between Mount Hagen and Wewak. In the same month, it opened a new service to Townsville in Australia. According to PwC, figures from the Department of Treasury show that PNG's transport, storage and communications sector grew by an estimated 4% in 2016, with the expansion of international and domestic flights cited as a major driver of this growth.

Although services have been expanding, aviation costs remain elevated in PNG, and the ADB reported that international air traffic in the country is very expensive, noting that Air Niugini's unit cost on Asian routes is 2.5 times more than other inter-Asian flights. Unit costs (per passenger per nautical mile) are the most expensive in the Asia-Pacific region on flights to Australia, exacerbating already high transport costs in the maritime and roads segments (see analysis).

Although Air Niugini entered into a codeshare agreement with Qantas in 1987, market competition had been extremely limited until 2006, when the then-Department of Transport and Civil Aviation announced it would open up the market to new airlines, reporting that Air Brunei and Singaporean budget carrier Tiger Air had expressed interest in launching services to PNG.

**Codeshare Case**

Recent market entrants include Virgin Australia, which launched services to Port Moresby from Brisbane under a codesharing agreement with PNG Air in 2008, and Philippines Airlines, which commenced services between Manila and Port Moresby three times a week in late 2015. Despite these positive developments, lack of competition remains a problem for PNG's aviation sector, as evidenced by a recent legal battle between Air Niugini, Qantas and Virgin Australia. In July 2016 Qantas announced the company would end flights between Cairns and Port Moresby owing to low demand, moving instead to a daily service between Brisbane and Port Moresby. The new service used Boeing 737-800s, while the previous Cairns-Port Moresby service had flown on Q400 turboprops. Qantas submitted an application to the International Air Services Commission (IASC) to shift its Cairns route to a codesharing agreement with Air Niugini. The two airlines were also set to codeshare on the Brisbane-Port Moresby route, while Qantas ***planned*** to maintain its existing codeshare on Air Niugini's Sydney-Port Moresby service.

**Virgin Australia**

Virgin Australia filed a separate IASC submission calling for the proposed agreement to be rejected, and arguing that if approved, the agreement would be the "single most significant barrier to entry on the PNG route". In response, Air Niugini warned it would have to withdraw from Sydney and downgrade its Brisbane service to narrow-body aircraft if it did not receive support from Qantas as a codeshare partner. In October 2016 the IASC said it would be too difficult to draw conclusions about likely market outcomes under either scenario, announcing it would approve the free sale codeshare arrangement for a trial period on the Brisbane and Sydney routes. The commission ***plans*** to conduct a review once traffic and financial data for the 12 months up to December 31, 2017 are made available for assessment.

**Ports**

With highway and air connectivity gradually improving, the government is also hoping to enhance maritime connectivity in a bid to upgrade its transport network. The Lae Tidal Basin and Motukea Island projects should significantly improve capacity and efficiency at the country's two most important maritime hubs, although lack of competition in international shipping, depressed commodities prices, foreign exchange challenges and a global shipping industry slowdown will likely continue to challenge the sector. PNG's port sector includes 22 declared ports, of which 16 are managed by PNG Ports. Facilities in Lae, Port Moresby, Madang, Kimbe and Rabaul offer the necessary infrastructure to receive international traffic.

In resource sectors, such as forestry, petroleum, mining and ***agriculture***, some private companies have established port facilities, such as Avenell Engineering Systems' 180-metre private wharf and boat ramp, which opened at the Ravuvu Industrial Park just outside of Port Moresby in 2013. PNG Ports-operated docks handle an estimated 90% of international ships calling at the country's harbours, as well as roughly 80% of international and domestic cargo. Ports in Lae and Port Moresby account for over 70% of throughput, with Lae alone handling half of total throughput and more than 60% of international and coastal trade, as it connects to the vital Highlands Highway, which serves an area home to over 40% of the population. Around three-quarters of PNG's provinces have direct access to the coast, and an estimated 60% of the population lives along 6500 km of coastline and waterways, with extremely limited access to roads, making the port sector particularly critical for PNG's economy. However, the ADB reports that ports in Lae, Port Moresby and Kimbe are the only ones in PNG Port's portfolio that operate on a cost-recovery basis, while the remaining 13 national ports incur consistent losses.

**Maritime Shipping Conditions**

The ADB further reported that international shipping costs in PNG are among the most expensive in the Asia-Pacific region due to low levels of competition. This has negatively affected the investment climate, with the World Bank's "Doing Business 2017" report finding that PNG ranked 164th out of 190 economies in the trading across borders category. According to the World Bank's survey, border compliance costs for exports average $675 in PNG, compared to the East Asia and Pacific average of $402, while documentary export compliance takes an average of 96 hours, compared to 73 hours in the Asia-Pacific region.

Border compliance costs for imports is even more expensive, at $810 on average, compared to the regional average of $436, while documentary compliance for imports takes 120 hours and costs $425, compared to the regional average of 71 hours and $128. Local businesses have been affected by these costs, as it means inputs, which must largely be imported, are more expensive. Peter Langslow, managing director of Steamships Trading Company, told OBG, "Manufacturing here is hard, but not unlike other developing nations. You have to provide for yourself and make it happen from an operational perspective. Beyond that, you must consider the main issue is gaining foreign exchange to pay your suppliers since we must import the raw goods to manufacture."

High shipping-related costs can be partly explained by rapid growth in maritime trade since the early 2000s. For example, container traffic from Lae rose by 78% between 2001 and 2005 alone, from 13,395 twenty-foot equivalent units (TEUs) to 23,811 TEUs, according to the most recent available figures. More up-to-date figures from the World Bank show total international container throughput in PNG followed the same trend, jumping from 295,286 TEUs in 2010 to 337,118 TEUs in 2012 and 382,301 TEUs in 2014.

**Port Capacity Constraints**

This has led to severe capacity constraints and extended dwell times; in 2005 operators waited an average of 210 days for a berth in Lae at a cost of $8000-15,000 per delay. And lengthy dwell times have driven many operators to introduce congestion charges. In a September 2016 report, APEC stated that the average dwell time at Lae was 3.67 days, meaning that moving ***agricultural*** ***produce*** from the Highlands to Port Moresby takes an average of seven to 10 days. Vegetables are taken to Lae from the Highlands Highway in 20-foot containers on open-back trucks, a two- or three-day journey, before being transferred to shipping containers and moved to Port Moresby by sea. The journey from Lae to Port Moresby takes 48-52 hours. The government has undertaken two projects that should significantly improve congestion and efficiency at ports.

**Lae Tidal Basin**

The first of these works was phase one of the Lae Tidal Basin project, which was completed in December 2014. The PGK809m ($256.5m) project was built by the China Harbour Engineering Company and co-funded by the ADB and the government. Works included dredging a 700-metre-long, 400-metre-wide marine tidal basin, with a 13-metre draught, as well as a 240-metre wharf capable of supporting quay cranes and container vessels. The berth's maximum loading capacity is 50,000 tonnes, and its adjacent container yard is 60,700 sq metres.

The project has run into difficulties since opening. Although PNG Ports announced ***plans*** to select an international company to manage the port, a key step towards improving efficiency and boosting private sector participation, an operator had not been selected as of mid-2017. In February 2017 Charles Abel, minister of national ***planning***, called on PNG Ports and KCH to select an operator as soon as possible in order to fully realise the benefits of the new facility. Structural defects discovered during phase one of the project had also delayed the launch of the second phase in early 2016, according to local media reports. Phase two is expected to include a second 240-metre berth and an extension of the facility's existing international container wharf.

**New Port**

International shipping could also benefit as the country upgrades port facilities in Port Moresby. Operations at the existing Port Moresby port are set to shift to Motukea Island in the near term, which could help bring new international competition in as efficiency improves. The island's 106-ha development site covers steel fabrication facilities, a dockyard and wharves, including two Panamax berths, with each offering a 212-metre quay line and 13-metre draught at low tide, a significant improvement over existing facilities. In February 2017 PNG Ports announced that 36% of pile-driving work for Motukea Island's new international wharf had been completed, after ground broke in September 2016. According to Waqa Bauleka, chief infrastructure officer of PNG Ports, the new wharf will be complete by October 2017, offering a 250-metre quay and gantry crane tracks, as well as storage facilities. Fairfax Harbour's existing international wharf will also continue to serve international customers until the new wharf begins operations.

**Outlook**

Improved facilities and a deeper draught should help improve efficiency and could act as an important catalyst to attracting new competition in international shipping. Combined with ongoing improvements to the Highlands Highway, and upgrades at JIA and regional airports, these enhancements will help stabilise chronically high transport costs, spurring new investment and long-term economic growth.

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**Body**

Zagreb, 14 July 2017 (Hina) - Croatia in touch with EC in bid to find solution to INA lawZAGREB, July 13(Hina) - Croatia's government is in permanent contact with the European Commission in order to find a solution to the issue of the incompatibility of the 2002 law on the privatisation of the INA oil company with the European Union acquis communautaire, and the solution will be "in compliance with the requests stemming from the acquisand will also provide sufficient protection of Croatian national interests in the field of energy security and stability, without any need for lawsuits".The cabinet of Prime Minister Andrej Plenkovic stated this inresponse to adecision of the European Commission torefer Croatia to the Court of Justice of the EU for failing to align the 2002 INA lawwith EU rules on the free movement of capital and the freedom of establishment.The government underscores that the EC's decision was misinterpreted in media as alawsuit against Croatia.This is about the European Commission's move that finalises the administrative part of the procedure in connection with the non-compliance of the said legislation with the acquis, the government said in a press release.The government and the Commission are in permanent contact about this issue, with theaim of finding a solution in line with the acquis and making sure that Croatia's national interests in the energy field are protected, the government said.Amending the INA law is complex as the matter coversenergy security and also the process of settling the relations between stakeholders in INA and the ongoing arbitration proceedings, according to the government's explanation.The Commission stated on Thursday that it "considers that the State's special powers provided for in the INA law unduly restrict the free movement of capital and freedom of establishment.

It acknowledges that the objective of protecting the security of energy supply is a legitimate public interest shared by the EU and could justify restrictions to the freedoms listed in TFEU. However, such restrictions must be proportionate. In the present case, the INA law empowers the Croatian State to oppose important company decisions without needing to justify their veto in terms of potential threats to security of supply or other public policy, or in the public interest."INA is the main Croatian energy company, partially owned by the Croatian government. The INA law grants the State special powers in this company, including vetoing INA's decisions relating to the sale of shares or assets above a certain value. The state can also oppose important management decisions, such as a change in the company's activities, the granting of concessions or authorisations and the location of its registered office."In the Commission's view, these unconditional veto powers go beyond what is necessary to protect security of energy supply and are therefore disproportionate," the press release said.The Commission also noted that Croatia undertook the commitment to align the so-called INA law with EU rules before its accession to the EU. In November 2014, the European Commission decided to take action against Croatia for failure to amend such a law. After assessing the observations of the Croatian authorities in December 2016, the European Commission sent a reasoned opinion to Croatia to formally request the amendment of the INA law, on the ground that it violates the rules of the Treaty on the Functioning of the European Union (TFEU) on the freedom of establishment (Art. 49 of TFEU) and the free movement of capital (Art. 63 of TFEU).The Commission also noted that to date, Croatia has not complied with the Commission's reasoned opinion.The Commission remains open to efforts by the Croatian authorities to find a solution to this case, notwithstanding today's decision.Dobrovic apologises to Maric over false claimsZAGREB, July 13 (Hina) -"After this it has to be clear to everyone who is lying and who is telling the truth," president of the Croatian Democratic Union (HDZ) parliamentary group Branko Bacic said on Thursday, commenting on an audio recording of a meeting of the HBOR (Croatian Bank for Reconstruction and Development) Supervisory Board in December 2016 which supports Finance Minister Zdravko Maric's claims, after he was accused by Bridge MP Slaven Dobrovic that he had suggested that board members approve a loan to theAgrokor food concern.I trust Minister Maric more than ever that he did not show any favouritism to Agrokor, where he worked prior to coming into the government, Bacic said.Dobrovic, who is a former environment and energy minister, apologised to Minister Maric and the Croatian public. I listened to the recording and I have to say that I was wrong,he told reporters in parliament.He specified that Maric attended the Supervisory Board meeting but exempted himself from the discussion.It's possible to err but it's necessary to apologise, he added.Dobrovic's party colleague Nikola Grmoja said that now no-one will "discuss the point at hand, that Maric attended the Supervisory Board meeting, that he proposed that item on the agenda, that he kept quiet duringthe discussion... Now the story will be that Dobrovic didn't tell the truth and that Maric did."It is unacceptable that an honourable man is accused of corruption, Bacic said.Bacic added that the leader of the Social Democratic Party (SDP), Davor Bernardic, too was dragged into the entire story when he asked for an inquiry commission into Agrokor, with the main reason for that being that Maric allegedly approved the loan to Agrokor.It must be clear to everyone that the request for the inquiry commission is based on lies and as such there is no need for forming that commission, Bacic added.It would be detrimental for parliament to conduct a public inquiry while a confidentialinvestigation is already being conducted, he said and added that HDZ would propose that a vote on the formation of an inquiry commission be postponed until the state prosecution completes its investigation.Bacic said that SDP's condition to vote on the appointment of three constitutional judges depends on whether the inquiry commission is established was "unprecedented blackmail."Thinkingthat the appointment of Constitutional Court judges would meandoing a favour to the HDZspeaks about those who verbalised theblackmail. Constitutional Court judges should be in SDP's interest too, Bacic added.The appointment of the remainingConstitutional Court judges is very important but if SDP won't support the judges it proposed and supported, then we won't vote on that because the appointmentsrequirea two-thirds majority, whichHDZ does not have, Bacic told reporters.The president of the SDP parliamentary group, Arsen Bauk, said the group would not vote on the Constitutional Court judges on Friday unless parliament agreed on the formation of an inquiry commission for Agrokor. He said theappointment of the three judges could be postponed until September.Maric accepts Dobrovic's apology,says has to react to defamationZAGREB, July 13(Hina) -Finance Minister Zdravko Maric on Thursday accepted an apology by Bridge MP Slaven Dobrovic and underscored that this was a clear message to everyone that it's not good to hurl accusations and unverified claims which in the end target the honour and reputation of someone.Maric said that from the very first day that he entered into the state administration in 2006, he worked exclusively in the public interest and that he has was guided by the same principles when he was appointed as finance minister so that he could contribute to the "stability of public finances, economic growth and employment."Asked whether it would be better if the Croatian Bank for Reconstruction and Development (HBOR) always reported transparently, Maric said that HBOR is an important institution that in the past 20 years made a great contribution to the reconstruction and development of Croatia.HBOR continues to be a key element in Croatia's economic development, he said.Earlier today, Maric saidthat for weekshe hasbeen exposed to an unrelenting mudslinging campaign and that "the line has been crossed" and that he had to react."For weeks, I and what I do as Finance Minister has been belittled and defamed.""I have tolerated all those blows. However, when the line was crossed, that made me react yesterday," he said arriving for the government's meeting on Thursday afternoon.On Wednesday, Maric requested a public apology from former Environment and Energy Minister Slaven Dobrovic over his statement about the HBOR (the Croatian Bank for Reconstruction and Development) loan to companies within the debt-ridden Agrokor ***agricultural*** and food group, or else he would be forced to sue him for defamation.Dobrovic, who is now a lawmaker of the Bridge party, said on Tuesday that Maric had exempted himself from a vote at a session of the HBOR Supervisory Board late last year on a EUR 48.3 million loan to Agrokor's companies, but had suggested to other board members that the loan should be granted.Maric dismissed Dobrovic's claim that hehad himself expounded the proposal for the loan approval and suggested that the loan should begreen-lighted.This is simply untrue, Maric said today.On Thursday, HBOR released the audio recordingof a part of the session at whichthe HBOR Supervisory Board decided on the matter.The audio recordingfrom the meeting of 20 December 2016, when the HBOR Supervisory Board discussedloans to Agrokor's companies,was made public on HBOR's web site due to "great interest of the public".The recordingshows that Maric opened the meeting and after thatexempted himselffrom the debate and the voting.MPs to vote on Constitutional Court judges, Agrokor inquiry commission in autumnZAGREB, July 14 (Hina) - Speaker Gordan Jandrokovic said on Thursday parliament would vote on the appointment of three Constitutional Court judges in the autumn, given that the opposition SDP made the vote conditional on an agreement on the establishment of a parliamentary inquiry commission for the Agrokor conglomerate, and that a vote on the SDP motion for the establishment of the commission was also postponed until the autumn.The SDP (Social Democrats) and the ruling HDZ (Croatian Democratic Union) endorsed the proposal that Miroslav Separovic and Mato Arlovic be reappointed as Constitutional Court judges and that Goran Selanec, deputy gender equality ombudsman, be appointed as the third Constitutional Court judge, while the opposition Bridge party said it would abstain.Pedja Grbin of the SDP said the nomination of the three candidates had been public and transparent but reiterated that the SDP would not vote on them until parliament agreed on the establishment of a parliamentary inquiry commission for Agrokor.Croatian president supports efforts to bridge divisions in Persian GulfZAGREB, July 13 (Hina) - Croatian President Kolinda Grabar-Kitarovic on Thursday received the United Arab Emirates Minister of Foreign Affairs and International Cooperation, Sheikh Abdullah bin Zayed bin Sultan Al Nahyan, with whom she discussed political and economic relations, supporting efforts to bridge differences and divisions in the Persian Gulf.The president underlined the importance of developing bilateral political and economic relations with the Persian Gulf countries, as well as those between the European Union and the Gulf countries, which Croatia supports, her office said in a press release.She said the Islamic community in Croatia contributed to stronger relations with that part of the world and that its integration into Croatian society could serve as a model for many other countries.The minister said that in the year when the two countries marked the 25th anniversary of diplomatic relations, they should consider the possibility of intensifying bilateral relations. He said the UAE wanted to have developed relations with Croatia as it did with some other countries in this region.The recently introduced Emirates direct flight between Zagreb and Dubai will contribute to that. With stronger ties, it could also result in more tourist arrivals from UAE, it was said.Grabar-Kitarovic reiterated that Croatia strongly supported the countries in Southeast Europe on their journey to the EU and NATO, which she said represented a foundation of security and stability. As for the Gulf crisis, she supported attempts to bridge differences and visions, saying it was in the interest of all the states united in the fight against radicalism, extremism and terrorism.The UAE minister underlined his country's commitment to the fight against radicalism and terrorism. He also expressed hope that the Croatian president would soon officially visit his country.Croatian PM meets UAE foreign ministerZAGREB, July 13 (Hina) - Croatian Prime Minister Andrej Plenkovic on Thursday met with the United Arab Emirates Foreign Affairs and International Cooperation Minister, Sheikh Abdullah bin Zayed bin Sultan Al Nahyan, with whom he discussed political relations and the advancement of economic cooperation.The two officials said the relations very good and that economic cooperation should be advanced, notably in construction, infrastructure, energy and tourism, the government said in a press release.An agreement on the avoidance of double taxation signed by Croatian Finance Minister Zdravko Maric and the sheikh will contribute to better economic cooperation. It envisages numerous tax breaks on all kinds of income, better conditions for boosting the exchange of goods and services, and boosting economic activity, the press release said.The Croatian PM and the UAE minister also exchanged views on the Persian Gulf crisis.UAE is one of four Arab countries which imposed sanctions on Qatar in June, accusing it of financing terrorism and of alliance with old UAE enemy Iran. On Tuesday, UAE said the sanctions would remain in force until Qatar complied with its demands.FM says relations with UAE very good, pushes for developing economic tiesZAGREB, July 13 (Hina) - Croatian Foreign Minister Marija Pejcinovic Buric said on Thursday the accent in her talks with the United Arab Emirates Foreign Affairs and International Cooperation Minister, Sheikh Abdullah bin Zayed bin Sultan Al Nahyan, was on the development of economic relations, adding that the relations between the two countries were very good and without outstanding issues.The UAE is a friend of Croatia, Pejcinovic Buric told reporters after the talks.She said an agreement on direct Emirates flights between Zagreb and Dubai as of June 1 was very important for Croatia because the airline was known for being selective in choosing markets and destinations.Our relations have lasted 25 years and are indeed very good, the UAE minister said, voicing confidence that they will be even better, notably in the wake of Croatia's European Union accession. He said 1,500 Croatian citizens worked and lived in UAE and that 45,000 Croatian tourists had visited his country.I'm sure that UAE citizens, now that they have started visiting Croatia, will also share the excellent picture of it, and I hope there will be even more tourists from UAE, he said, adding that the Emirates airline contributed to that.Pejcinovic Buric said the export of halal food could be an area for advancing economic relations, recalling that Croatia recently joined the list of reliable halal food exporters to the UAE, which she said was an important step forward in the economy.That also contributes to the recognition of Croatia as a friendly halal destination for UAE tourists, "which we believe additionally contributes to the development of economic and friendly relations with Islamic countries," she added.Pejcinovic Buric said she and her guest also discussed the project of an LNG terminal off the Croatian island of Krk, recalling that it was a Croatian as well as an EU priority, and that they also discussed cooperation in ***agricultural*** production.As for global issues, she said they discussed the migration crisis, notably the situation in Libya and UAE's engagement there.Defence Ministry to send requests for proposals for combat aircraft next weekZAGREB, July 13(Hina) - Croatia's Defence Ministry will send next week request for proposals for the procurement of combat aircraft to Sweden (Gripen JAS-39), the US (F-16), South Korea (FA-50), Israel (F-16) and Greece (F-16), so that a decision can be made by the end of the year.The ministry said so on Thursday in a press release aboutDefence Minister Damir Krsticevic's official visit to the US, where he informed his US counterpartJames Mattis about that."In the talks we held with the US side, we encountered fullunderstanding and support fromthe US defence minister," Krsticevicwas quoted as saying.The procurement will be conducted transparently so that the final choice is the best for Croatia, the ministry said.The key parameters in analysing theproposals, aside from the characteristics and capabilities of the aircraft, will be a bilateral agreement, the price and an economic cooperation package.In procuring the aircraft, Croatia wants to cooperate with the state, not just the company, because this concerns years-long cooperation and the development of ***strategic*** partnership, the ministry said, adding that Croatia wants the procurement agreement to provide as a basis for boosting economic cooperation with the selected country and to envisage investing in the Croatian economy.The ministry expectsthe first aircraft to arrive in Croatia by the end of 2020, provided the procurement decision is made by the end of this year.Government starts preparations for 2018 budgetZAGREB, July 13 (Hina) - Prime Minister Andrej Plenkovic announced on Thursday that after today's Cabinet session a preliminary meeting for the preparation of a 2018 budget would be held."In light of the political stability which we have ensured, the government needs to continue the priority tasks that are part of our ***programme*** and I expect maximum effort from all of you to put the focus on fulfilling our economic goals as of this autumn," Plenkovic said at the start of the Cabinet session.He said that after the session Finance Minister ZdravkoMaric would hold a preliminary meeting for the preparation of next year's budget so that all relevant government departments could organise themselves in a timely fashion for budget ***planning***.The government proposed for the third time amendments to the Penal Code to incorporate the provisions of theEuropean Union directive on criminal sanctions for market abuse.It also proposed stricter criteria in substituting prison sentences with community service, specifying that only terms of up to one year in prison, or fines of up to 360 daily incomes,can besubstituted with community service.Gov't okays procurement of Dinutuximab,construction of helipads at hospitalsZAGREB, July 13(Hina) -During its session on Thursday, the government adopted a conclusiononsecuringfunds to procure the Dinutuximab Beta Aperion medication for children suffering from high-risk neuroblastoma, and on theconstruction of helipads at four hospitals in Croatia to be funded by the United States.Prime Minister Andrej Plenkovic underscored that measures have been taken to purchase the medication.Health Minister Milan Kujundzic said that the Ministry of Finance had set aside HRK 14 million for the Zagreb Children's Hospital that will have to report to the Health Ministry onthe waythe funds are expended.Kujundzic recalled that on June 21, the government adopted a conclusion commissioning the Croatian Health Insurance Institute (HZZO) to prepare a detailed analysis of the justification of prescribingDinutuximab, depending on the current health of children being treated in Zagreb and Rijeka for hig-risk neuroblastoma.Following the analysis,a proposal was put forward to procure the medicine and the Finance Ministry was tasked withsecuringfunds for this purpose, Kujundzic said.He further informed the cabinet of the US government's interest in financing the construction of helipads at four Croatian hospitals - in Zagreb,Osijek, SlavonskiBrod andKarlovac.Theamount of $400,000 (HRK 2.6 million) will be secured by the US government, while the Health Ministry will provide HRK 1million to cover the costs of Value Added Tax and external supervision, Kujundzic said.RBA lowers growth forecast for 2017 to 2.9 pctZAGREB, July 13 (Hina) - Analysts at Raiffeisenbank Austria (RBA) have lowered their growth forecast for the Croatian economy for this year from 3.3% to 2.9%, emphasising that an uncertain outcome of the Agrokor crisis, secondary and indirect effects and the global environment, including the possibility of tightening of monetary policies, were some of the challenges facing Croatia's economy.In their third report this year, RBAunderscored the political volatility in the country in the first half of 2017, stressing however thatexperience showedthat this would not pose too big of a problemif institutions and the rule of law remained strong and efficient.The RBA analysts now expect the government to implement the measures to promote the economy set out in the National Reform ***Programme***. RBA says the critical reform is that of the public administration system, which employs over 20% of the workforce.RBA also notes that Croatia, against the backdrop of the Agrokor crisis and political turmoil, has continuedat a similar pace of recovery, with an encouraging increase in commodityexports and investments.Commenting on the crisis in the ailing food concern Agrokor, RBA said that it could reflect on the business results of exposed companies.RBA stresses that 2018 could bring new challenges."An uncertain outcome regarding the way and pace of the restructuring process at Agrokor,secondary and indirect effects and the global environment, including the possibility of a slow tightening of monetary policies, are some of the key challengesfacing Croatia's economy," the analysts said.Minister's claim about imported food prompts response from Lidl,KauflandZAGREB, July 13 (Hina) - Croatian ***Agriculture*** Minister Tomislav Tolusic's claimthat Lidl, Kaufland andother retailersput on their shelves more imported products than products of Croatian origin has prompted aresponse from the two German supermarket chains, which say they want to provide their customers with the best possible ratioof price and quality.After Tolusic criticised supermarket chains in a Facebook post, including Kaufland and Lidl, for a very high portion of imported food products and after he admitted that the ministry could not banimports but that he could call on citizens to buy products made in Croatia, Lidl said it had been present on the Croatian market for 11 years and always stroveto provide the best possible products and services.In connection with Tolusic's statement that "unfortunately, the annual import of bread and bakery products in Croatia stands at 450 million kuna", Lidl saidthat "when choosing the suppliers, we primarily take care of cooperation with Croatian ***producers*** and we make sure that their products are on our shelves, and we manage to fulfilthis goal to the greatest extent."The supply of fruits and vegetables by Croatian suppliers accounts for 70% of fruits and vegetables in Lidl outlets, according to the company's statement.Croatian products make up over 50% of bread and bakery products on offer, it added.In 2016, Lidl's exports of Croatian products to third markets rose by 20% from 2015, it also recalled.Kaufland noted in its response that Croatia "is part of the EU commonmarket" and that Croatia's products made up 60% of its bread and bakery supply."We regret tosee us being mentioned in this context given that we have a large number of Croatian products in our rangeand we endeavour to support Croatian ***producers*** as much as possible," it said.Kaufland says it currently employs 3,700 workers in Croatia and that it has invested 3.5 billion kuna in Croatia since it entered the Croatian market.Ice-cream maker Ledo awarded halal certificateZAGREB, July 13 (Hina) - Ledo has become Croatia's first ice-cream ***producer*** and distributor to be awarded a halal certificate, the company announced on Thursday.CEO Dario Vrabec says they are proud that Ledo has taken this significant step forward and that their ice-creams meet the halal standards."Halal standards have been implemented carefully and with maximum dedication. We hope this certificate will help better promote our products in regional and global markets and meet the requirements of our buyers," Vrabec said.Ramljak: Konzum to start repaying debts to suppliers in Bosnia in SeptZAGREB, July 13 (Hina) - Agrokor's emergency administratorAnte Ramljakheld a meeting on Thursday in Sarajevo with Konzum suppliers in Bosnia and Herzegovina to confirm that overdueliabilities of the retail chain within Agrokor Group would be paid to local suppliers in September.Ramljak acquainted the suppliers with a debt payment ***plan*** and a planto overhaul Konzum, which also envisages the retailer's takeover by Slovenia's Mercator on the market of Bosnia and Herzegovina."I think that the suppliers have accepted the ***plan***," Ramljak said."Mercator will retake the 83 outlets it hadbefore Mercator's mergerwith Konzum, and Konzum will retain its 170 outlets.The takeover by Mercator is starting on 1 August.Parl.committee backs motion for Sessa to head Supreme CourtZAGREB, July 13(Hina) - The parliamentary judiciary committee on Thursday endorsed a motion to appoint Djuro Sessa as president of the Supreme Court, after which several opposition members onthe committee walked out.Chairman Orsat Miljenic of the opposition Social Democrats (SDP) said the committee did not receive the information it had requested about Sessa's assets. Miljenic said he did not doubt Sessa's competence and the information about himbut that he could not vote for his appointmentbefore even the smallest suspicion concerning his assets was eliminated.The motion for Sessa's appointment as Supreme Court president was endorsed by a majority vote, with one abstention.Sessa yesterday acquainted the committee with his view of the Supreme Court president's role, after which Pedja Grbin (SDP) asked him why he had not declared receiving HRK 500,000 from the sale of land to the Agrokor conglomerate.Sessa said he was confidenthe did not break any regulation on the declaration of money because at the time when the money for the land sale was paid, there was no obligation to declare assets.Indictment against Zagreb mayor in public stalls case upheldZAGREB, July 13(Hina) -Two and a half years after an indictment was filed against Zagreb MayorMilan Bandic and others in the public stalls case, and following several adjournments, on ThursdayZagreb County Court finally upheld the indictment.Bandic is charged, together with Zagreb City officialIvica Lovric and the director ofZagreb Markets, Zdenko Palac, withenabling the "In the name of the Family" civil society organisation to usestands forcollecting signatures for a referendum free of charge, thus defraudingthe city budget of HRK 308,000.The indictmentwas filed in February 2015 and since then hearings wereadjourned several times due to the accused changing his defence counselor being unableto attend court due to illness.Now thatthe indictment has been upheld against Bandic, the case will be awarded to another judge to determine a date for the trial to commence.Bandic is also accused in acasedubbed Agramfor defrauding the city budget for several million kuna. An indictment is yet to be upheld in that case.PM: Recognition of Croatian language in Friuli-Venezia Giulia on the agendaZAGREB, July 13 (Hina) - Croatian Prime Minister Andrej Plenkovic said on the second day of his visit to the northern Italian Adriatic city of Trieste on Thursday that recognition of the Croatian language in the region of Friuli-Venezia Giulia was on the agenda between Croatia and Italy."The Italian ethnic minority in Croatia enjoys all rights, and I am pleased that Furio Radin, the parliamentary representative of the Italian minority and doyen of the Croatian Parliament, is now the Deputy Speaker of the Croatian Parliament. These are important political signals which Croatia, being a mature European country, is sending out to the minorities, and we expect, in a wider context of talks with Italy, to make further efforts in protecting the rights of Croats living in Italy," Plenkovic said after meeting the head of the Croatian community in Trieste, Damir Murkovic.Plenkovic said that Murkovic, in his capacity as president of the association of Croatian communities in Italy, had been caring for years about the status of 15,000 Croats in Friuli-Venezia Giulia. He said that the Croats, both those autochthonous to that part of Italy and those who have immigrated in the last 20 years or so, looked after their cultural rights and the status of the Croatian language.Murkovic said that the Croatian community had formally raised the issue of recognising Croatian as the fifth minority language in this region. "This procedure is now at a political level. Once accepted, it can be resolved quickly. I hope it will be dealt with in the same way as the implementation of the agreement on cultural cooperation between Croatia and Italy, which was signed by the Croatian and Italian ministers of culture in 2015, mostly thanks to the involvement of the Croats in Italy."Also attending the meeting was the Croatian Deputy Prime Minister and Minister of Foreign and European Affairs, Marija Pejcinovic Buric.Bosnian Croat parties move to establish Croatian-language public broadcasting serviceZAGREB, July 13 (Hina) - Bosnian Croat political parties have submitted a bill to the Bosnia and Herzegovina parliament proposing establishment of a Croatian-language broadcasting service to ensure that the Croats in that country have the same status as the Bosniaks and Serbs.The Croatian National Assembly, the umbrella organisation of Bosnian Croat political parties, said in a statement on Thursday that the Croats, being a constituent people in Bosnia and Herzegovina, "have the constitutional right to establish their own public broadcasting service, manage it and oversee its work."The service would be based in Mostar and would be organised at entity level in the Federation of Bosnia and Herzegovina. It would foster the national and cultural identity of Croats in Bosnia and Herzegovina.In February, the HNS announced it wouldinsist on the reorganisation of the existing state public broadcaster because the current system of public broadcasting wascontrary to the Constitution and discriminatory against the Croats.The state broadcaster BHRTcurrently operates one radio channel and one television channel at the state level and two channelsin the country's two entities.Croat leaders insist that none of the existingchannels promote the interests and needs of the Croat people.Interpretations in case of Cardinal Stepinac continue to differZAGREB, July 13 (Hina)- A mixed commission of Croatian Catholic and Serb Orthodox experts examining the figure of WWII Zagreb ArchbishopCardinal Alojzije Stepinac on Thursday released a joint press release which notes that "in the case of Cardinal Stepinac, the interpretations that Catholic Croats and Orthodox Serbs have provided continue to differ."The commission underscored that it had come to the "conclusion that various events, appearances, files, silence and attitudes are still subject to different interpretations."The commission emphasised the study ofCardinal Stepinac's life showed that all Churches were exposed to various cruel persecutions and that they had their martyrs and confessors of the faith.In that regard, the commission members agreed on the possibility of future cooperation concerningto share the memories of the martyrs and confessors of the faith of both Churches.The commission's members agreed that their work has led to a better understanding of the years between World War I and 1960, the year that Cardinal Stepinac died.Cerar says it's crucial ruling is in line with border arbitration agreementZAGREB, July 14 (Hina) - Slovenian Prime Minister Miro Cerar said on Thursday that for his cabinet it was not crucial that Slovenia got territorial access to the high sea in an arbitration award on its border with Croatia, but that the award was in line with the two countries' arbitration agreement, although many on both sides of the border were not satisfied with the award.We believe the award is in line with the agreement, Cerar told Croatia's Nova TV a day after meeting with Croatian PM Andrej Plenkovic for the first time since the arbitration award was made public on June 29.He said neither party was entirely satisfied with that part of the award but that it was a court decision which must be accepted. "I believe that both the Croatian and the Slovenian side, although both lose something and gain something, will still honour this decision."Asked how he would react if the situation was different, if Slovenia had proof that Croatia had "worked under the table," Cerar said that as a lawyer he would always raise this issue before the relevant court."The arbitral tribunal decided in that case last year in July and delivered a binding decision. It was delivered by five eminent international independent judges and they decided that whatever happened in the proceedings did not compromise the proceedings to such an extent that it would affect their continuation."He said the tribunal examined the case in detail and delivered a clear decision. "When the tribunal decides on that, that should be honoured."As for the possibility that fishermen fish in areas where previous generations did, Cerar said the matter was resolved in the border cooperation agreement. "One should honour the fact that the sea border is different than how we conceived it until now. But that must not be at the expense of either your or our fishermen. One should honour (the border cooperation agreement) and one should honour the fact that Slovenia's jurisdiction will be different than Croatia's and vice versa."He said "one should absolutely honour previous international agreements and nobody can ban Croatia and Slovenia from upgrading those agreements regarding the fishing regime. But we must first implement the arbitral tribunal's award, honour the border, honour the junction zone. After that, it's all a matter of agreement."Cerar went on to say that Slovenia "will remove the technical means of protection in places that are Croatian territory... in agreement with the police and the army." He warned, however, that illegal migration is still taking place and that in areas that are no longer contentious, where the border has been defined, "things should be regulated as usual, Slovenia on its side and Croatia on its side.""I wish for the conditions to come as soon as possible so that we can remove those technical means of border protection, that there is no more illegal migration."As for the relocation of people who would like to come to the Slovenian side of the border and vice versa, Cerar said that "if, because of the new demarcation which we must honour, a Slovenian citizen remains on the Croatian side and does not want to adapt to that but move to Slovenia, we must help them in that.""I believe Croatia will do the same," he said, adding that "it's not an invitation to people to move to the other side of the border," but they should be heard out and helped.Cerar went on to say that it was important that he had talked with Plenkovic and that further bilateral talks were necessary, but within the framework of the arbitration award, notably concerning the parts of the border where it would be difficult to implement the award without agreeing on how to do so."There are also parts, such as the sea border, which are clear and where there's no need for agreement, but we must nonetheless talk about the implementation of the award. That's Slovenia's position, that we must talk about how to implement the arbitration award, which is different from the position advocated by the Croatian government."Slovenian FM says outstanding border issues key challenges for stability of BalkansZAGREB, July 13(Hina) - Slovenian Foreign Minister Karl Erjavec said on Wednesday in Triestewhere, as part of Slovenia's delegation led by Prime Minister Miro Cerar, he wastaking part ina Berlin Process summit, that unresolved border issues were one of the key challenges for the stabilisation of the Balkans."We know that borders were not defined in the former Yugoslavia and that in the Western Balkans, regardless of the new states, there are a number of outstanding issues that have not been resolved even 26 years later," Erjavec told the Slovenian press covering the summit in Trieste.Border and other bilateral issues, according to Erjavec, are being dealt withtoo slowly, which is why it is necessary to maximise efforts and dialogue.Prime ministers Miro Cerar of Slovenia and Andrej Plenkovic of Croatia met in Ljubljana earlier on Wednesday and agreed on the continuation of dialogue between their countries, although the two premiers stuck to their differing positions on a 29 June ruling which the Permanent Court of Arbitration delivered in connection with the two countries' border row.Cerar and Plenkovic met for the first time since the Hague-based PCA arbitral tribunal presented its decision which Slovenia treats as binding, while Croatia insists it is non-binding after Ljubljana irrevocably compromised the proceedings.On the margins of the summit in Trieste, Erjavec held talks with British Foreign SecretaryBoris Johnson and European Enlargement Commissioner Johannes Hahn.Montenegro celebrates Statehood DayZAGREB, July 13(Hina) - Montenegro celebrated Statehood Day on Thursday in remembrance of 13 July 1878, when the Berlin Congress recognised it as an independent state, and ofthe same day in 1941 whenthe people's uprising against Fascism began.President Filip Vujanovic said that Montenegro has to have an alliance that will guarantee stability and eternity so that history is not repeated and freedom is not threatened.“In astate that is recognised for a centuries-long strugglefor freedom and independence, the years in which those aspirations wereachieved are a lasting value. So that history does not repeat itself,for freedom and the state to not be constantly under threat, Montenegro has to have an alliance that will guarantee stability and eternity," Vujanovic said.He underscored that Montenegro obtained that alliance thisyear when it was accepted into NATO."An alliance in the interest of all its citizens, to the benefit of stability and peace. An alliance that is not against anyone, that does not forget tradition or friends, that is turned to the future, without the risk of repeating the dark sidesof the past," Vujanovic stressed.According to him, lessons from the past are not learned easily in the Balkans and tragic mistakes with grave consequences are unfortunatelyrepeated."That is why, and once again unfortunately, the Balkans needs an ally to guarditself from itself and to secure lasting stability. In addition to the need for the allianceto protect us, we need it tosecurea better economy and closer state ties with those whose values weshareand of whom we are proud," Vujanovic concluded.Croats in Montenegro protest against plaque honouring assassin of Croatian MPsZAGREB, July 14 (Hina) - The Croat National Council in Montenegro on Thursday condemned the unveiling in Slatina of a memorial plaque in honour of Punisa Racic, convicted for killing three Croatian MPs in the Belgrade assembly on 20 June 1928 in the then Kingdom of Serbs, Croats and Slovenes.Racic killed Croatian Peasant Party (HSS) founder Stjepan Radic and two other Croatian MPs, Pavle Radic and Djuro Basaricek, as well as wounding another two, Ivan Grandja and Ivan Pernar.The Croat National Council, the only Croat political party in Montenegro, said the unveiling of the memorial plaque was illegal and called on Montenegrin state institutions to strictly honour the law on memorials.The HSS also responded, condemning the unveiling in the strongest terms and calling on the Croatian government to urgently send a protest note to Montenegro. The party noted that the Croatian parliament declared June 20 remembrance day for Radic and the other victims of the assassination in the Belgrade assembly in June 1928.The HSS called the unveiling of the plaque honouring Racic "a blasphemous and primitive act which deeply insults not only the members of the Croatian Peasant Party but the whole Croatian people," and demanded that the Croatian government and Foreign Ministry do everything so that the plaque honouring "the assassin Punisa Racic" was immediately removed.In other news:Croatian, Czech culture ministries sign cooperation programmeZAGREB, July 13 (Hina) - The Croatian and Czech culture ministries in Zagreb on Thursday signed a cultural cooperation ***programme*** in the 2017-20 period.The ***programme*** was signed by Croatian Culture Minister Nina Obuljen Korzinek and Czech Ambassador Vladimir Zavazal based on a 2001 agreement between the Croatian and Czech governments on cooperation in culture, education and science.Obuljen Korzinek also highlighted cooperation in the protection and conservation of the cultural and historical heritage of the Czech national minority in Croatia.Croatian airports record 15% more passengers in Jan-MayZAGREB, July 13 (Hina) - Croatian airports recorded 2.1 million passengers in the first five months of 2017, or 15.1% more than in the same period of 2016, according to figures from the national statistical office.May alone saw nearly 900,000 passengers, up 16.4% over May 2016. Of that number, 267,000 used the largest Croatian airport, Zagreb's Franjo Tudjman, which was an increase of 8.3% compared with May 2016.The increase in the number of passengers at all nine airports in January-May 2017 reflected an increase in the number of flights, which reached 32,000, or 4.5% more than last year. Of that, 11,400 flights were recorded in May, an increase of 7% over May 2016.On the other hand, the volume of freight transported by air in the first five months of 2017 decreased by 7% to about 3,000 tonnes. In May, compared with the same month last year, the volume of freight increased by 5% to 681 tonnes.ZSE: Indices drop by almost 0.4%ZAGREB, July 13 (Hina) - The main Zagreb Stock Exchange indices on Thursday dropped by almost 0.4% while regular turnover was again around HRK 6 million.The Crobex concluded the day with a fall of 0.37% to 1,854.76 points and the specialised Crobex10 dropped by 0.39% to 1,106.37 points.Regular turnover amounted to HRK 5.96 million, just a little less than on Wednesday.The only stock to trade more than a million kuna was the preferred shares of the Adris tourism and insurance group, turning over HRK 2.8 million. The price of its shares fell by 0.85% to HRK 465.(EUR 1 = HRK 7.401192)THIS BULLETIN INCLUDES ITEMS RELEASED BY 0845 HRS ON FRIDAY (Hina) ha Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, July 13 (Hina) -"After this it has to be clear to everyone who is lying and who is telling the truth," president of the Croatian Democratic Union (HDZ) parliamentary group Branko Bacic said on Thursday, commenting on an audio recording of a meeting of the HBOR (Croatian Bank for Reconstruction and Development) Supervisory Board in December 2016 which supports Finance Minister Zdravko Maric's claims, after he was accused by Bridge MP Slaven Dobrovic that he had suggested that board members approve a loan to theAgrokor food concern.

ZAGREB, July 13(Hina) -Finance Minister Zdravko Maric on Thursday accepted an apology by Bridge MP Slaven Dobrovic and underscored that this was a clear message to everyone that it's not good to hurl accusations and unverified claims which in the end target the honour and reputation of someone.

Maric said that from the very first day that he entered into the state administration in 2006, he worked exclusively in the public interest and that he has was guided by the same principles when he was appointed as finance minister so that he could contribute to the "stability of public finances, economic growth and employment."

Asked whether it would be better if the Croatian Bank for Reconstruction and Development (HBOR) always reported transparently, Maric said that HBOR is an important institution that in the past 20 years made a great contribution to the reconstruction and development of Croatia.

HBOR continues to be a key element in Croatia's economic development, he said.

Earlier today, Maric saidthat for weekshe hasbeen exposed to an unrelenting mudslinging campaign and that "the line has been crossed" and that he had to react."For weeks, I and what I do as Finance Minister has been belittled and defamed."

ZAGREB, July 13 (Hina) - Croatian President Kolinda Grabar-Kitarovic on Thursday received the United Arab Emirates Minister of Foreign Affairs and International Cooperation, Sheikh Abdullah bin Zayed bin Sultan Al Nahyan, with whom she discussed political and economic relations, supporting efforts to bridge differences and divisions in the Persian Gulf.

The president underlined the importance of developing bilateral political and economic relations with the Persian Gulf countries, as well as those between the European Union and the Gulf countries, which Croatia supports, her office said in a press release.

She said the Islamic community in Croatia contributed to stronger relations with that part of the world and that its integration into Croatian society could serve as a model for many other countries.

The minister said that in the year when the two countries marked the 25th anniversary of diplomatic relations, they should consider the possibility of intensifying bilateral relations. He said the UAE wanted to have developed relations with Croatia as it did with some other countries in this region.

The recently introduced Emirates direct flight between Zagreb and Dubai will contribute to that. With stronger ties, it could also result in more tourist arrivals from UAE, it was said.

Grabar-Kitarovic reiterated that Croatia strongly supported the countries in Southeast Europe on their journey to the EU and NATO, which she said represented a foundation of security and stability. As for the Gulf crisis, she supported attempts to bridge differences and visions, saying it was in the interest of all the states united in the fight against radicalism, extremism and terrorism.

The UAE minister underlined his country's commitment to the fight against radicalism and terrorism. He also expressed hope that the Croatian president would soon officially visit his country.

ZAGREB, July 13 (Hina) - Croatian Prime Minister Andrej Plenkovic on Thursday met with the United Arab Emirates Foreign Affairs and International Cooperation Minister, Sheikh Abdullah bin Zayed bin Sultan Al Nahyan, with whom he discussed political relations and the advancement of economic cooperation.

The two officials said the relations very good and that economic cooperation should be advanced, notably in construction, infrastructure, energy and tourism, the government said in a press release.

An agreement on the avoidance of double taxation signed by Croatian Finance Minister Zdravko Maric and the sheikh will contribute to better economic cooperation. It envisages numerous tax breaks on all kinds of income, better conditions for boosting the exchange of goods and services, and boosting economic activity, the press release said.

The Croatian PM and the UAE minister also exchanged views on the Persian Gulf crisis.

UAE is one of four Arab countries which imposed sanctions on Qatar in June, accusing it of financing terrorism and of alliance with old UAE enemy Iran. On Tuesday, UAE said the sanctions would remain in force until Qatar complied with its demands.

ZAGREB, July 13 (Hina) - Croatian Foreign Minister Marija Pejcinovic Buric said on Thursday the accent in her talks with the United Arab Emirates Foreign Affairs and International Cooperation Minister, Sheikh Abdullah bin Zayed bin Sultan Al Nahyan, was on the development of economic relations, adding that the relations between the two countries were very good and without outstanding issues.

The UAE is a friend of Croatia, Pejcinovic Buric told reporters after the talks.

She said an agreement on direct Emirates flights between Zagreb and Dubai as of June 1 was very important for Croatia because the airline was known for being selective in choosing markets and destinations.

Our relations have lasted 25 years and are indeed very good, the UAE minister said, voicing confidence that they will be even better, notably in the wake of Croatia's European Union accession. He said 1,500 Croatian citizens worked and lived in UAE and that 45,000 Croatian tourists had visited his country.

I'm sure that UAE citizens, now that they have started visiting Croatia, will also share the excellent picture of it, and I hope there will be even more tourists from UAE, he said, adding that the Emirates airline contributed to that.

Pejcinovic Buric said the export of halal food could be an area for advancing economic relations, recalling that Croatia recently joined the list of reliable halal food exporters to the UAE, which she said was an important step forward in the economy.

That also contributes to the recognition of Croatia as a friendly halal destination for UAE tourists, "which we believe additionally contributes to the development of economic and friendly relations with Islamic countries," she added.

Pejcinovic Buric said she and her guest also discussed the project of an LNG terminal off the Croatian island of Krk, recalling that it was a Croatian as well as an EU priority, and that they also discussed cooperation in ***agricultural*** production.

As for global issues, she said they discussed the migration crisis, notably the situation in Libya and UAE's engagement there.

ZAGREB, July 13(Hina) - Croatia's Defence Ministry will send next week request for proposals for the procurement of combat aircraft to Sweden (Gripen JAS-39), the US (F-16), South Korea (FA-50), Israel (F-16) and Greece (F-16), so that a decision can be made by the end of the year.

ZAGREB, July 13 (Hina) - Prime Minister Andrej Plenkovic announced on Thursday that after today's Cabinet session a preliminary meeting for the preparation of a 2018 budget would be held.

ZAGREB, July 13(Hina) -During its session on Thursday, the government adopted a conclusiononsecuringfunds to procure the Dinutuximab Beta Aperion medication for children suffering from high-risk neuroblastoma, and on theconstruction of helipads at four hospitals in Croatia to be funded by the United States.

ZAGREB, July 13 (Hina) - Analysts at Raiffeisenbank Austria (RBA) have lowered their growth forecast for the Croatian economy for this year from 3.3% to 2.9%, emphasising that an uncertain outcome of the Agrokor crisis, secondary and indirect effects and the global environment, including the possibility of tightening of monetary policies, were some of the challenges facing Croatia's economy.

ZAGREB, July 13 (Hina) - Croatian ***Agriculture*** Minister Tomislav Tolusic's claimthat Lidl, Kaufland andother retailersput on their shelves more imported products than products of Croatian origin has prompted aresponse from the two German supermarket chains, which say they want to provide their customers with the best possible ratioof price and quality.

ZAGREB, July 13 (Hina) - Ledo has become Croatia's first ice-cream ***producer*** and distributor to be awarded a halal certificate, the company announced on Thursday.

ZAGREB, July 13 (Hina) - Agrokor's emergency administratorAnte Ramljakheld a meeting on Thursday in Sarajevo with Konzum suppliers in Bosnia and Herzegovina to confirm that overdueliabilities of the retail chain within Agrokor Group would be paid to local suppliers in September.

ZAGREB, July 13(Hina) - The parliamentary judiciary committee on Thursday endorsed a motion to appoint Djuro Sessa as president of the Supreme Court, after which several opposition members onthe committee walked out.

ZAGREB, July 13(Hina) -Two and a half years after an indictment was filed against Zagreb MayorMilan Bandic and others in the public stalls case, and following several adjournments, on ThursdayZagreb County Court finally upheld the indictment.

ZAGREB, July 13 (Hina) - Croatian Prime Minister Andrej Plenkovic said on the second day of his visit to the northern Italian Adriatic city of Trieste on Thursday that recognition of the Croatian language in the region of Friuli-Venezia Giulia was on the agenda between Croatia and Italy.

ZAGREB, July 13 (Hina) - Bosnian Croat political parties have submitted a bill to the Bosnia and Herzegovina parliament proposing establishment of a Croatian-language broadcasting service to ensure that the Croats in that country have the same status as the Bosniaks and Serbs.

ZAGREB, July 13 (Hina)- A mixed commission of Croatian Catholic and Serb Orthodox experts examining the figure of WWII Zagreb ArchbishopCardinal Alojzije Stepinac on Thursday released a joint press release which notes that "in the case of Cardinal Stepinac, the interpretations that Catholic Croats and Orthodox Serbs have provided continue to differ."

ZAGREB, July 13(Hina) - Slovenian Foreign Minister Karl Erjavec said on Wednesday in Triestewhere, as part of Slovenia's delegation led by Prime Minister Miro Cerar, he wastaking part ina Berlin Process summit, that unresolved border issues were one of the key challenges for the stabilisation of the Balkans.

ZAGREB, July 13(Hina) - Montenegro celebrated Statehood Day on Thursday in remembrance of 13 July 1878, when the Berlin Congress recognised it as an independent state, and ofthe same day in 1941 whenthe people's uprising against Fascism began.

ZAGREB, July 13 (Hina) - The Croatian and Czech culture ministries in Zagreb on Thursday signed a cultural cooperation ***programme*** in the 2017-20 period.

The ***programme*** was signed by Croatian Culture Minister Nina Obuljen Korzinek and Czech Ambassador Vladimir Zavazal based on a 2001 agreement between the Croatian and Czech governments on cooperation in culture, education and science.

Obuljen Korzinek also highlighted cooperation in the protection and conservation of the cultural and historical heritage of the Czech national minority in Croatia.

ZAGREB, July 13 (Hina) - Croatian airports recorded 2.1 million passengers in the first five months of 2017, or 15.1% more than in the same period of 2016, according to figures from the national statistical office.

ZAGREB, July 13 (Hina) - The main Zagreb Stock Exchange indices on Thursday dropped by almost 0.4% while regular turnover was again around HRK 6 million.

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HINA Digest

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**Body**

Zagreb, 07 November 2017 (Hina) - Dalic: Business activities of Agrokor's companies proceeding in orderly fashionZAGREB, Nov 6 (Hina) - Economy Minister Martina Dalic said on Monday that the business activities of all of Agrokor's companies were proceeding in an orderly fashion to preserve the value for creditors, to whom Agrokor's founder Ivica Todoric owes more than 40 billion kuna (5.3 billion euros).Asked at a press conference to comment on the criminal complaint filed against her by Todoric, Dalic said that the complaint was filed by "a fugitive from justice, a person from a wanted poster" who is ignoring calls from Croatian authorities to speak to investigators."I am here every day, doing my job, explaining all the activities the Croatian government has undertaken to save the Croatian economy from the consequences of Agrokor's failure, which was brought about by Ivica Todoric," Dalic told reporters in Zagreb after an international conference on encouraging Croatianexports.Dalic said that the complaint filed by Todoric would be dealt with by the relevant authorities. She said she had not yet been contacted by investigators, adding that she expected all the competent institutions to carry out their work in the best possible way.Agrokor companies' shares recoverZAGREB, Nov6(Hina) - The Zagreb Stock Exchange (ZSE) main indices were down on Monday, while the price of shares of most of the Agrokor companies increased, with Belje being the winner of the day -- the price of its shares skyrocketed by as much as 145.34%.The Crobex dropped by 1.38% from Friday, closing at 1,815.7 points on Monday, while the Crobex10 slid by 1.3% to 1,066.38 points.This is the sixth consecutive trading day to see indices decrease, with the Crobex falling to its lowest level since October 9 and the Crobex10 to its lowest level since September 18.Regular turnover was HRK 16.4 million, or HRK 800,000 more than on Friday.

Another HRK 5.04 million was generated in the block trading of HT telecom shares and HRK 2.4 million of Ledo frozen foods shares.The most liquid stock was that of Ledo which turned over HRK 8.6 million.The price of Ledo shares soared 38.96% to HRK 838.02 per share.The winner of the day is the Belje stock whose price skyrocketed by 145.34% to HRK 6.06.(EUR 1 = HRK 7.5)EconMin says pension funds aren't hit by Agrokor companies price plungeZAGREB, Nov 6 (Hina) - Croatian Economy Minister Martina Dalic said on Monday morning that the plummeting prices of the shares of companies from the Agrokor Group on the Zagreb Stock Exchange this past Friday, at the start of their trading after a six-month suspension, reflected exactly what Ivica Todoric, the founder and owner of Agrokor, had done by pushing the group tothe brink of bankruptcy.Theprices of the shares of the Agrokor Group's companies plunged between 56% and 89% after the resumption in their trading this past Friday, which triggered off some speculations that this might adversely affect pension insurance funds that have shares ofsome of those companies in their portfolio. In the meantime, on Monday morning, the price of the Ledo frozen food manufacturer's stock increased by 6%.Commenting on those speculations, Minister Dalic recallsthat the pension insurance fundsthat are believed to possess shares of some of those companiesmanage largeportfolios."I could not say if some losses have been made, however, it is afact that those developments cannot affect the safetyof pensions paid from the second pillar and the orderly functioning of pension funds," the economy minister said on Monday.In an attempt to dispel fears thatthe plummetingof shares of the Agrokor Group's companies could adversely affect the yield of pension insurance funds, Labour and Pension System Minister Marko Pavic said on Sunday thatthose funds had weathered the Agrokor crisis by disposing ofthose shares in time to avoid negative effects. "Pensions are not jeopardised and the sustainability and stability of the pension system is beyond any dispute," Pavic said, pointing outthe diversification of the portfolio of the pension funds and explaining thatthree quarters of that portfolio were state bonds, while the rest werevarious shares.Economy Minister Dalic also reassured the public by explaining that rules for investments by pension insurance funds envisaged the limits to which pension funds could invest in particular types of securities."The limits fend the pension insurance funds off too risky investments," she said, adding that the companies listed on the stock market are also obliged to respect a high level of transparency and investors in shares are expected to analyse the information and make decisions accordingly.Level of collection of receivables depends on agreement of creditorsIn connection with loans given by the Croatian Bank for Reconstruction and Development (HBOR) to the heavily-indebted Agrokor Group and collateralfor the repayment of debts when the group is in financial distress, Dalic said that all creditors of Agrokor would negotiate the collection and try to reach a settlement.From 2006 to 2016, this national developmentbankapproved 25 loans worth HRK 903.6 million to the Agrokor Group. Nineloans have been repaid."There are 16 active loans worth HRK 658.6 million, a portion of which has also been paid off. Following the entry into force of Lex Agrokor, the remaining debt has matured," the HBOR has recently said in response to a query from Hina.Thelevel of collection and models of collection are the subject matter of a mutual agreement of creditors, Dalic said today.It is essential to create anatmosphere conducive to asettlement. This is the most important task ahead for the emergency administration, she said.PM Plenkovic meets with coalition partnersZAGREB, Nov6(Hina) - Prime Minister Andrej Plenkovic on Monday held a regular meeting with representatives of parties comprising the parliamentary majority with whom he discussed the next parliamentary session, scheduled for Wednesday, which, among other things, will also focus on the issue of confidence in Demography, Family, Youth and Social Policy Minister Nada Murganic.A motion to give Murganic a vote of no confidence has been submitted bythe opposition GLAS party."The topic of the meeting was the next parliamentary session. We discussed key items of the agenda and positions on individual items such as the law on local self-government units, the issue of confidence in Minister Murganic, the family bill and other important issues," Independent Democratic Serb Party (SDSS) president Milorad Pupovac told the press.He said that the impeachment of the entire government, a motion by the Opposition, would also be on the parliament's agenda this week.Asked how he would vote on the government impeachment, Pupovac briefly responded that he was part of the ruling majority.While Pupovac claimed the meeting did not discuss the parliamentary commission of inquiry for Agrokor, independent MP Ivica Misic said the meeting did tackle the commission of inquiry and that his understanding was that the commission would continue to work until court proceedings were launched.Minister Murganic confirmed that avote of no confidence in her was on the parliament's agenda on Wednesday afternoon, adding that she expected all parties to provide arguments in the debate.The president of the HRAST party, Ladislav Ilcic, said the meeting was about the ruling majority, adding that the majority was very firm and stable.HDZ: Parliament to take no confidence vote in gov't FridayZAGREB, Nov 6 (Hina) - The president of the Croatian Democratic Union's (HDZ) parliamentary group, Branko Bacic, saidon Monday that parliament could debate and take a no confidence vote in the government on Friday, underscoring that there was no reason to wait."We have no reasons to wait," Bacic told reporters ahead of a meeting of the party's presidency and National Council. He underscoredthat it would be known then how strong the ruling majority was andthat they expected just as many votes in support of the government as there were votes in the ruling majority, perhaps even more. Bacic told reporters adding that the ruling majority was firm.Last week theSocial Democratic Party (SDP) submitted a proposal to take a no confidence vote in the government which was backed by 31 MPs. SDP chief Davor Bernardic said then that the SDP had the responsibility to "untangle the corruption octopus, the conspiracy and mire in which the Plenkovic cabinet found itself because of the Agrokor case."Parliament Speaker and HDZsecretary-generalGordan Jandrokovic said that the opposition's proposal would be discussed as would a proposal for a no confidence vote in Minister of Demography, Family, Youth and Social PolicyNada Mugranic.Asked about a drop in the party's rating, Jandrokovic said that the HDZ was still the strongest political party and that the drop was minimal.Asked why the Agrokor inquiry commission's work was being delayed, Milijan Brkic, who is a HDZ member of the commission, said that the decision to establish the commission includes the tasks the commission hadto implement. "Everyone that the Opposition believes should be questioned by the commission will be called to do so but at a certain chronological order," Brkic said.PM: Both opposition initiatives will end in failureZAGREB, Nov 7 (Hina) - Prime Minister Andrej Plenkovic said on Monday evening that the opposition initiatives for no confidence votes in the government and Minister of Demography, Family, Youth and Social Policy Nada Murganic would end in failure like previous opposition initiatives because the government and the minister would be supported by the parliamentary majority."I am counting on the parliamentary majority of 78 MPs. I expect confidence in the government and this opposition initiative to end in failure just like two previous ones," Plenkovic said while responding to questions from the press after a meeting of the Presidency and National Council of his HDZ party.Plenkovic said that on Wednesday he would attend Question Time in parliament and a discussion on the conclusions of the European Council meetings held in Brussels and Tallinn, after which the opposition motion for a no confidence vote in Minister Murganic would be put on the agenda. He said that the budget revision and the local government bill would be discussed on Thursday.After the government takes a stand on the opposition initiative for a no confidence vote in the government, the motion will be discussed in parliament on Friday. "We want to quickly and openly discuss all issues of interest with all members of the Croatian parliament," the PM said.Last week, the strongest opposition Social Democratic Party (SDP) submitted the motion for a no confidence vote in the government gathering the necessary 31 signatures for such an initiative. SDP leader Davor Bernardic said that the SDP had the responsibility to "clear up the economic morass" in which the government found itself in light of the Agrokor crisis.The motion for a no confidence vote in Minister Murganic was launched last month by the GLAS/HSU group and signed by 33 lawmakers after her ministry sent a family bill, containing some problematic language, to public consultation. The bill was later withdrawn.Asked to comment on the conclusions of the Split-Dalmatia County Assembly, proposed by county head Blazenko Boban, to reject construction of the Peruca thermal power plant, Plenkovic said it was good that all issues of relevance to this county were being discussed, especially those involving environmental protection. He added that it was important that citizens become thoroughly acquainted with this project, its objectives and possible consequences for the environment."As far as I know, the first phase of this project would have no adverse consequences whatsoever. It is important for the county and all members of the county assembly to voice their opinion," the PM said.Asked to comment on the fall of the HDZ in approval ratings, Plenkovic recalled that in 2016, when he ran for party leadership, the HDZ was on 20 percent and in mid-July 2016, after he was elected leader, the party's popularity returned to over 30 percent.Plenkovic noted that the HDZ's approval ratings were always between 30 and 35 percent. "The HDZ is stable and strong, the strongest and pivotal party. It demonstrates the greatest responsibility, deals with concrete issues without populism and aims to improve the standard of living for Croatian citizens."Asked to comment on his rating as the most negative politician in the country, he said it was "the price of being prime minister".If govt falls, it will be because of Agrokor, says MPZAGREB, Nov 6 (Hina) - The leaderof the Let's Change Croatia party, Ivan Lovrinovic, said on Monday that the parliamentary inquiry commission on Agrokormust not be dissolved because the public should know the truth and added that this was a complex problem andif the government was to fall, it would be because of this food and retailconglomerate."We must not allow the inquiry commission to be abolished and the President (Kolinda Grabar-Kitarovic) has taken our side. If it comes to that, we will continue the inquiry because Croatia's democracy and transparency in Croatia is threatened," Lovrinovic, who is a member of the inquiry commission, said in an interview with Croatian Radio.He commented on announcements of the sale of some of Agrokor's companies that are not involved with the conglomerate's core business."In the process of reanimation, financial restructuring will have to be all-encompassing. Some of the company's assets will have to be sold, however those companies that can act in synergy, have to be preserved, and as many workers as possible should be retained, as well as domestic suppliers," Lovrinovic said.He said he supported the Social Democratic Party's (SDP) initiative to impeach the government because he believes that is the only way to get Prime Minister Andrej Plenkovic to come to the parliament and answer certain questions, like who wrote Lex Agrokor, (the law on emergency administration in systemic companies)."The party that brought Croatia to this situation cannot pull it out of it," Lovrinovic said.Lovrinovic was critical of announcements on the introduction of the euro currency, saying that thiswas not a matter of 'for' or 'against' but a serious problem which was being "reduced to whether coffee will be more expensive or prices will be rounded off.""Croatia won't be ready for the euro for at least five to ten years," he said.Asked whether this was a matter for citizens to decide at a referendum, Lovrinovic said that referendum was the highest form of democracy."If we see that expert and scientific arguments are not being taken into consideration, and political steps are being taken toCroatia's detriment, then we will have no option but to join in demands for a referendum," he said.HBOR supports exports with HRK 8.4 bnZAGREB, Nov 6 (Hina) - The Croatian Bank for Reconstruction and Development (HBOR) supported Croatian exports with 8.4 billion kuna (1.12billion euros) in guarantees, loans and export insurance in 2016 and the first nine months of 2017, the 16th HBOR International Conference on Export Promotion was told on Monday.Addressing the conference, Economy Minister Martina Dalic stressed the importance of the HBOR in encouraging exports, recalling that last week the HBOR launched a new, EU-fundedproduct which allows favourable long-term borrowing at low interest. She noted that it was exporters that were integrating the Croatian economy with international markets.Dalic said that a public consultation on Croatia's bid to join the euro area was extremely important to exporters. Croatia's goal is to become a member of the euro zone in a medium term, within the next five to seven years, and thuseliminate the many risks that are now weighing on the national economy and exporters, she added."I am confident that it will be exporters who will most strongly support Croatia's path towards the euro, because they are the ones that I expect will benefit the most from it," Dalic said.The ministersaid that the tax reform that was carried out early this year had cut operating costs for exporters. She said that government activities were also aimed at changes that would further reduce operating costs by removing various administrative and legislative barriers. An additional set of measures are being prepared to facilitate doing business, she announced.HBOR management board chair Tamara Perko said that the HBOR would continue to focus on exporters. "We are here to listen. We want to hear your proposals, your initiatives, and your criticisms too, because we can learn the most from criticisms," she said.According to figures she presented, exporters account for 15 percent of Croatian businesses andemploy 50 percent of all workers. They generate 66 percent of total revenues and their share in research and development costs is 80 percent."These figures show the actual importance of exports as apillar of the Croatian economy," Perko said, noting that the HBOR's role was to help exporters through various credit, guarantee and export insurance ***programmes***."Last year and in the first nine months of this year, the HBOR supported Croatian exports with 8.4 billion kuna in guarantees, loans and export insurance," Perko said.Marko Jurcic, economic adviser to President Kolinda Grabar-Kitarovic, also emphasised the importance of exports, especially in light of the burning problem of demography. He said that this problem was being tackled through various social policy measures and among the strongest policies was job policy. "It is exports and an export-oriented economy that ensure sustainable jobs," he said.One of the main topics of this year's conference is the role of development banks in the internationalisation of national economies, including the role of the the HBOR and similar institutions in other countries, such as the German development bank KfW and the development banks of Spain, Poland, Slovenia and other countries.EIB, HBOR sign EUR 250mn credit line for youth employmentZAGREB, Nov6(Hina) - The European Investment Bank (EIB) and the Croatian Bank for Reconstruction and Development (HBOR)on Monday signed an agreement on a EUR 250 million credit line, intended to boostthe employment of people aged under 30, the two banks said.This EIB credit line will help to improve the employment of young people up to 30 years of age in Croatia in a labour market where they face a permanently high unemployment rate of 30%. The EIB's Jobs for Youth Initiative gives additional support to final beneficiaries if they can demonstrate that their investment project has contributed to the creation of jobs for young people, the two banks said in a joint statement.The EUR 250 million credit line is the first tranche of an approved lending framework for EUR 800 million designed to support the investments of small and medium-sized companies (SMEs) and municipalities.Within the new lending framework, the HBOR and the EIB have agreed to consider implementing the EIB's new instrument, the Natural Capital Financing Facility, as a pilot operation for Croatia, and this is to be rolled out in the near future.With the European Commission's LIFE instrument, the EIB -the EU bank - designed this facility to offer lending and technical assistance to projects that conserve, restore, manage and enhance ecosystems and that enable businesses and communities to cope with climate change. This is particularly important for the preservation of recognised natural heritage sites and for the development of sustainable tourism in Croatia, the EIB said.EIB Vice-President Vazil Hudak said thatthe successful cooperation of the EU bank and the HBOR dates back to 2000."To date, the EIB has granted some EUR 2.2bn in loans to HBOR, enabling it to offer more favourable and attractive lending conditions that better fit the needs of Croatian businesses," saidHudak.EIB lending commitment in Croatia amounts to some EUR 5.3bn since the launch of lending operations in the country. The EU bank currently supports projects covering important sectors of Croatia's economy, ranging from environmental infrastructure to transport (rail, road, urban, air) and energy infrastructure.Another major part of the EIB's operations targets the effective financing of manufacturing and services, including support for small and medium-sized enterprises and midcaps in partnership with local financial institutions, the EIB said.Basic collective agreement for government employees' unions agreedZAGREB, Nov6(Hina) - Croatian Labour and Pension System Minister Marko Pavic confirmed on Monday, after talks with unions of government employees, that a basic collective agreement for government employees at the national and local levels would be signed soon and that it would be considered to be in effect as of November 1.Talks on the basic collective agreement for government employees, as any other talks, are about compromise and the government is satisfied because they were conducted and completed in a good spirit, Pavic told reporters after meeting with union representatives.It was not the government negotiators' aim torestrict the rights of government employees but rather to regulate them better, Pavic said, expressing confidence that government employees would eventually be satisfied.Asked if the new basic collective agreement for government employees contained changes, Pavic answered in the positive but would not go into any details, adding that once the agreement was signed, its final version would be made public.Police Union leader Dubravko Jagic said that he believed the agreed benefits were acceptable to unions of government employees.The leader of the Union of Government Employees, Boris Plesa, said that new talks on the basic collective agreement should start already in May next year, in line with economic policy guidelines for 2019.It is important for unions to be able to state their position on economic policy guidelines on time, Plesa underlined.GSV discusses national reform programmeZAGREB, Nov 6 (Hina) - Croatian Labour and Pension System Minister Marko Pavic said after a session of the Economic and Social Council (GSV) on Monday that the body discussed the national ***programme*** of reforms and the European Semester, as well as a report on the European Social Pillar and the European Directive on Posted Workers.A conclusion was adopted to meet once every quarter to discuss progress regarding the national ***programme*** of reforms and the European Semester.The social partners presented different positions on the European Directive on Posted Workers. "The government's position was a neutral one, but with a separate opinion that was formulated in a statement together with Latvia, saying that we are aware that it is necessary to protect workers but also employers. We asked for a five-year period of adjustment, 24 months for posted workers and exemption for road transport, and now the procedure continues in the European Parliament," Pavic said.As regards Croatia's posted workers - around 30,000 worked abroad in 2016 for an employer based in Croatia, including 24,000 in Germany - the directive will start to apply in four years at the earliest. For workers, the directive means greater rights and for employers it means higher expenses, which was the reason for the separate opinion of Croatia and Latvia, said Pavic.Speaking on behalf of the Croatian Employers Association (HUP), Ivan Misetic said that the employers expressed dissatisfaction with the directive and informed their partners on the GSV that some of the employers would no longer be able to operate once the directive fully went into force.It would mean a significant increase in expenses and a drop in competitiveness and the number of jobs, while employers from other EU countries would be able to hire those workers directly given the single labour market, said Misetic.Asked if there had been talk of measures to protect employers, Misetic said that that was yet to be discussed, that there were compensation mechanisms and that they were within the remit of the government.Union leader Kresimir Sever said that workers' unions in Europe had advocated for a long time the principle that posted workers should receive the same wages as domestic workers regardless of their country of origin.Croatian unions support the position of the European Trade Union Confederation that domestic and posted workers should have the same wages and rights and that competitiveness cannot and must not be built on lower wages, stressed Sever.Finance Ministry refinances 1.5 bn euro debt with treasury bill at 0.1% interestZAGREB, Nov6(Hina) - Croatia's Finance Ministry on Monday issued a treasury bill in the amount of 1.5 billion euros at theinterest rate of 0.1%to refinance the due debt.The note worth 1.5 billion euros was put on action, whereas banks and other financial institutions made offers in the amount of EUR 1.86 billion.A majority of the bids were accepted and the 1.5 billion was sold with maturity of 455 days and the average interest of 0.1%.Croatian government selling its shares in three hotel companiesZAGREB, Nov6(Hina) - The Restructuring and Sale Centre (CERP) is collecting letters of intent from possible investors who are interested in the acquisition of majority state-owned stakes inthree tourism companies: the Dubrovnik-based Hoteli Maestral, Hoteli Makarska and the Crikvenica-based Jadran hotel.The decision to sell68.94% of Hoteli Maestral's shares, whose nominal value stands at HRK 71.1 million, 55.48% of Hoteli Makarska shares at the nominal price of HRK124.2 million, and 70.74% of Jadran at the nominal value of HRK 347.5 million was made by the CERP management in accordance with the Act on Managing and DisposingAssets owned by Croatia."The deadline for submitting the Letters of Intent isNovember 13, 2015 at twelve o'clock," reads the notice on CERP's web site.."Interested investors are invited to submit Letters of Intent to purchase shares of the above mentioned joint-stock companies. Letters of Intent shall be submitted for each company individually." AfterCERPcollects the letters of intent for purchase of shares of the above-mentioned companies and the final decisions on the initial price, terms and implementation process of collecting binding bids have been made, only those investorswho have submitted aletter of intent to CERPwithin the deadlinewill beinvited to submit binding bids for the purchase of shares of the particular company. This has been the seventh attempt of the state to sell its shares in Hoteli Maestral. The last attempt was in late 2015 when the state received no binding offer after 15 letters of intent.In the past, the state also tried to sell its shares in Hoteli Makarska and in Jadran which finished anofficial receivership procedure in early 2014. .EUR 386 mn spent on R&D in Croatia in 2016ZAGREB, Nov6(Hina) - A total of 2.9 billion kuna was set aside for Research and Development in Croatia last year, and 44.8% of that amount, that is HRK 1.3 billion, was invested by the corporate sector, according tofigures provided by Croatia's national statistical office (DZS).Some HRK 974 million was invested in the tertiary education's R&D segment, which was a third of the total amount spent on R&D in Croatia last year, according to the DZS report.The investmentsin R&D in the state sector and the non-profit making private sector totalled HRK 639 million kuna (21.9%).Of 2.9 billion kuna, 63.4% went for expenses forstaff and labour costs in R&D.In2016, 17,164 people were employed last year in theR&D sector, and more than half of them (50.9% or 8,734) were female employees.Of those 17,164 employees in that sector, 69.2% were researchers, with theshare of women standing at 47.8%.Deposits reach HRK 274B in SeptZAGREB, Nov6(Hina) - At the end of September 2017, deposits in commercial banks totalled HRK 274.1 billion, up 3.5% on the year and 0.7% on the month, Raiffeisenbank Austria says in an analysis published on Monday.Demanddeposits reached nearly HRK 70 billion, up 24% on the month, mainly as a result of economic recovery.Savings and term deposits continued to decrease annually, falling by 2.1% to HRK 204.3 billion at the end of September. Over 82% of such deposits were in foreign currencies and they fell 2% to HRK 169billion. Those in the domestic currency fell 2.2% to HRK 35.2 billion.Eurostat: Industrial ***producer*** prices pick up in EU, slow down in CroatiaZAGREB, Nov 7 (Hina) - Industrial ***producer*** prices picked up in the European Union and the euro area in September, while Croatia recorded a slowdown, figures released by the EU statistical office Eurostat show.In September 2017, compared with August 2017, industrial ***producer*** prices rose by 0.6% in both the EU28 and the euro area. In August 2017, prices increased by 0.4% in the EU28 and by 0.3% in the euro area.In Croatia, industrial ***producer*** prices increased by 0.4% in September 2017 over August 2017, when they rose by 0.7%.The highest monthly increases were observed in the Netherlands (+2.9%), Denmark (+1.4%), Belgium (+1.3%) and Greece (+1.2%), while a decrease was recorded in Cyprus (-1.4%).The 0.6% increase in industrial ***producer*** prices in total industry in the EU28 in September 2017, compared with August 2017 is due to rises of 2.0% in the energy sector, of 0.4% for intermediate goods, of 0.2% for durable consumer goods and of 0.1% for non-durable consumer goods, while prices remained stable for capital goods. Prices in total industry excluding energy rose by 0.2%.In the euro area, the 0.6% price increase is due to rises of 1.5% in the energy sector, of 0.4% for intermediate goods and of 0.2% for durable consumer goods, while prices remained stable for capital goods and non-durable consumer goods. Prices in total industry excluding energy rose by 0.1%.Compared with September 2016, industrial ***producer*** prices rose by 3.3% in the EU28 and by 2.9% in the euro area. In August, they increased by 2.9% in the EU28 and by 2.5% in the euro area.In Croatia, industrial ***producer*** prices increased by 2.1% in September 2017 compared with September 2016, while in August 2017 they rose by 3.3%.Industrial ***producer*** prices rose in all member states. The largest annual increases were recorded in Belgium (+7.0%), the Netherlands (+6.4%), Bulgaria (+6.0%), Estonia (+5.5%) and the United Kingdom (+5.4%).The 3.3% increase in industrial ***producer*** prices in total industry in the EU28 in September 2017, compared with September 2016, is due to rises of 6.0% in the energy sector, of 3.5% for intermediate goods, of 2.7% for non-durable consumer goods, of 1.1% for capital goods and of 1.0% for durable consumer goods. Prices in total industry excluding energy rose by 2.5%.In the euro area, the 2.9% price increase is due to rises of 4.6% in the energy sector, of 3.3% for intermediate goods, of 2.3% for non-durable consumer goods, of 1.0% for capital goods and of 0.7% for durable consumer goods. Prices in total industry excluding energy rose by 2.2%.Sacked INA unionist says will continue to fight legallyZAGREB, Nov6(Hina) - After being fired at the INA oil company, the president of the New Solidarity trade union and spokesman for a group for the defence of the Sisak oil refinerysaid on Monday he would continue to fight for the survival of the refinery, sueINA and press charges against some persons.Speaking at a press conference, Predrag Sekulic's union colleagues Igor Pesun and Merlino Koren said they wereconcerned because of the government's inertia and invited the state prosecution to come to INA because of the poor state of affairs in the company.A protected shop steward, Sekulic said he did not wish to be a victim but that he must say that he and the New Solidarity Union, which he said fought only for workers' rights and the survival of the refinery, had been pressured by the employer for years."I'm being systematically harassed and it's difficult to take. Although it has lasted a long time, I will persevere and stand firm against their threats and the shameful decisionby individuals in INA to fire me," he said, adding that two unionists were sacked before him."I will continue to talk about the truth and they won't shut me up. They didn't scare me with reprimands and threats that I would be fired, or when I was summoned to an interview by INA's parapolice, or when charges were brought against me, or when they asked the police to interviewme, or when I was taped without permission, or when they sent me messages through 'some important people'... or when (Board chairman) Mr Aldott invited me to a 'friendly coffee'," Sekulic said, adding that he would continue the fight legally.Reporters were shown a petition signed by600 Sisak refineryemployees addressed to the management with the demand that it withdraw the decision to sack Sekulic.While dismissal procedure lasts, Sekulic still INA employeeZAGREB, Nov 6 (Hina) - After the president of the New Solidarity Union, Predrag Sekulic, told a press conference on Monday that he had been sacked by the INA oil company and that he would bring charges against individuals in the company, INA said in a press release that Sekulic had not been sacked but that his employment contract was being terminated in line with therelevant procedure, meaningthat he wasstill an employee at INA until the procedure was completed.INA added that the procedure to dismiss Sekulic was essential in order to protect the integrity of the company and its employees and stakeholders."Considering the shop steward's protected status, Mr Sekulic was not fired but instead his employment contract has been terminated in line with the relevant legal procedure. Until that process is completed, Mr Sekulic remains an employee at INA with all rights and obligations," INA said in thepress release.He has violated several laws, internal acts and the INA Group's ethicsINA claims that Sekulic has violated several laws, internal acts and the INA Group's ethical principles and that as a result he has been cautioned and now alegal procedurehasbeen instituted."However, Mr Sekulic is behaving as though the rules do not relate to him - he has violated a series of laws, internal acts and the INA Group's ethical principles, which is why he was issued with written cautions and the above mentioned legal procedurehasbeen instituted. He has entered the business premises without authorisation and violated security and work safety regulations," INA said.He has presented false claims about the company's businessINA addsthat Sekulic has made false claims about the company's business and made public confidential information as well as questioning the credibility of INA's financial statements in "such a way that deceives the public and his colleagues."Earlier in the day Sekulic told a press conference that he had been sacked and announced that he would continue the fight for the survival of the Sisak Refinery, which is part of INA, and that he would sue INAand bring charges against individuals in the company.Public administration minister announces e-business, e-newborn projectsZAGREB, Nov6(Hina) - Public Administration Minister Lovro Kuscevic on Monday announced two new projects, e-business and e-newborn, at a conference on the protection of critical infrastructure as part ofthe digital transformation ofpublic administration and the economy.The government and the Public Administration Ministry are investing a lot in the digitisation of public administration, he said in Split, recalling the success of the e-citizens system, which has over 40 functions.A few weeks ago a new regulation on the Shared Service Centre was published in order to connect all bodies of state and public administration into a joint information system."We have new projects for next year. They are e-business for business owners, and e-newbornso that parents will no longer have to go to the HZZO (Croatian Health Insurance Fund) or the register office," Kuscevic said.Gordan Akrap of the Zagreb Institute for the Research of Hybrid Conflicts said the digital transformation of government and society was imperative in the context of the new national security strategy."The government should be enabled to communicate better with citizens and it's necessary to create conditions forcitizens to communicate better with the government so that theycan use the numerous advantages in communicating and managing their own data and activity, and to create conditions for the development of digital economy," he said.US government donates engineering equipment to Croatian armyZAGREB, Nov6(Hina) - The Croatian Armed Forces on Monday received a donation from the US government worth around USD 1.5 million, including a loader, two freight vehiclesand two water purification systems - which can be used in peace-keeping operations abroad as well as in cases of natural disasters.The donation was received by Defence Minister Damir Krsticevic, who said that this was yet another valuable donation by Croatia's ***strategic*** partner, the USA, which from the start had provided,through various ***programmes***, financial assistance and expert advice.Krsticevic said that some of the donated machines could be used by the Croatian Engineers Company serving in UN peace missions, announcing the deployment of Croatian troops to Lebanonto serve in the peace mission there along with Italian troops.Asked when Croatian soldiers could leave for Lebanon, he said that the public would be informed of it in due course and that a decision to that effect would be made by the parliament.US Ambassador Julieta Valls Noyes underlined the close partnership between the two countries, stressing that the donated engineering equipment would improve Croatia's readiness to participate in peace missions and enable mobility in different peace-keeping missions as well as in cases of natural disasters.The Defence Ministry said that in 2017 the US government had donated to Croatia, within its GPOI ***programme***, a bulldozer, a backhoe loader, four 20 kW power generators, a 120 kW generator, a field kitchen for 600 people, six self-unloading trucks and three HMMWV vehicles.Croatia remains opposed to glyphosate licence renewalZAGREB, Nov 6 (Hina) - Croatia stands by its position that it is against renewing the approval for the use of glyphosate in the European Union because there are serious indications that it is harmful to human health, ***Agriculture*** Minister Tomislav Tolusic said on Monday."Our position remains the same. The Ministry of ***Agriculture*** is against extending the use ofglyphosate. It has never been proved that it does not harm health. Quite the contrary, there are very serious indications that it is harmful to human health," Tolusic told reporters in Brussels where he was attending a meeting of EU ***agriculture*** ministers.He noted that Croatia was also a GMO-free country.The ministers were discussing, among other things, the sustainable use of pesticides and sustainable soil management.The EU Standing Committee on Plants, Animals, Food and Feed is meeting on Thursday to decide on whether to renew the approval for the use of glyphosate,a herbicide which is suspected to be cancerous.The European Commission is proposing renewal for a period of five years. Last week it failed to win the support of the member states to extend the present licence, which expires on December 15, for ten years.In June 2016, the EU extended the licence for the use ofglyphosate for 18 months pending results of a new scientific study.The European Chemicals Agency concluded in March this year that there was no evidence to linkglyphosate to cancer in humans. The European Food Safety Agency and the regulatory bodies of Japan and Canada came to similar conclusions.The World Health Organisation's International Agency for Research on Cancer declared glyphosate "a probable human carcinogen" in March 2015.Glyphosate is a chemical compound that is a main component in several broad-spectrum herbicides. It has been in use for over 40 years.Conference held on ways to improve management of public systemsZAGREB, Nov6(Hina) - A conference was held in the Croatian parliament on Monday to investigate if privatisation is the only way to improve the management of big public systems in the country such as the HEPpower provider or the healthcare system, or if there are other innovative models that could improve their management as well as ensure their sustainability.The conference, organised by the Centre for Peace Studies nongovernmental organisation and Deputy Parliament Speaker Sinisa Hajdas Doncic, presented a study on the management of HEP, and analyses on the management of the Croatian Public Health Institute and municipal services in four Croatian cities.Sandra Bencic of the Centre for Peace Studies said that access to public services such as healthcare, education and power supply was one of the key levers for not only fighting poverty but also surviving it, especially given the fact that more than one million people in Croatia liveat risk of poverty or social exclusion.Hajdas Doncic said that one should work on raising public awareness of the importance of the management of public systems because "the only thing worse than public monopoly over public resources is private monopoly over them."Vedran Horvat of the Institute for Political Ecology presented a study on the management of HEP which deals with the question of whether the privatisation of that company is the only way to improve its management or whether it is possible to have it remaina public company while improving its services.Horvat said that HEP was a very inert, big public company dependent on political changes that was not making the most of its social role,but noted that its privatisation implied big risks, such as higher electricity prices, less influence on price formation, lack of investment in infrastructure, and the loss and erosion of public functions.As an alternative, Horvat suggested that HEP should join in the European trend of shifting to renewable energy sources, that the system of its management should be democratised by making it more open tothe public and customers and the company should respond better to its customers' needs, and that social control and supervision of its management should be stepped up.Maja Bobinac, who presented an analysis on the management of the HZZO, said that privatisation was not thesolution for the health system either."From the perspective of equal access to quality medical services, privatisation in the health system is not the solution," she said, noting that Croatia allocated relatively little money for its health system and that if it allocated more, it would cause a gap in the budget."But trying to compensate for that gap with private health insurance will lead to deprivingsome social groups of medical services," she said.The conference also heard an analysis on the management of municipal services in Osijek, Zagreb, Dubrovnik and Pula, based on which 30 recommendations were given for their better management.One of the recommendations presented referred to repealing the latest amendments to the law on local and regional self-government andstrengthening the role of supervisory boards and expanding them to include consumers and civil society organisations.Croatian foreign minister meets Macedonian deputy PMZAGREB, Nov6(Hina) - Croatia's Foreign and European Affairs Minister Marija Pejcinovic Buric met in Zagreb on Monday with Macedonia's Deputy Prime Minister in charge of European affairs, Bujar Osmani, to discuss ways of strengthening cooperation between the two countries and activities aimed at facilitating Macedonia's integration with Euro-Atlantic associations, the Croatian ministry said in a statement.The two officials confirmed the traditionally good relations between Croatia and Macedonia, noting that the two countries wanted to intensify their cooperation, notably in the fields of enterprise, tourism and culture.Pejcinovic Buric strongly supported the Macedonian government's action ***plan*** "3-6-9" and underlined the need for comprehensive reforms so that Macedonia could obtain from the European Commission an unconditional recommendation that serves as thebasis for aEuropean Council decision on the launching of accession talks.Also discussed was Croatia's further assistance to Macedonia in that process, in the form of transferring its experience in the EU accession process.Croatia has been present in Macedonia as a partner in five twinning projects, the ministry said.Pejcinovic Buric also expressed Croatia's strong support toMacedonia's bid to join NATO and Osmani thanked the Croatian embassy in Macedonia for acting as a liaison between his country and NATO.EUR 6 mn mine clearance projects presentedZAGREB, Nov 6 (Hina) - The Croatian Mine Action Centre (HCR) on Monday presented two mine clearance projects, worth more than sixmillion euros, to be mostly co-financed by the EU.One project relates to mine clearance in Lika-Senj County, along the border with Bosnia and Herzegovina, and the other relates to mine clearance in Lika-Senj, Sisak-Moslavina and Zadar counties.Regional Development and EU Funds Minister Gabrijela Zalac and Interior Minister Davor Bozinovic attended the introductory presentation of the two projects, held at the Plitvice Lakes national park.The European Union will co-finance the two projects with 5.16million euro, with the remainder will come from the state budget.A total of 5.7 square kilometres of land is expected to be cleared of mines."It is important to say that as of late the European Commission and EU funds have been recognising the importance of mine clearance and to date, more than 90 million euro has been allocated for mine clearance, including pre-accession projects. The significance of border security has been recognised too andthere have beencross-border projects with Serbia, Montenegro and Hungary and now with Bosnia and Herzegovina. It isup to us to continue preparing acceptable mine removal projects for EU funding," Minister Zalac said.Mine clearance important for citizens' safety, economic development and better border surveillanceMinister Davor Bozinovic underscored the importance of mine clearance for the safety of citizens and for economic and overall development, noting that those projects were a precondition for better and more efficient surveillance of the border with Bosnia and Herzegovina."This project is of exceptional importance for Croatia's border police to successfully fulfill obligations in the application of Schengen standards as the protection of national borders means also the protection of the EU's external borders, which is a priority in circumstances of global threats," Bozinovic said.He stressed that the sovereignty and integrity of Croatia's borders was also in the EU's interest, as evidenced by the generous amount of EU financing.Asked how mine infested areas on the Bosnian side will affect Schengen standards, Bozinovic said that he could not comment on the situation with mines in other countries.26 Croatian companies to work on mine clearingHCR directorZdravko Modrusan said that 26 Croatian companies with around 200 mine removal experts would work on clearing 22 mine fields as part of the two projects presented today."A total of 418 square kilometres of land in Croatia are mine infested... and clearing them of mines will cost 450 million euro. To date, 5.1 billion kuna has been spent on de-mining, most of it coming from the state budget while over the past three years, most of the money has been coming from EU funds," Modrusan said.He underscored that the obligation taken on with the Ottawa convention to clear Croatia of mines by February 2019 will not be possible to honour."We will inspect all the possibilities and make a recommendation to the government to ask the UN to extend that deadline by more than 5 years, perhaps even 10," he said.Brammertz calls for regional cooperation in prosecuting war crimesZAGREB, Nov6(Hina) - The Chief Prosecutor of the International Criminal Tribunal for the former Yugoslavia (ICTY), Serge Brammertz, and the Bosniak member of the Presidency of Bosnia and Herzegovina, Bakir Izetbegovic, met in Sarajevo on Monday and agreed it was necessary to secure regional cooperation in prosecutingwar crimes cases, avoid politicisationand include victims' associations from all sides in this process.According to a press release issued by the Presidency of Bosnia and Herzegovina, the two officials said that after the closing of the ICTY, the main task would be shifted to the authorities and judicial institutions in the region."This additionally underscored the importance of regional cooperation regarding this matter," the press release said.The meeting also focused on cooperation between state and entity-level judicial institutions in Bosnia and Herzegovina.Brammertz,who is paying his last visit to BiH in the capacity of ICTY Chief Prosecutor,also met with U.S. diplomatDennis W. Hearne, who took over the dutyof new Principal Deputy High Representative."The ICTY has played a key role in processing war crimes and making sure that justice is served. In order to honour this legacy, we need to make sure that strong and capable judicial institutions are in place in Bosnia and Herzegovina to deal with war crimes cases independently and professionally," Hearne said.Doctors in Bosnia's Federation entity go on strikeZAGREB, Nov6(Hina) - Thousands of doctors went on general strike nearly throughout Bosnia and Herzegovina's Federation entity on Monday to protest against low pay, a poor status and the non-signing of a collective agreement with union representatives.Doctors in nine ofthe entity's ten cantons will be on strike until their demands are met."We have been forced to take such radical action. We are calling on the competent health ministries to sign a federal collective agreement for doctors and dentists, which would endthe need to strike and help avoid undesired consequences for citizens and the profession," a union said, warning that many doctors are leaving the country.Less than half of Slovenians support further dialogue with Croatia, poll showsZAGREB, Nov 6 (Hina) - Less than half of Slovenians support further dialogue with Croatia on outstanding issues between the two countries, while most of them would support further dialogue only if Croatia agreed to discuss the implementation of the border arbitration ruling, a poll published by the Ljubljana-based Delo newspaper on Monday shows.The leading Slovenian newspaper conducted the opinion poll last week on a sample of 515 adult Slovenian nationals.Forty percent of respondents advised the Slovenian prime minister to meet with his Croatian counterpart regardless of their different views on the arbitration process and the arbitration ruling, while 52 percent said they would not recommend that their prime minister, Miro Cerar, meet with Andrej Plenkovic as long as Croatia did not recognise the arbitration ruling. Eight percent of respondents were undecided.Four months after judges at the Permanent Court of Arbitration in The Hague delivered their ruling on the border dispute between the two countries, which Croatia rejected claiming it was compromised by Slovenia, Slovenian public opinion has not changed much. Thirty-nine percent said in the poll that the arbitration ruling was good for Slovenia, while as many said it was neither good nor bad.Only a quarter of those interviewed said they were pleased with the activities of the Cerar government in preparing for the implementation of the arbitration ruling, which is roughly the amount of supportthe government currently enjoys among voters. Delo said this was also a sign that the Slovenian public expected more resolute action from the government concerning the implementation of the arbitration ruling.In other news:WTM: More British tourists expected to visit Croatia next yearZAGREB, Nov 6 (Hina) - Croatia can expect 10 to 15 percent more British tourists next year, compared to 800,000 who came this year, as they will be offered more flights and off-season ***programmes***, Tourism Minister Gari Cappelli and Croatian Tourism Board (HTZ) Director Kristjan Stanicic said in London on Monday after meetings with tour operators and airlines at the World Travel Market (WTM) show.The WTM opened on Monday, bringing together over 5,500 exhibitors from more than 180 countries, including Croatia. Croatia is represented by the HTZ and 25 tourism companies and local tourism boards.Speaking to Croatian reporters at the show, Cappelli said that if Croatia maintained and improvedservice quality, it could count on an increase in tourist turnover of between three and five percent. "If we continue at such a pace, it is very likely that we will reach about 14 billion euros in tourism revenues in 2020, as set out in the strategy," he added.Commenting on the 26 percent increase in British arrivals and overnight stays this year, Cappelli said this was not accidental but the result of activities on the British market. He said that a million British tourists could be expected to visit Croatia in 2019, partly thanks to new flight services.Stanicic noted the great interest of British and other partners in doing business with Croatia. He cited the second largest British tour operator and air carrier Jet2, which he said had announced about 15 percent more tourists to Croatia next year, more flights to Split and Dubrovnik, and more tourist rotations in the season."Jet2 has announced flights from February to November in 2019, while other tour operators are booking beds even two or three years in advance, because Croatia is a new destination which Britons like and where they want to go to not just in summer and not just to the coast," Stancic said.He announced possible large increases in the number of tourist arrivals from China, the United States and Canada.Exhibition "Faustus Verantius of the Renaissance" opens in ZagrebZAGREB, Nov 6 (Hina) - An exhibition dedicated to the great Croatian inventor Faust Vrancic, entitled "Faustus Verantius of the Renaissance", was opened at the National and University Library in Zagreb on Monday.This year Croatia marks the 400th anniversary of Vrancic's death, said Marijana Boric of the Croatian Academy of Sciences and Arts (HAZU), describing Vrancic as the most important inventor and designer at the end of the 16th century and the beginning of the 17th century.Boric said the exhibition featured copies of the covers of Vrancic's most valuable works that were kept in the NSK's collection of manuscripts and old books.She said that the NSK Digital Collection included digitalised versions of Vrancic's works such as "Dictionarium quinque nobilissimarum Europae linguarum, Latinae, Italicae, Germanicae, Dalmatiae et Ungaricae", published in Venice in 1595, and "Machinae novae", published in Venice 1615/1616.Faust Vrancic was born in Sibenik in 1551 and died in Venice in 1617. He was a polymath, linguist, inventor, diplomat, engineer and bishop.At the end of the 16th century, he wrote a book with drawings of his own or other inventors' redesigned inventions and their descriptions. There were two editions of that book and they differ mainly in the covers and the number of languages used to describe the inventions - "Machinae novae Fausti Verantii Siceni", presumably published in Florence in 1595, and "Machinae novae Fausti Verantii Siceni cum declaratione Latina Italica Hispanica Gallica et Germanica", believed to have been published in 1615 or 1616.The work contains 49 etchings with 56 different inventions.Vrancic's technical solutions cover river engineering, bridges, clocks, mills, presses, grain threshing machines, horse-drawn vehicles, and work organisation. Most of these solutions were designed to make human work easier by using draught animals and the energy of water and wind.The exhibition, organised by the HAZU Foundation and the Croatian Culture Ministry and supported by UNESCO, will be open until November 25.First 10 months of 2017 see 19% more new cars sold annuallyZAGREB, Nov6(Hina) - In January-October 2017, 45,128 new passenger vehicles were sold, up 19.4% on the year, including 3,623 in October alone, up 25.4% annually, the Promocija Plus agency said on Monday.Volkswagen sold the most new passenger cars in the first ten months of this year (6,454), followed by Skoda (4,472) and Opel (4,388).Of the new cars sold, 54.4% haddiesel and 44.5% had petrol engines, while only 0.9% were hybrids.AD Plastik expects more than EUR 22mn in revenue from new contractsZAGREB, Nov6(Hina) - AD Plastik, manufacturer of plastic car components based in the southern coastal town of Solin, said on Monday that its newly signed contracts were expected to bring in more than EUR 22.2 million in revenue for it and its subsidiaries based outside Croatia.The contracts refer to car parts for vehicles made by PSA Group (Peugeot and Citroen), for the Ford Mondeo, the Renault Logan, the Sandero and the X-ray, as well as for the Ford Kuga, the VWPolo and the Skoda Rapid.Google, HGK and Algebra launch national tour as part of Digital Garage projectZAGREB, Nov 6 (Hina) - Internet giant Google, in cooperation with the Croatian Chamber of Commerce (HGK) and Algebra Community College, has launched a tour of Croatia as part of the Digital Garage project to help local companies make maximum use of digital technology.Over the next three months, professional instructors will meet with local digital entrepreneursin about 15 towns across Croatia to help small and medium businesses increase growth and access global markets.Free workshops will be organised to enablesmall and medium businesses to acquire practical knowledge and skills in using the advantages of Internet development.Tomislav Rados, the HGK vice-president for industry, IT, energy and environmental protection, said that by developing the digital economy it was possible to increase the European Union's GDP by at least four percent by 2020. He said that small and medium EU companies with a strong Internet presence and a digital business segment ***produced*** 10 percent more than others and that their exports and the number of jobs created were twice as high as those of companies not participating in the digital economy.The European Commission estimates that 825,000 jobs will remain unfilled by 2020 because people will not have a sufficient level of digital skills.THIS BULLETIN INCLUDES ITEMS RELEASED BY 0830 TUESDAY. (Hina) its Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, Nov 6 (Hina) - Economy Minister Martina Dalic said on Monday that the business activities of all of Agrokor's companies were proceeding in an orderly fashion to preserve the value for creditors, to whom Agrokor's founder Ivica Todoric owes more than 40 billion kuna (5.3 billion euros).

ZAGREB, Nov6(Hina) - The Zagreb Stock Exchange (ZSE) main indices were down on Monday, while the price of shares of most of the Agrokor companies increased, with Belje being the winner of the day -- the price of its shares skyrocketed by as much as 145.34%.

ZAGREB, Nov 6 (Hina) - Croatian Economy Minister Martina Dalic said on Monday morning that the plummeting prices of the shares of companies from the Agrokor Group on the Zagreb Stock Exchange this past Friday, at the start of their trading after a six-month suspension, reflected exactly what Ivica Todoric, the founder and owner of Agrokor, had done by pushing the group tothe brink of bankruptcy.

ZAGREB, Nov6(Hina) - Prime Minister Andrej Plenkovic on Monday held a regular meeting with representatives of parties comprising the parliamentary majority with whom he discussed the next parliamentary session, scheduled for Wednesday, which, among other things, will also focus on the issue of confidence in Demography, Family, Youth and Social Policy Minister Nada Murganic.

ZAGREB, Nov 6 (Hina) - The president of the Croatian Democratic Union's (HDZ) parliamentary group, Branko Bacic, saidon Monday that parliament could debate and take a no confidence vote in the government on Friday, underscoring that there was no reason to wait.

ZAGREB, Nov 6 (Hina) - The leaderof the Let's Change Croatia party, Ivan Lovrinovic, said on Monday that the parliamentary inquiry commission on Agrokormust not be dissolved because the public should know the truth and added that this was a complex problem andif the government was to fall, it would be because of this food and retailconglomerate.

ZAGREB, Nov 6 (Hina) - The Croatian Bank for Reconstruction and Development (HBOR) supported Croatian exports with 8.4 billion kuna (1.12billion euros) in guarantees, loans and export insurance in 2016 and the first nine months of 2017, the 16th HBOR International Conference on Export Promotion was told on Monday.

ZAGREB, Nov6(Hina) - The European Investment Bank (EIB) and the Croatian Bank for Reconstruction and Development (HBOR)on Monday signed an agreement on a EUR 250 million credit line, intended to boostthe employment of people aged under 30, the two banks said.

ZAGREB, Nov6(Hina) - Croatian Labour and Pension System Minister Marko Pavic confirmed on Monday, after talks with unions of government employees, that a basic collective agreement for government employees at the national and local levels would be signed soon and that it would be considered to be in effect as of November 1.

ZAGREB, Nov6(Hina) - Croatia's Finance Ministry on Monday issued a treasury bill in the amount of 1.5 billion euros at theinterest rate of 0.1%to refinance the due debt.

ZAGREB, Nov6(Hina) - The Restructuring and Sale Centre (CERP) is collecting letters of intent from possible investors who are interested in the acquisition of majority state-owned stakes inthree tourism companies: the Dubrovnik-based Hoteli Maestral, Hoteli Makarska and the Crikvenica-based Jadran hotel.

ZAGREB, Nov6(Hina) - A total of 2.9 billion kuna was set aside for Research and Development in Croatia last year, and 44.8% of that amount, that is HRK 1.3 billion, was invested by the corporate sector, according tofigures provided by Croatia's national statistical office (DZS).

ZAGREB, Nov6(Hina) - At the end of September 2017, deposits in commercial banks totalled HRK 274.1 billion, up 3.5% on the year and 0.7% on the month, Raiffeisenbank Austria says in an analysis published on Monday.

ZAGREB, Nov6(Hina) - After being fired at the INA oil company, the president of the New Solidarity trade union and spokesman for a group for the defence of the Sisak oil refinerysaid on Monday he would continue to fight for the survival of the refinery, sueINA and press charges against some persons.

ZAGREB, Nov 6 (Hina) - After the president of the New Solidarity Union, Predrag Sekulic, told a press conference on Monday that he had been sacked by the INA oil company and that he would bring charges against individuals in the company, INA said in a press release that Sekulic had not been sacked but that his employment contract was being terminated in line with therelevant procedure, meaningthat he wasstill an employee at INA until the procedure was completed.

ZAGREB, Nov6(Hina) - The Croatian Armed Forces on Monday received a donation from the US government worth around USD 1.5 million, including a loader, two freight vehiclesand two water purification systems - which can be used in peace-keeping operations abroad as well as in cases of natural disasters.

ZAGREB, Nov 6 (Hina) - Croatia stands by its position that it is against renewing the approval for the use of glyphosate in the European Union because there are serious indications that it is harmful to human health, ***Agriculture*** Minister Tomislav Tolusic said on Monday.

ZAGREB, Nov6(Hina) - A conference was held in the Croatian parliament on Monday to investigate if privatisation is the only way to improve the management of big public systems in the country such as the HEPpower provider or the healthcare system, or if there are other innovative models that could improve their management as well as ensure their sustainability.

ZAGREB, Nov6(Hina) - Croatia's Foreign and European Affairs Minister Marija Pejcinovic Buric met in Zagreb on Monday with Macedonia's Deputy Prime Minister in charge of European affairs, Bujar Osmani, to discuss ways of strengthening cooperation between the two countries and activities aimed at facilitating Macedonia's integration with Euro-Atlantic associations, the Croatian ministry said in a statement.

ZAGREB, Nov 6 (Hina) - The Croatian Mine Action Centre (HCR) on Monday presented two mine clearance projects, worth more than sixmillion euros, to be mostly co-financed by the EU.

ZAGREB, Nov6(Hina) - The Chief Prosecutor of the International Criminal Tribunal for the former Yugoslavia (ICTY), Serge Brammertz, and the Bosniak member of the Presidency of Bosnia and Herzegovina, Bakir Izetbegovic, met in Sarajevo on Monday and agreed it was necessary to secure regional cooperation in prosecutingwar crimes cases, avoid politicisationand include victims' associations from all sides in this process.

ZAGREB, Nov6(Hina) - Thousands of doctors went on general strike nearly throughout Bosnia and Herzegovina's Federation entity on Monday to protest against low pay, a poor status and the non-signing of a collective agreement with union representatives.

ZAGREB, Nov 6 (Hina) - Less than half of Slovenians support further dialogue with Croatia on outstanding issues between the two countries, while most of them would support further dialogue only if Croatia agreed to discuss the implementation of the border arbitration ruling, a poll published by the Ljubljana-based Delo newspaper on Monday shows.

ZAGREB, Nov 6 (Hina) - Croatia can expect 10 to 15 percent more British tourists next year, compared to 800,000 who came this year, as they will be offered more flights and off-season ***programmes***, Tourism Minister Gari Cappelli and Croatian Tourism Board (HTZ) Director Kristjan Stanicic said in London on Monday after meetings with tour operators and airlines at the World Travel Market (WTM) show.

ZAGREB, Nov6(Hina) - In January-October 2017, 45,128 new passenger vehicles were sold, up 19.4% on the year, including 3,623 in October alone, up 25.4% annually, the Promocija Plus agency said on Monday.

ZAGREB, Nov6(Hina) - AD Plastik, manufacturer of plastic car components based in the southern coastal town of Solin, said on Monday that its newly signed contracts were expected to bring in more than EUR 22.2 million in revenue for it and its subsidiaries based outside Croatia.

ZAGREB, Nov 6 (Hina) - Internet giant Google, in cooperation with the Croatian Chamber of Commerce (HGK) and Algebra Community College, has launched a tour of Croatia as part of the Digital Garage project to help local companies make maximum use of digital technology.

THIS BULLETIN INCLUDES ITEMS RELEASED BY 0830 TUESDAY.

**Load-Date:** November 9, 2017

**End of Document**



[***Field Site Spotlight: Fayetteville, Arkansas***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RP3-6201-F0YC-N2F0-00000-00&context=1516831)

Impact News Service

February 6, 2018 Tuesday

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**Body**

Washington DC : Congressional Hunger Center has issued the following press release:

Fayetteville, Arkansas, is the home of the University Arkansas School of Law; for the past six months, it’s also been the home of Emerson National Hunger Fellows Corey Malone-Smolla and Sarah Goldman, the first two Hunger Fellows to serve in the Razorback State. Their work at their field site placement with the Indigenous Food and ***Agriculture*** Initiative, while based in Fayetteville, has taken them out of the state to collaborate with communities across Indian Country[1]. Read on to hear how Corey and Sarah have adjusted to their new home, as well as what work they’re doing to improve food security for Native populations across the country. Corey Malone-Smolla Like most people who grow up in a small southern town, you often dream of going nowhere but everywhere. The place I grew up in Virginia was the kind of place where the doctor who delivered you was also your rec basketball coach and the parent of your first grade crush. Social events took place in the parking lots of churches and everyone was someone’s cousin.

I decided to go north for college, and after a while, a funny thing happened. The small town culture I often mocked, I now craved. As someone who rejected country music growing up, I found myself needing the twang from time to time. I even bought my first pair of cowboy boots. So it makes sense that after my brief separation from the South, that land called me back home. Sort of. For my field site placement, I work at the Indigenous Food and ***Agriculture*** Initiative at Arkansas School of Law in Fayetteville, AR. The Initiative’s mission is to bolster health and wellness in Indian Country through ***strategic*** ***planning***, technical assistance, and youth development. By empowering Native ***producers***, ranchers, farmers, and businesses, the Initiative supports diversified economic development and honors traditional knowledge and culture. Along with a team of lawyers at the Initiative, I work on the Model Food and ***Agriculture*** Code Project, authoring a section on approaches to anti-hunger work through legislation. The project provides model codes and law on issues relating to food and ***agriculture*** for tribal governments to review, adopt, and implement. These codes will support and facilitate ***agricultural*** and economic development and improve health outcomes in Indian Country. In my section, I provide examples of how a tribe may structure and implement laws intended to increase food security in their nation, including model bills tribal governments can adapt for their own nations. Our field placement is unique, because the communities we serve are spread out across the country, in some cases far from the community where we live. For example, there are no federally recognized tribes in Arkansas or Native reservations, but some Tribes’ ancestral lands span across Arkansas. Additionally, Native Americans spread far and wide throughout this continent, making Arkansas central to many of these peoples. The staff and attorneys that work at the Initiative travel often to all corners of this land and Sarah and I have been fortunate enough to travel to Wisconsin and Nevada to convene with Native ***producers***, entrepreneurs, and leaders. On the Oneida reservation in Green Bay, we visited the Community Integrated Food Systems where we learned from expert Native ***producers*** how they practice food sovereignty through innovations in their orchards, cannery, and bison farm. I tasted blue corn mush and fell in love, picked fresh apples, and waved to bison reclining in the hot autumn sun. In Milwaukee, Native youth educated us on how the Farm Bill affects their tribe and Native activists and leaders shared perspectives on policy issues ranging from education to health systems. My supervisor often reminds me that resilience and potential present themselves as important themes in all of these conferences on Native Food Systems. While historical trauma of racialized displacement policies create numerous obstacles in Indian Country, ranging from high rates of food insecurity, obesity, and diabetes, the focus of this work is to highlight the successes and achievements already taking place and to fortify the voices of resilience and power to continue the work for generations. This dance between a traumatic past and a hopeful future resembles what it’s like to live back in Arkansas. Much like the conversations taking place in Indian Country, the south blends a complicated history of racial violence with the fire of resilient people who value joy and companionship. This state has welcomed Sarah and me with so much warmth. Strangers have invited us to their country homes, filling our bellies with homemade cornbread and our souls with camaraderie. Yet, among this collegial warmth, specks of hate in the form of bumper stickers and flags remind us that there’s still work to be done. I now know that growing up, I struggled with the same parts of the South that many people do: its history of slavery and a legacy of systemic oppression. Yet, someone once told me that when you paint the South in a simplistic light, as backwards or wrong, you ignore the history of so many people who fought for rights and progress. I now know that when I left the South, I missed that spirit so often erased: the nurturing soul and culture of joy, a dedication to create intentional spaces of community and togetherness; The idea of sitting on porches in late august surrounded by sweating glasses of lemonade and the din of guitar chords. However, it is also worth noting that the South is not monolithic, so while I can relate to many parts of Arkansas culture, there’s still so much that is unique and new. For the most part, life in Arkansas moves with a classic southern pace, slow like a drawl, but with intentionality and meaning. There’s always work to be done, tough conversations to be had over steaming bowls of chili, and the reminder that a past informs the future, but does not define it. Corey Malone-Smolla is an Emerson National Hunger Fellow working with IFAI through February 2018. Corey can be reached at cmalonesmolla [at] hungercenter [dot] com. Corey Malone-Smolla and Sarah Goldman at the Oneida Apple Orchard near Green Bay, Wisconsin. Sarah Goldman I am a young girl raised in Connecticut on challah French Toast. I am full of conviction but unusually quiet, hands perpetually digging in the dirt. I am proudly child number two of four (a five-year window from top to bottom), raised in a home with a sign on the door that reads “Welcome to the Zoo.” I am a traveler—I came of age playing El Burro on my saxophone in Nicaragua, my host Mom smiling and repeating “felicidades, Sarita.” I am an activist, a community organizer, a farmer, and a friend. And at 23 years old, I find myself sitting on the steps of the Wellstone House of Activism and Organizing in Northfield, MN, hands a little bit shaky, repeating to myself: “Fayetteville, Arkansas. Now that’s a place I haven’t heard of before.” But it is a place that I now call home. My placement is with the Indigenous Food and ***Agriculture*** Initiative (IFAI), an Initiative based in the University of Arkansas School of Law. I work closely with the Policy Director, analyzing how proposed changes in the Farm Bill will impact Indian Country ***producers***, food assistance providers, and food assistance beneficiaries. My research centers on the topics of ***agricultural*** production in Indian Country, federal monetary support to Native ***producers***, and participation levels in the Supplemental Nutrition Assistance ***Program*** and the Food Distribution ***Program*** on Indian Reservations ***programs*** for the 567 federally-recognized Tribal Nations. The end product of my research will be eleven one-page infographic fact sheets covering the importance of the Farm Bill ***programs***, ***agricultural*** production, and U.S Department of ***Agriculture*** (USDA) support provided to Native ***Producers*** throughout the country, to be shared with Tribal leaders and Tribal organizations. While Native ***Producers*** have received increased support over the years through the founding of the Office of Tribal Relations (located in the Office of the Secretary at USDA), and through legal challenges such as the Keepseagle settlements, so much work remains to be done. Through my research, I have found that Native American ***producers*** in every region of the country received less monetary support than the average of all farms in these areas. Almost every day at work I am reminded that Native American communities have a unique history and legal standing in the federal policy realm. As sovereign governments, federally-recognized Tribes have the right to engage with the Federal Government through a government-to-government relationship. As my supervisor explained to me, IFAI empowers Tribal Governments, farmers, ranchers, and food businesses by providing them the legal framework, analysis, research, and training they need to grow their operations, and by improving access to other resources, support, and education. As a visitor to Fayetteville, I too occupy a unique space—as neither a student nor staff member at the University, as a temporary resident, and as a northerner in a southern town; and I worried before I arrived that I would feel like an outsider. I had never been to Arkansas before I started my field placement, but as a northerner, I was familiar with the negative stereotypes of the South. The experience of meeting so many talented and passionate individuals at IFAI has made me reflect on the well-known speech by Chimamanda Ngozi Adichie titled “The danger of a single story,” which we watched during field training for the Emerson ***Program***. Adichie’s powerful message has become all the more powerful during my time in Fayetteville. Adichie argues that when we define individuals by a single narrative, we strip individuals of their humanity, emphasizing “how we are different rather than how we are similar.” The stigmatizing single narrative of Arkansans to which too many in the North subscribe would have prevented me from seeing our similarities: our commitment to ending hunger in the community we serve. Southern hospitality and charm has felt like an open embrace, and a place of many firsts for me, a place of shared humanity. I attended my first college football game in Fayetteville, learned how to call the hogs with a whooping “Woo-pig-sooie.” I’ve spent my Saturday morning strumming Bluegrass banjo tunes and delighting in a post-performance high with a group of elementary school students after performing Jingle Bells at the studio’s Christmas Recital. I’ve delighted in a full belly with friends after indulging in fried foods in a variety of different forms, from pickles to pie. As Adichie states, “when we reject the single story, when we realize that there is never a single story about any place, we regain a kind of paradise.” I’m starting to find my little slice of paradise in the most uncommon of all places for a northern gal: Fayetteville, Arkansas.

**Load-Date:** February 19, 2018

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[***Tourism a pillar of diversifying the Trinidad and Tobago economy***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-7343-00000-00&context=1516831)

Oxford Business Group: Articles

July 2017

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**Body**

Traditionally a sector of secondary importance in Trinidad and Tobago (T&T), tourism is emerging as a development priority following a sharp decline in oil and gas revenues, historically the backbone of the economy. Since taking office in September 2015, prime minister Keith Rowley has designated tourism a key pillar of the national diversification strategy aimed at reducing T&T's reliance on hydrocarbons.

To stimulate growth, the country is looking to strategically reposition its tourism sector, with an emphasis on T&T's greatest strengths, which include its diverse and unique offer. While the sector continues to face several immediate challenges, including stagnant international arrivals and limited capital funding, increased political emphasis and greater mobilisation in the private sector are expected to lay the foundations for sustained growth.

**Modest Contribution**

Unlike in a number of tourism-dependent economies in the Caribbean, the sector has not traditionally been T&T's main economic focus. As the leading ***producer*** of oil and gas in the Caribbean, and an important exporter to the Caribbean Community, T&T's economic focus has historically been on hydrocarbons extraction and its developed manufacturing base.

Tourism contributed a modest 2.9% to the country's GDP in 2016, directly generating TT$5.4bn ($806.4m), according to the World Travel & Tourism Council (WTTC). Its total contribution is forecast to reach 8.1% of GDP, or TT$15.1bn ($2.3bn), in 2017.

The sector is nonetheless a significant source of jobs, directly employing 28,500 individuals, or 4.4% of the country's workforce. Tourism also plays a proportionately larger role in Tobago's economy, where it accounts for 11% of GDP, according to the Tobago House of Assembly (THA).

**Emerging Priority**

In a recessionary context - in 2016 GDP contracted for a third consecutive year, by an estimated 2.3%, according to the Central Statistical Office (CSO) - tourism is emerging as a natural focus in the diversification thrust. With significant untapped potential, the sector can contribute to the country's economic recovery, generating foreign currency and curbing job losses.

During the presentation of the 2017 budget, T&T's minister of finance Colm Imbert said, "while we have had many tourism master ***plans*** over the years, it is clear that with abundant oil and gas revenues, we paid insufficient attention to the development of [tourism]. We intend to correct this oversight. Tourism is a sector in which we have a significant comparative advantage and, notwithstanding the looming presence of Cuba over Caribbean tourism, we need to intensify our efforts that make tourism an important driver of diversification."

**Diversified Product**

The sector's greatest strength is the country's rich and diverse product mix. Tobago embodies the quintessential Caribbean sun, sea and sand destination, complete with beautiful beaches and tropical forests. The 300-sq-km island is also home to a number of attractions, including Tobago Main Ridge Forest Reserve, a candidate for UNESCO World Heritage status, and Pigeon Point Beach, ranked among the world's best beaches by multiple media outlets.

By contrast, Trinidad has ensured a steady flow of business and convention visitors, though the island's rich offer extends far beyond its business potential. Known as the cultural capital of the Caribbean, Trinidad is home to the largest Carnival celebration in the region, and its diverse yet harmonious blend of cultures, eclectic cuisine and rich biodiversity leave it ideally positioned to develop its events, cultural, sports and ecotourism segments.

The islands' attributes were recognised at the Caribbean World Travel & Living Awards 2016, with T&T taking first place in the categories of best honeymoon, golf and carnival islands of the year.

**Performance**

Perhaps as a result of its historical neglect, the performance of T&T's tourism sector over the past decade has been mixed, with a degree of fluctuation in international arrivals. According to the Tourism Development Company (TDC), the executive arm of the tourism ministry, they peaked at 461,051 in 2006, but fell to a low of 387,559 in 2010 in the aftermath of the 2008-09 financial crisis.

A recovery began in 2011 and 2012, with arrivals rising by 11.2% and 5.5%, respectively, but this momentum was lost in 2013 and 2014, with declines of 4.5% and 5%. The sector rebounded again in 2015 with a 6.6% increase to 439,749 overseas visitors, only to be followed by a 7% decline in 2016, when the figure fell to 408,782.

"While a portion of this decline was attributed to fewer Venezuelans visiting in 2016 as a result of the instability in the South American country, the remainder is associated with a decrease in airlift, a lack of proper packaging of T&T as a destination and recurrent concern about the safety of travellers," Akilah Procope, market analyst and economist at the TDC, told OBG. Adequate airlift, effective destination marketing and traveller safety concerns remain the most important challenges facing the sector, and are largely responsible for the historical fluctuation that has characterised international arrivals.

**Structural Adjustments**

In March 2017 Shamfa Cudjoe, the minister of tourism, announced that the TDC would be replaced by two separate agencies with respective mandates to promote the island of Trinidad and the island of Tobago individually. In addition, Cudjoe revealed ***plans*** for creating a regulatory and licensing body for the tourism industry to establish and enforce nationwide standards.

"Right now the standards ***programme*** in T&T is voluntary, and if we ought to compete with the rest of the region, we have to ensure that we meet the necessary standards and we could compete neck-to-neck and become more attractive like the rest of our competitors in the region. I think the regulatory authority would go a long way," Cudjoe told local media. In April 2017 the Ministry of Tourism requested proposals from consultancies for the new regulatory authority. However, a specific time-line for the dissolution of the TDC, creation of its replacement agencies and operationalisation of the regulatory body has yet to be announced.

Following the announcement, president of the Trinidad Hotels, Restaurants and Tourism Association (THRTA), Hassel Thom, told OBG that, following consultation with its members and other private sector tourism associations, there was "unanimous disagreement with the decision" due to the lack of consultation with the private sector.

**By The Numbers**

Trinidad is the entry point for roughly 95% of international arrivals to the country, receiving 389,404 visitors in 2016, while Tobago welcomed the other 19,378.

Carnival remained the country's top attraction in 2017, with the month of February registering 37,448 visitors, up from 35,959 in 2016. Highlighting the economic boost that the festival brings to the country, Carnival visitors in T&T spend an average of $1415 per person during their stay, according to the CSO. The 2016 event generated an estimated $340.5m in visitor expenditure, which has an even greater economic impact given its indirect effects.

With considerably distinct visitor profiles, the twin islands experience different flows and peak arrival times. In 2015, 43.2% of Trinidad's visitors were visiting friends and relatives, with business and leisure accounting for an additional 22% and 19% of arrivals, respectively.

Therefore, the larger sister isle experiences peak arrival periods during Carnival, Christmas and the summer months. By contrast, Tobago's peak arrival times coincide with the European and North American winter. Leisure accounted for nearly 70% of arrivals to Tobago in 2015, followed by visiting friends and family (13.1%), incentive trips (5.7%), business, convention, work or study (4.6%), and sports and ecotourism (2.6%).

The US remains the largest source market for incoming tourists, accounting for 42.6% of arrivals in 2016, followed by the Caribbean (19.3%), Canada (12.2%), the UK (8%), Venezuela (4.8%), and South and Central America (2.6%). The TDC estimates the average length of stay at 14 days, with average daily expenditure of TT$580 ($87) per person.

The decline in international arrivals contrasted sharply with steady growth in the regional market. After expanding by 7% in 2015, international arrivals to the Caribbean rose by an estimated 4-5% in 2016, reaching nearly 30m, according to the Caribbean Tourism Organisation. T&T's share of Caribbean tourism is modest, making up about 7% of air arrivals to the region in 2014, the latest data available.

**Up & Coming**

A rapidly growing cruise segment is nonetheless helping to offset the decline in international arrivals. Cruise ship arrivals in the 2015/16 season rose by 115% on the previous one, with the country receiving a total of 100,791 passengers - surpassing the 100,000 arrival mark for the first time since 2009/10. Tobago remained the most popular cruise destination of the two islands, receiving 70,298 cruise passengers from 60 ship calls. Trinidad welcomed the remaining 30,493 passengers, recording 25 ship calls (see analysis).

An increasingly dynamic domestic tourism market is also helping to sustain growth in the industry. According to a study by the TDC, a total of 278,846 overnight trips were taken in 2015 - a 6% increase from 2013 - with an average stay of 5.25 nights. The industry generated an estimated TT$862m ($129m) in 2015, with 558,574 domestic tourists spending on average TT$294 ($44) per day. Tobago benefits disproportionately from domestic tourism. The smaller sister isle accounted for more than TT$500m ($74m) of domestic tourism expenditure, with an estimated 382,761 Trinidadians visiting Tobago in 2015, a 10% increase from 2013 (see analysis).

**Private Push**

The disappointing number of international arrivals in 2016, following growth of 6.6% the previous year, saw a stagnant hotel and tourism industry band together to increase pressure on the government to strengthen efforts to stimulate growth, particularly in relation to the government's role in destination marketing. Brian Frontin, CEO of THRTA, described 2016 as a watershed moment for the private sector. "It is the first time that there has been this increased collaboration among multi-associations in T&T to set a leadership agenda within the private sector on the state and future of the tourism sector, with or without government support."

In addition, the private sector is pushing for a reversal of the recent downward trend in public tourism expenditure. According to the THRTA, allocations to the function of destination marketing and promotion declined by 69% since 2013, from TT$61.6m ($9.2m) to an estimated total of around TT$19m ($2.8m) in FY 2017.

Meanwhile, capital investment in the sector decreased by 49% from TT$21.8m ($3.3m) in 2013 to an estimated TT$11m (1.6m) earmarked for 2017. Total allocations to the Ministry of Tourism (MoT) saw a 58% reduction in the same period, from $191.5m to an estimated $80.8m.

"The decrease is concerning because we need to ensure the destination has visibility, particularly in key source markets," Frontin told OBG. "With international arrivals having remained stagnant at an annual average rate of roughly 425,000 visitors for the past decade, it is clear that if we do not keep the destination visible, it is easy to erode all the gains made the previous year, as we saw in 2016."

**Hotels**

Strengthening marketing efforts is now seen as critical to stimulating growth in the hotel industry. Hotel occupancy rates in T&T have remained stagnant or declined in recent years, as the country continues to lag its regional peers. According to local media reports, Tobago's hotel room occupancy rates hovered around 35-40% in 2015, with a daily average rate of TT$1086 ($162) for hotels and TT$344 ($51) for guesthouses.

Trinidad's hotel room occupancy average declined from 67.5% in 2015 to 61% in the first eight months of 2016, according to STR Global data, with an average daily rate of $161, below the Caribbean region's averages of 67% and $200, respectively. As of April 2016 the country's room stock stood at 7768, with Tobago accounting for 51.2% of that total.

Hotels and accommodation properties in Trinidad with six or more rooms are subject to a 10% tax on revenues, in addition to traditional taxes. According to the THRTA's calculations, this contribution alone has amounted to some $9m in annual collections since 2014. Juxtaposing this to the government's marketing budget shows a falling reinvestment rate of 80% in 2015, 50% in 2016 and 31% in 2017. "The private sector, led by the THRTA and its Tobago counterpart, is now calling for better accountability on the government's usage of our tax dollars and a seat at the table for the ***strategic***, national development of the tourism industry," Frontin said.

**Twin-Island Approach**

The government is working to stimulate growth across the country, using a two-pronged approach designed to capitalise on each island's strengths.

Tobago is at the forefront of these efforts following the February 2017 approval of a new tourism authority charged with revitalising the island's tourism industry. These fresh developments were preceded by the creation of a special committee in May 2016, led by Rowley, to spearhead growth in the smaller island's tourism sector. The committee members include Shamfa Cudjoe, the minister of tourism, the minister of finance, the minister of state in the Office of the Prime Minister, Ayanna Webster-Roy, as well as representatives from the THA.

Soon after the committee was launched, news of a proposed Sandals International resort for Tobago made headlines regionally, becoming a major talking point in the sector in 2016. In addition to sending a clear signal to investors about Tobago's untapped potential, the arrival of the international hotel chain, which already has a presence in Jamaica, the Bahamas, St Lucia, Grenada, Antigua and Barbados, is a potential game-changer for T&T's tourism sector.

The project, the first of its kind in the country, has the potential to be a catalyst for tourism development, and could represent a significant step towards ensuring year-round sustainable tourism in Tobago.

Though official announcements have yet to be made, the project is thought to comprise two hotels: a 250-room Sandals hotel, and a 500-room Sandals Beach Resort, with construction expected to take two-and-a-half years. Although the value of the investment remains unknown, similar projects elsewhere in the Caribbean involved capital expenditure of between $80m and $100m.

**Wide Impact**

The project will have a wide-reaching impact on the local economy. In addition to increasing the island's hotel capacity by around 75%, it is expected to directly create an estimated 2000 jobs, and result in the purchase of more than TT$100m ($14.9m) worth of local goods and services per year.

According to Colm Imbert, the minister of finance, initial projections put the project's combined yearly contribution to the national economy at TT$500m ($75m). "We feel certain that a Sandals Resort will attract other tourism investment in Tobago, will precipitate the upskilling of the workforce, boost ***agricultural*** production, and deliver better and more effective marketing of Tobago, as well as Trinidad, as preferred tourism destinations," he said.

While T&T's government seems keen to welcome the investment, a number of details remain unknown, including the site of the resort. Sandals' preferred location - a strip of pristine white-sand beach known as No Man's Land in south-west Tobago - was met with opposition by environmental groups, which expressed concern over the impact of large-scale tourism development in the area. Accessible only by boat, No Man's Land forms part of the Bon Accord Lagoon at Golden Grove, Buccoo Estate. The lagoon is fringed by mangrove wetlands and is an important habitat for many species of bird.

Local hoteliers have pointed out difficulty in sourcing the necessary human resources to supply the project. They will also be monitoring the tax structure and any government incentives offered to the hotel chain. At present, the country's incentive structure offers a seven-year revenue tax exemption to hotels and other tourism projects.

As the deal remains in the working stages, Reuters reported in May 2017 that the Stewart family, who established the company in 1981, is "exploring ***strategic*** alternatives" for the business. While the impact of any such decision is unclear, selling its majority stake is one option. The Tobago project may be held up during this internal ***planning***.

**Niche Destination**

In Trinidad the MoT is working on a new Tourism Road Map to guide development of the sector up to 2020. Draft documents were presented to stakeholders in June and September 2016, with a final version expected in 2017. The focus of the document remains on the development of niche markets, in particular the meetings, incentives, conferences and exhibitions (MICE) segment, as well as ecotourism. To this end, the government is combining a targeted marketing strategy, infrastructure upgrades, increased training and industry certification strategies to improve services.

**MICE**

Trinidad is especially well positioned to develop as a flourishing MICE destination in the Caribbean. Given its substantial oil and gas sector, the island already attracts a stream of business visitors every year. The country regularly hosts the three-day Caribbean Energy Conference, which attracts more than 2500 visitors annually.

With the MICE segment accounting for 15.4% of international arrivals to Trinidad and 2% of those to Tobago in 2015, there is substantial room for further growth, as well as sufficient capacity to support industry expansion in the near term. Trinidad already has several international hotels, including the Marriott, the Hilton, the Hyatt Regency, the Radisson and Holiday Inn Express.

The waterfront Hyatt Regency Trinidad in Port of Spain is a key venue for the MICE industry. Located a 40-minute drive from Piarco International Airport (PIA), it offers 43,000 sq feet of flexible meeting space, including a 16,000-sq-foot ballroom, seven 3000-sq-foot banquet rooms and four meeting rooms ranging from 1000 to 1500 sq feet.

**Ecotourism**

With varied landscapes - including tropical forests and large fresh and salt-water swamps - and a rich array of flora and fauna, Trinidad's ecotourism offer is also robust. Highlights include Caroni Swamp on the west coast, Pitch Lake in the south-west and the world-renowned Asa Wright Nature Centre, a non-profit nature resort covering 607 ha of forested land in the Arima and Aripo Valleys. Meanwhile, Trinidad's north-eastern coast is home to an estimated 80% of all endangered leatherback turtle nesting in the region, making the island an important turtle-watching destination between March and August.

The most recent push to develop ecotourism in the island began in 2015 with the launch of the Sustainable Ecotourism Trail Development Project, an initiative aimed at rehabilitating a total of 1000 km of nature trails within five years. Implementation of the project began on Trinidad's northern coast and will result in the opening of a series of hiking and biking trails through lush forest and along coastlines.

Recognising the segment's potential, the MoT is currently in the process of drafting an ecotourism policy to guide development in the coming years. A draft version of the document was released to the public for comment in 2016, while a final version is scheduled for release in 2017.

**Sports**

Sports tourism has also been identified as a potentially lucrative niche market in which Trinidad has an advantage. In addition to already regularly hosting an array of sporting activities, including golf, yachting, boating, cricket, horse racing, powerboat racing, tennis, cycling and football, the island features a robust network of sports infrastructure with significant capacity. This was reinforced in 2016 with the launch of three new sporting complexes: the National Cycling Centre velodrome, the National Aquatic Centre and the National Tennis Centre.

Though the segment is still in the early stages of development at present, there are signs that activity could increase in the coming years. In October 2016 the T&T Hospitality and Tourism Institute launched the country's first sports tourism master's ***programme***, which is expected to significantly increase skills training in the segment. Moreover, the MoT, in conjunction with the Ministry of Sport and Youth Affairs, and the Sports Company of T&T, is in the last phases of drafting its sports tourism policy.

**Infrastructure Pipeline**

***Planned*** infrastructure upgrades will be key to ensure the sector's sustainable growth in the coming years. According to Imbert, T&T's tourism project pipeline includes ***plans*** for the construction of another large hotel in Trinidad, along with upgrades to existing tourism sites and attractions, with a particular focus on beach facilities at Maracas, Las Cuevas, Manzanilla and Vessigny, as well as the La Brea Pitch Lake Visitor Centre. Upgrades to the quayside on Port of Spain's waterfront are also part of the ***plans***.

In Tobago, expanding and upgrading airport facilities ahead of the arrival of the proposed Sandals resort has become a necessity to ensure adequate airlift to the island. Tobago's ANR Robinson International Airport (ANRRIA), located on the south-west tip of the island, handles international arrivals, as well as the domestic air bridge service from Trinidad's PIA operated by domestic carrier Caribbean Airlines. While international arrivals to Tobago declined from approximately 88,000 in 2005 to 19,378 in 2016, partly as a result of inadequate infrastructure, traffic on the domestic air bridge continues to rise rapidly, placing pressure on the existing infrastructure. According to the Airports Authority of T&T, domestic arrivals increased from 316,917 in 2009 to 482,957 in 2015.

ANRRIA has undergone a TT$44m ($6.57m) refurbishment in recent years, which included modifications to the check-in area, international arrival and departure halls, and the addition of a VIP lounge. However, according to Imbert, given the airport's limited capacity, work is set to begin on a new international terminal in 2017, in preparation for the anticipated rise in international arrivals.

**Connectivity**

Adequate airlift remains a determining factor in international arrivals. This was highlighted in 2015, when US arrivals increased by 12.7% after JetBlue introduced new direct flights from New York and Fort Lauderdale to PIA.

In 2016 the decline in international arrivals coincided with the loss of two routes, one from Europe and one South America. In early 2016 Caribbean Airlines suspended its flights from PIA to London's Gatwick Airport after pulling its Boeing 767 fleet, while Brazil-based Gol Airlines suspended its service from São Paulo to Tobago in August 2016, only eight months after it had been launched.

The introduction of three new flights at the end of 2016 should have a positive impact on international arrivals in 2017. In November 2016 Tobago welcomed a new Condor flight from Munich, which ran once a week up to April 22, 2017, while a new Thomas Cook Airlines flight from Manchester, in the UK, remained in service until April 30. T&T is also set to benefit from a new year-round direct flight from Canada, the country's second-largest single source market. Air Canada Rouge began flying to PIA on December 20, 2016 with its 282-seat Boeing 767-300ER aircraft, offering a twice-weekly service.

**Outlook**

As efforts to restore macroeconomic stability and diversify T&T's economy gather pace, the political emphasis on tourism is likely to continue, along with increasing private sector pressure to boost marketing. The mixed performance of recent years could continue in the near term. Hassel Thom, president of the THRTA, told local media that 2017 was expected to be "another challenging year because of inadequate marketing in 2016."

However, the sector is expected to undergo significant change in the medium term, with private stakeholders leading the way. Examples include Uber launching in Trinidad in January 2017, the presence of homestay network Airbnb and Sandals' proposed site in Tobago. Long term, a move towards an open skies agreement, coupled with incentives for firms to move into the regional travel niche, presents a vital opportunity to unleash immense potential.

**Load-Date:** March 12, 2020

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[***A look at how PE firms are trying to boost senior women***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RDT-SY61-JCM7-G351-00000-00&context=1516831)

FT.com

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**Length:** 1631 words

**Body**

Two things to start: The $2.8bn sale of Nestlé’s US confectionery business to Italy’s Ferrero should be announced this morning, sources tell DD. Elsewhere, a deal between Martin Franklin-backed Nomad Foods and Goodfella's Pizza, which we revealed just before the holiday break,  [*could be inked*](http://c/) as soon as this week.

Back to our regularly scheduled ***programming***:

How do you make a traditionally male-dominated industry more appealing to women? For private equity, the answer appears to be flying nannies. Buyout firms are resorting to such services as they look to boost the number of female workers in a sector with some of the lowest proportions of women at senior positions.

Firms are covering the cost for women who choose to freeze their eggs and extending parental leave policies as they fight perceptions of being places riddled with aggressive male behaviour and poor work-life balance.

Things may be changing, DD’s Javier Espinoza reports…albeit slowly. Other parts of finance have been more thoughtful. Banks, which still have a long way to go, have been quicker to implement family-friendly policies.

It is also worth noting that the policies come at a time when the wider financial sector is under intense pressure from investors to recruit more women (so it's not just the good intentions of PE bosses).

In Europe, **Apax Partners** has recently started offering to pay for au pairs to fly with women who are back from maternity leave. It has also extended paternity leave and introduced payments for emergency child care.

In the US, **KKR**, a leading buyout fund, covers the cost for women looking to freeze their eggs and it pays for breast milk shipping during business trips.

It's no surprise that PE groups are increasingly looking to be more flexible to help attract and retain female talent. A dismally low nine per cent of senior management are women, according to  data from Preqin. Though this is changing at some shops. At **Carlyle**, 18 per cent of the US company’s top ranks are made up of women.

Behind closed doors top executives lament their lack of initiative in recruiting women into the industry. “Our investment team at a very senior level is in line with the industry,” said a boss at a large European fund. “We are bad.”

Finally, here’s a profile of one of the few women who has managed to make it to the top of the PE world by the FT’s Harriet Agnew, who  interviews  **Virginie Morgon**, who will become CEO of French buyout group **Eurazeo**.

**Intelligent curation and exclusive information: This is Due Diligence, the FT’s daily briefing on corporate finance, private equity and M&A. DD is delivered to your inbox Tuesday-Friday at 5am UK time. Meet the team, catch up on previous editions and sign up** [***here***](http://click.newsletters.ft.com/f/a/BEdvsp8TCdRlT–7iAPmJg~~/AAAAAQA~/RgRcC0_kP4TSAmh0dHA6Ly9jbGljay5uZXdzbGV0dGVycy5mdC5jb20vZi9hL0NQTUVkbU1oZzVrNW1kV0ZmbnBFSWd--VwhmaW50aW1lc1gEAAAAAEIKAAMkyyha-~~?emailId=5a5c85dd8e718500048b88a8)**. Get in touch with us:**

Bringing back the Asian mega IPO

Asia is gearing up for some of the largest IPOs the region has seen in a long time.

On Monday, Japan’s **Softbank** said it was in discussions on the possible listing of its domestic telecoms unit in a Tokyo offering that could seek to raise up to $18bn. Read the FT’s story on that  here.

At the same time, Beijing-based **Xiaomi** is laying the groundwork for its ***planned*** float in the second half of the year. That story is  here. While it’s unclear how large the deal will be, optimists are pumping a valuation of $100bn for the Chinese smartphone maker.

The blockbuster listings, both of which are expected to happen in Asia, are reminiscent of a bygone era when Chinese and Japanese groups often led the world with the biggest deals of the year.

In 1998, Japan's **NTT** spun off its **DoCoMo** telco unit for a record-setting $18bn in Tokyo, the first of a number of breakthrough equity deals in the east. **Industrial and Commercial bank of China**, with its nearly $22bn float in Shanghai and Hong Kong, became the world’s largest IPO in 2006, followed by ***Agricultural* Bank of China** with its $22.1bn float in 2010. It was a time of mega state-backed dealmaking.

E-commerce giant **Alibaba** stole the show with a $25bn IPO in 2014, but that New York deal pulled the attention away from Asia, where it has remained for any sizable floats for the past few years. Asia’s equity markets have in the meantime been somewhat humdrum.

A healthy Japanese market and a desire to get in front of **Bain** **Capital**’s IPO of **Toshiba**’s memory chip unit are factors that are speeding up the SoftBank spinoff.

Xiaomi, which made a breakthrough in the Chinese smartphone market by selling devices online, has appointed **Goldman Sachs** and **Morgan Stanley** to lead its IPO. The deal would likely make Xiaomi one of the largest companies on the Hong Kong stock exchange, although some analysts are sceptical of the $100bn valuation given the high levels of competition.

Perhaps the most important aspect of the Xiaomi IPO is that it is a privately controlled company, not state owned. It could become one of the largest Chinese private sector groups to go public in Hong Kong.

The tax considerations behind Rupert Murdoch's Fox deals

What's the cost of the vanity of the Murdoch family? Billions less after Donald Trump's tax reform it seems. Deal pros knew that as soon as it was clear that **Walt Disney** would not buy all of **21st Century Fox** (this allowed the Murdoch family to keep part of its empire and stay employed and relevant) there was going to be a big tax hit.

When companies are not bought whole, asset sales create a tax. Because the Murdochs assembled Fox starting decades ago, that tax hit was going to be big - about $8.5bn we would learn or more than a tenth of the value of pre-breakup company. There was also a smaller tax benefit from the deal as well so the net hit was $4bn, still a high number that comes directly out of the pocket of shareholders.

But the deal happened, just as the US Congress was to slash the corporate tax rate from 35 per cent to 21 per cent which suddenly made the tax machinations of the Disney/Fox combination less painful and undoubtedly influenced the negotiations.

Bankers and lawyers go to great lengths to structure tax-efficient deals - think spin-offs, Reverse Morris Trusts and the like. But suddenly those gymnastics are now less necessary as tax leakage becomes more of a drip.

**DD's Sujeet Indap** explains the implications of US tax reform on deal structuring  here. Meanwhile, Lex  looks at the changes at Disney's board as **Facebook's Sheryl Sandberg** and**Twitter’s Jack Dorsey** leave to due to increased conflicts of interest.

Job moves

* **DD exclusive: Moelis & Co** has hired two former longtime **Greenhill & Co** M&A bankers, **Ashish Contractor** (healthcare) and **Nate Stulman** (fintech), DD has learned. Contractor's hiring was previously reported by Bloomberg, while Stulman's hiring has not been previously reported. Both will start later this year after their gardening leaves are completed. In 2015, Moelis had hired another senior Greenhill banker, TMT specialist**Lawrence Chu**. The latest moves come as Greenhill tries to reverse a revenue and stock price slide having completed a recapitalisation in late 2017.

1. **Nomura** has hired **Guy Smith** as head of debt capital markets for Asia ex-Japan from **Grab**, a Singapore-based ride-hailing and technology company, according to an internal memo. Smith was head of ***strategic*** and corporate finance at Grab. ( FastFT)
2. **Houlihan Lokey**, an investment bank, has hired **Steffen Leckert** as a managing director based in Frankfurt where he will focus on industrials. Leckert joins from **Lincoln International** where he was head of industrials and corporate coverage for Germany, Austria and Switzerland.
3. **Paul Hastings** has poached **Eiji Kobayashi** from **Norton** **Rose** **Fulbright**, where he led the corporate, M&A and securities practice for Japan. He will become a corporate partner at Paul Hastings in Tokyo.
4. **Catherine McBride** has joined **Latham & Watkins** as a contentious regulatory partner in the Hong Kong. She will be a member of the white collar defense and investigations practice and the financial institutions group. She was most recently associate general counsel at **Deutsche Bank** in Hong Kong.

Smart Reads

* **Carillion goes into liquidation**: It's not a household name outside of the UK, but the collapse of the country's second-largest construction company has rattled the corporate sector. The FT's got you covered with the  news,  why it happened,  why it has gone into liquidation rather than administration,  [*why short-sellers had*](https://ftalphaville.ft.com/2018/01/15/2197643/public-companies-go-bust-slowly/?emailId=5a5c85dd8e718500048b88a8)a sense that things were bad three years ago, what it means for workers, and    [*what UK banks have done*](https://ftalphaville.ft.com/2018/01/15/2197683/uk-banks-have-already-written-off-some-carillion-losses-says-creditsights/?emailId=5a5c85dd8e718500048b88a8) with their exposure to Carilion loans.

1. **How much will Hock Tan have to bid**? The FT's Tom Braithwaite looks at previous hostile takeover fights where a bidder has also sought to overthrow the target company's board to guess how much **Broadcom**will have to pay get chip rival **Qualcomm**? ( FT)
2. **Banks try to lure MBAs from tech:** Since the financial crisis, banks are no longer first in line at the campus job fair on campus. Here's what they are doing to recruit MBAs, who increasingly want to go into tech, marketing or consulting. ( FT)

News Round-Up

Melrose prepares for hostile battle for GKN (FT)

GKN’s largest active investor urges Melrose talks (FT)

[*Spotify disrupted the music world, now it’s doing the same to Wall Street*](https://www.wsj.com/articles/spotify-disrupted-the-music-world-now-its-doing-the-same-to-wall-street-1516024778) (WSJ)

Wrecking ball swings through Russia’s private banks (FT)

M&A in asset management sector climbs to 8-year high (FT)

Rolls-Royce eyes L’Orange sale (FastFT)

Mercer to buy Japanese asset manager BFC (FastFT)

Patrick Drahi looks to reboot Altice as his empire-building stalls (FT)

Russian gold ***producer*** Polyus scraps deal to sell stake to Fosun (FastFT)

William Hill weighs sale of Australia unit (FT)

[*Amazon’s grocery sales increased after it devoured Whole Foods*](https://www.wsj.com/articles/amazons-grocery-sales-gained-weight-after-it-devoured-whole-foods-1515934801?shareToken=st397af47ee6b943a2893b796147e6b56a) (WSJ)

BNP Paribas seizes Brexit opportunity to boost UK operation (FT)

[*China's JD.com targets $2 billion fundraising at logistics unit*](https://uk.reuters.com/article/uk-jd-com-logistics-fundraising-exclusiv/exclusive-chinas-jd-com-targets-2-billion-fundraising-at-logistics-unit-sources-idUKKBN1F410B) (Reuters)

[*DE Shaw builds activist stake in Lowe’s*](https://www.bloomberg.com/news/articles/2018-01-12/d-e-shaw-is-said-to-build-activist-stake-in-retailer-lowe-s) (BBG)

**Load-Date:** July 4, 2018

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[***Indonesia enacts major reforms in strategic areas***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-73JV-00000-00&context=1516831)

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**Length:** 4360 words

**Body**

While the Republic of Indonesia is just over seven decades old in its current form, the South-east Asian nation of more than 17,000 islands has a much longer history under other names. The name Indonesia was first used in 1850 by British anthropologist James Richardson Logan in referring to the extensive group of islands that was known at the time as the Indian or Malay Archipelago.

HISTORY: Archaeological evidence indicates that the ancestors of modern humans lived on the archipelago as far back as 1.9m years ago, while evidence of modern humans goes back 40,000 years.

By 2000 BCE the islands were inhabited by a diverse group known as the Austronesians. These people exhibited impressive maritime skills and took full advantage of the archipelago's location, engaging in extensive inter-island trading. This helped prompt the rapid development of ***agricultural*** techniques - particularly for the cultivation of rice - that facilitated pockets of growth. Islam arrived in the region in the 8th century CE, though meaningful conversions did not occur until the 14th century, beginning in Samudera Pasai (North Sumatra) and continuing in Makassar as well as central Java in the 17th century. By this time Islam had become the archipelago's principal religion.

NATIONAL IDENTITY: *Pancasila* constitutes the original philosophical foundation of the republic and consists of two Sanskrit words, *panca* meaning five and *sila* meaning principle. These five interrelated principles, which were first articulated in a speech delivered by Indonesian nationalist leader Sukarno, are nationalism, humanitarianism, representative democracy, social welfare and monotheism. These principles became a blueprint for the growth and development of the nation, and they remain significant for the country today, despite variations in their interpretation and order over the course of the 20th century. Indonesia's flag features two equal horizontal bands of red at the top and white at the bottom. The colours derive from the banner of the Majapahit Empire of the 13th-15th centuries. The red symbolises courage and the white purity.

TOWARDS INDEPENDENCE: Dutch colonialism was well established by the mid-18th century, and the Dutch continued to consolidate their power over the following two centuries, with the Dutch East Indies Company expanding from Java and Batavia - the city they founded now known as Jakarta.

The first 30 years of the 20th century saw a rise in the popularity of the notions of independence and nationalism among the region's local population. However, it would be some time before the nation was successful in establishing its independence.

The Second World War brought with it the Japanese invasion and ensuing occupation in March 1942, which signalled the end of Dutch colonial rule and was a catalyst for the previously suppressed Indonesian independence movement.

As such, when the Japanese occupation finally came to an end and Japanese forces surrendered in the Pacific, it was only two days before the country's first president, Sukarno, declared Indonesian independence on August 17, 1945.

Following this declaration, it took over six weeks for the allied Dutch and British forces to arrive, by which time the Indonesian nationalist forces had managed to establish themselves on the territory. The conflict that followed was a final attempt by the Dutch to re-establish their authority.

However, with the British withdrawing from the conflict towards the end of 1946, and following four years of intermittent fighting and consistently fierce criticism of the Dutch by the UN, the Netherlands formally recognised the sovereignty of a federated Republic of the United States of Indonesia on December 27, 1949. On August 17, 1950, precisely five years after the initial proclamation of independence, Sukarno once again proclaimed a single unitary Republic of Indonesia.

PATH TO DEMOCRACY: While the first democratic elections were held in 1955, the following years were fraught with political, economic and social volatility. In 1957 Sukarno implemented a system of "Guided Democracy", declaring himself president for life in September 1963. He presided over a raging political sea, in which the civilian nationalist leadership, the Islamic leadership, the Indonesian Communist Party (PKI) and the army were all opposed to each other.

The fraught situation reached breaking point on September 30, 1965 through an attempted PKI coup against Sukarno's government. Following the impromptu formulation of a "New Order" coalition, which comprised students, Muslim communities and army factions, the PKI coup was swiftly and brutally defeated in the following months.

By this point Sukarno was in failing health and he was replaced in March 1967 by Major General Suharto - an army officer who had been largely responsible for halting the coup. Suharto remained in office for seven consecutive five-year terms, during which time a highly centralised system of governance was put in place, including various transmigration policies and the forced resettlement of many Javanese people - the legacy of which remains today in the form of ethnic tensions.

During this period the annexation of West Papua and East Timor sparked international condemnation. Meanwhile, the population started to express its frustration with the widespread corruption and Suharto's brand of authoritarianism.

When the 1997-98 Asian financial crisis prompted the currency's value to plummet and inflation to soar, students took to the streets to voice their grievances, which were largely supported by the greater population. Eventually, under widespread pressure to resign, Suharto left office on May 21, 1998. Suharto's position was filled by his vice-president, Bucharuddin Jusuf Habibie, who was able to restore order by regaining the support of the IMF, and used funding in the country's various economic stabilisation ***programmes***. Habibie began to enact a period of considerable government change under the banner of *Reformasi*, or reform.

POLITICAL LANDSCAPE: In 1999 Indonesia's first freely contested parliamentary elections since 1955 were held, with Abdurrahman Wahid, a well-known intellectual and leader of Indonesia's largest Muslim organisation - Nahdlatul Ulama - sweeping to victory. He took over a country beset with inter-ethnic and inter-religious violence, which had long been suppressed under Sukarno and Suharto. This was particularly acute in Kalimantan, Sulawesi, Aceh and Maluku. Some 10,000 people are thought to have been killed between 1999 and 2002.

Partly to address the existing tensions across the country, the government pushed through a policy of decentralisation and democratisation. Despite the move, Wahid's leadership style was unpopular, and unrelenting questions concerning his competency and health meant he eventually handed power to his vice-president, Megawati Sukarnoputri, in July 2001. Although she was head of the Indonesian Democratic Party of Struggle (PDI-P) and Sukarno's eldest daughter, Megawati's tenure was fairly short lived, and she was defeated in the September 2004 election by Susilo Bambang Yudhoyono, a Democratic Party candidate. The country's first democratically elected president, Yudhoyono was re-elected for a second five-year term in 2009.

Fresh presidential elections took place in July 2014, marking the end of Yudhoyono's presidential career and the beginning of PDI-P candidate's Joko Widodo, who had entered into politics as the mayor of his hometown - Surakarta in Java - and subsequently became the governor of Jakarta.

REGIONAL INVOLVEMENT: In terms of greater regional involvement, the country remains ASEAN's largest member and an increasingly influential one. In recent years Indonesia has continued strengthening its diplomatic relations with neighbouring countries, while also boosting long-term cooperation with Japan, China and South Korea. Additionally, Indonesia has occupied an integral role in assisting the resolution of territorial disputes between Thailand and Cambodia. Indonesia has also been involved in the Rohingya issue with Myanmar lately.

The next objective for the regional bloc is the implementation of the ASEAN Economic Community (AEC), which is likely to create numerous opportunities for investors, given the bloc's combined GDP of around $2.6trn and almost 640m people. The AEC is designed to allow the free movement of goods, services, investment, skilled labour and capital throughout the region. The AEC Blueprint 2025 was adopted at the 27th ASEAN summit in Kuala Lumpur in November 2015 and lays out goals for the community to achieve between 2016 and 2025.

GEOGRAPHY: Indonesia has a total landmass of 1.9m sq km, spread over an archipelago of more than 17,000 islands, some 6000 of which are inhabited. With a coastline of 54,716 km, Indonesia also has 1107 km of land boundaries with its neighbour Malaysia, 820 km of borders with Papua New Guinea and 288 km of boundaries with Timor-Leste. The archipelago sits between the Pacific and the Indian Oceans, while also bridging the Asian and Australian continents. This unique position has been influential in the country's cultural, social and political make-up.

CLIMATE: Due to its proximity to the equator, Indonesia's tropical climate is accompanied by average temperatures of between 28°C and 34°C around the coast, and 23°C in mountainous areas. Temperatures show little variation from one season to the next. The dry season lasts from June to October, while the rainy season runs from December to March. The country's relative humidity varies between 70% and 90%. Given its location over part of the Ring of Fire, a near-continuous series of volcanic arcs, belts and tectonic plate movements, Indonesia can be subject to earthquakes and volcanic eruptions.

RESOURCES: Indonesia ended years of oil production decline in 2016, with production increasing by 6% from 841,000 barrels per day (bpd) in 2015 to 881,000 bpd. However, output fell once again in 2017 to reach 787,800 bpd in March 2017, against the target of 815,000 bpd, as stated by the oil and gas regulator SKK Migas. According to BP's "Statistical Review of World Energy 2017" report, Indonesia held proven oil reserves of some 3.6bn barrels at the end of 2016; however, Indonesia has remained a net oil importer since 2004.

The country is also a major ***producer*** of gas, which it exports as liquefied natural gas (LNG). As of the end of 2016, it had proven reserves of 2.9trn cu metres and had ***produced*** 69.7bn cu metres during the year, according to BP. Its 2016 production was equivalent to 2% of the global total, making it the second-largest ***producer*** in the Asia Pacific region after Australia. In 2016 the country exported 21.2bn cu metres of gas, 41% of which was exported to Japan, followed by South Korea with 26.9% and China (17.5%). SKK Migas reported that for the first quarter of 2017 Indonesia ***produced*** 183.7m standard cu metres per day, which was the equivalent to 101% of the government's target for the period.

The country remains the world's largest exporter of coal, shipping 369m tonnes in 2016, according to Statistics Indonesia (BPS), to countries such as Japan, South Korea and China. Estimates of the country's coal reserves, which had previously been put at 32.3m tonnes, should be revised down by 30-40%, and the reserves may only last until 2032-36, according to a study conducted by PwC for the Indonesian Coal Mining Association. At the start of 2016 the country had 25.5bn tonnes of coal reserves. Approximately 60% of Indonesian coal is lower-quality or sub-bituminous coal. Indonesia's mineral production also includes tin, nickel, gold and silver.

PALM OIL: Indonesia is the world's largest ***producer*** of palm oil, with plantations concentrated in Sumatra, Kalimantan and Sulawesi. According to data from the UN Development ***Programme***, in 2013 the total plantation area for palm oil production was estimated at 10m ha. Production has risen consistently in recent years, from 31.5m tonnes in 2014 to 32.5m tonnes in 2015 and 35.6m in 2016, according to the Indonesian Palm Oil Association and the Ministry of ***Agriculture***. The majority of output is exported, with 26.6m tonnes shipped in 2016. Although there has been some talk of a reduction in export taxes, this has yet to materialise. Meanwhile, the lower tax levels in Malaysia continue to provide stakeholders there with a market advantage.

There have also been higher tax rates applied to crude palm oil, as opposed to the downstream products made from crude palm oil, as part of a government-initiated shift to promote the development of downstream industries.

Concerns over the deforestation of rainforests remain a major issue, although they are being addressed, and many Indonesian companies have joined the Roundtable on Sustainable Palm Oil, an organisation established in 2004 to promote the growth and use of certified sustainable palm oil.

ENERGY SOURCES: Approximately 86% of Indonesia's energy is generated by conventional thermal sources, with hydroelectric power contributing 9% to the mix, while geothermal and other alternative energy sources provide 5%.

While there are currently no nuclear power plants in the country, the Indonesia National Atomic Energy Agency is keen to develop this power. To this end, in March 2017 the nuclear regulatory bodies of Indonesia and Russia signed a memorandum of understanding to cooperate on a range of issues related to nuclear safety and security.

In terms of exploring alternative energy sources, Indonesia is currently focusing on developing solar and hydropower. In 2016 Indonesia announced ***plans*** to have annual solar power capacity of at least 5 GW by 2020. Due to the rapidly increasing demand for power, a 10,000-MW fast-track ***plan*** has been under way since 2004 in a bid to boost output, predominantly through the construction of coal-fired thermal power plants. However, the completion date for the plants has been pushed back from 2014 to 2020. This is being accompanied by a second development project, a 1040-MW hydroelectric plant, which aims to increase the capacity of the power generation system in Java and Bali. State-owned electricity distribution company Perusahaan Listrik Negara accounts for the majority of the country's power output. The Electricity Law of 2009 aimed to reduce the firm's monopoly on distribution in order to encourage the participation of private firms in the power sector. Shortly after taking office following the 2014 presidential elections, President Widodo announced a master ***plan*** to generate an additional 35,000 MW of energy by 2019.

FOREIGN INVESTMENT: Through inviting targeted investment and adapting existing regulatory frameworks, the government has taken significant steps to facilitate foreign investment as well as the development of value-added industries.

One such step has been the Indonesia Investment Coordinating Board's One-Stop Service, a centralised online portal through which investors can submit and track investments made in different economic sectors of the country. This has been well received by the business community, and, although the impact is still to be measured, there has been a clear improvement in reducing licensing times. Investment currently accounts for some 32% of GDP.

While Indonesia's natural resources are plentiful, they remain largely untapped. By channelling foreign direct investment into the right areas the government is helping to ensure that the country's true potential - in terms of value added - is realised.

POPULATION: With a population of approximately 260m - which is made up of more than 300 different ethnic groups - Indonesia is the world's third-largest democracy and the most populous Muslim-majority nation. It is currently the 16th-largest economy in the world. Having more than 10.2m inhabitants living within an area of 740 sq km, Jakarta is the country's largest city. Other major cities in Indonesia include Surabaya, Bandung, Medan and Semarang. Java is one of the most populous islands in the world, with approximately 141m people spread over 128,298 sq km. It is a densely populated island, with Java only accounting for 7% of Indonesia's total land mass.

The country's population has more than doubled since 1971, when it was 119.2m, and it is continuing to grow at a rate of approximately 1% per year. The largest ethnic groups, according to the census of 2010, are the Javanese (41.7%), Sundanese (15.4%) and Malay (4.1%), which are closely followed by Madurese (3.3%), Batak (3%), Bugis (2.9%), Minangkabau (2.7%) and Betawi (2.5%).

HUMAN CAPITAL: Indonesia's young and growing population is one of its strongest assets, as is its middle class, which has continued to expand in recent years. According to a Boston Consulting Group report published in 2013, Indonesia's middle and affluent class is set to double by 2020, reaching 141m, with more than 9m people likely to enter the consumer class each year. The UN has estimated that the population will exceed 270m by 2025 and 290m by 2045. According to a 2015 estimate by the UN, the median age of the population is around 28 years, with 28.1% of the population under the age of 15, and 16.9% between 15 and 24.

LANGUAGE: Indonesian is an Austronesian language stemming from the country's various cultural and linguistic groupings, the majority of which are ethnically Malay. As part of Indonesia's independence movement during the 1930s, the language - a standardised form of Malay - officially became Bahasa Indonesia and has since become the dominant form of communication in the realms of government, media, education and business.

Local dialects and languages such as Balinese, Javanese and Sundanese are still used in certain areas of the archipelago. The popularity of the English language has also grown, with this likely stemming from the fact that the middle and upper classes frequently send their children to schools where English is the main language of instruction.

RELIGION: The Indonesian constitution guarantees freedom of religion, with the government currently recognising six religions, namely Islam (86.1% of the population), Protestantism (5.7%), Catholicism (3%), Hinduism (1.8%), Buddhism (1%) and Confucianism (less than 1%). On the island of Bali, unlike the rest of the country, more than 93% of the population practises Balinese Hinduism, while in certain rural areas of the country, animism is still practised.

HEAD OF STATE: According to the 1945 constitution, the president is the head of state, head of the government and commander-in-chief of the Indonesian National Armed Forces. However, several key amendments were made to the constitution between 1999 and 2002. One of these was to limit the president to a maximum of two consecutive five-year terms. Another was to change the selection process for president. Previously, heads of state had been elected by the People's Consultative Assembly (MPR) - the Parliament - while under the new system he or she is elected by popular vote. In 2004 Yudhoyono became the first president to be elected in this manner. The president, as head of government, has the power to appoint members of the Cabinet, while as executive, the post-holder has the right to propose bills to the People's Representative Council (DPR), the lower and more important house of parliament. In emergencies the president may also issue regulations in lieu of laws. He or she can also sign treaties, appoint ambassadors, issue pardons and make judicial appointments.

LEGISLATIVE POWERS: The MPR is a bicameral institution, composed of a lower house, the DPR, and an upper house, the Regional Representative Council (DPD). The DPR has 560 seats, and deputies are elected by an open-list, proportional representation system introduced in 2009. Of the 12 political parties declared by the Indonesian Election Commission as eligible to take part in the 2014 ballot, 10 are currently represented.

Some 48 parties took part in 1999, with the reduction partly coming as a result of increasingly stiff requirements for eligibility, including the necessity of having regional chapters in every province - except for parties based in the northern province of Aceh. In 2014 the party that emerged with the largest number of seats was the PDI-P, which won 109 seats. The PDI-P is headed by Sukarnoputri, and Widodo was the party's presidential candidate.

The PDI-P leads the ruling coalition in the DPR, known as the KP3. The other parties in this are the Party of the Functional Groups (Golkar), with 91 seats; the National Mandate Party (PAN, 48 seats); the National Awakening Party (47 seats); the United Development Party (39 seats); the National Democratic Party (36 seats); and the People's Conscience Party (16 seats). The KP3 had 386 seats as of October 2017, more than the 281 needed for a majority.

The government had already strengthened its power base by gaining a majority when PAN joined the coalition in September 2015, followed by Golkar in May the following year. Since then, it has been easier to pass reforms, with the two Cabinet reshuffles in August 2015 and July 2016 helping the government to further consolidate its power.

COALITIONS: Following the entrance of Golkar, the government coalition includes seven out of the 10 parties in the DPR, with the opposition - the Red and White Coalition - formed by the Great Indonesia Movement Party, with 73 seats, and the Prosperous Justice Party (40 seats) for a total of 113. The Democratic Party, led by Yudhyono, is neutral and has 61 seats. Proposed laws from the president and the government must be approved by the DPR, which can also propose legislation of its own. Bills from the DPD must also gain DPR approval, though the DPD has no power to revise or reverse DPR decisions.

The DPD consists of 132 seats currently, with the total number limited to not more than one-third of the DPR. This allows some flexibility in the number of provinces, which has grown since 1999 to 34. DPR and local elections are held at the same time every five years. According to the constitution, DPD members must serve as individuals rather than party members, although they may have party connections. The DPD has the power to submit bills to the DPR on regional issues and has an oversight function regarding government activities in the regions.

LOCAL GOVERNMENT: Since decentralisation the 34 provinces have had much more control over local affairs and finances. Of these, 33 have their own provincial legislative assemblies, with a total of 2112 elected seats. Provinces are divided into regions or municipalities, with 497 of the 508 of these also having their own District Legislative Assemblies. In total some 16,895 seats in these are filled by elections every five years. At this level, national rules requiring a party to receive at least 3.5% of the national vote to qualify are waived, allowing a much greater range of local and ethnically based parties.

Local, national assembly and council elections are held at the same time, with the country's 190m eligible voters traditionally voting again three months later for the president. However, elections will be conducted simultaneously for the first time in 2019.

The regions and municipalities have control over local education, health and infrastructure, with budgets provided both centrally and by local revenue raising. In February 2017 several regions - including Jakarta, West Kalimantan, Bali, Papua and East Java - had gubernatorial elections.

LAW & ORDER: The highest court in Indonesia is the Supreme Court (SC), which has oversight of 68 high courts, 31 general courts, four military courts and four administrative courts.

The SC is the final court of appeal and its chief justice is currently Muhammad Hatta Ali. On constitutional matters, the SC defers to the Constitutional Court (CC), which consists of nine justices. The CC rules on motions to impeach the president, which if passed are then forwarded to the MPR, and it also has the final say in disputes over elections, the dissolution of political parties and conflicts between different government agencies. Another key legal body is the Corruption Eradication Commission. It has scored a number of successes in recent years.

ELECTIONS: The first half of 2017 was marked by the gubernatorial election in Jakarta, contested by the incumbent governor Basuki Tjahaja Purnama - commonly known as "Ahok" - and Anies Baswedan. Purnama was the deputy governor of Jakarta and became governor when Joko Widodo became president in 2014. Anies Baswedan, who ultimately won the election and started his term on October 16, 2017, was the minister of education in Widodo's Cabinet from 2014 until the second reshuffle in July 2016. While Purnama is seen as a close ally of President Widodo, Baswedan was backed by Prabowo Subianto, Widodo's rival in the 2014 presidential election. Before the second round of voting, the campaign was marked by political and social tension that drew international attention when Purnama - who is a Christian of Chinese descent - was accused of blasphemy after mentioning a verse of the Quran at a rally. This caused hundreds of thousands of people to take to the streets in protest, raising concerns about the country's stability and the risks of mixing politics and religion. In May 2017 Purnama was sentenced to two years in prison for the charges.

POPULARITY: Although some saw this election as a test of President Widodo's popularity and a threat to his chances of winning the 2019 election, the president tried to unite the country, meeting his political opponents - including Subianto and his predecessor, former president Susilo Bambang Yudhoyono - for discussions. As of September 2017, Widodo's popularity was at 51%, even higher than at the beginning of his term in early 2015.

OUTLOOK: In a fast changing political landscape, 2018 will be a key year for President Widodo to take advantage of his high popularity ratings, majority in Parliament and consolidated Cabinet to accelerate the implementation of his administration's ***strategic*** goals, which include infrastructure development, reducing bureaucracy and increasing transparency.

**Load-Date:** March 12, 2020

**End of Document**



[***Experts say Russia-led economic union lacks common values***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RCB-BTY1-JC8S-C089-00000-00&context=1516831)

BBC Monitoring Former Soviet Union - Political

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**Body**

Text of report by Russian Gazeta.ru news website on 4 January; subheadings as published

[Article by Rustem Falyakhov: "Disintegration of the Empire: the Eurasian Union Is Going the Way of the USSR. The Eurasian Economic Union Will Find it Difficult Getting Through 2018"]

The Eurasian Economic Union is being torn apart by internal contradictions. The population's trust in this project is declining, Russia's policy towards its allies does not take account of their interests. As a result, Kazakhstan is switching from Cyrillic to the Roman alphabet, Belarus is opening its border to imports, Armenia is signing a partnership agreement with the EU. The problem is that the members of the Union have no common unifying values, experts say.

The existence of the Eurasian Economic Union is approved by more than one-half of the population of its participants - Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia [sentence as published]. The approval and support peaked in 2014 and has been declining by the year. These data were released towards the end of last year by Centre for Integration Studies and the Eurasian Monitor agency.

The sharpest disenchantment with the very idea of the Eurasian Union is observed in Russia (from 78 per cent in 2015 to 68 per cent last year) and Armenia (from 56 per cent to 46 per cent in 2015-2016).

"In the other EAEU countries public support for Eurasian integration has declined at a moderate pace: from 80 per cent to 76 per cent in Kazakhstan, from 60 per cent to 56 per cent in Belarus," the study notes.

The most positive attitude towards Union membership is demonstrated by Kyrgyzstan. But here also there is evidence of the devaluation of the idea: from 86 per cent to 83 per cent. Similar sentiments are observed in Tajikistan and Moldova - there is a possibility of these countries joining the EAEU.

Backs to integration

Experts note not only a growing indifference to the fate of the Union but also an increase in the numbers of those who are not sure. This may be interpreted as follows: they are unwilling to approve but are not saying "no".

The poll results are interpreted otherwise by Vladimir Pereboyev, director of an area of focus of the Eurasian Development Bank Centre for Integration Studies. "People are not turning their backs on integration, they are simply losing interest in it," Pereboyev says. The number of "indifferent" responses grew from 15 per cent to 25 per cent.

The sceptical attitude towards integration on the part of public opinion will gain momentum, the authors of the study maintain.

Approximately 8,000 persons in the five EAEU countries and also in Tajikistan and Moldova took part in the polls.

Shrimp is destroying the 'common market'

Against the background of the drop in interest in the integration project the Eurasian Economic Commission (the executive arm of the EAEU) is barely managing to tamp down some conflicts before new ones arise.

Belarus, for example, does not care for the numerous exceptions to the customs rules, which are, it might have been thought, common for all members of the Union. Minsk is certain that a "common market" of goods and services simply has not been built in the 10 years that the Union has been in existence, numerous non-tariff barriers, which do not unite, but pull apart, the single space, remain.

Belarusian President Alyaksandr Lukashenko is constantly complaining about this and finding support. But not in the Kremlin, at the expert level. For example, Aleksey Kudrin, head of the Centre for ***Strategic*** Research, believes that trade within the EAU could be boosted 25 per cent through the lifting of barriers.

"We have to do these fundamental things, if we do not, we need to go our separate ways," Kudrin snapped.

Eurasian integration is being held back also by the West's sanctions against Russia and the retaliatory Russian action, Kudrin believes. Russia imposed the anti-sanctions without conferring with its EAEU partners and set a precedent in terms of the adoption of decisions which are beneficial only at the national level, Kudrin believes. He called this an example of national egoism.

Russia's behaviour irritates its EAEU partners. The Kazakh news media write that Russia is preoccupied with a "search for enemies" when it imposes prohibitions on imports from Kazakhstan of commodities which are under sanctions.

From November through December of this year customs officers on the Kazakh-Russian border impounded 120 tons of pears and apples under sanctions, attempts were being made to take them into Russia in the guise of Kyrgyz and Chinese ***produce***. The Ministry of ***Agriculture*** of Kazakhstan politely made it understood that it disagrees with these grievances. Local experts are unsparing in the use of language.

"Their system is not withstanding the sanctions, accordingly, they need an enemy for unity under the conditions of the start of the campaign. They are clearly failing to cope with the external enemies, this is why they are beginning to hit their allies," the economist Magbat Spanov, who is quoted by the 365info.kz Kazakh Internet publication, says.

Russia's media outlets laugh at Lukashenko as the ***producer*** of Minsk shrimp, salmon, and Belovezhskaya mangoes, Lukashenko is making it clear that Belarus is not required to support the Russian embargo and will continue to derive benefits from its position of transit country between Russia and Europe.

The allies were way off base

The power elite of Kazakhstan also is preparing, without rows, on the quiet, playing a long game, for divorce. President Nursultan Nazarbayev signed the decree "Conversion of the Alphabet of the Kazakh Language From Cyrillic to the Roman Script". It is ***planned*** to provide for the phased conversion of the alphabet to the Roman script before 2025.

Nazarbayev made it clearly understood by this decree in the family of which peoples he sees the future of his country and with whom he wants to speak in a kindred language. It is being heard in response to him from Russia, also in the Roman script: "Kazakhstan is way off base."

But the formation of the Eurasian Union was Nazarbayev's idea, incidentally. Now he is disenchanted with his own creation, it would seem. Kazakhstan is aggressively turning westward - to the European Union - or eastward - to China. And China is reciprocating, promising to run a new Silk Road to Europe via border posts on the Chinese-Kazakh border.

The problem is additionally that Russia is itself frequently tossing out new grounds for its partners to ponder with whom they will be together en route to the bright future, and with whom, not.

The dissension within the mini-USSR, as the Eurasian Union is frequently called, is occurring not only along the line of opposition of Moscow and the capitals of the former Soviet republics, though.

Members of the EAEU are in conflict among themselves also. Last year Kyrgyzstan accused Kazakhstan of interference in the Kyrgyz presidential election. Astana was allegedly foisting its presidential candidate on Kyrgyzstan.

In response Kazakhstan imposed a number of restrictions on Kyrgyz goods crossing its border, hereby cutting off Kyrgyz entrepreneurs from the single economic space of the Eurasian Union.

Almazbek Atambayev, president of Kyrgyzstan at that time, was even forced to explain away the possibility of Kyrgyzstan quitting the Eurasian Union. Atambayev said that he did not so intend but Sooronbai Jeenbekov, the new president of Kyrgyzstan, assuming office, re-concluded the treaty on demarcation of the Kazakhstani-Kyrgyzstani border. The border was restored, Moscow believes that there are within the Eurasian Union no longer any borders, seemingly, and no problems. Yet there are.

The aforesaid Atambayev issued shocking statements about his Eurasian Union partners: "We placed all-too-big hopes in the EAEU. We should not in economic development deceive ourselves and rely on the Union."

So, then, the call for riddance of national egoism will remain just a call, by all accounts.

Union of cognac and oil and gas

Each country in the large Eurasian family is unhappy in its own way and has its own ideas about how to improve mutual coexistence. And expresses its grievances one against the other, but more often than not against Russia, which is considered the primus inter pares.

Moscow is caused the least trouble by Armenia. At least, it was until recently, until it signed with the European Union the Comprehensive and Enlarged Partnership Agreement as part of the Eastern Partnership ***programme*** initiated by the EU.

Armenian President Serzh Sargsian is attempting to sit on two stools - to be friends simultaneously both with Moscow and with Brussels.

The situation is now developing such that the robust ties of Moscow and Yerevan are being built on security guarantees for Armenia in its confrontation with Azerbaijan over the Nagornyy Karabakh problem.

The European Union is not prepared to assume responsibility for the peaceful delineation of the interests of Azerbaijan and Armenia since Armenia is not for the time being a member of the EU.

That is, the alliance between Russia and Armenia is primarily military, not economic. At least, the Eurasian privileges and the declared absence of customs barriers to reciprocal trade have done nothing to lower the cost of cognac and other products of Armenian manufacturers.

That Armenian cognac is not a bit less expensive in retail than Georgian cognac, although Georgia is not a member of EAEU and even has a visa-free arrangement with the European Union.

Change of elites has begun

Experts loyal to the idea of the Eurasian Union are pointing to the weak points of the association. The problem of the "transport and logistics infrastructure of the EAEU" has yet to be resolved, for example, Mikhail Demidenko, deputy director of the Eurasian Development Bank Centre for Integration Studies, notes.

"The actions of the EAEU countries in the ***planning*** and execution of trans-border infrastructure projects are largely uncoordinated. Situations arise in practice where countries of the union launch in unsynchronized fashion infrastructure projects which are de facto part of international transport corridors, which reduces the efficiency of their operation considerably," he says.

The coordination of monetary policies and more decisive steps in the formation of a common financial market of the EAEU have long been pressing issues, but are not being brought to fruition.

Clearance payments in the national currencies are important. The rouble is currently being used quite extensively merely in bilateral settlements with Russia (70 per cent of them). The other EAEU countries continue to prefer among themselves settlements in dollars.

The dollar, for example, accounted for more than 50 per cent in settlements of the Republic of Belarus with EAEU countries aside from Russia, for approximately 80 per cent in the settlements of Kazakhstan and Kyrgyzstan with EAEU countries aside from Russia, Demidenko notes.

The erosion of the foundations of the Eurasian Union are in evidence, Aleksey Makarkin, first vice president of the Centre for Political Technology, observes.

"The power elites in office in the post-Soviet republics formerly worked together in one CPSU Central Committee and attended party congresses, they are united by a common past, the new elites are entirely different people," the political analyst says.

But the key problem is, for all that, the absence of common values. "The Eurasian Union, as distinct from the European, is not united by common liberal values and is either propped up by the military factor or is connected with the economic state of Russia. Russia with its ideas of Eurasianism is loved as long as it is in a position to give money," Makarkin believes.

Will the Eurasian Union exist after the present leaders have departed the political arena? Answering this Gazeta.Ru question, Zbigniew Brzezinski, US President Jimmy Carter's national security adviser, said that he saw no long-term prospects.

"I doubt that the Eurasian Union will exist in 10-20 years' time, particularly if its leaders change their philosophy in this time. In addition, the EAEU will become unnecessary as the relations of Russia and the western part of Europe normalize and also with the Russian authorities' recognition of the fact that the country is ultimately a European, not Eurasian, state," Brzezinski believes.

Source: Gazeta.ru website in Russian 4 Jan 18

**Load-Date:** January 9, 2018

**End of Document**



[***Annex\* LIFE programme: 2016 projects***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NYF-9F81-F0YC-N2J2-00000-00&context=1516831)

Impact News Service

October 3, 2017 Tuesday

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**Body**

Europe: The European Commission has issued the following news release:

Annex LIFE ***programme***: 2016 projects

\*The list of projects is correct at the time of publication; further LIFE projects may subsequently be funded from the reserve list. This information will be available on the LIFE website.

Budget figures are rounded to the nearest 100,000. Due to rounding, some totals may not correspond with the sum of the separate figures.

  BELGIUM (BE) (3 projects – 14.8 million)

LIFE Climate Change Adaptation (1 project – 8.5 million)

Increasing climate change resilience on the Scheldt estuary (LIFE SPARC)

Climate change could have a huge environmental and socio-economic impact on the Scheldt estuary and its highly urbanised river banks. Increasing resilience means implementing nature-based solutions appropriate to tidal rivers, as proposed by the EU Floods Directive. This means creating areas that can safely fill with water during flooding, decreasing river levels and reducing the risk of flooding in towns and cities. Restoration of tidal mud flats will make ecosystems more robust and safeguard valuable ecosystem services and protected species.

Project summary

LIFE Climate Change Mitigation (2 projects – 6.2 million)

Harmonising regulation of climate-friendly refrigerants (LIFE FRONT)

Legislative and market barriers are limiting the uptake of climate-friendly alternative refrigerant gases. Developing a harmonised regulatory approach to the use of fluorinated gases in refrigeration, air conditioning and heat pump units is a priority of this project. It will also promote non-fluorinated alternatives, such as hydrocarbons, as a climate-smart and sustainable approach for this industry. This is expected to increase market uptake of these alternatives by up to 60% by 2023.

Project summary

Making glass facades solar powered (LIFE BIPV)

Integrating solar panels into the glass facades of buildings could improve their energy performance in line with EU targets, as well as becoming a significant new source of renewable energy. This demonstration project will generate clean energy through building integrated photovoltaic facades fitted on refurbished and new buildings in Belgium and Spain, the final stage before market launch of the technology. LIFE BIPV expects to reduce the buildings' carbon dioxide emissions by 34% on average.

Project summary

BULGARIA (BG) (6 projects – 16.9 million)

LIFE Nature & Biodiversity (5 projects – 14.1 million)

Protecting migrating birds from power lines (LIFEBIRDS on POWER LINES)

Large numbers of wild birds are killed or injured by overhead power lines. The aim of this project is to reduce deaths of protected birds along the Via Aristoteles, an important migration route in western Bulgaria. The project will identify the power lines that pose the most serious electrocution or collision hazards for birds within and around key Natura 2000 network sites, and implement measures to prevent mortalities and injuries.

Project summary

Helping Bulgarian forests to regenerate (LIFEFORHAB)

Protected forests in south-western Bulgaria are struggling to regenerate naturally. To tackle this challenge, the project will collect seeds and store them to support the future conservation of species typical of seven habitat types across six Natura 2000 network sites. It will also develop infrastructure and build expert capacity, demonstrate best practices for habitat restoration, and increase support from stakeholders for sustainable forest management.

Project summary

Reducing threats to the red-breasted goose (LIFE FOR SAFE FLIGHT)

The red-breasted goose (Branta ruficollis) is one of the most threatened geese in the world, facing major challenges both within the EU and along its global migration flyway. The project will improve knowledge of the threats to the species (e.g by satellite-tagging individuals), introduce measures to reduce deaths caused by hunting and disturbance along the migratory route, develop national action ***plans***, and manage key sites in ways that support goose conservation. It will play a key role in implementing the International Species Action ***Plan*** for the red-breasted goose.

Project summary

Conserving protected forests and grasslands (LIFE IAS Free Habitats)

Three types of the rarest and most vulnerable natural forest and grassland habitats in Bulgaria are 'endemic forests with Juniperus', 'Tilio-Acerion forests of slopes, screes and ravines', and lowland hay meadows. A range of measures will be implemented by the project to improve their conservation condition. These include removing competitive and invasive species, sowing seeds and planting seedlings of characteristic forest species, and improving institutional capacity for addressing conservation issues related to invasive alien species.

Project summary

Strengthening Egyptian vulture populations in the Balkans (Egyptian Vulture New LIFE)

The Egyptian vulture (Neophron percnopterus) population is threatened by direct persecution, poisoning, electrocution on energy infrastructure and lack of food in its easternmost range in the EU. This project aims to reinforce the population by carrying out measures in both its Mediterranean breeding grounds and along its migratory flyway, with the active involvement of 12 countries in Africa and the Middle East. The project will also reinforce the Balkan breeding population through a targeted restocking ***programme***, and raise awareness and support for Egyptian vulture conservation all along its flyway. These actions are considered vital for securing the survival of the species at the global level.

Project summary

LIFE Climate Change Mitigation (1 project – 2.8 million)

Reducing emissions from furnaces (LIFE CleanOx)

For every tonne of tableware glass ***produced***, 600 kg of carbon dioxide is emitted. A new heat-exchanger system to capture and recycle waste heat from oxy-fuel furnaces could cut process CO2 emissions by 30% and nitrous oxide emissions by 90%, as well enhancing thermal efficiency and significantly reducing operating costs. The technology being demonstrated by this LIFE project is applicable to any industrial furnace operating above 700°C, meaning it could be widely used in the cement, steel and porcelain sectors, as well as the glass industry.

Project summary

CYPRUS (CY) (3 projects – 6.3 million)

LIFE Nature & Biodiversity (1 project – 1.7 million)

Establishing an early warning against invasive lionfish (RELIONMED-LIFE)

Lionfish (Pterois) are poisonous sub-tropical fish native to the Indian and Pacific Oceans. Two lionfish species are being observed more and more in the Mediterranean, where they have no natural predators and can damage marine ecosystems and local fishing economies. By setting up an early warning and rapid response system off the coast of Cyprus, RELIONMED-LIFE will prevent a lionfish invasion of the Mediterranean from the Red Sea. This focus on prevention is in line with the proposals for tackling invasive alien species set out in the EU's Invasive Alien Species Regulation.

Project summary

LIFE Environmental Governance & Information (1 project – 1.3 million)

Increasing awareness of a biodiversity hotspot (LIFE TROODOS)

Troodos national forest park is one of the most visited Natura 2000 sites in Cyprus, and a hotspot for biodiversity. Targeting local people and tourists, the project aims to increase awareness of the importance of the national forest park's natural values and the ecosystem services it provides. Through various publicity actions, including an advertising campaign, cartoons that will be shown in schools and a mobile exhibition, the project hopes to reach the majority of Cypriots and a quarter of the more than one million tourists that visit the island every year.

Project summary

LIFE Climate Change Adaptation (1 project – 3.3 million)

Warning vulnerable populations about desert dust storms (LIFE-MEDEA)

Desert dust storms pose a major health risk to people living in Mediterranean countries. The prevalence and intensity of such storms is increasing because of climate change. LIFE-MEDEA will pioneer the development of an adaptation strategy for desert dust storms. This will focus on reducing exposure through improved forecasting and systems for giving an early warning to vulnerable populations, in particular children with asthma and adults with atrial fibrillation. Measures will be developed and tested in Cyprus, Greece and Israel and will be applicable to other affected regions of the Eastern Mediterranean.

Project summary

CZECH REPUBLIC (CZ) (4 projects – 14.8 million)

LIFE Nature & Biodiversity (3 projects – 13.7 million)

Boosting management of Czech and Slovak Natura 2000 sites (CZ-SK SOUTH LIFE)

Protectedgrassland, forest and raised bog habitats and associated species such as the hermit beetle are in decline in South Bohemia (Czech Republic) and southern Slovakia. This is linked to the growth of intensive farming and forestry and the abandonment of traditional meadow management. This large-scale LIFE project is designed to have a positive impact on the target habitats and species in a total of 55 Natura 2000 network sites across the two countries. This will be achieved through actions to reverse drainage of bog habitats, restore mowing and grazing regimes on grasslands, and tree-planting and invasive species removal in forests.

Project summary

Protecting species-rich grasslands and forests (LIFE České středohoří)

The natural volcanic rock of the Central Bohemian Highlands has enabled the development of species-rich grasslands and forests. These 'thermophilic' (heat-loving) habitats and species depend upon traditional animal husbandry and land management practices that are supported by EU payments to farmers for conservation actions. However, the target habitat continues to be lost because of the high cost of eliminating self-seeding invasive plant species, such as the black locust (Robinia pseudoacacia). This project will address that issue and restore and stabilise grassland and forest habitats across a 277 hectare area, leading to an increase in biodiversity. It will also give eco-tourism a boost through the development of an audio guide for visitors.

Project summary

Restoring insect-friendly open canopy forests (LIFE for insects)

The sunlit areas found within the open-canopy middle forests of central Europe are a haven for insects, including protected species such as the stag beetle (Lucanus cervus) and clouded Apollo butterfly (Parnassius mnemosyne). The decline of forest grazing and traditional coppicing of woodlands and the spread of self-seeding trees is a threat to the existence of these forests in the area of the western Carpathians along the Czech/Slovak border. To improve the condition of the habitat and connect populations of protected insects, the project will remove excess vegetation and invasive trees and shrubs. It will also reintroduce coppicing, that is cutting back trees to ground level to stimulate growth, and extensive grazing.

Project summary

LIFE Environmental Governance & Information (1 project – 1.1 million)

Improving access to environmental justice (LIFE-A2J-EARL)

'Citizen enforcement' can close the growing gap between EU environmental legislation and its implementation. This depends on knowledge of and access to justice. This project will ***produce*** handbooks and national toolkits on access to justice, EU procedural rules and case law. These will be distributed to judges, public interest lawyers, public administrations and other justice adminstrators. The goal is to increase awareness of existing rules and case-law on access to justice in environmental matters. An online platform will allow citizens to 'ask a lawyer' about specific cases.

Project summary

ESTONIA (EE) (2 projects – 1.6 million)

LIFE Nature & Biodiversity (1 project – 1.0 million)

Securing roosting sites of the pond bat (EstBatLIFE)

The pond bat (Myotis dasycneme) is a rare and threatened species in Europe, listed in the EU Habitats Directive. The loss of many of its safe winter roosts has been key to its decline. This project will work to protect and improve underground hibernation sites for the species in Estonia. It will secure the most important of these against uncontrolled visits, reduce visitor numbers during the hibernation period in the most vulnerable habitats, stop roost degradation, involve local volunteers in cleaning caves, and make policy recommendations for management ***plans*** for the pond bat and its protected areas.

Project summary

LIFE Environmental Governance & Information (1 project – 0.7 million)

Demonstrating the flexibility of the Natura 2000 network (NaturallyEst-LIFE)

The Natura 2000 network is the centrepiece of EU biodiversity policy. To avoid conflicts over the management of Natura 2000 sites in Estonia, this project will enhance communication between local communities, landowners and nature conservation stakeholders. This is also expected to reduce illegal activities in protected areas. Solutions to conflicts successfully applied elsewhere will be used to show that the network is a flexible and efficient tool for nature conservation. Improving the overall image of the Natura 2000 network will also help to promote the implementation of the EU Habitats and Birds directives.

Project summary

FINLAND (FI) (2 projects – 9.8 million)

LIFE Nature & Biodiversity (1 project – 8.9 million)

Improving the condition of Finnish peatlands (Hydrology LIFE)

More than 60% of Finland's original peatland area has disappeared in recent decades, mostly drained for forestry. This extensive wetland conservation project aims to improve the quality of 12 wetland habitats, protected by the EU Habitats Directive, by restoring peatlands and headwater systems in 103 Natura 2000 network sites. The water level management actions, which include filling ditches, restoring streams, and raising water levels, will enhance the ecosystem services provided by peatlands, including improved water quality and reduced downstream water fluctuations to reduce flooding risk. Wetland habitats for birds will also be improved.

Project summary

LIFE Climate Governance & Information (1 project – 0.9 million)

An online platform for energy efficient buildings (LIFE EconomisE)

Energy consumption in Finnish buildings could be cut by 50% by 2050 if existing structures are made more energy efficient and new buildings adhere to low carbon standards. This project is establishing a collaborative online platform for municipalities, developers and institutional investors to accelerate this process. The new platform, along with 30 investable multi-stakeholder projects and 15 to 20 new business concepts, will encourage a shift towards a low-carbon, sustainable buildings sector in which energy efficiency, life-cycle ***planning*** and climate resilience are integral. The goal is for three-quarters of institutional investors to have aligned their property portfolios with climate change targets.

Project summary

FRANCE (FR) (6 projects – 22.2 million)

LIFE Nature & Biodiversity (2 projects – 7.8 million)

Managing a national park in a tourism hotspot (LIFE HABITATS CALANQUES)

The Calanques national park in Provence is a Natura 2000 network site noted for its coastal habitats. But their proximity to coastal resorts is putting protected habitats and species under pressure. Crucially, this project will not only carry out restoration actions, it will ***produce*** best practice guidelines for integrated coastal management. These will focus on how to protect outstanding and fragile natural heritage while allowing a leisure and tourism-based economy to flourish.

Project summary

Giving the European mink a fighting chance in France (LIFE MAMMAQ)

The European mink (Mustela lutreola) is among the three most endangered mammals in France and the EU. One of its remaining strongholds in France is the Charente river basin, the location of this project. Actions will focus on limiting the causes of mink mortality, increasing the area of favourable habitat, improving ecological corridors and securing land tenure. The threat from the invasive American mink (Neovison vison) will also be addressed by disrupting its attempts to settle in the project area.

Project summary

LIFE Environment & Resource Efficiency (1 project – 2.3 million)

New road surfaces to reduce noise and urban heat (LIFE C-LOW-N ASPHALT)

Some 37 million Europeans are exposed to transport noise at levels dangerous for their health. Most of those people live in cities, where the health impacts of heatwaves are also more pronounced. Changes to road surfaces could lessen both environmental problems. The city of Paris is leading a LIFE project to devise durable asphalt surfaces with phonic and thermal properties that will reduce noise pollution and mitigate the urban heat island effect. The measurable impact at three pilot sites is expected to be a 2 decibel reduction in noise experienced by neighbouring residents and a 0.5°C to 1.5°C reduction in the urban heat island effect due to lighter road surfaces and increased water retention.

Project summary

LIFE Climate Change Mitigation (1 project – 7.4 million)

Making silicon production more heat efficient (LIFE WHIN)

Silicon manufacturing is an energy-intensive process that ***produces*** a lot of greenhouse gas emissions. This project will install a pioneering full-scale waste heat recovery system in a silicon plant in France. This system is expected to recover at least 47% of the waste heat generated during the production process and transform it into carbon-free electricity using an organic rankine cycle that replaces traditional refrigerants with a climate-friendly alternative. The system will reduce by 10% electricity costs for the plant's furnace and eliminate more than 50,000 tonnes per year of carbon dioxide emissions (26% reduction). The project will identify a further ten industrial sites where its heat recovery technology could be used and draft detailed ***plans*** for installation.

Project summary

LIFE Climate Governance & Information (2 projects – 4.7 million)

Helping assess investments against climate goals (LIFE PACTA)

By applying the Paris Agreement Capital Transition Assessment (PACTA) model, this project will give financial regulators and policy-makers the ability to assess EU insurance companies and pension fund assets against global climate goals. This will help them better assess the risks of investments under a range of different decarbonisation scenarios. At least 200 EU financial institutions are expected to adopt the PACTA model within three years of the project's completion. The project will also contribute to the broader goal of standardising climate-related accounting.

Project summary

Integrating climate resilient infrastructure into local ***planning*** (NATURE 4 CITY LIFE)

Natural and semi-natural landscape elements in towns and cities can increase resilience to climate change. These can range from a simple row of trees or a pond to complex modern structures such as green roofs and rainwater storage systems. NATURE 4 CITY LIFE will use a participatory approach to integrate such 'green and blue infrastructure' into local ***planning*** processes in south-east France. This will involve establishing sites incorporating multifunctional landscape elements in the cities of Marseille, Nice and Toulon. These demonstration sites will have an equal focus on socio-economic benefits. The project will also develop (transferable) integrated climate governance tools for measuring air quality, humidity and the 'heat island effect' in which heat is retained in urban areas.

Project summary

GERMANY (DE) (6 projects – 23.1 million)

LIFE Nature & Biodiversity (1 project – 4.1 million)

Implementing best practices for meadow birds (LIFE Limicodra)

Populations of meadow bird species have been significantly declining in Central Europe for several decades. There are two main reasons: the degradation of breeding habitats, and predation. To improve conditions for meadow birds in Mecklenburg-Vorpommern, LIFE Limicodra will implement a number of actions, such as mowing, cutting of overgrowth vegetation and installing fences to keep out foxes. These will supplement and improve EU rural agri-environmental schemes that have not been enough to achieve a good status for meadow birds.

Project summary

LIFE Environment & Resource Efficiency (1 project – 0.9 million)

Smart valves to halve water loss from leaks (LIFE SmartWater)

Leaky pipes account for millions of litres of lost water from mains supplies every year. In Gouda, the Netherlands, a new system of smart valves will be installed with the goal of achieving a 50% reduction in physical water loss. Wireless-controlled valve actuators will be retrofitted to existing infrastructure and controlled by remote sensors. This smart system is designed to be cost effective to implement and it will save energy as well as water.

Project summary

LIFE Environmental Governance & Information (3 projects – 16.0 million)

A better appreciation of Natura 2000 in Bavaria (LIFE living Natura 2000)

Understanding, acceptance and appreciation of the Natura 2000 network of protected areas is crucial to the protection of Europe's natural heritage and counteracting biodiversity loss. As elsewhere in the EU, in Bavaria, there is a lack of public understanding of the aims and importance of the Natura 2000 network. This project sets out to improve the image of the network through an extensive communication and information campaign aimed at changing the perception and behaviour of stakeholders. The project's medium term impact will be to promote cooperative implementation of the Natura 2000 network in at least half the sites in Bavaria. It will thereby contribute to achieving the goals of the EU Habitats and Birds directives.

Project summary

Improving cross-border cooperation on large carnivores (LIFE EUROLARGECARNIVORES)

Europe's large carnivores (brown bears, wolves and lynx) don't know the meaning of borders: 29 of the 33 populations of these species in the EU are transboundary. Yet there is limited cooperation between Member States on managing large carnivore populations and ensuring their conservation. This project aims to heighten awareness among relevant countries of the ecological role of large carnivores, their socio-economic impacts and the potential benefits of their presence. The project will also encourage regional, national and European-wide exchanges on human and large carnivores coexistence best practices relating to, for example, livestock protection measures or sustainable tourism.

Project summary

Increasing awareness of chemicals of concern (LIFE AskReach)

Greater consumer awareness about substances of very high concern is crucial to the successful implementation of REACH, the EU chemicals Regulation. Chemical suppliers also need to be more aware of their responsibilities. This project will increase incentives for manufacturers, importers, users and retailers to replace hazardous substances with less harmful alternatives. Importantly, it will develop a Central European IT system allowing both consumers and ***producers*** to communicate on chemical issues. This should ultimately lead to a substantial reduction in the use of substances of very high concern.

Project summary

LIFE Climate Change Mitigation (1 project – 2.1 million)

Reusing waste heat in glass container manufacturing (LIFE GreenPower)

Europe's energy-intensive industries waste heat with a usable energy potential of over 2800 megawatt, equivalent to a large power station. LIFE GreenPower will test a new technology for converting low-grade waste heat from a glass container factory into mechanical energy. It is expected to show that fluorinated greenhouse gases in waste heat recovery can be eliminated and energy savings for compressed air production of up to 30% achieved. A further three installations of the technology are expected during the project, and five potential European customers will be identified.

Project summary

GREECE (GR) (6 projects – 12.2 million)

LIFE Nature & Biodiversity (2 projects – 3.6 million)

Demonstrating the biodiversity benefits of high nature value farming (LIFE IGIC)

Improving the coherence of habitats is a key way of maintaining the value of the Natura 2000 network. This project aims to develop a network of green areas, reconnecting existing natural areas, in order to demonstrate its beneficial impact on biodiversity. It will focus on a representative degraded ecosystem surrounded by protected areas and carry out measures to improve habitats as well as to enhance the conservation status of 47 targeted flora and fauna species. The project will also promote the development of green infrastructure outside protected areas through 'high nature value' farming, thereby helping implement national and EU biodiversity goals.

Project summary

Boosting biodiversity in and around a Mediterranean island (LIFE Andros Park)

From high mountains grasslands and rivers to its marine area, Andros, the northernmost island of the Cyclades, is home to a rich and varied biodiversity – but much of its flora and fauna is threatened, especially the Mediterranean monk seal (Monachus monachus), one of the world's most endangered marine mammals. This project will address these threats by adopting a holistic approach to the protection of marine life, seabirds and alluvial forest habitats. For example, the project will help reduce seal and seabird mortality by tackling plastic debris and 'ghost fishing', when fishing fear is lost at sea and continues to affect marine life. It will also create a seed bank for native plant species and grow specimens for replanting, while establishing a brand trademark to promote value-added fisheries products and fishing tourism.

Project summary

LIFE Environment & Resource Efficiency (2 projects – 4.0 million)

An energy efficient solution for old wastewater treatment plants (LIFE B2E4sustainable-WWTP)

Wastewater treatment plants built more than 20 years ago may struggle to deal with higher loading rates, especially in areas with a large seasonal increase in population (e.g tourist resorts). To improve the performance of overloaded extended aeration wastewater treatment plants, this project proposes a novel process for removing solids prior to aeration. The microscreening system for biosolids removal will be installed at a wastewater treatment plant in Rethymno, Crete. It will be integrated with a biosolids drying and gasification system to enable combustion for energy production. The goal is to ***produce*** enough energy to meet all the needs of the treatment plant, making it totally self-sufficient. By reducing the biological load in treated wastewater, the project will also protect the aquatic environment.

Project summary

Exploiting the commercial potential of petroleum sludge (LIFE DIANA)

Europe's crude oil refineries ***produce*** around one million tonnes of petroleum sludge each year. Treatment and disposal of this waste material is complex and expensive. This project will demonstrate the smart exploitation of petroleum sludge by treating it with modified minerals at an industrial-scale plant at Corinth Refineries in Greece. In the process it will transform hazardous waste into an added-value commercial product that can be used to make an 'engineered soil' for construction of landfills and remediation of abandoned quarries. The demonstration plant will treat 3500 tonnes of petroleum sludge per year.

Project summary

LIFE Climate Change Adaptation (1 project – 2.7 million)

Restoring dry-stone terrace ecosystems to the Aegean (LIFE TERRACESCAPE)

For centuries, farmers on Aegean islands cultivated dry-stone terraces. The recent abandonment of this practice makes those island ecosystems more vulnerable and susceptible to climate change impacts. LIFE TERRACESCAPE will work with local farmers on Andros to bring back the terraces, which also help to filter rainwater, reduce soil erosion and support biodiversity. This will involve setting up a dry-stone wall 'school', re-establishing cultivation on over 150 hectares of abandoned terraces and bringing together farmers, food and tourism businesses to create a certification label for climate-smart local ***produce***. A ***strategic*** adaptation ***plan*** for ***agriculture*** will enable outcomes to be transferred to rural communities on other Aegean islands.

Project summary

LIFE Climate Change Mitigation (1 project – 1.9 million)

Getting biofuel from aquatic plants (LIFE Biomass C+)

Could aquatic plants be a major new source of sustainable biofuel? Using an innovative green technology, this project will ***produce*** zero-input biomass using macrophytes (floating and submerged plants) found in irrigation channels, ponds, lakes and rivers. The biomass can be converted into bioethanol and eventually biofuel, thereby helping to contribute to climate change mitigation strategies.

Project summary

HUNGARY (HU) (2 projects – 5.2 million)

LIFE Nature & Biodiversity (1 project – 2.7 million)

Conserving Hungary's chalk forest steppes (OAKEYLIFE)

Forest steppes are home to many different types of habitats depending on their soil and climate. The project aims to improve the conservation status and enlarge the protected calcareous sand forest steppe habitat in Hungary. It will eliminate obstacles to restoring sites and increase the population sizes of plants and invertebrates. In addition, it will restore key ecosystem services provided by this habitat type.

Project summary

LIFE Climate Change Adaptation (1 project – 2.5 million)

Making Hungary's towns and cities more climate resilient (LIFE-MICACC)

Hungary is forecast to suffer a greater than average impact from climate change, including water scarcity and more extreme and unpredictable floods. LIFE MICACC will build capacity among Hungary's 3000+ municipalities through demonstration actions, smart online tools, training and support networks. This will enable them to develop policies and action ***plans*** that map risks associated with climate change and enhance their resilience. In particular, the project will focus on promoting ecosystem-based natural water retention measures to manage and mitigate flooding caused by climate change.

Project summary

ITALY (IT) (31 projects – 83.0 million)

LIFE Nature & Biodiversity (5 projects – 19.3 million)

Boosting protected oak forests in Italy and Hungary (LIFE 4 Oak Forests)

Centuries of commercial logging, unsuitable forest management and overpopulation of wild game have resulted in an 'unfavourable' conservation status for many types of valuable oak forests in the EU. This project sets out to improve the conservation status of five protected oak forest habitat types found in Italy and Hungary. Actions will include nature conservation management of more than 2000 hectares of oak forests, fencing other areas to stop damage caused by game and eradication of invasive tree species.

Project summary

Restoring coastal dunes of the North Adriatic (LIFE REDUNE)

Coastal dunes have long been subject to unsustainable exploitation and mismanagement, generally due to lack of awareness about problems such as habitat loss, spread of invasive alien species and degradation due to tourism and recreational activities. LIFE REDUNE's goal is to restore and maintain the dune habitats of four Natura 2000 sites along the North Adriatic coastline, along with their populations of Stipa veneta, an endangered plant endemic to the dunes of north-east Italy.

Project summary

Restocking threatened Egyptian vulture populations in Italy and the Canaries

(LIFE EGYPTIAN VULTURE)

Close to extinction in Italy, only eight breeding pairs of the Egyptian vulture (Neophron percnopterus) remained in 2015. These were found in the southern regions of Basilicata, Calabria and Sicily. The vulture is also at risk in the Canary Islands, Spain, where it faces the threat of poisoning, poaching and collisions with power lines. This project aims to improve the conservation status of both populations by defining and spreading best practices for captive-breeding and restocking ***programmes***.

Project summary

Restoring coastal lagoons in Venice (LIFE LAGOON REFRESH)

Coastal lagoons are a priority for conservation under the EU Habitats Directive. Many have have receded significantly in recent decades as a result of human activities. This project will work to restore the coastal lagoons of Venice's northern lagoon. In particular, it aims to conserve them in order to exploit the ecosystem services they provide, such as supporting numerous biological communities and stabilising tidal flats. The project targets improvements in both lagoon bottom (benthic) and fish communities, especially a rare fish species, the Canestrini's goby (Pomatoschistus canestrinii).

Project summary

Restoring ecologically important brown algae (ROC-POP-LIFE)

Brown algae (Cystoseira) plays a key role in marine conservation, supporting biodiversity and food cycles and sequestrating a large amount of carbon dioxide. However, the impacts of tourism and other human activities are causing this highly vulnerable reef habitat type to decline in the Mediterranean. This project aims to trigger brown algae restoration in two Natura 2000 network marine sites - Cinque Terre and Miramare. Restoration work will involve experimental transplanting techniques, including taking young cultured specimens from areas of more robust populations, saving time, money and lowering the ecological impact.

Project summary

LIFE Environment & Resource Efficiency (18 projects – 45.5 million)

Reducing the impact of urban freight transport (LIFE ASPIRE)

Urban freight has a disproportionately large impact on air quality and congestion, accounting for 25% of total transport air pollution and over 20% of congestion costs. Such issues are compounded in cities with a medieval centre, such as Lucca in Tuscany. The city has already implemented a 'limited transport zone' for freight through an earlier LIFE project. This project will introduce a 'credit-based' system for transport operators that applies flexible road pricing and rewards cleaner vehicles with high credit points. This is one of an integrated set of measures for improving energy efficiency and urban air quality. Others include load/unload parking lots and cargo-bike sharing. The project expects to reduce the number of last-mile deliveries in the historic centre and cut emissions of CO2, NOX and particulate matter by over 10%. It will assess the potential for replicating the access control policy in Stockholm, Sweden, and Zadar, Croatia.

Project summary

New software to implement REACH chemicals legislation (LIFE VERMEER)

Software modelling can help assess the risk to health and the environment of chemicals, and to identify potential substitutes for harmful substances. LIFE VERMEER is developing two new tools that will have broad application and will help implement the EU REACH Regulation. Both tools will be validated within six case studies (food contact materials, biocides, petroleum and oil fraction, greener solvents, dispersants, and cosmetics), so that they can become part of a platform called VEGA (Virtual models for property Evaluation of chemicals within a Global Architecture).

Project summary

Making fertiliser and additives from organic waste (LIFECAB)

The EU generates an estimated 76.5 to 102 million tonnes of municipal bio-waste each year. This is mostly food and pruning waste from gardens and green public areas. LIFECAB will demonstrate a new bio-waste treatment cycle, involving biochemical and chemical processes within a hydrolysis prototype facility with strong technology transfer potential. Composted municipal bio-wastes will be hydrolysed to yield soluble bio-based substances, for use as products (e.g fertiliser) and as additives that improve the anaerobic fermentation process, thereby increasing biogas productivity and quality.

Project summary

A tool to help companies comply with environmental legislation (LIFE MATHER)

Potentially hazardous chemicals used in the home appliances sector such as lead should be regulated, monitored and, when possible, replaced with safer alternatives. This project will develop a new chemical monitoring data tool for use by companies linking each chemical substance they use to both the relevant regulatory framework and its known harmful impacts. This will be demonstrated on around 15 to 20 products. The tool will raise awareness of the health and environmental impacts of materials and chemicals in product components, reduce the costs related to updating in-house databases and inventories, and result in quicker and more effective compliance with EU environmental and chemicals directives and regulations.

Project summary

Improving recycling of end-of-life vehicles (LIFE De-BAY)

When a vehicle reaches the end of its useful life, what's next? According to EU legislation, at least 85% (by weight) should be recycled. This project is seeking to lower the environmental impact of so-called end-of-life vehicles by developing more efficient recovery systems and techniques for small and medium-sized dismantlers. It will validate and demonstrate its new technology at two pilot vehicle dismantling sites. This will enable the recovery of larger amounts of materials and components, and up to 99% of all vehicle fluids by weight. It will be faster, safer and more efficient than current commercial systems.

Project summary

Making Grana Padano processing greener (LIFE TTGG)

Nearly a quarter of all milk ***produced*** in Italy is used to make Grana Padano. With 183,000 tonnes ***produced*** in 2015, it is one of the country's best-known and most widely consumed cheeses and has EU Protected Designation of Origin status. But the environmental impact of the manufacturing process could be lowered. This project will develop and test an environmental decision-support system to improve the efficiency of the supply chain, measuring performance against the Product Environmental Footprint metric. French dairy organisation, CNIEL, a project partner, will subsequently transfer the decision-support system to other EU Protected Designation of Origin cheeses.

Project summary

Saving materials and energy in steel component manufacturing (LIFE 4GreenSteel)

The manufacture of high-density steel components for the automotive industry has a considerable negative impact on the environment. This could be alleviated with more efficient use of raw materials and energy. LIFE 4GreenSteel will show that it is feasible to replace the traditional energy-intensive machining process with innovative High Density Powder Metallurgy technology. This should result in considerable energy and material savings, and reduce by more than 70% the lubricant premixed with metal powder, increasing energy efficiency and solving related emission problems.

Project summary

Increasing the sustainability of ceramic tile production (LIFE: Force of the Future)

Construction accounts for about 40% of the EU's total energy consumption and contributes almost 36% of its greenhouse gas emissions. To alleviate these significant environmental impacts, there has been a growing move towards more sustainable processes. This project will demonstrate dynamic monitoring of environmental, economic and social impacts at a ceramics company and will use these to inform a 'new production systems' concept. An integrated management tool will be used to identify the sustainable properties of materials and processes. This will enable the project to develop prototypes of more sustainable ceramic tiles, which will be ***produced*** on a small scale.

Project summary

Testing integrated mobility services in Tuscany (LIFE\_SC)

Would you need to own a car if you could access integrated mobility services? This project integrates the benefits of public and private transport by developing a sustainable mobility ***programme*** for Tuscany's Argentario Coast. Inhabitants and tourists will be able access private or public transport services, depending on their needs and destination. Users will be able to travel on all services, including ferries, using a single ticketing system.

Project summary

Implementing a circular economy approach to aquaculture (REMEDIA Life)

The World Bank forecasts that aquaculture production will triple by 2030. Fish farm waste is often discharged into the sea without treatment. REMEDIA Life will mitigate associated environmental impacts by replacing commonly-used mussels and macroalgae with stress-tolerant bio-remediators, such as polychaetes and sponges. The 'integrated multi trophic aquaculture' system should significantly improve a range of indicators of seawater quality around a pilot mariculture farm. It will also enable production of edible and inedible biomass that could have commercial (biotechnological) applications. This sustainable aquaculture project is in line with the European Blue Growth Strategy.

Project summary

Tackling nitrogen pollution from digital textile printing (LIFE DeNTreat)

Digital textile printing has been gaining popularity among textile manufacturers. However, it is considered responsible for more than a 200% increase of nitrogen in wastewater, resulting in higher treatment costs. One solution could be to use decentralised wastewater pre-treatment modules, based on the Anammox (ANaerobic AMMonium Oxidatation) microbial process, as this project will demonstrate. These are capable of sustainably reducing nitrogen pollutants linked to textile industry discharges, hence decreasing the nitrogen content of urban wastewater.

Project summary

Reducing the impact of tannery effluents (LIFE GOAST)

Tannery effluents, if not properly treated, cause significant damage to soil and water bodies. LIFE GOAST will demonstrate a new tanning technology on a semi-industrial scale in Arzignano, Veneto. The technology is expected to have fewer environmental impacts than the standard chrome tanning process, while ***producing*** comparable or better quality leather. In particular, the project will ***produce*** chrome-free, high-quality leather articles, and improve the quality of tannery effluents by eliminating the use of chromium salts and other harmful substances. The process is also expected to reduce water consumption (by about 20%) and enable the recycling/reuse of 10% of tanning agents.

Project summary

Turning ordinary cars into hybrid vehicles (LIFE SAVE)

The EU aims to achieve a 95 g CO2/km cap in emissions from transport by 2020 with further restrictions to follow. To this end, this project is further developing a prototype (called HySolarKit) for converting internal combustion engine cars into hybrid electric vehicles, so that the technology is market-ready. Project actions will include improving the integration of the system into cars through upgraded power electronics, and demonstrating reductions in fuel consumption and greenhouse gas emissions in retrofitted vehicles. It will also optimise production costs to obtain a favourable payback time for consumers and define commercial and licensing agreements.

Project summary

Cutting the carbon footprint of industrial wastewater treatment (LIFE LESSWATT)

The carbon footprint of wastewater treatment plants can be significantly reduced by optimising treatment steps and lowering energy requirements. This project is targeting improvements in the energy consumption of industrial treatment plants and their direct greenhouse gas emissions. It will develop and implement a new tool for assessing the contribution that the aerated compartments of a treatment plant make to its overall carbon footprint. The tool will be demonstrated in the wastewater treatment units of six tanneries, located in Italy and the Netherlands.

Project summary

Reducing health costs of persistent contaminants in the water cycle (LIFE PHOENIX)

Persistent mobile organic contaminants are pollutants found in the water cycle that are of growing concern to health professionals, policy-makers and citizens. They degrade very slowly and can cause serious health effects. The project will introduce a new system of governance for managing the risks these contaminants pose. This inter-institutional system will be supported by innovative forecasting tools based on ongoing monitoring. LIFE PHOENIX will develop early warning tools and mitigation measures that are expected to reduce public expenditure on dealing with the health impacts of damage caused by persisent mobile organic contaminants.

Project summary

Generating energy from waste food (i-REXFO LIFE)

What if instead of going to waste, out of date food could be used to generate energy? i-REXFO LIFE will demonstrate the feasibility, sustainability and replicability of an innovative approach that could prevent costly landfilling, reduce greenhouse gas emissions, and create new uses for 'expired food'. The approach centres on development of a tool to assess the bioenergy potential of locally-available waste food in terms of business models, legislative frameworks and other factors. This will be used to demonstrate sustainable 'reduction of expired food' strategies in the Umbria region of Italy, with actions focused on promoting the use of near-to-expiration food, such as distribution to charities, and raising consumer awareness about food label information.

Project summary

New tools for real-time monitoring of radon in buildings (LIFE RESPIRE)

Radon is a short-lived radioactive gas from natural sources that poses a health risk in buildings. Local authorities need better tools for real-time monitoring of indoor radon in order to reduce those risks and implement the EU Directive on human exposure to natural radiation. LIFE RESPIRE will demonstrate a cost-effective solution in four areas of Italy and Belgium, where it will be used to provide local authorities with real-time radon maps and to help implement remediation actions. Mapping of 'radon prone areas' will enable national action ***plans*** to be developed, as well as helping to raise public awareness about radon.

Project summary

Demonstrating a natural approach to plant disease in vineyards (LIFE GREEN GRAPES)

Plant diseases in vineyards are a major headache for wine ***producers***. Control of those diseases is becoming more difficult as pathogens acquire resistance to the most used active ingredients in commercial fungicides. Stimulation of plants' natural metabolic resistance is a promising way of overcoming this problem. LIFE GREEN GRAPES seeks to improve the anti-parasitic response of vineyards through innovative natural products. It will demonstrate the effectiveness of predictive crop protection models, coupled with agronomic techniques and foliar ***interventions*** on vine plants, based on the use of products to increase plant resistance and biocontrol agents. This will also help reduce the amount of chemical fertilisers and pesticides used, as well as improving the harvest and product quality.

Project summary

LIFE Environmental Governance & Information (4 projects – 6.0 million)

Involving distributors and retailers in waste electronics collection (LIFE WEEE)

Recovery rates of waste electrical and electronic equipment could be improved with greater consumer awareness and involvement of equipment retailers and distributors in the collection process. LIFE WEEE will trial a new governance model that follows this approach in Tuscany, Italy, and Andalusia, Spain. This includes setting up new information exchanges and equipment disposal sites and simplifying adminstrative procedures for businesses involved in its collection and management. Making people aware of the importance of separate collection of electrical and electronic waste is essential both to eliminate behaviour that leads to severe environmental risks and for the full implementation of the EU Directive on waste electrical and electronic equipment.

Project summary

Cycling through the Italian Natura 2000 Network (LIFE Sic2Sic)

Many Natura 2000 network sites are seriously threatened by degradation, severe fragmentation of habitats, the introduction of invasive alien species and the overexploitation of resources and valuable species. LIFE Sic2Sic will promote awareness and active public participation in the protection of biodiversity. It seeks to increase people's awareness of the Natura 2000 network and to encourage Italians to adopt more environmentally sustainable behaviour, for instance by promoting bike lanes and sustainable tourism. Other aims are to foster and stimulate processes of active citizenship concerning environmental issues, and to promote the activation of 'territorial governance' collaborative models.

Project summary

Making festivals greener (LIFE GreenFEST)

Green public procurement has been identified as one of the main tools public administrations can use to drive the necessary changes to current consumption and production patterns. By promoting green public procurement among stakeholders, this project can make festivals and cutural events greener across Italy. The idea is that cultural events, funded, sponsored or organised by local authorities, would be subject to a number of minimum environmental criteria, in line with the EU's goal of moving towards a circular economy.

Project summary

Monitoring and restoring underwater meadows (LIFE SEPOSSO)

Protected underwater meadows of Neptune grass (Posidonia oceanica) are under threat along the Italian coast and especially near towns and cities. LIFE SEPOSSO will help address the loss and fragmentation of these important habitats by creating an electronic information system to measure and evaluate the efficiency and effectiveness of inspection and surveillance works. It will also transplant Neptune grass to restore missing sections of meadows and raise awareness of their importance among public authorities and the general public.

Project summary

LIFE Climate Change Adaptation (3 projects – 9.3 million)

Adapting to desertification is an opportunity for farmers (LIFE DESERT-ADAPT)

Climate change adaptation is not only a huge challenge, it is also an opportunity to open up new income sources for farmers. Desertification Adaptation Models tested by this project in vulnerable parts of Italy, Spain and Portugal will combine methods such as inter-planting, reforestation, water-saving technologies and soil protection to increase resilience. As well as improved biodiversity, there will be a net carbon removal of one tonne of carbon dioxide per hectare using the new models. Another expected outcome is eight viable new sources of income (organic products and ecosystem services) generating an extra 100 euros per hectare.

Project summary

Sustainably managing alpine pastureland (LIFE PASTORALP)

Better understanding the carbon sequestration potential of pastureland in the Alps, and devising more sustainable ways to manage it, could change the current ad hoc approach to pastureland preservation. LIFE PASTORALP will work with graziers to develop and test adaptation measures, build capacity and improve management strategies for climate change adaptation in two national parks (one in Italy, one in France). Defining environmental and socio-economic indicators for the status of pastureland and consolidating results into guidelines will enable other alpine regions to benefit from lessons learned.

Project summary

Reducing flood risk in Veneto (LIFE Veneto ADAPT)

A major flood in 2010 in north-east Italy highlighted the increased risk of catastrophic flooding provoked by climate change. This LIFE project will devise integrated approaches for flood management throughout the Veneto region. Mapping of risks, vulnerabilities and resilience will provide a baseline for comprehensive and sustainable adaptation measures. These action ***plans*** will be aligned with urban ***planning*** policies to mitigate the expected increase in major flood events in the coming decades. More than 1.7 million citizens will benefit from improved resilience to flooding.

Project summary

LIFE Climate Change Mitigation (1 project – 2.9 million)

Making climate-friendly refrigerants commercially viable (LIFE-IREPRO)

Refrigerant gases containing hydrocarbons have a much lower global warming potential than fluorinated gases currently used in industrial refrigeration and air conditioning units. Uptake of these alternatives is limited by technological barriers. By introducing a separation column and changing the blending process during distillation of hydrocarbon refrigerants, this project expects to reduce costs by 20%, making the climate-friendly gases more commercially viable. Showing that it is possible to cut greenhouse gas emissions, water consumption and energy usage will support the implementation of new standards and regulations on fluorinated gases.

Project summary

LATVIA (LV) (1 project – 4.4 million)

LIFE Nature & Biodiversity (1 project – 4.4 million)

Establishing long-term management of Latvia's protected grasslands (GrassLIFE)

Latvia'spriority grassland habitats are in urgent need of support. This project will restore and reconnect more than 1300 hectares of grasslands and establish long-term management through grazing. This will involve working with partner farms to identify grassland-related business products with high added value. The project will also submit proposals to the Latvian government of hotspots for further grassland restoration and ways to incorporate protection of these habitats into the country's Rural Development ***Programme*** for 2021-2027.

Project summary

LITHUANIA (LT) (1 project – 1.4 million)

LIFE Nature & Biodiversity (1 project – 1.4 million)

Creating favourable habitats for the hermit beetle (LIFE OSMODERMA)

The hermit beetle (Osmoderma eremita) is a 'near threatened' species in the EU, restricted to old-growth trees, notably the decaying trunks of old oaks, left in situ in forests. The project will improve conditions for the beetle in core project areas through measures such as management of its preferred habitats, creation of migratory corridors and eradication of competing invasive saproxylic (deadwood dependent) species. It will also identify the ecological network for the hermit beetle and other protected insect species and develop a cross-border (Lithuania-Latvia) ***plan*** for this network. Through its efforts, LIFE OSMODERMA expects to restore at least one viable hermit beetle population.

Project summary

THE NETHERLANDS (NL) (5 projects – 33.5 million)

LIFE Nature & Biodiversity (1 project – 7.0 million)

Restoring estuarine areas for migrating fish and wading birds (Fish migration & BirdLIFE)

Is there a better approach to the management of habitats favoured by migratory fish species and wading birds? This project in Friesland will attempt to find out by focusing on a gradual, ecological freshwater-saltwater transition between the Wadden Sea, IJsselmeer and the hinterland. Natural landscaping of the transition from the sea to the Ijsselmeer will provide an acclimatisation zone and habitat for Atlantic salmon, lampreys and other fish migrating between the Wadden Sea and the wider Rhine river basin. Restoration of the estuary will include the creation of breeding islands and high-tide resting areas for birds.

Project summary

LIFE Environment & Resource Efficiency (3 projects – 18.5 million)

Developing new products from sewage sludge (LIFE Waste2NeoAlginate)

Granular sludge ***produced*** during wastewater treatment contains a relatively high percentage of valuable components such as alginate-like exopolysaccharides. These are comparable to the alginates traditionally derived from seaweed and could replace many fossil fuel-based chemicals used to manufacture paper, textiles and concrete, as well as in ***agriculture***. This project will set up a full-scale demonstration plant to ***produce*** around 1000 tonnes per year of NeoAlginate from granular sludge, developing new markets for bio-based products, in line with circular economy principles. The payback period for a full-scale plant is estimated to be three years only.

Project summary

Scaling up recycling of expanded polystyrene (LIFE-PSLOOP)

Expanded polystyrene foam is used extensively throughout Europe as an insulation material. However, only 7.5% of it is recycled; the rest is landfilled or incinerated. The objective of LIFE-PSLOOP is to recycle both expanded polystyrene construction waste and extruded polystyrene and to demonstrate an economically viable alternative to incineration. The project will construct an industrial-scale recycling plant that can process 3000 tonnes per year of polystyrene waste, reducing greenhouse gas emissions by 78% (12,000 tonnes annually).

Project summary

Recycling ammonia from dairy cattle barns (LIFE-CMCD)

Ammonia (NH3) is a precursor of particulate matter when released into the atmosphere. It causes acidification and eutrophication in soils and water. Dairy cattle farming is responsible for 44% of all ammonia emissions in the EU. Ammonia is formed when cow faeces mixes with urea. This project could reduce ammonia emissions from cattle barns by over 60% by separating faeces and urine immediately, using a robotic system called Lely RFX. The faeces will be separated into a fibrous fraction, for use as cattle bedding, and a liquid slurry fertiliser. The urine will be treated to ***produce*** other types of fertiliser that can reduce ammonia emissions on fields by more than 60% compared to non-processed manure. The new system will be tested in the Netherlands, Denmark, France and Germany.

Project summary

LIFE Climate Change Adaptation (1 project – 8.0 million)

Multiple benefits from multifunctional roofs (LIFE@Urban Roofs)

Multifunctional roofs have more benefits for the owners of buildings than green roofs, since they also enable water storage, energy production and social uses. The city of Rotterdam wants to stimulate the spread of these multi-purpose roofs by incentivising real estate developers and property owners. Through this LIFE project it will establish three demonstration sites on buildings with very different characteristics and demographics, including an experimental space for companies to test new technology. The project's new approach will be replicated in Vejle, Denmark.

Project summary

POLAND (PL) (3 projects – 7.2 million)

LIFE Nature & Biodiversity (1 project – 4.3 million)

Protecting waterbird habitats in the Upper Vistula (LIFE.VISTULA.PL)

The Upper Vistula River Valley is noted for its waterbird habitats, in particluar it is home to the common tern (Sterna hirundo) and the night heron (Nycticorax nycticorax). This LIFE project will restore conditions for both protected species in four Natura 2000 network sites of the Upper Vistula. Nesting birds will benefit from new gravel beaches and actions to stop shoreline erosion. Ponds will also be restored. The project will give new insights into night heron conservation that can be applied in other areas where artificial reservoirs are being used for leisure activities.

Project summary

LIFE Environmental Governance & Information (1 project – 0.5 million)

Supporting local action for nature in the Carpathians (LIFE Green-Go!Carpathians)

The Carpathian mountains are one of Europe's most important ecological corridors and a haven for biodiversity. The Polish part of the Carpathians includes nearly half a million hectares of protected areas. Rivers and grasslands within these areas are becoming increasingly degraded and fragmented. Restoration depends on the support and involvement of local communities. This LIFE project will establish networks of local residents and authorities to carry out actions to protect landscapes and biodiversity. These networks will show the benefits of nature conservation for local development and share good practices for participatory governance of Natura 2000 sites throughout the Carpathian region.

Project summary

LIFE Climate Governance & Information (1 project – 2.4 million)

Helping deliver EU climate and energy policy at national level (LIFE Climate CAKE PL)

Implementation of EU climate and energy policies depends upon effective action at national level. To give decision-makers in Poland the capacity to efficiently implement those policies, LIFE Climate CAKE PL will establish a centre for climate and energy analyses that will develop modelling tools for assessing the precise climate change impact of proposed ***agriculture***, transport and energy policies. At least five Polish government ministries will test the modelling tool. The new centre will also act as an information hub to increase awareness of climate and energy policies among businesses and the general public.

Project summary

PORTUGAL (PT) (2 projects – 5.0 million)

LIFE Nature & Biodiversity (1 project – 1.7 million)

Conserving Portugal's relict habitats (LIFE RELICT)

Relict habitats (remnants of the last Ice Age more than 10 000 years ago) in Portugal are officially recognised as being in an inadequate condition and in decline. This project takes place in three Natura 2000 network sites where they can still be found. It will focus in particular on two unique habitat sub-types with relict shrubland species: Portugal laurel (Prunus lusitanica) and pontic rhododendron (Rhododendron ponticum ssp. baeticum). Conservation and management actions will include extending the habitat into favourable adjacent areas, implementing measures to reduce the risk of fires, and removal of invasive alien plant species. Reforestation is expected to improve the ecological function of the project area in the medium to long term, increasing carbon sequestration and soil organic matter.

Project summary

LIFE Environment & Resource Efficiency (1 project – 3.3 million)

Improving the condition of the Vouga river basin (LIFE AGUEDA)

Modifications to the structure or water flow of rivers affect their ability to retain sediments, make them more vulnerable to pollution, and have a negative impact on flora and fauna. LIFE AGUEDA will improve the condition of the Vouga river basin in the Centro region by renaturalising stretches of the river and restoring or recreating associated habitats. Actions will include building fish passes that mimic natural conditions, restocking the population of the protected European eel, and involving anglers in fish monitoring. The project will also set up mobile fish auctions to create market differentiation (and higher prices) for fish from the the Vouga.

Project summary

ROMANIA (RO) (1 project – 1.5 million)

LIFE Nature & Biodiversity (1 project – 1.5 million)

Reconnecting the River Gilort (Fish for LIFE)

The Gilort is a tributary of the River Jiu in southern Romania. Damming of the Gilort to generate hydropower and the construction of a coal-fired power station have upset the preferred habitat conditions for many rheophilic fish species (i.e those that prefer fast-flowing water). Fish for LIFE will restore river connectivity and improve habitats for four target fish species. This will be achieved by restoring the Gilort's natural physical characteristics, re-establishing a link between two stretches of the river, stabilising river banks by planting native species, and by constructing two fish passages.

Project summary

SLOVENIA (SI) (7 projects – 22.9 million)

LIFE Nature & Biodiversity (3 projects – 12.9 million)

Creating a stepping stone for lynx in Slovenia (LIFE Lynx)

Urgent action is needed to protect the Dinaric-SE Alpine lynx (Lynx lynx) population from extinction. This project will create favourable areas and food sources to help link together lynx populations and thereby promote their survival. It will also form a new population nucleus further west of the current Dinaric population, through the release of individuals transplanted from a viable source population in the Carpathians. Cross-border conservation management will help reduce potential human-lynx conflicts.

Project summary

Saving a rare fish from extinction (LIFE for LASCA)

The South European nase (Protochondrostoma genei) is a very rare fish species that occurs in northern Italy and western Slovenia, where it is close to extinction with populations in rapid decline across its entire range. This project will release captive-bred fish to reinforce wild populations, establish a South European nase conservation management ***plan***, and reduce numbers of an invasive fish species, the sneep (Chondrostoma nasus), which competes with it for resources.

Project summary

Measures to restore the functioning of intermittent lakes (LIFE STRŽEN)

Turloughs are a type of intermittent lake, a seasonal expanse of water that is dry for part of the year. They are a priority for conservation in the EU Habitats Directive. Lake Cerknica in Slovenia is a turlough whose natural water dynamics have been compromised by drainage to maximise ***agricultural*** use. To reverse these effects, this project will restore the former Stržen riverbed in two Natura 2000 network sites. Extending the watercourse by 1.5 km will increase saturation of soil with water and improve conditions for characteristic species of fish, invertebrates, birds and mammals. To reduce negative impacts of visitors on the restored riverbed, the project will establish 'quiet zones' in the breeding habitat of the Eurasian bittern (Botaurus stellaris).

Project summary

LIFE Environment & Resource Efficiency (1 project – 4.4 million)

Turning acid whey into an income stream for dairies (LIFE for Acid Whey)

Only 40% of whey, the liquid remaining after milk has been curdled and strained, is further processed in the EU. This despite the fact that it contains proteins with high market demand. Acid (sour) whey in particular is usually discharged into the sewage system and can end up depleting oxygen levels in water. This project will demonstrate a technology that can extract high-value proteins, such as lactoferrin, lactoperoxidase and immunoglobulins, from waste whey streams in an economically viable way. It will also ***produce*** methane from acid whey in a biogas co-digestion plant. These technologies should reduce the environmental burden of acid whey and give small and medium-sized dairies new sources of income.

Project summary

LIFE Environmental Governance & Information (2 projects – 3.8 million)

Boosting biodiversity awareness in Slovenia (LIFE NATURAVIVA)

Slovenia has a larger share of Natura 2000 sites than any other EU Member State, with 37% of its territory inside the network. In spite of this fact, biodiversity awareness remains low. This ambitious project promises to raise awareness on a grand scale (i.e reaching 50% of the population), highlighting the importance of biodiversity and increasing support among Slovenians for action to halt biodiversity loss, and in support of nature, protected areas and the Natura 2000 network. A variety of innovative activities targeting different sectors are ***planned***, including creating three biodiversity educational trails and connecting nature conservation with cultural and arts events.

Project summary

Raising awareness of environmental liability (ECOLEX LIFE)

A recent survey found that few Slovenians were familiar with the EU Environmental Liability Directive. To raise awareness among those most affected by this directive, ECOLEX LIFE will target communications at people who prepare environmental risk assessments, experts in environmental law, and people working for companies and organisations whose activities have an environmental impact. Among other actions, the project will develop a toolkit to help stakeholders understand their environmental responsibility and act accordingly. By promoting behavioural change, the idea is that environmental incidents may be reduced.

Project summary

LIFE Climate Governance & Information (1 project – 1.7 million)

Encouraging local climate action to meet Paris targets (LIFE ClimatePath2050)

A new decision-support system will help authorities in Slovenia meet the targets for reducing greenhouse gas emissions set out in the Paris Agreement. The tool developed by this LIFE project will enable authorities to fully assess the impact of different greenhouse gas mitigation scenarios. It will also enhance monitoring and reporting with no extra administrative burden. Local 'climate action scoreboards' will be set up to motivate local communities to compare their progress with that of other communities. This will allow the government to propose more ambitious targets and actions in the future. The ultimate outcome: a robust national mid-century climate strategy.

Project summary

SPAIN (ES) (44 projects – 79.4 million)

LIFE Nature & Biodiversity (5 projects – 12.5 million)

Restoring habitats on a rare songbird's migration route (LIFE PALUDICOLA)

The aquatic warbler (Acrocephalus paudicola) is a specialist migratory bird species whose preferred habitats include large open reedlands, peatlands and fens with species of the genus Cladium. It is suffering a serious decline in western and central Europe due to the loss of its habitats, mainly caused by drainage of shallow wetlands, peatlands and flood plains for use as ***agricultural*** land or for peat extraction. The project will restore and improve some 380 hectares of preferred aquatic warbler habitat in Spain, which is on the species' main migration route between Europe and Africa.

Project summary

Habitat improvement for Bonelli's eagle (AQUALIA a-LIFE)

Between the 1970s and 1990s, Bonelli's eagle (Hieraaetus fasciatus) disappeared from many western Mediterranean areas. To increase its occurrence and reverse the current regressive population trend, this project will focus on restoring the habitats where it once lived. Among other actions, it will release birds in areas where a previous project (LIFE BONELLI) has achieved some success in reintroducing the species. AQUALIA a-LIFE will also address a range of threats to the eagle.

Project summary

Helping the Cantabrian brown bear expand its range (LIFE OSO COUREL)

In recent years there has been an increase in numbers of the Cantabrian brown bear (Ursus arctos). However, the population is still under threat. Serra do Courel in Galicia is an important potential expansion zone for the brown bear. This LIFE project will take steps to enable the species to become permanantly established there. Habitats will be connected and made more suitable for bears. Outreach work with the local community and interest groups (farmers, graziers, hunters) will seek to promote greater social acceptance of the presence of this large carnivore.

Project summary

Maintaining protected habitats on common land (LIFE IN COMMON LAND)

How do you manage protected habitats situated on land with common grazing rights? This project in the Sierra do Xistral Natura 2000 network site in Galicia, north-west Spain, hopes to provide some answers. To prevent conflict between nature conservation and economic activities, it will introduce integrated, results-based management of common land where Atlantic wet heaths, raised bogs and blanket bogs are found. Measures will include management of livestock density and the implementation of payment schemes for people exercising their grazing rights. The goal is to incorporate these schemes into the regional rural development ***plan*** to ensure results are sustained and replicated.

Project summary

Alternative conservation strategies for Mediterranean alder forests (LIFE ALNUS)

Mediterranean alder forests are in decline, but the causes are not fully understood. To address this, LIFE ALNUS will design and promote alternative conservation strategies to improve the condition of alder forests in Catalonia. These include creating hundreds of core areas of dispersed habitat from which plants can expand outwards, increasing the area of alder forest, restoring connectivity and ecological functioning. These strategies will be tested in three pilot areas with a view to replicating the methods throughout the Mediterranean.

Project summary

LIFE Environment & Resource Efficiency (32 projects – 55.6 million)

Identifying the most polluting vehicles in real time (LIFE GySTRA)

Targeting a reduction in air pollution in towns and cities, the project will develop a tool that will remotely measure real-time vehicle emissions in order to identify high-emitting vehicles. The tool will be tested in real conditions on vehicles driving in Madrid and on a fleet of buses in the Austrian city of Graz. It will enable authorities to require polluting vehicles to be repaired or face a fine.

Project summary

Removing phosphorous with natural coagulants (LIFE NEWEST)

Phosphorous is widely used in ***agricultural*** fertilisers, detergents, household cleaning products and industrial processes. As a result, more phosphorus has been measured in lakes and rivers in recent years. This project will use new, natural-based coagulants in tertiary wastewater treatment processes. These are designed to replace potentially toxic synthetic coagulants and improve the efficiency and effectiveness of phosphorous removal. Sludge from the treatment process will be used in biomethanation processes to ***produce*** biogas as well as ***agricultural*** applications.

Project summary

Reusing spent yeast in brewing and pharmaceuticals (LIFE YEAST)

Brewers' spent yeast is a brewing industry by-product. It contains a high level of nutrients. However, it is highly susceptible to rapid contamination and spoilage caused by microorganisms. This has hampered the large-scale deployment of some technologies for its reuse. This project will process spent yeast in order to generate valuable materials for a range of industrial applications. It will test, optimise and scale-up the processing of the yeast, aiming to demonstrate the commercial use of yeast constituents in the brewing and pharmaceutical industries. It will also explore options in the animal feed, wine, food and cosmetics industries. At the end of the project, a full engineering package will be developed to transfer the technology to AB InBev breweries.

Project summary

Turning brewery by-products into fish food (LIFE-Brewery)

Brewers' spent grain and spent yeast are by-products of the brewing process. Most spent grain is turned into feed, but it only has a 48-hour shelf life. Brewers' spent yeast is mixed with wastewater and discharged as effluent. By optimising and scaling up a low carbon dehydration process the two by-products could become ingredients in aquaculture feeds. These will be tested in fish growth trials to optimise formulas and prove the potential for replication. The project is also expected to create up to 50 new jobs within three years of completion.

Project summary

A new means of removing emerging pollutants from wastewater (LIFE CLEAN UP)

New and emerging pollutants are synthetic or naturally occurring chemicals that are known or suspected of causing negative impacts on human health and the environment, but which are not yet commonly monitored. This project will demonstrate and validate a new process for removing emerging pollutants from wastewater, using an absorption system coupled with advanced oxidation technology involving light pulses, photocatalysis and photosensitisers. It thereby aims to show the feasibility at industrial scale of a process to degrade pollutants and pathogens that were not previously removed.

Project summary

Making bottles, jars and cosmetics using citrus peel (LIFE CITRUSPACK)

Spain ***produces*** around six million tonnes of citrus fruits per year. The sector generates a large amount of organic waste and also waste from non-biodegradable plastic packaging. This circular economy project will use treated citrus peel as a replacement for non-biodegradable plastics in the production of juice bottles and cosmetics jars. And it will complete the cycle by showing the use of pulp residues as natural ingredients in cosmetic creams.

Project summary

Solar-powered treatment of fruit and vegetable processing effluent (LIFE ALGAECAN)

Fruit and vegetable processing uses a lot of water, including for cleaning ***produce*** and machinery. The sector generated an estimated 200 million m3 of wastewater in the EU in 2014. LIFE ALGAECAN will use innovative solar-powered algal treatment of effluents from fruit and vegetable processing. This is expected to ***produce*** a high-quality stream for discharge to water bodies at a fraction of the cost of standard aerobic treatment – a predicted 80% reduction in treatment costs.

Project summary

Helping smaller food and drink companies evaluate their environmental footprint (Life-RENDER)

Small and medium-sized companies often struggle to evaluate the environmental performance of their products using the Product Environmental Footprint methodology. Life-RENDER will develop and demonstrate an innovative decision-support tool that will help SMEs in the food and drink sector to carry out studies and to identify focused environmental measures.

Project summary

Making liquid biofuel from municipal waste (LIFE WASTE2BIOFUEL)

Treatment and reuse options are needed for municipal waste. This project will develop a new process for the thermal treatment of the biomass fraction of municipal solid waste and its processing into liquid biofuel. The process will reduce greenhouse gas emissions from waste treatment by an estimated 19%.

Project summary

Using old inefficient wind turbine blades to make roads (LIFE REFIBRE)

Wind turbine blades are made of glass-fibre reinforced plastic, a composite material that is difficult to recycle. LIFE REFIBRE will design and build an innovative prototype plant to recycle the blades and obtain glass fibres, which will be added to asphalt mixes for road construction. The fibres will improve the mechanical properties of road surfaces, increasing their durability and reducing maintenance requirements and costs.

Project summary

Removing pesticides and nitrates from groundwater (LIFE ECOGRANULARWATER)

Groundwater pollution can be a problem in intensively farmed areas, such as the province of Granada in southern Spain. Nitrates, phosphates and agrochemicals in soil percolate into aquifers, affecting water quality. To address this problem, this project will develop and demonstrate a new biological treatment method to remove organic and inorganic nutrients such as pesticides and nitrates from water. It is expected to remove 90% of those nutrients and make significant energy and cost savings in comparison with conventional treatment.

Project summary

Removing pollutants from abandoned mines (LIFE-DEMINE)

Abandoned mines are a major contamination concern, capable of polluting surrounding soils and water with heavy metals and salts. This is why the EU Mining Waste Directive requires a risk-based inventory of closed and abandoned mine sites. LIFE-DEMINE ***plans*** to demonstrate a mining effluent treatment process that combines proven membrane and electrocoagulation technologies for washing wastewater in a novel way. This will be used to treat wastewater from two abandoned mines: Nant Bwlch-yr-Haearn in Wales, UK, and Menteroda, Germany. It is expected to remove more than 95% of metals and salts, leaving a final effluent that is within legal limits and can be discharged to water bodies without risk. The project will also analyse the composition of at least 50 abandoned mine wastewaters in different European regions in preparation for transfer and upscaling of the process.

Project summary

Improving the desalination process (LIFE DREAMER)

Desalination of seawater could be an extremely important alternative source of drinking water if costs and environmental impacts can be reduced. This project seeks to show the value of an improved and more resource-efficient desalination process based on reverse osmosis. The technology aims to fully convert the seawater into usable water and other valuable products that can be used in various industries. Ultimately, the project aims to contribute to finding a long-term solution to the ever increasing pressures on global water resources.

Project summary

Reducing exposure to cancer-causing formaldehyde (LIFE SENSSEI)

Formaldehyde is a high-volume compound widely used in the manufacture of resins and adhesives and as a disinfectant, preservative and industrial additive. Formaldehyde is carcinogenic, which has implications for worker health and safety. LIFE SENSSEI is developing a real-time formaldehyde monitoring and alarm system that will reduce workers' exposure to the compound by 20% and reduce the concentration of formaldehyde in air at facilities where it is used by 80%.

Project summary

Recovering valuable materials from steel galvanising (LIFE-2-ACID)

Around 20 million tonnes of galvanised steel is ***produced*** in the EU every year. Spent pickling acids from the steel galvanising process are typically treated using conventional processes, ***producing*** a residue that is sent to landfill. A new technology developed by this project promises to selectively recover zinc and iron chloride from spent pickling acids. The recovered zinc will be reused as a raw material for galvanising, and the iron chloride will be used as a reagent in wastewater treatment plants.

Project summary

Using polyurethane waste in building materials (LIFE REPOLYUSE)

Polyurethane is widely found in home furnishings: more than 3.5 million tonnes of the material is used in Europe each year. This generates some 675 000 tonnes/year of waste, most of which goes to landfill. This project sets out to increase the reuse of polyurethane waste that is currently managed as inert waste, or is recovered through techniques that are not environmentally sustainable. Using a novel technology, it will integrate polyurethane waste into new building materials, thereby extending its life-cycle. Widespread uptake of the new technology would also mean less gypsum needs to be mined.

Project summary

Making new food packaging from old fish boxes (LIFE EPS SURE)

Some 335,000 tonnes per year of expanded polystyrene is used for food packaging in the EU. Only 25% of this is recycled, 30% is incinerated, and the rest is landfilled. Polystyrene boxes containing fish products are a particular challenge for recyclers. LIFE EPS SURE has a potential solution: a technically and economically viable new process for converting those fish boxes into food-grade polystyrene. It will collect 10 tonnes of boxes from El Corte Inglés stores in Spain and ***produce*** 4-5 tonnes of recycled polystyrene. This will be used to make 40 prototypes of food contact packaging. A set of good manufacturing practices adapted to legal and operational requirements in Greece, Italy and the UK will set the scene for replication in those countries.

Project summary

Making farming profitable again in Mediterranean oak landscapes (LIFE Regenerate)

More than six million hectares of farmland in the Mediterranean basin are noted for their oak habitats. Known as dehesas in Spain, montados in Portugal and meriagos in Sardinia, Italy, these plantations are rapid declining as a result of rural abandonment and the low productivity as a source of wood; most are lossmaking. LIFE Regenerate intends to prove a sustainable and profitable new business model for small and medium-sized farms on oak-based silvopastoral systems in Spain and Sardinia and then scale it up to cover 5000 hectares in the three countries. The new model will be based on nature protection and resource efficiency – mosaic landscape management, multi-species rotational grazing and recycling of biomass waste to create new income streams (organic fertiliser, high-protein cattle feed, and cultivation of edible mushrooms). It is expected to increase biodiversity by 20% and bring economic benefits of €654 per hectare per year.

Project summary

Making new plastic products from commercial packaging waste (LIFE RECYPACK)

There is scope to improve the management of commercial plastics packaging waste in the EU. LIFE RECYCPACK is a demonstration project to foster green public procurement of this waste stream in towns and cities and show that it is a valuable resource. It will operate two recycling facilities, in Hungary and Spain, ***producing*** recycled polyethylene and polystyrene from such waste. The recycled material will be used to manufacture new plastic products, thereby closing the loop. The project will also evaluate the potential for replication of its recycling systems and circular economy business model in Belgium, Croatia, Poland, Romania and Turkey.

Project summary

Using sewage sludge in ***agriculture***, construction and for energy (LIFE DRY4GAS)

LIFE DRY4GAS will develop a pilot plant to dry sewage sludge from wastewater treatment plants for reuse in energy generation, the construction industry and ***agriculture***. The technology will be installed at an existing treatment plant in Torrepacheco,Spain, where it is expected to reduce waste volume by more than 80%. The project should bring numerous environmental benefits, including reducing carbon dioxide emissions by 880 to 1111 tonnes per year, cutting chemical fertiliser use and water consumption by 20% and increasing carbon sequestration in soil by the same amount. It will also address negative environmental impacts associated with using sludge in ***agriculture***.

Project summary

Converting waste heat from industry into energy (LIFE-HEAT-R)

This project will showcase a marketable, new technology for directly converting waste heat into electricity, based on a thermoelectric principle called the Seebeck effect. The technology consists of a modular unit using multiple thermo-electric generator cells controlled through a patented programmable control unit based on system-on-chip technology. The technology will be demonstrated in industrial sectors with high levels of waste heat emissions, through three pilot projects (classified by temperature ranges) that will permit part of the wasted energy to be recovered in the form of heat and transformed into electricity. The net effect will be to reduce greenhouse gas emissions.

Project summary

Substituting safer alternatives to conventional flame retardants (LIFE-FLAREX)

Flame retardants are a group of environmental contaminants used at relatively high concentrations in many sectors, notably the textile industry. Many of them are considered toxic, persistent and bio-accumulative. This project will support the substitution of flame retardants containing bromine, formaldehyde and antimony, used in textile finishing products with safer alternatives. It will identify potential substitutes and test and evaluate them at pre-industrial and industrial scale. It will thereby encourage the implementation and update of the REACH legislation.

Project summary

Recovering nitrogen and phosphorous from wastewater sludge (LIFE ENRICH)

The wastewater treatment sector discharges a lot of reusable nutrients into the environment. LIFE ENRICH will design and build a new sludge line configuration in Murcia Este's wastewater treatment plant to recover nitrogen and phosphorous for use in ***agriculture***, either directly on crops or for fertiliser. The project will also define optimal recipes for fertilisation using products obtained from the process and demonstrate their agronomic properties. By recovering phosphorous, a critical raw material, this LIFE project will contribute directly to the implementation of the EU Circular Economy Action ***Plan***.

Project summary

Enabling treatment plants to cope with excess toxic loads (Life BACTIWATER)

Many urban wastewater treatment plants have biological units, which contain bacterial cultures. An increase in the toxic load of wastewater harms the units' cleaning capacity. Such increases come from uncontrolled discharges with excess toxic loads and are often seasonal, coinciding with activities of certain industrial processes such as wine production or the canning sector. Life BACTIWATER aims to speed up the recovery of the treatment process when disrupted by these impacts by fostering the right bacterial action. The project expects to reduce recovery time by 20% and cut the amount of pollutants reaching natural water bodies when treatment plants fail.

Project summary

Reducing ammonia emissions from muck-spreading (LIFE-ARIMEDA)

According to the European Environment Agency, Spain was one of six EU Member States that, in 2014, exceeded the ammonia ceiling set out in the National Emission Ceilings Directive. This project aims to reduce the ammonia emissions associated with the spreading of manure in ***agriculture***, by using the diluted liquid fraction of slurry and digestate in precision fertigation (fertilisers + irrigation) techniques. Through large-scale field trials it will show that it's possible to replace synthetic fertilisers and reduce the risks of eutrophication and nitrate leaching in ***agricultural*** soils.

Project summary

Demonstrating zero liquid discharge in the metal industry (LIFE DIME)

Metal surface treatment processes such as degreasing, acid pickling, alloy baths or lacquering generate large amounts of toxic liquid wastes. LIFE DIME will seek to prove that three effluent treatment technologies (extraction, crystallisation and membrane distillation) can be integrated into a 'zero liquid discharge' process in a new pilot plant. This solution is designed to recover raw materials from the hazardous waste stream for reuse, namely hydrochloric acid and metal salts. As well as avoiding the need for sludge disposal, the recovered materials could be worth an estimated €550,000 per plant per year.

Project summary

A new treatment technology for excess nitrates (Life LIBERNITRATE)

In Europe, 87% of groundwater is polluted by excess nitrates, and in intensive farming and cattle areas, the concentration in groundwater can reach one to seven times the legal level. Life LIBERNITRATE will build a prototype plant for the depuration of water with a high nitrate content. The plant will feature an adsorption bed made of active silica, obtained through a second prototype for treating waste ashes from the controlled incineration of rice straw. The project also ***plans*** to raise awareness amongst farmers of reducing nitrates at source by cutting their use of nitrogen fertilisers.

Project summary

New ways of removing natural radioactivity from drinking water (LIFE ALCHEMIA)

Naturally occurring radioactivity is present in sources of drinking water and can be a threat to human health. The most common current treatment, reverse osmosis, has a very high carbon footprint and generates large volumes of reject water containing radioactivity that requires further treatment. LIFE ALCHEMIA will develop four pilot plants in Spain and Estonia to test new ways of removing natural radioactivity from drinking water. These bed filters and hydrous manganese oxide technologies are expected to reduce the naturally occurring radioactive materials generated during the removal of radioactivity by 90%, as well as cutting treatment costs and greenhouse gas emissions.

Project summary

Obtaining gelatine and collagen from slaughterhouse wastes (LIFE byProtVal)

There is a need for improved techniques for the recovery and treatment of animal by-product wastes. The processing water and unmeltable residue (greaves) resulting from the rendering of animal fats and other by-products are potential sources of valuable gelatine and hydrolysed collagen. This LIFE project will show new treatment processes to recover the two desired materials and test collagen derivatives for use as chemical products, fertiliser or feed.

Project summary

Remediating soils with steel and power station residues (SUBproducts4LIFE)

Soils in many parts of Europe have been degraded by industrial activities. Residues from power stations (coal ash and synthetic gypsum) and steel works (blast furnace and steelmaking slag) could be used to remediate those soils. This project is dedicated to creating such an industrial symbiosis between industries and contaminated sites. Large quantities of the four 'sub-products' will be used in trials on former mines to improve soil and water quality, for instance, by reducing levels of arsenic and mercury in soil and leachate water through 'semi-natural' processes. The fixing capacity of the four residues will be verified in real-scale conditions, backed up by a life-cycle assessment, circular economy ***plan*** and replicability and transfer ***plan*** for each material.

Project summary

A cost-effective network of safe drinking fountains along the pilgrims' route (LIFE WATER WAY)

The presence of drinking fountains of good water quality along major walking routes, such as the Camino de Santiago in Galicia, could reduce consumption of bottled water and provide an inspiration to those responsible for managing other long-distance paths in Europe. LIFE WATER WAY will install 27 drinking water supply points of guaranteed good quality along a 155.2 km stretch of the pilgrims' route, spaced about an hour's walking distance apart. Renewable energy will be used to treat and pump the water with users paying a small fee to obtain it from a vending system. The new system should lead to a reduction in waste plastic bottles of 1.67 tonnes per year. If successful, 90 municipalities along the Camino de Santiago will install similar systems.

Project summary

Using weather radars and digital radio to speed up forest fire response (LIFETEC)

North-west Spain suffers the most forest fires in the country. These cause significant environmental damage. Early detection is critical for reducing response times and therefore the final burned area, along with improved communication and coordination. LIFETEC's objective is to show the efficacy of using existing weather radars to detect forest fires at an early stage; it will develop and test new early detection algorithms for this. The project will also demonstrate that TETRA (Terrestrial Trunked Radio) digital radio is a better technology than commercial mobile systems, which offer poor network coverage in rural areas, for communicating with and coordinating fire-fighting teams.

Project summary

LIFE Environmental Governance & Information (1 project – 0.8 million)

Increasing awareness of endangered brown bear populations (LIFE NATURA 2000 + BEAR)

Northern Spain is home to two small and endangered subpopulations of brown bears. Research shows that there is a lack of local awareness and acceptance of these bears and the Natura 2000 network in general. This project will engage with local communities to encourage changes in behavior and promote governance structures for better conservation of Natura 2000 sites and endangered bears. This will include media campaigns and participation at local events. The impact of the campaign will be measured through opinion polls.

Project summary

LIFE Climate Change Adaptation (4 projects – 8.2 million)

Helping smaller municipalities increase climate resilience (LIFE GOOD LOCAL ADAPT)

Towns and small cities are often less able to mainstream climate change adaptation into policies and practices than larger urban areas. This LIFE project is demonstrating that it can be done, by helping five municipalities in the Basque region to increase their resilience to heat waves and water scarcity. As well as green infrastructure in public spaces, this will involve renovating a demonstration building in Balmaseda to showcase five technologies for limiting the impact of heatwaves. The building will continue to be open to visitors and act as a reference after the project.

Project summary

Developing a common approach to sustainable energy and climate action (LIFE ADAPTATE)

Municipalities across Europe could benefit from a common methodology for developing sustainable energy and climate action ***plans***. LIFE ADAPTATE will help six municipalities in Spain, Portugal and Latvia to develop such ***plans*** and begin to implement climate adaptation actions to increase resilience to floods and forest fires, for instance. All six will also sign up to the Covenant of Mayors. Lessons from the project will be turned into guidelines to inspire towns and cities throughout the EU.

Project summary

Testing cool pavements' impact on urban heat (LIFE HEATLAND)

Cool pavements are an emerging technology for reducing the 'urban heat island' effect, whereby temperatures remain high in built-up areas. LIFE HEATLAND will develop a new surface mixture and install it in Murcia, where one of the first monitored trials of cool pavements on city roads will take place. By collecting key data 24/7, the project will be able to devise a mathematical model to predict the effectiveness of the cool pavement in different urban areas. This will be tested in at least four other European cities. The expected impact of the new surface is significant: lowering pavement temperatures by 10°C and the surrounding air temperature by up to 1.5°C, as well as cutting energy use by refrigeration devices and street lighting.

Project summary

Encouraging farmers to adapt in Mediterranean dry farming areas (LIFE AMDRYC4)

Mediterranean dry farming areas are especially vulnerable to climate change impacts. To build resilience, this LIFE project will implement adaptation measures and promote them through a land stewardship entity and voluntary agreements with farmers. It will also distribute guidelines for applying accounting methodologies for organic carbon and ecosystem services. Sustainable, smart and integrated management is expected to lead to an increase in carbon sequestration activity and biodiversity and a reduction in soil loss.

Project summary

LIFE Climate Change Mitigation (2 projects – 2.4 million)

Testing a local market for climatic credits for forests (LIFE CLIMARK)

Sustainable forest management is vital to enhancing the mitigation capacity of forests, but there are no incentives for owners to manage their forests for mitigation purposes. To provide such incentives, LIFE CLIMARK will establish a local market of 'climatic credits' to promote multifunctional forest management for mitigation. The scheme will be trialled in Catalonia, Spain, and Veneto, Italy, where credits will be awarded for forestry practices that support three ecosystem services: carbon sink capacity, water use efficiency and biodiversity. This will be the first compensation scheme to include carbon emissions reduced or avoided through forest fire prevention measures. Replication will be ensured through engaging with forest owners in France and Spain and via a guide for policy-makers.

Project summary

Reducing emissions by feeding goats with citrus orchard and rice straw waste (LIFE LowCarbon Feed)

Eliminating rice straw and pruning waste from citrus orchards would save more than 3.7 million tonnes CO2 equivalent per year. In this project, the two waste streams will be converted into a climate-friendly feed for goats that will lower their intestinal methane emissions. Goats consuming the feed are expected to give off 20% less greenhouse gas emissions. Goat farming in Europe is responsible for more than 1.4 tonnes CO2 equivalent per year, so replication of the project could have a significant impact on this major source of emissions.

Project summary

UNITED KINGDOM (UK) (4 projects – 13.8 million)

LIFE Nature & Biodiversity (3 projects – 13.1 million)

Boosting biosecurity awareness and response in England (Rapid LIFE)

Invasive alien species are one of the main causes of biodiversity loss, taking habitat and food source from indigenous fauna and flora. This project will deliver a package of measures to reduce the impact and spread of invasive species, such as, in rivers, lakes and coasts across England, thereby helping to protect threatened species. It will prevent the introduction of new invasive alien species by increasing biosecurity awareness among target audiences, such as fisheries and the tourism sector. The efficacy of early warning and rapid response systems in England will be improved and localised rapid response protocols developed to combat new invasive alien species.

Project summary

Improving the condition of raised bogs in Wales (LIFE Welsh Raised Bogs)

In addition to their value to nature, raised bog habitats are an important carbon sink, sequestering atmospheric carbon dioxide. Today raised bogs in Wales are in a poor condition due to peat cutting, drainage and artificially steep surface gradients that promote water loss. This LIFE project ***plans*** to improve 694 hectares of active raised bogs and over 275 hectares of degraded raised bogs (and associated habitats) in seven Natura 2000 sites in Wales. Actions will include reintroducing a water management regime, damming drainage features and restoring marginal ditches. The project will also tackle scrub encroachment and the spread of the problem species, Molinia, a moor grass.

Project summary

Restoring badly-eroded blanket bogs (Pennine PeatLIFE)

Located in the North Pennines, this project will demonstrate and evaluate geographically appropriate restoration techniques for blanket bogs, a priority habitat for conservation according to the EU Habitats Directive. This involves directly targeting the restoration of 1353 hectares of badly eroded blanket bog habitat, both within Natura 2000 sites and in other upland sites. It will also develop and showcase a means for paying for ecosystem services that are linked to the use of drones to assess vegetation change.

Project summary

LIFE Climate Governance & Information (1 project – 0.7 million)

Training refrigeration and air conditioning technicians to use gases with a lower global warming potential (REAL Alternatives 4 LIFE)

The EU Regulation on fluorinated greenhouse gases requires the refrigeration and air conditioning sectors to phase out the use of refrigerant gases with a high global warming potential by 2030. To achieve this, technicians need to know about and be trained to use alternative refrigerant gases. This LIFE project will use low-cost, accessible e-learning and train-the-trainer ***programmes*** to reach this goal. Modules will be available in 13 languages, making the information relevant to 85% of the 228,000 refrigeration and air conditioning technicians in the EU.

Project summary

**Load-Date:** October 5, 2017

**End of Document**



[***Who got what? The full list of those given gongs in the New Year Honours - from Ringo Starr to the selfless volunteers working across Britain***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R96-R441-F021-63WB-00000-00&context=1516831)

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**Body**

* This year's list, featuring 1,123 people, is six per cent smaller than last year, when 1,197 honours were awarded

1. Women make up 49 per cent of those being honoured, with 551 earning an award, and 5 per cent are disabled
2. The majority of people recognised - 70 per cent - have 'undertaken outstanding work in their communities'

The 1,123 men and women to be recognised in the New Year Honours list include young, old, famous and obscure.

This year's list is six per cent smaller than last year, when 1,197 honours were awarded, and the smallest since 2013 when 1,223 were handed out.

Women make up 49 per cent of those being honoured, with 551 earning an award, and 9.2 per cent of recipients come from a black, Asian and minority ethnic background. Five per cent of the honoured consider themselves to be disabled.

The majority of people recognised - 70 per cent - are those who have 'undertaken outstanding work in their communities'.

The oldest people to be honoured are 101-year-olds Lieutenant Colonel Mordaunt Cohen, who receives an MBE for services to Second World War education, and Helena Jones, who is given a British Empire Medal for services to young people and the community in Brecon, Powys.

Lucia Mee, 18, is the youngest to be recognised with a British Empire Medal for her work raising awareness of organ donation.

Below is the list in full.

Members of the Order of the Companions of Honour:

Melvyn Bragg, Baron Bragg - for services to broadcasting and the arts

Lady Antonia Fraser, author and historian - for services to literature

Knighthoods:

Professor Timothy John BESLEY, CBE - Professor at the London School of Economics and Political Science. For services to economics and public policy. (London)

Mr Graham Stuart BRADY. Member of Parliament for Altrincham and Sale West. For political and public service. (Greater Manchester)

Mr Christopher Robert CHOPE OBE. Member of Parliament for Christchurch. For political and public service. (Dorset)

Rt Hon Nicholas William Peter CLEGG. For political and public service. (London)

Mr Geoffrey Robert CLIFTON-BROWN. Member of Parliament for The Cotswolds. For political and public service. (Gloucestershire)

Professor John Kevin CURTICE FBA FRSE. Professor of Politics, University of Strathclyde and Senior Research Fellow, NatCen Social Research. For services to the Social Sciences and Politics. (Glasgow)

Mr Barry Alan Crompton GIBB CBE. Singer, Songwriter and Record ***Producer***. For services to Music and charity. (Buckinghamshire)

Mr Anthony HABGOOD Chairman, Court of the Bank of England. For services to UK Industry. (London)

Mr Mark HENDRICK MP/ Member of Parliament for Preston. For parliamentary and political service. (Lancashire)

Rt Hon Lindsay Harvey HOYLE MP. Member of Parliament for Chorley. For parliamentary and political services. (Lancashire)

Mr Richard Julian LONG CBE Artist and Sculptor. For services to Art. (Bristol)

Mr Craig Thomas MACKEY QPM Deputy Commissioner, Metropolitan Police Service. For services to Policing. (Wiltshire)

Mr Timothy David MELVILLE-ROSS CBE Chair, Higher Education Funding Council for England. For services to Higher Education. (London)

Mr Michael Andrew Bridge MORPURGO OBE. Author. For services to Literature and charity. (Devon)

Mr Kenneth Aphunezi OLISA OBE. For services to Business and Philanthropy. (London)

Dr Andrew Charles PARMLEY. Lately Lord Mayor of London. For services to Music, Education and Civic Engagement. (London)

Professor Bernard Walter SILVERMAN. Lately Chief Scientific Adviser, Home Office. For public service and services to Science. (Oxfordshire)

Professor Robert Stephen John SPARKS CBE. Lately Professorial Research Fellow, University of Bristol. For services to Volcanology and Geology. (Bristol)

Mr Richard (Ringo Starr) STARKEY MBE. Musician. For services to Music. (Abroad)

Professor Terence John STEPHENSON. Chair, General Medical Council. For services to Healthcare and Children's Health Services. (London)

Very Rev Prof Iain Richard TORRANCE TD FRSE. Pro-Chancellor, University of Aberdeen. For services to Higher Education and Theology. (Edinburgh)

Mr (John) Edward Astley TROUP. Lately Executive Chair, HM Revenue and Customs. For public service to Taxpayers and the Tax System. (London)

Mr Alan John TUCKETT OBE. Professor of Education, University of Wolverhampton. For services to Education, Particularly Adult Learning. (Leicestershire)

Mr Alan Thorpe Richard WOOD CBE. Lately Corporate Director, Children and Young People's Services, London Borough of Hackney. For services to Children's Social Care and Education. (London)

Dr William Thompson WRIGHT CBE. Founder, Wrightbus Ltd. For services to the Economy and the Bus Industry. (Antrim)

Knights Grand Cross of the Order of the Bath:

Baron Christopher Edward Wollaston MacKenzie GEIDT GCVO KCB OBE. Lately Private Secretary to HM The Queen. For public service (London)

Knights Commander of the Order of the Bath:

Mr Philip McDougall RUTNAM. Permanent Secretary, Home Office. For Public Service. (London)

Companions of the Order of the Bath:

Mr Raymond John LONG. Lately ***Programme*** Director, Department for Work and Pensions Digital Group. For services to Government and the Public Sector. (Surrey)

Mr Howard ORME. Chief Financial and Operating Officer, Department for Education. For public services especially to Finance and Building Delivery Capability (Surrey)

Mr Nicholas Proctor PERRY. For services to the Criminal Justice System in Northern Ireland. (Down)

Dr David PROUT. Lately Director General, HS2. For services to Transport. (London)

Mr Timothy David ROSSINGTON. Lately Finance Director, Department for Digital, Culture, Media and Sport. For public service. (Oxfordshire)

Mr Stephen John Charles SPEED. Director, Civil Nuclear and Resilience, Department for Business, Energy and Industrial Strategy. For services to the Oil and Gas Industry. (Surrey)

Companions of the Order of St Michael and St George:

Ms Helen Patricia SHARMAN, OBE. For services to Science and Technology Educational Outreach. (London)

Knights Grand Cross of the Order of the British Empire:

Sir (David) Keith PETERS. For services to the Advancement of Medical Science. (Cambridgeshire)

Dames Commander of the Order of the British Empire:

Professor Janet Patricia BEER Vice-Chancellor, University of Liverpool. For services to Higher Education and Equality. (Liverpool, Merseyside)

Ms Darcey Andrea BUSSELL, CBE For services to Dance. (London)

Professor Hilary Anne CHAPMAN, CBE Chief Nurse, Sheffield Teaching Hospitals NHS Foundation Trust. For services to Nursing. (Barnsley, South Yorkshire)

Ms Jacqueline Lesley DANIEL Chief Executive, University Hospitals of Morecambe Bay NHS Foundation Trust. For services to Healthcare. (Ilkley, West Yorkshire)

Professor Pratibha Laxman GAI Professor and Chair of ElectronMicroscopy, Mrs Gai-Boyes University of York. For services to Chemical Sciences and Technology. (York, North Yorkshire)

The Right Honourable Cheryl Elise Kendall GILLAN, MP Member of Parliament for Chesham and Amersham. For political and public service. (Surrey)

Ms Vivian Yvonne HUNT Managing Partner, UK and Ireland, McKinsey and Company. For services to the Economy and to Women in Business. (London)

Miss Clare Lucy MARX, CBE Lately President, Royal College of Surgeons. For services to Surgery in the NHS. (Woodbridge, Suffolk)

Angela Mary, Mrs PEDDER, OBE Lately Chief Executive, Devon Success Regime and Sustainability and Transformation ***Plan***. For services to Healthcare. (Exeter, Devon)

Susan Ilene, Lady RICE, CBE For services to Business, the Arts and charity in Scotland. (East Lothian)

Ms Christine RYAN Lately Chief Inspector, Independent Schools Inspectorate. For services to Education. (West Sussex)

Ms Rosemary Anne SQUIRE, OBE Co-founder, The Ambassador Theatre Group Ltd. For services to Theatre and to Philanthropy. (Surrey)

Catherine Lilian, Mrs WARWICK, CBE Lately Chief Executive, Royal College of Midwives. For services to Midwifery. (London)

Commanders of the Order of the British Empire:

Professor Stuart Ryan BALL For services to Political History. (Norfolk)

Paul David BAUMANN Chief Financial Officer, NHS England. For services to NHS Financial Management. (Surrey)

Professor David Nevin Fraser BELL For services to Economics and Public Policy. (Perth and Kinross)

Professor Norman David BLACK For services to Higher Education, Science and the Voluntary Sector. (Antrim)

Ms Josephine Catherine BOADEN (MRS TOTTON) Chief Executive, Northern Housing Consortium. For services to Housing Providers in the North of England. (Gateshead, Tyne and Wear)

Professor Timothy William Roy BRIGGS Consultant Orthopaedic Surgeon, Royal National Orthopaedic Hospital NHS Trust. For services to the Surgical Profession. (Bedfordshire)

Dale Graham BYWATER Executive Regional Managing Director for Midlands and East, NHS Improvement. For services to NHS Patients and Taxpayers. (Nottinghamshire)

Professor Joy CARTER Vice-Chancellor, University of Winchester. For services to Higher Education. (Winchester, Hampshire)

David Alan CLARKE Chief Executive, Assured Food Standards. For services to the British Food and Farming Industry. (London)

Blondel Bernadette Rosceilia, Mrs CLUFF Member, Royal Mint Advisory Committee and Chief Executive, West India Committee. For services to Numismatic Design and the Caribbean community in the UK and Abroad. (London)

Ms Clare Joanne CONNOR, OBE Director, Women's Cricket, England and Wales Cricket Board. For services to Cricket. (East Sussex)

Joyce Evelyn, Mrs COOK, OBE For services to Sport and Accessibility. (Abroad)

Jilly, Mrs COOPER, OBE Author and Journalist. For services to Literature and charity. (Stroud, Gloucestershire)

Professor Diane COYLE, OBE For services to Economics and the Public Understanding of Economics. (London)

Patrick Lorne CRERAR For services to the Hospitality Industry in Scotland and to charity. (Stenton, East Lothian)

Professor Martyn Christopher DAVIES Professor of Biomedical SurfaceChemistry, University of Nottingham. For services to Pharmacy and Pharmaceutical Sciences. (Nottinghamshire)

Ms Jacqueline DE ROJAS President, techUK. For services to International Trade in the Technology Industry. (Taplow, Buckinghamshire)

Thomas Auguste Read DELAY Chief Executive, The Carbon Trust. For services to Sustainability in Business. (London)

Sean Nicholas DENNEHEY Deputy Chief Executive, Intellectual Property Office. For services to Intellectual Property. (Monmouthshire)

Professor Caroline DIVE Professor of Cancer Pharmacology and Deputy Director, Cancer Research UK Manchester Institute. For services to Cancer Research. (Hale, Greater Manchester)

Professor Christl Ann DONNELLY, FRS Professor of Statistical Epidemiology, Imperial College London. For services to Epidemiology and the Control of Infectious Diseases. (Oxfordshire)

Professor Michele Karen DOUGHERTY Professor of Space Physics, Imperial College London. For services to UK Physical Science Research. (London)

Ms Judith DOYLE Principal and Chief Executive Officer, Gateshead College. For services to Education and Skills in the North East. (Gateshead, Tyne and Wear)

Janette Anita, Mrs DURBIN Director, Civil Service Talent. For services to Diversity in the Senior Civil Service. (London)

Ms Elizabeth Lucy DYMOND Director, The Charity for Civil Servants. For public service. (London)

David Robert EARNSHAW Chair, Outwood Grange Academies Trust. For services to Education. (Leeds, West Yorkshire)

Professor Richard Ludlow ENGLISH Pro-Vice-Chancellor and Professor of Politics, Queen's University Belfast. For services to the Understanding of Modern Day Terrorism and Political History. (Belfast)

Dr Phillip Andrew EVANS Head, DFID Somalia, Department for International Development. For services to Humanitarian Relief. (Brighton, East Sussex)

Peter Kenrick FLORENCE, MBE Co-founder and Director, Hay Festival. For services to Literature and charity. (Herefordshire)

Professor Jonathan FREEMAN-ATTWOOD Principal, Royal Academy of Music. For services to Music. (Aylesbury, Buckinghamshire)

Hilary Mary, Mrs GARRATT Director of Nursing, NHS England. For services to Nursing and the Safeguarding of Vulnerable People. (Worsley, Greater Manchester)

Michael Anthony GIANNASI, QPM Chairman, Welsh Ambulance Services NHS Trust. For services to the NHS. (Cheshire)

Professor Simon John GIBSON, OBE Chief Executive, Wesley Clover Corporation. For services to the Economy in Wales. (Monmouth, Gwent)

Martin Keith GREEN Chief Executive and Director, Hull UK City of Culture 2017. For services to the Arts in Hull. (London, SE5)

Professor Paul GREGG Professor of Economic and Social Policy, University of Bath. For services to Children and Social Mobility. (Bristol)

Andrew Melvin HAMILTON For services to Government and to charitable fundraising. (Armagh)

Ms Jane Sarah HAMLYN For services to Philanthropy and the Arts. (London)

Susan HAMPSHIRE (LADY KULUKUNDIS), OBE Actress. For services to Drama and to charity. (London)

Dr Demis HASSABIS Co-founder and Chief Executive Officer, DeepMind. For services to Science and Technology. (London)

Dave Christopher HILL Executive Director for Social Care and Education, Essex County Council. For services to Children's Social Care. (London)

Dawn Elysea, Mrs HILL Chairman, Black Cultural Archives. For services to Culture. (London, SW2)

Lilian, Mrs HOCHHAUSER For services to the Arts and Cultural Relations. (London, NW3)

Professor Karen Margaret HOLFORD Deputy Vice Chancellor, Cardiff University. For services to Engineering and the Advancement of Women in Science and Engineering. (Cardiff)

Denise, Mrs HORSFALL Work Services Director, Department for Work and Pensions. For services to Welfare in Scotland. (South Lanarkshire)

Stephen William HOWLETT, DL Group Chief Executive, Peabody. For services to Housing. (London, SE10)

Professor Katherine Jane HUMPHRIES Professor of Economic History, Universityof Oxford. For services to Social Science and Economic History. (Oxfordshire)

Raymond Joseph JAMES Lately President, Association of Directors of Adult Social Services, London Borough of Enfield. For services to Adult Social Services. (London)

Shaun KINGSBURY Chief Executive, Green Investment Bank. For services to the UK Green Economy. (Woking, Surrey)

James Hugh Calum LAURIE, OBE Actor. For services to Drama. (London)

Professor Richard James LILFORD Professor of Public Health, University of Warwick. For services to Health Research. (Birmingham, West Midlands)

Dr Suzannah Claire LISHMAN Consultant Histopathologist, North West Anglia NHS Foundation Trust. For services to Pathology. (Burley, Rutland)

Dr Robin Howard LOVELL-BADGE, FRS Senior Group Leader, Francis Crick Institute. For services to Genetics, Stem Cell Research and the Public Understanding of Science. (London)

James Brown MARTIN Lately Scottish Public Services Ombudsman. For services to the Scottish Public Sector. (Glasgow)

Professor Maureen Lesley MCARA Professor of Penology and Assistant Principal for Community Engagement, University of Edinburgh. For services to Criminology. (Edinburgh)

Ms Anne MCGAUGHRIN Legal Director for Department for Education, Government Legal Department. For services to Law and Order in the Public Sector. (London)

Ms Julia Kathleen Nancy MCKENZIE Actress, Singer and Director. For services to Drama. (Devon)

David Robert Michael MELDING For political and public service. (South Glamorgan)

David Robert MELLER Founder, Meller Educational Trust and Chair, National Apprenticeship Ambassadors Network. For services to Education. (London)

Nigel John MILLS Co-founder and Chairman, The Lakes Distillery. For services to Entrepreneurship in the North East and Cumbria. (Newcastle Upon Tyne, Tyne and Wear)

Professor Andrew David MORRIS, FRSE Lately Chief Scientist (Health), Scottish Government and Vice-Principal (Data Science), University of Edinburgh. For services to Science in Scotland (Perth, Perth and Kinross)

Dr Joseph John MORROW President, Mental Health Tribunal for Scotland. For public service to Mental Health. (Angus)

John Frederick NELSON, DL Lately Chairman, Lloyd's of London. For services to the Global Promotion of British Business and to Diversity in the Workplace. (West Sussex)

Professor Philip Arthur NELSON Chief Executive Officer, Engineering and Physical Sciences Research Council and Chair, Research Councils UK. For services to UK Engineering and Science. (Romsey, Hampshire)

Peter Richard NICHOLS Playwright. For services to Drama. (Oxfordshire)

Dr Anne Louise RAINSBERRY Regional Director, London, NHS England. For services to the NHS. (London, TW11)

Norma, Mrs REDFEARN For public and community service in Tyneside. (North Shields, Tyne and Wear)

Hilary Marion Ruth, Mrs REYNOLDS Executive Director, Research Councils UK. For services to Policy and Research. (London)

Howard Charles Fraser RIDDLE Lately Chief Magistrate for England and Wales. For services to the Administration of Justice. (Kent)

Timothy John RIX Group Managing Director, J R Rix and Sons Ltd. For services to the Economy and Regeneration in the Humber Region. (Hornsea, East Riding of Yorkshire)

Andrew Ogilvie ROBERTSON, OBE Chairman, LAR Housing Trust. For services to Veterans, Healthcare and Affordable Housingin Glasgow and the West of Scotland. (Stirling and Falkirk)

Professor Philip Alexander ROUTLEDGE, OBE Consultant Physician, Llandough Hospital, Cardiff and Professor Emeritus of Clinical Pharmacology, Cardiff University. For services to Medicine. (Cardiff)

Kevin Ian SADLER Director, Courts and Tribunals Development, HM Courts and Tribunals Service. For services to the Administration of Justice. (Hertfordshire)

Ms Nuzhat SALEH Assistant Director, Directorate of Legal (Mrs Gould) Services, Metropolitan Police Service. For services to Policing. (Surrey)

Alan SCOTT Deputy Director, North West Prisons. For services to HM Prison and Probation Service and to the community in the North West. (Lancashire)

Dr Siu Hung Robin SHAM Global Long Span and Speciality Bridges Director, AECOM. For services to the Civil Engineering Profession. (London, SW20)

Ms Alexandra SHULMAN, OBE Lately Editor, British Vogue. For services to Fashion Journalism. (London, NW6)

Ms Amanda SKELTON Chief Executive, Redcar and Cleveland Council. For services to the Redcar and Tees Valley Economy. (North Yorkshire)

Alison Helen, Mrs STANLEY For services to the Creation and Leadership of Civil Service Employee Policy, with a Particular Focus on Improving and Implementing Workforce Policies. (Lewes, East Sussex)

Christopher Richard STEIN, OBE Chef and Restaurateur. For services to the Economy. (Cornwall)

David James Edwin STEPHENS Director of Resources (Army), HM Armed Forces, Ministry of Defence. For services to Defence. (Kent)

Ms Andrea Mary SUTCLIFFE Chief Inspector of Adult Social Care, Care Quality Commission. For services to Adult Social Care in England. (London)

Robert William Ashburnham SWANNELL Non Executive Chairman, UK Government Investment. For services to the Public, Retail and Financial Sectors. (London, SW1P)

Ms Joanne Kate (Jo) SWINSON, MP For political and public service. (Glasgow)

Benjamin John Paget THOMSON, FRSE Lately Chairman, Board of Trustees, National Galleries of Scotland. For services to Arts and Culture in Scotland. (Edinburgh)

Anthony Edward TIMPSON For public and parliamentary service. (Cheshire)

Dana Rachel Pressman, Mrs TOBAK Chief Executive Officer and Managing Director, Hyperoptic. For services to the Digital Economy. (London, W12)

Ms Veronica Judith Colleton WADLEY (MRS BOWER) Chair, Arts Council London. For services to the Arts. (London, NW3)

Anthony James WALKER, DL Deputy Managing Director, Toyota Manufacturing (UK) Ltd. For services to the Motor Industry. (Ashbourne, Derbyshire)

Ms Deborah Anne WALSH Deputy Head of Counter Terrorism, Special Crime and Counter Terrorism Division, Crown Prosecution Service. For services to Law and Order. (London)

Dr Lindsey Janet WHITEROD, OBE Chief Executive, South Tyneside College. For services to Education and the community in South Tyneside. (Tyne and Wear)

Nick Gerard Peter WHITFIELD Chief Executive, Achieving for Children and Children's Services and lately Commissioner, Sunderland and Reading. For services to Children. (East Sussex)

Professor Ngaire Tui WOODS Dean, Blavatnik School of Government, Oxford University. For services to Higher Education and Public Policy. (Oxfordshire)

Officers of the Order of the British Empire:

Miss Christine ABBOTT Chief Executive Officer, The Education Alliance and Executive Principal, South Hunsley School and Sixth Form College, Melton. For services to Education. (Beverley, East Riding of Yorkshire)

Ms Irene ADAMS Adviser to the Chair, Green Investment Bank. For services to the UK Green Economy. (Edinburgh)

Raja Mohammed ADIL Chairman, The Adil Group. For services to Business, Job Creation and charity. (London, NW6)

Ms Sarah ALEXANDER Chief Executive and Artistic Director, National Youth Orchestra. For services to Music. (Tunbridge Wells, Kent)

Peter Mark ALMOND Singer-Songwriter, Musician and Campaigner. Marc Almond For services to Arts and Culture. (London)

Ms Sophie ANDREWS Chief Executive, Silver Line. For services to Older People. (London, RM14)

Patricia Ann, Mrs ARMSTRONG Chief Executive Officer, Association of Chief Officers of Scottish Voluntary Organisations. For services to Voluntary Organisations. (Edinburgh)

Dr William Stewart ARNOLD Principal Mechanical Specialist Inspector, Health and Safety Executive. For services to Industry Health and Safety. (Bridge of Allan, Stirling and Falkirk)

Professor James ARTHUR Professor of Education and Civic Engagement, University of Birmingham. For services to Education. (Birmingham, West Midlands)

Jarnail Singh ATHWAL Founder and Managing Director, Premier Decorations Ltd. For services to Business and charity. (Datchet, Berkshire)

Professor Jeremy BAGG Head of Dental School, University of Glasgow. For services to Dental Education. (Glasgow)

Dr Tina Lorraine BARSBY Chief Executive and Director, National Institute of ***Agricultural*** Botany. For services to UK ***Agricultural*** Science and Biotechnology. (Stretham, Cambridgeshire)

Professor Clive BEHAGG Lately Vice-Chancellor, University of Chichester. For services to Higher Education and Economic Regeneration. (East Preston, West Sussex)

Professor Derek BELL President, the Royal College of Physicians of Edinburgh. For services to Unscheduled Care and Quality Improvement. (Edinburgh)

Dr Jacqueline BENE Chief Executive, Bolton NHS Foundation Trust. For services to Healthcare. (Tottington, Greater Manchester)

Pamela, Mrs BIRCH Executive Principal, Hambleton Primary Academy and Deputy Chief Executive Officer, Fylde Coast Academy Trust. For services to Education. (Lytham St Annes, Lancashire)

Professor Charanjit BOUNTRA Professor of Translational Medicine, University of Oxford. For services to Translational Medical Research. (Oxfordshire)

Dr Brian Robert BOWSHER Chief Executive, Science and Technology Facilities Council. For services to International and National Metrology. (Dorchester, Dorset)

James Gerard BOYLE Head of Infrastructure Architecture, Telford, HM Revenue and Customs. For services to Taxpayers and Government Modernisation. (Telford, Shropshire)

Matthew BOYLE President and Chief Executive, Sevcon. For services to Engineering and Skills. (Morpeth, Northumberland)

Dr Fiona Janet BRADLEY Director, The Fruitmarket Gallery. For services to the Arts. (Edinburgh)

Councillor Stephen BRADY Leader, Hull City Council. For services to Local Government. (Kingston upon Hull, East Riding of Yorkshire)

Professor Karen BRYAN Lately Pro Vice-Chancellor, Regional Engagement and Dean, Faculty of Health and Wellbeing, Sheffield Hallam University. For services to Higher Education. (Shalford, Surrey)

Thomas Lional Ashley BURGESS For services to charity, the RNLI and Business. (Pickering, North Yorkshire)

David George Harmer BUTTERY Lately Deputy Director, High Speed Rail Legislation and Environment, Department for Transport. For services to Transport. (London)

John Neil BUXTON General Manager, Association of Community Rail Partnerships. For services to Local and Rural Railways. (Whitby, North Yorkshire)

David Alexander CANNING For services to Children, Young People and Education. (Strabane, Tyrone)

Zoe Elizabeth, Mrs CARR Chief Executive Officer, WISE Academies Multi Academy Trust. For services to Education. (Sunderland, Tyne and Wear)

Ms Katharine Elizabeth CARRUTHERS Director, UCL Institute of Education, Confucius Institute for Schools. For services to Education. (Histon, Cambridgeshire)

Suranga CHANDRATILLAKE, FREng General Partner, Balderton Capital. For services to Engineering and Technology. (Cambridgeshire)

Professor Antony CHAPMAN Lately Vice Chancellor, Cardiff Metropolitan University. For services to HigherEducation. (Cyncoed, Cardiff)

Ms Sarah Joanne CHURCHMAN Head of Diversity, Inclusion and Employee Wellbeing, PricewaterhouseCoopers. For services to Women in Business. (London, BR3)

Ms Jane CLAIRE Lately Executive ***Producer***, English Touring Margaret Jane Buddle Theatre. For services to Drama. (London, E11)

Ms Catherine Jane CLARKE Lately Headteacher, King's Oak Primary School, New Malden. For services to Education. (Weybridge, Surrey)

Kevin Leslie CLIFFORD Lately Chief Nurse, NHS Sheffield Clinical Commissioning Group. For services to Nursing. (Sheffield, South Yorkshire)

Lynn, Mrs CODLING Executive Headteacher, Portswood Primary and St Mary's CE Primary School. For services to Education. (Gosport, Hampshire)

Ms Joanna Clare COLEMAN Director of Strategy, Energy Technologies Institute. For services to the Energy Sector. (Loughborough, Leicestershire)

Michael Hyde COLLON For parliamentary and public service. (Surrey)

Professor Sally-Ann COOPER Professor of Learning Disabilities, University of Glasgow. For services to Science and Medicine. (Glasgow)

Stephen Melville CRIDDLE Principal, South Devon College, Paignton. For services to Education. (Exeter, Devon)

Professor Timothy John CROW Honorary Scientific Director, Prince of Wales International Centre for SANE Research. For services to Schizophrenia Research and Treatments. (London, HA3)

David DEANE Headteacher, St Thomas of Canterbury Primary School, National Leader for Education and Ofsted Inspector. For services to Primary Education. (Chorlton, Greater Manchester)

Anthony Peter DELAHUNTY Non-Executive Board Member, Marine Management Organisation. For services to the Fishing Industry. (Chichester, West Sussex)

Ranjit Lal DHEER For services to Local Government and to charity. (London)

Robert John DOBSON Group Executive Director, Dunbia (NI) Ltd and Consultant, Cranswick (Ballymena) Ltd. For services to Economic Development in Northern Ireland. (Tyrone)

Ms Caroline DOCHERTY Deputy Keeper of the Signet. For services to the Legal Profession and The Society of Writers to Her Majesty's Signet. (Edinburgh)

Dr David DOCHERTY Chief Executive, National Centre for Universities and Business. For services to Higher Education and Business. (Abbots Langley, Hertfordshire)

Ms Geraldine Patricia DOHERTY For services to Public Safety and Social Care. (Edinburgh)

Nicolas Byron DRINKAL Deputy Director, Border Force, Home Office. For services to Border Security in Calais and Dunkirk. (Dover, Kent)

Dr Michael Anthony Patrick DURKIN Lately NHS National Director of Patient Safety. For services to Patient Safety. (Cheltenham, Gloucestershire)

Ian Trevor EDWARDS Executive Vice President, Spectrum Geo. For services to the UK Oil and Gas Exploration Industry. (Kent)

Robert Thomas EDWARDS Chairman, Scotframe Timber Engineering Ltd. For services to Business and charity in Inverurie, Aberdeenshire. (Inverurie, Aberdeenshire)

Oliver James ENTWISTLE Lately Chair, Civil Service Rainbow Alliance. For services to Diversity and Inclusion in the Civil Service. (London, RM14)

Raymond Marvin ENTWISTLE For voluntary and charitable services, particularly to the arts, in Scotland. (Lauder, Berwickshire)

Professor Margaret Catherine FRAME Professor of Cancer Research and Science Director, Edinburgh Cancer Research Centre. For services to Cancer Research. (Wishaw, Lanarkshire)

Ms Lynne Joanne FRANKS For services to Business, Fashion and Women's Empowerment. (Wincanton, Somerset)

Dr Janet FROST Chief Executive, Health Research Authority. For services Health and Social Care Research. (Maidenhead, Berkshire)

Andrew John FRY Lately Chief Fire Officer and Chief Executive, Royal Berkshire Fire and Rescue Service. For services to the Fire and Rescue Service. (East Hanney, Oxfordshire)

Carol, Mrs GARRETT Team Leader for Ports and Borders, Trading Standards. For services to Business. (Woodbridge, Suffolk)

Graham Henry Tarbet GARVIE Lately Convener, Scottish Borders Council. For services to Local Government and to the community in the Scottish Borders. (Peebles, Tweeddale)

Alan James GILES Non-Executive Director, Competition and Markets Authority. For services to UK Business and the Economy. (Henley-on-Thames, Oxfordshire)

John Harry GODBER Writer and Director. For services to the Arts. (Swanland, East Riding of Yorkshire)

Jonathan Philip Pryce GOODWIN Entrepreneur and Co-founder, Lepe Partners and the Founders Forum. For services to the Economy. (London, W8)

Professor Ian Michael GOODYER Professor of Child and Adolescent Psychiatry, University of Cambridge. For services to Psychiatry Research. (Oakington, Cambridgeshire)

Ms Ellvena GRAHAM Chair, Northern Ireland Economic Advisory Group. For services to the Economy and the Advancement of Women in Business. (Down)

Dr Giles Andrew GRAHAM Technical Sponsor, Atomic Weapons Establishment. For services to National Security and Counter Terrorism. (Berkshire)

Professor Hilary Joyce GRAINGER Dean, Academic Development and Quality (Viner) Assurance, London College of Fashion, University of the Arts London. For services to Higher Education. (Sutton Coldfield, West Midlands)

David GREENSMITH Justices' Clerk, HM Courts and Tribunals Service. For services to the Administration of Justice and to the UK Scout Movement. (West Yorkshire)

Professor Christopher Ernest Maitland GRIFFITHS Foundation Professor of Dermatology, Faculty of Biology, Medicine and Health, University of Manchester. For services to Dermatology. (Bowdon, Greater Manchester)

Revel Sarah, Mrs GUEST ALBERT Chair, Hay Festival. For services to Literature. (Whitney on Wye, Herefordshire)

Philip HAMILTON Chief Executive Officer and Founding Trustee, Community Academies Trust. For services to Education. (Burton-on-Trent, Staffordshire)

Willimina Ann Beauchamp, Mrs HAMPSON Chief ***Planning*** Officer and Development Director, City of London Corporation. For services to ***Planning*** in London. (London, TW1)

Dr Shabana Rounak HAQUE Head, Government Science and Engineering Profession Team, Government Office for Science. For services to Civil Service Science and the Engineering Profession. (London, SE10)

Edward Mortimer HARLEY For services to Heritage. (Bucknell, Herefordshire)

Dennis HARVEY Leader, Nuneaton and Bedworth Borough Council. For political service in Warwickshire. (Nuneaton, Warwickshire)

Frances Anne, Mrs HAWKES Headteacher, The Federation of St Elphege's and Regina Coeli Catholic Schools. For services to Education (London, SM6)

Judith Ann, Mrs HAY Assistant Director for Children and Families, North Yorkshire County Council. For services to Child Protection in North Yorkshire. (Newcastle upon Tyne, Tyne and Wear)

Paul Leslie HAYDEN, QFSM Chair, Anglian Eastern Regional Flood and Coastal Committee. For services to Flood Risk Management and Disaster Response. (Hopton on Sea, Norfolk)

Ms Francesca Elizabeth HEGYI Executive Director, Hull City of Culture 2017. For services to Culture in Hull. (London, SE1)

Ms Jeannine HENDRICK Governor, HM Prison Exeter and Violence Reduction Project Manager. For services to Prison Safety and Governance. (Devon)

Robert HERMAN-SMITH For services to the Global Aerospace Sector. (Stourbridge, West Midlands)

Ms Jacqueline HEWITT-MAIN Chief Executive Officer, The Cascade Foundation. For services to Prisoners. 31 (Doncaster, South Yorkshire)

Dr Stanley Derek HIGGINS Lately Chief Executive, North East Process Industry Cluster. For services to the Chemical Process Industry. (Yarm, North Yorkshire)

Dr Graham Russell HOARE Director, Global Product Verification, Ford Motor Company. For services to the Automotive Industry. (Buntingford, Hertfordshire)

Barbara Jane, Mrs HOLM Principal, Westminster Adult Education Service and Founder, National Adult Community Learning Support and Development Network. For services to Adult Education. (Hatfield, Hertfordshire)

Eamonn HOLMES For services to Broadcasting. (Surrey)

Joseph HOLNESS, QPM Lately Inspector, Kent Police. For services to Policing and the National Police Memorial Day. (Folkstone, Kent)

Ralph Christopher HOULT For services to the community in Ramsgate, Kent. (Ramsgate, Kent)

Professor Margaret Ann HOUSE (MRS CALDERBANK) Vice-Chancellor, Leeds Trinity University. For services to Higher Education. (New Milton, Hampshire)

Nora Helen, Mrs HOUSTON Senior Delivery Manager, HM Revenue and Customs. For services to Taxpayers. (Lanarkshire)

John HUDSON For political and public service. (Oldham, Greater Manchester)

Ms Joan INGRAM (MRS LOGAN) For voluntary service to Healthcare, particularly Type-1 Diabetes Treatment. (Aberdeen)

Rilesh Kumar JADEJA National Access to Work Delivery Manager, Department for Work and Pensions. For services to People with Disabilities. (London, HA2)

Poppy, Mrs JAMAN Chief Executive, Mental Health First Aid England. For services to People with Mental Health Issues. (Lewes, East Sussex)

Clare, Mrs JAMES Grade 6, Ministry of Defence. For services to Defence. (London)

Richard JAMES Tailor. For services to Men's Fashion. (London, W1S)

David JOHNSTON Chief Executive, Social Mobility Foundation. For services to Social Mobility and Education. (London, W4)

Harry JOHNSTON For services to charity and the community in Manchester. (Clitheroe, Lancashire)

Philip James Kevin JONES Defence Adviser to the Ukrainian Ministry of Defence. For services to International Defence Relations. (Hampshire)

Rohinton (Ron) Minoo KALIFA Vice Chairman, Worldpay. For services to the Financial Services and Technology. (London, SW7)

Ms Stephanie Jane KARPETAS Founder and Director, Sustainability Connections CIC and Director, Orchard Community Energy. For services to the community in East Kent. (Folkestone, Kent)

Martin KELLY Head of Resources, Children and Young People's Services, North Yorkshire County Council. For services to Children and Young People in North Yorkshire. (York, North Yorkshire)

Sam KENNEDY-WARBURTON For services to Rugby Union. (Cardiff)

Ms Aina KHAN For services to the Protection of Women and Children in Unregistered Marriages. (Cheshunt, Hertfordshire)

Ms Rosamund Ann KIDMAN COX Wildlife Editor and Writer. For services to Wildlife Conservation. (Bristol)

William Stanyer KILBY Deputy Head, Afghanistan, Department for Bill International Development For services to International Development. (London, BR2)

Miss Heather Clare KNIGHT Captain, England Women's Cricket Team.For services to Cricket. (London)

Ms Emma Shevvan KNIGHTS Chief Executive, National Governance Association. For services to Education. (Leamington Spa, Warwickshire)

Ms Paromita KONAR-THAKKAR Deputy Director, Energy Economics and Analysis, Department for Business, Energy and Industrial Strategy. For services to Energy Analysis. (London, NW8)

Professor Elizabeth Alice KUIPERS Professor of Clinical Psychology, King's College, London. For services to Clinical Research, Treatment and Support for People with Psychosis. (London)

Ms Deborah LAMB Deputy Director, Historic England. For services to Heritage. (London, SW9)

Stephen Alan LAMB Lately Director, Returns Preparation, Immigration Enforcement, Home Office. For services to Improving Immigration Systems. (Sheffield, South Yorkshire)

Susan, Mrs LANCIONI Customer Insight and Analysis Lead, HM Revenue and Customs. For services to UK and Global Nuclear Security. (Essex)

Bernard Derek LANE Grade 6, Tackling Crime Unit, Crime Policing and Fire Group, Home Office. For services to Community Safety and Reducing Crime. (Hertfordshire)

Professor Hilary Margaret LAPPIN-SCOTT For services to Microbiology and the Advancement of Women in Science and Engineering. (Swansea)

Ms Donna LEONG Deputy Director, Consumer and Competition Policy, Department for Business, Energy and Industrial Strategy. For services to Business. (London, SW19)

Ms Sarah LEWIS Secretary General, International Ski Federation. For services to Sport. (Abroad)

Professor Christopher Swee Chau LIU Consultant Ophthalmic Surgeon, Sussex Eye Hospital. For services to Ophthalmology. (Hove, East Sussex)

Alwen, Mrs LYONS Lately Company Secretary, Post Office Ltd. For services to the Post Office and to Equality and Diversity. (Worthing, West Sussex)

Dr Rajan MADHOK Trustee, Darlinda's Charity for Renal Research. For services to Renal Research and Tackling Health Inequalities in Scotland. (Pollockshields, Glasgow)

Dr Clifford John MANN President, Royal College of Emergency Medicine. For services to Emergency Medicine. (Taunton, Somerset)

Ms Naomi MAREK Chief Executive, Sky Badger. For services to Special Educational Needs. (Potton, Bedfordshire)

Miss Jane Marjorie MARRIOTT Cabinet Office. For services to Public Administration and Finance. (London)

Wendy, Mrs MATTHEWS Director of Midwifery and Deputy Chief Nurse, Barking, Havering, and Redbridge University Hospitals NHS Trust. For services to Midwifery. (Essex)

Olive Mary, Mrs MAYBIN Lately ***Strategic*** Policy Adviser to Head of the Northern Ireland Civil Service. For public service. (Antrim)

Geraldine, Mrs MCANDREW Chief Executive, Buttle UK and Chair, Grant Management Panel, Consortium of Voluntary Adoption Agencies. For services to the Voluntary Sector. (London, SE27)

Bernice Alda, Mrs MCCABE Headmistress, North London Collegiate School. For services to Education. (London, HA8)

Dr Elizabeth Angela MCDONNELL Lately Head, Biomass Electricity Policy, Department for Business, Energy and Industrial Strategy. For services to Bioenergy Policy. (Haslemere, Surrey)

John MCGREGOR Founder, Contamac. For services to International Trade and Innovation in Polymer Technology. (Saffron Walden, Essex)

John Ian MCLAUCHLAN For services to Rugby and charity. (Edinburgh)

Dr Clive Julian MEUX Consultant Forensic Psychiatrist, Oxford Health NHS Foundation Trust. For services to People with Mental Ill Health. (London, SE1)

Ms Rosemary Harriet MILLARD Chair, Hull City of Culture 2017. For services to Culture in Hull. (London, N1)

Richard MINTZ For services to Philanthropy. (London)

Victoria Marion, Mrs MIRO Gallery Owner. For services to Art. (London, N1)

Ms Deborah MOGGACH For services to Literature and Drama. (Powys)

Dr Patricia Anne MOORE Regional Chairman, South West of England, Conservative Party. For voluntary political service. (Cornwall)

Jonathan Howell MORGAN For services to Disability Sport in Wales. (Bishopston, Swansea)

Colin MORRISON For charitable services to Vulnerable Young People. (London, SW20)

Edward Francis MORRISON For services to Rugby Union. (Whitchurch, Bristol)

Ms Elizabeth Margaret (Elma) MURRAY Chief Executive, North Ayrshire Council. For services to Local Government, Education and the Economy. (Glasgow)

Ms Vinodka MURRIA For services to the UK Digital Economy and Advancing Women in the Software Sector. (Weybridge, Surrey)

Robert Anthony NEIL Head, Project Race, Ministry of Justice. For services to Race Equality in the Workplace and the community. (London, HA1)

Grace Foster, Mrs NESBITT Head, Pensions Division, Department of Finance, Northern Ireland Executive. For services to Government in Northern Ireland and for voluntary and charitable services. (Antrim)

Dr Trevor Leo OGDEN For services to Occupational Hygiene and Workplace Air Quality. (Dereham, Norfolk)

Anthony O'HEAR Professor of Philosophy and lately Head, Department of Education, University of Buckingham. For services to Education. (London, SW13)

Gavin David Redvers OLDHAM For services to Children through the Share Foundation. (Tring, Hertfordshire)

Ms Sarah Louise PARKINSON (LOU CORDWELL) Chief Executive Officer, Magnetic North. For services to the Creative and Digital Economy. (Sale, Greater Manchester)

Kevin Allen Huw PARRY Chairman, Royal National Children's SpringBoard Foundation. For services to Vulnerable Children. (London, SW1V)

Norman Nathaniel PASCAL Lately Chief Inspector Operations, Avon and Somerset Constabulary. For services to Diversity in the community in Avon and Somerset. (Gloucestershire)

John Cook PATTULLO Lately Chair, NHS Blood and Transplant. For services to Healthcare. (Guildford, Surrey)

Graham Richard PELLEW Lately Deputy Chief Executive Officer, Families for Children Adoption Agency. For services to Children. (Matlock, Derbyshire)

Dr Lynsey PINFIELD Grade 6, British Defence Staff Washington. For services to International Defence Relations. (Hampshire)

Nik POWELL Lately Director, National Film and Television School. For services to the Music, Film and Television Industries. (London, W9)

William John PRIESTLEY For services to Criminal Justice. (Londonderry)

Antony Alan PRITCHARD Deputy Command Secretary, NavyCommand, Ministry of Defence. For services to the Royal Navy. (Portsmouth, Hampshire)

Jonathan Peter PYWELL City Culture and Place Manager, Hull City Council. For services to Culture. (Hull, East Riding of Yorkshire)

Rhona Mary, Mrs QUINN For services to the Construction Industry and the community in Northern Ireland. (Tyrone)

Jaswant, Mrs RAMEWAL Grade 6, Ministry of Defence. For services to Defence. (London)

Ms Barbara Kathleen RAYMENT Director, Youth Access. For services to Children and Young People. (London, SM3)

Dr Dorothy Glenda Cerys REES Fellow, Chemical and Biological Analysis, Defence Science and Technology Laboratory. For services to Defence. (Salisbury, Wiltshire)

Richard RHODES District Manager, Essex, Work Services Directorate, Department for Work and Pensions. For services to Disadvantaged People in Essex. (Chelmsford, Essex)

Gary RIDLEY Assistant Chief Officer, Durham Constabulary. For services to Policing. (Tyne and Wear)

Mark ROBINSON Head Coach, England Women's Cricket Team. For services to Cricket. (Hove, East Sussex)

Dr Megan Brooke ROGERS Reader in Risk and Terror, King's College London. For services to Academia and Government. (London)

Ms Christian RUCKER, MBE Founder, The White Company. For services to Retail. (Buckinghamshire)

Dr Lesley SAWERS Equality and Human Rights Commissioner for Scotland. For services to Business and Equality. (Glasgow)

Ms Teresa Patricia SCOTT Founder and Chief Executive Officer, Kennedy Scott. For services to Entrepreneurship and Employability. (Buckinghamshire)

Professor Judith Carmel SEBBA For services to Higher Education and to Disadvantaged Young People. (Oxford, Oxfordshire)

Alison Norma, Mrs SELLAR Chief Executive, Activpayroll. For services to Business in Scotland and Abroad. (Cults, Aberdeenshire)

Professor Richard SENNETT Chair, LSE Cities ***Programme***. For services to Design. (London, WC2A)

Ms Samenua SESHER Coach and Culture Management Consultant. For services to Art. (Folkestone, Kent)

Naymitkumar SHAH Manager, International Liaison Officer, National Crime Agency. For services to Law Enforcement and Diversity. (Abroad)

John Strother SHALLCROSS For voluntary services to Young People and Youth Clubs in the North East. (Morpeth, Northumberland)

Pauline, Mrs SHAW Director of Care and Service Development, The Royal Star and Garter Homes. For services to Veterans. (Thames Ditton, Surrey)

Professor Andrew Hoseason SHENNAN Consultant Obstetrician, St Thomas' Hospital London. For services to Maternity Care. (London, TW9)

David John SIMM Acting Detective Inspector, Metropolitan Police Service. For services to National Security and Counter Terrorism. (Essex)

Professor John Anthony SLOBODA, FBA Research Professor, Guildhall School of Music and Drama. For services to Psychology and Music. (London, N5)

Ms Annika Elisabeth SMALL Social Entrepreneur and Co-founder, Centre for Acceleration of Social Technology. For services to Social Innovation and Digital Technology. (Oxfordshire)

Bartholomew Evan Eric SMITH Founder, Amber Foundation. For services to Young People. (Maidenhead, Berkshire)

Colin Stuart SQUIRE For services to the Horticultural Industry and to charity. (Laleham, Surrey)

Professor Nicholas David STAFFORD Emeritus Professor of Otolaryngology, Head and Neck Surgery, University of Hull. For services to Medical Research and Healthcare. (Beverley, East Riding of Yorkshire)

Peter Graham STEBBINGS Lately Regional Chairman, East of England, Conservative Party. For voluntary political service in the East of England. (Norfolk)

Professor Mary Josephine STOKES Professor of Musculoskeletal Rehabilitation, Maria University of Southampton. For services to Physiotherapy Research. (Hayling Island, Hampshire)

Lynne Marie, Mrs SWIFT Director of People and Organisational Development, Buckinghamshire Fire and Rescue Service. For services to the Fire and Rescue Service. (Windsor, Berkshire)

Paul TAIANO Chair of Governors,Royal Central School of Speech and Drama. For services to Drama Training and Horse Racing Welfare. (Hertfordshire)

Timothy William Trelawny TATTON-BROWN For services to Heritage. (Salisbury, Wiltshire)

Dr Kim Bernadette TAYLOR Headteacher, Spring Common Academy. For services to Education. (Ely, Cambridgeshire)

Ms Julia TEMPLEMAN Chief Executive Officer, Northampton Primary Julia Kedwards Academy Trust Partnership. For services to Education. (Harrold, Bedfordshire)

Ms Teresa TENNANT Co-founder, Jupiter Ecology Fund. For services to Sustainable Investment. (Innerleithen, Tweeddale)

Dr Angela Eleine THOMAS Consultant Paediatric Haematologist, Royal Hospital for Sick Children, Edinburgh. For services to the Regulation of Public Health. (Edinburgh)

David Barrie THOMPSON Head, First World War and Ceremonials Team, Department for Digital, Culture, Media and Sport. For services to the First World War Centenary Commemorations. (London)

Professor Richard Charles THOMPSON Professor of Marine Biology, University of Plymouth. For services to Marine Science. (Plymouth, Devon)

John Richard TIFFANY Director. For services to Drama. (London, SE1)

Dr Sally Clare UREN Chief Executive, Forum for the Future. For services to Sustainability Practice in Business. (London, SW12)

Dr James Patrick VESTEY Lately Consultant Dermatologist and Head of Service, NHS Highland. For services to Dermatology. (Drumnadrochit, Inverness)

Marc Ferdinand VLESSING Chief Executive Officer, Pocket Living. For services to Housing Delivery. (London, NW1)

Nilufer, Mrs VON BISMARCK Head, Financial Institutions Group and Equity Capital Markets, Slaughter and May. For services to Financial Services. (London, W8)

Dr Joanne WADE Chief Executive, Association for the Conservation of Energy. For services to Energy Efficiency. (London, SW19)

Paul WALKER Grade 6, Department for Environment, Food and Rural Affairs. For services to Engineering, Bio-Containment and UK Animal, Plant and Food Science. (East Riding of Yorkshire)

William WARD Chief Executive Officer and Co-founder, Clipper Round the World Yacht Race. For services to the Economy and the GREAT Campaign. (Horsham, West Sussex)

David Arwyn WATKINS Managing Director, Cambrian Training Company. For services to Education and Training in Wales. (Welshpool, Powys)

Professor Kathryn Anne WHALER Chair of Geophysics, University of Edinburgh. For services to Geophysics. (Edinburgh)

Nicholas Charles Tyrwhitt WHEELER Founder and Managing Director, Charles Tyrwhitt Shirts. For services to Retail. (London, SE1)

Joyce Helen, Mrs WHITE Chief Executive, West Dunbartonshire Council. For services to Local Government, Further Education and Girlguiding. (Saltcoats, Ayrshire and Arran)

Miss Linda Teresa WILLSON Lately Head, Maritime Commerce and Infrastructure, Department for Transport. For services to Transport. (London, CR5)

Richard WILSON Head, Office of the Chairman and Chief Executive, Maritime and Coastguard Agency. For services to Transport. (Southampton, Hampshire)

Dr Richard Christopher WILSON Chief Executive Officer, Independent Game Developers Association. For services to the Video Game Industry. (Welwyn Garden City, Hertfordshire)

Miss Diane WINDER Neighbourhood Watch Coordinator, West Yorkshire Police. For services to Community Safety. (Leeds, West Yorkshire)

Ms Elizabeth WOLVERSON Chief Executive, London Diocesan Board for Schools Academies Trust. For services to Education. (London, TW7)

John Nicholas WOOLF Co-founder, Charities Leadership ***Programme***. For services to the Charitable Sector in the UK and Abroad. (Esher, Surrey)

Marion, Mrs WYNN For services to Girlguiding in the UK and Abroad. (Newport, Shropshire)

Members of the Order of the British Empire:

Jacqueline, Mrs ADAMS-BONITTO Head of Training Assurance, London Fire Jackie Brigade. For services to the Fire and Rescue Service and to Equality and Diversity. (London, CR7)

Ms Joyce Ayodele ADELUWOYE-ADAMS Lately Head of Diversity, PACT. For services to Diversity in the Media. (London, N16)

Ms Philipa Ann AILION Casting Director. For services to Theatre and Diversity in the Arts. (Pevensey Bay, East Sussex)

Adetunji Adeboyejo AKINTOKUN Director, Cisco Systems and Co-Director, Your Future, Your Ambition. For services to Young People from Minority Ethnic Backgrounds in Science and Technology (London, N20)

Dr Anwara ALI General Practitioner, The Spitalfields Practice, East London. For services to Community Healthcare. (London, E14)

Daphne Claire, Mrs AMLÔT For voluntary service to the community in Wirral, Merseyside. (Wirral, Merseyside)

Peter Robert ANDREW Deputy Chairman, House Builders Federation. For services to the Construction Industry. (Falmouth, Cornwall)

Maria Emilia, Mrs ANGEL For services to the community inNormandy, Surrey. (Guildford, Surrey)

Ms Susan Jane ANSTISS For services to Grassroots and Women's Sport. (Maidenhead, Berkshire)

Afrasiab ANWAR For services to Community Cohesion in Burnley. (Burnley, Lancashire)

Ethel, Mrs ARMSTRONG Chair, NHS Retirement Fellowship. For services to the NHS Workforce and Retired People. (Lanchester, Durham)

Janet Mary, Mrs ARMSTRONG For services to the community in Oakworth, West Yorkshire. (Keighley, West Yorkshire)

Ms Sally ARNISON Pharmacist and Director, Barnton Pharmacy and Travel Clinic. For services to Healthcare and the community in Edinburgh. (Edinburgh)

Dr Elaine Louise ATKINS ***Programme*** Leader, Society of Musculoskeletal Medicine. For services to Physiotherapy. (London, IG8)

Elizabeth Rachel, Mrs ATKINSON Cancer Specialist Nurse, Cancer Focus Northern Ireland. For services to Cancer Patients and their Families. (Belfast)

Robert Henry BAGLEY For services to Disadvantaged Children and the community in Canterbury, Kent. (Canterbury, Kent)

Lisa Anne, Mrs BALDOCK Administrative Officer, HR, Department for Work and Pensions. For services to Peoplewith Disabilities in Public Service. (Portsmouth, Hampshire)

Iain Godfrey BALL For services to Cathedral Choral Music and to Young People. (Wedmore, Somerset)

Joan, Mrs BAMBER Governor, Dame Evelyn Fox and Newfield Schools. For services to Education. (Blackburn, Lancashire)

Ms Comfort Louise Ama BANAHENE Head of Educational Engagement, University of Louise Leeds. For services to Higher Education. (Greater Manchester)

Isabella Bell, Mrs BANKS Secretary, Lightburn Elderly Association Project. For services to Older People in South Lanarkshire. (Cambuslang, Lanarkshire)

Norman Leslie BANNER For public and charitable services. (Lymm, Cheshire)

Anne Ellen, Mrs BARR Founder, Annie Barr Associates. For services to Exports in Healthcare. (Prudhoe, Northumberland)

Michael John BARRATT Director of Road Space Management, Surface Transport. For services to Transport. (London, IG8)

Ms Deborah Karen BASS Director of Export and Trade Finance, Credit (Mrs Deborah Karen Lovett)

Agricole Corporate and Investment Bank. For services to Exports. (Chelmsford, Essex)

Claire Elizabeth, Mrs BATT Welfare Officer, Defence Police Federation. For services to the Ministry of Defence Police. (Essex)

Philip Andrew BATT For services to Community Safety in Northern Ireland. (Down)

Jean Barbara, Mrs BEAUCHAMP For services to Young People in Lockerley, Hampshire. (Nr Sailsbury, Wiltshire)

Miss Tamsin Tilley BEAUMONT For services to Cricket. (Leicestershire)

Sara Catherine, Mrs BEAUREGARD Co-founder, Youth Vision. For services to Special Needs Education in Edinburgh. (Midlothian)

William Alexander BECKETT For services to the voluntary sector and to Sport. (Ballymoney, Antrim)

Ms Cindy Bonita BECKFORD Principal ***Programme*** Controls Manager, Network Rail, Network Operations, High Speed Rail Phase One Team. For services to the Railway Industry. (Birmingham, West Midlands)

Michael BELL For services to the Cardiff Philharmonic Orchestra. (Roath, Cardiff)

Paul Nicholas BERMAN Chair of Trustees, Wargrave House School. For services to Children with Special Educational Needs and Disabilities. (Didsbury, Greater Manchester)

Onkardeep Singh BHATIA For services to the community particularly Young People. (London, UB10)

Timothy John BIRD Detective Constable, North Wales Police. For services to Policing and the community in North Wales. (Conwy)

Robert George BLACK Northern Ireland District Chairman, Royal British Legion. For services to ex-Service Personnel and their Families. (Londonderry)

Rosamund Anne, Mrs BLAIR County Vice-President, Girlguiding Dunbartonshire and Instructor, Riding for the Disabled. For services to Children and People with Disabilities (Milngavie, Dunbartonshire)

Lorraine, Mrs BLISS For services to Disadvantaged Young People in Norfolk and Suffolk. (Dereham, Norfolk)

Neil David BOHANNA Head of Operations, Royal Northern College of Music. For services to Higher Education. (Glusburn, North Yorkshire)

Donovan BOLESSA Head of International Visits, Department for International Trade. For services to International Trade. (Grays, Essex)

Leanne Jayne, Mrs BONNER-COOKE Managing Director, Evolve-IT Consulting Ltd. For services to Women in Business. (Loughborough, Leicestershire)

Barbara, Mrs BOWER Foster Carer, West Sussex County Council. For services to Children and Families. (Crawley, West Sussex)

Ms Christine Ann BOWER Athletes' Services Coordinator, British Olympic Association. For services to British Olympic Sport. (London, E17)

John Edward BOWERS Chair of Governors, Dixons Kings Academy. For services to Education. (Calverton, Nottinghamshire)

Patricia Edith, Mrs BOYD For services to Religious and Moral Education in Scotland. (Edinburgh)

Douglas BRADBURY Master Farrier and Fellow, WorshipfulCompany of Farriers. For services to the Farrier Profession and the community in the East Midlands. (Derbyshire)

Ms Jayne BRADY For services to Economic Development in Northern Ireland. (Belfast)

Ian James BRAILEY, JP For services to the Magistracy and the community in Bristol. (Bedminster, Bristol)

Lucille de Zalduondo, Mrs BRIANCE Founder, London Children's Ballet. For services to Dance. (London, W8)

Councillor Morris BRIGHT Leader, Hertsmere Borough Council. For services to Local Government. (Borehamwood, Hertfordshire)

John Ross BRODIE Chief Executive, Scottish Midland Co-operative Society. For services to Business and the Voluntary Sector in Scotland. (South Queensferry, West Lothian)

Joanna Caroline Jane, Mrs BROTHERSTONE Governor, Greenmead School, Wandsworth, London and Co-founder, Small Steps Charity. For services to Children with Special Educational Needs and Disabilities. (London, SW15)

Christopher Malcolm BROWN Governor, Sir Tom Finney Community High School, Preston. For services to Children with Special Educational Needs and Disabilities. (Preston, Lancashire)

James (Jim) BROWN Policy Officer, Secure Children's Homes, Department for Education. For services to Education. (London, E17)

Miss Carol Leslie BROWNE Coordinator, 16 Air Assault Brigade, Ministry of Defence. For services to Army Personnel. (Essex)

Deborah Louise, Mrs BROWNSON For services to Autism Awareness. (Barrow in Furness, Cumbria)

Dr Jane BRUCE Lately Clinical Director, Out of Hours Service, NHS Tayside. For services to General Practice and Primary Care Services in Tayside. (Dundee)

Colin George BRYANT For services to Young People. (London, SW16)

Adrian James BULL Director of External Relations, National Nuclear Laboratory. For services to the Development of Public Understanding in Nuclear Research. (Greater Manchester)

Michael BURGESS For services to Disadvantaged Young People in North Tyneside. (Witton Gilbert, Durham)

David Richard Beveridge BURN For services to the Magistracy and the community in Hexham, Northumberland. (Hexham, Northumberland)

Margaret Rose, Mrs BURN For services to the Salvation Army and Vulnerable People. (London, CR7)

Kathleen Nancy, Mrs BURNS For services to Post 16 Education and Skills in Wales. (Abergavenny, Monmouthshire)

Ms Jessica Rose BUTCHER Co-founder and Director, Blippar. For services (Mrs Simpson) to Digital Technology and Entrepreneurship. (Hertfordshire)

Sarah, Mrs BUTCHER Director of Care, Priors Court School, Berkshire. For services to Children with Special Educational Needs and Disabilities. (Thatcham, Berkshire)

Charles Richard BUTLER Assistant Headteacher and Head of Performing Arts, Ulverston Victoria High School, Cumbria. For services to Music Education. (Ulverston, Cumbria)

Darell George BUTTERY For services to Heritage in York. (York, North Yorkshire)

Philip Peter BUXTON For services to Mountain Rescue and the community in Cumbria. (Barrow-in-Furness, Cumbria)

Rosemary Jayne, Mrs CADBURY For services to Philanthropy and the community in Bournville, West Midlands. (Worcestershire)

Donald Edward Delachevois CAMPBELL Lately Chairman, East Devon Area of Outstanding Natural Beauty. For services to Nature Conservation. (Cloyton, Devon)

Hilary, Mrs CANTLE For services to the Older People and to charity in Bedfordshire and Hertfordshire. (Dunstable, Bedfordshire)

Ian David CARNELL For services to Young People in Solihull. (Solihull, West Midlands)

Monica Catherine, Mrs CARROLL For services to the community in South Yorkshire. (Woodsetts, South Yorkshire)

Craig CARSCADDEN For services to Athletes with Disabilities and to the Paralympics. (Frampton Cotterell, Bristol)

David CARTER For services to the community in Teesside. (Yarm, North Yorkshire)

Richard Alan CARTER Governor, West Suffolk College. For services to Education. (Bury St Edmunds, Suffolk)

John Millar CASKIE For services to the community in Dumfries. (Locharbriggs, Dumfries)

Councillor Balwant Singh CHADHA Lately Councillor, North Lanarkshire Council. For services to Local Government and Community Cohesion in the West of Scotland. (Cumbernauld, Lanarkshire)

Professor David Hugh Gray CHEAPE For services to Scottish Cultural Education and Hugh Traditional Music. (Edinburgh, Edinburgh)

Cynthia Louise Hart, Mrs CHERRY For services to the community and Charitable Fundraising in Northern Ireland. (Antrim)

Claire Marie, Mrs CHIPPINGTON Deputy Director, Border Force, Home Office. For services to Border Security. (London)

Elinor, Mrs CHOHAN Chair, North West Regional Board, Remembering Srebrenica. For services to Interfaith and Community Cohesion. (Altrincham, Greater Manchester)

Nicola, Mrs CLARK Tax Professional Manager, HM Revenue and Customs. For services to Business and the community in the North East. (Tyne and Wear)

Derek Kenneth CLARKE Duke of Edinburgh's Award Coordinator, Broxbourne and Richard Hale Schools. For services to Young People in Hertfordshire. (Hertfordshire)

Jane Helen, Mrs CLARKE Lately Chief Executive, Churches Housing Association, Dudley and District. For services to Vulnerable Women and Children. (Halesowen, West Midlands)

Catherine Vivian Lindsay, Mrs CLAY For political and public service. (South Glamorgan)

Jeffrey Alan COATES Social Worker and Member, Adoption Support Expert Advisory Group. For services to Children. (Cramlington, Northumberland)

Susan Mary, Mrs COATES For services to Girlguiding. (Chippenham, Wiltshire)

Paul Anthony COBBING Chief Executive Officer, National Flood Forum. For services to Flood Management Risk. (Birmingham, West Midlands)

Lieutenant Colonel (Retd) Mordaunt COHEN, TD DL For services to Second World War Education. (London, HA8)

Michael Francis COKER For services to the community in Warwickshire. (Kenilworth, Warwickshire)

Linda, Mrs COLCLOUGH For services to Victims of Sexual Abuse in West Yorkshire. (Bradford, West Yorkshire)

Mary Barbara, Mrs COLLEN Volunteer, Young Witness Service, NSPCC. For services to Children and Young People in Northern Ireland. (Armagh)

George Edward COLLIGAN For services to the Museums Sector. (Belfast)

Ms Christine Rosemary COLLINS Member, Northern Ireland Rare Disease Partnership. For services to People with Rare Diseases. (Newtownards, Down)

Alec George COLLYER Chairman, Dartmoor Search and Rescue Group. For services to Search and Rescue in Dartmoor. (Teignmouth, Devon)

Christopher CONSTANTINE Senior Executive Officer, Ministry of Defence. For services to Defence. (London)

Martin James Paul COOKE For services to the Arts and the community in Chester, Tattenhall and North Cornwall (Tattenhall, Cheshire)

Wendy, Mrs COOMBEY Community Partnership and Funding Officer, Hereford Diocese. For services to Churches in Herefordshire. (Leominster, Herefordshire)

Dr Tracey COOPER Head of Midwifery, Warrington and Halton Hospitals NHS Foundation Trust. For services to Midwifery. (Ashbourne, Derbyshire)

James COPELAND Actor. For services to Drama. James Cosmo (London)

Royston Vincent COURT For services to Inclusive Judo. (Penylan, Cardiff)

Richard COWIE Musician. For services to Music. (London)

Gail, Mrs CROUCHMAN Senior Officer, Border Force, Home Office. For services to Border Security and Prevention of Modern Slavery. (Essex)

Brian Albert Leopold DAVIES Senior Executive Officer, Engineering Authority, Ministry of Defence. For servicesto Military Aviation. (Wiltshire)

Dr Ian Morris DAVIES ***Programme*** Manager, Renewables and Energy, Marine Scotland Science. For services to Marine Science and voluntary service in the UK and Abroad. (Stonehaven, Aberdeenshire)

Alan DAVIS Coach, Maindy Flyers, Cardiff and Newport. For services to Youth Cycling and Diversity Inclusion in South Wales. (Cardiff)

Bobby Gurbhej Singh DEV For services to Young People in Sheffield, South Yorkshire. (Rotherham, South Yorkshire)

Albert George DICKEN For charitable services. (Nr Whitby, North Yorkshire)

Gillian, Mrs DILLON Senior Executive Officer, District Employer and Partnership Manager, Department for Work and Pensions. For services to Employment and Skills in the Humber. (East Riding of Yorkshire)

Ms Nora DILLON For services to Affordable Housing, Credit Management and the community in Rutherglen and Cambuslang, South Lanarkshire. (Rutherglen, Lanarkshire)

Julie, Mrs DIXON For services to the community in Northumberland. (Prudhoe, Northumberland)

Nicholas DOBRIK Volunteer, The Thalidomide Trust. For services to People affected by Thalidomide. (London, NW3)

Michael John DOHERTY For services to Community Cohesion in Northern Ireland. (Londonderry)

Grant Jonathan DOUGLAS Founder and Chief Executive Officer, S'up Products Limited. For services to People with Disabilities. (Edinburgh)

Mary Louise, Mrs DRINKWATER For services to the community in Worcester. (Worcestershire)

Ms Jill DUDLEY-TOOLE Chair, Frank Dudley Ltd. For services to Business and the community in Birmingham. (Birmingham, West Midlands)

David DUKE Founder and Chief Executive, Street Soccer Scotland. For services to Football and Socially Disadvantaged People. (Edinburgh)

Alexander DUNCAN Regional Commissioner, East Region, Scout Association. For services to the Scouting Movement and the Vine Trust. (Kincardine on Forth, Fife)

Ms Karyn DUNNING Head of Detained Casework, Immigration Enforcement, Home Office. For services to Asylum and Humanitarian Operations. (Kent)

Dr William Jake DUNNING Deputy ***Programme*** Director for High Jake Consequence Infectious Diseases, NHS England. For services to Clinical Research. (London, NW3)

Richard Anthony EDWARDS For services to the community in Hastings. (Hastings, East Sussex)

Derek Ernest ELTON For services to Scouting and the community in Stourbridge, West Midlands. (Stourbridge, West Midlands)

John Alfred ELTRINGHAM Chairman of Trustees, South Shields Sea Cadets. For voluntary service to Young People. (South Shields, Tyne and Wear)

Dr Alistair Mark EMSLIE-SMITH General Practitioner, Arthurstone Medical Centre, Dundee. For services to Healthcare, particularly Diabetes Treatment in Scotland. (Broughty Ferry, Dundee)

Dr David Martyn EVANS Lately General Practitioner, Budleigh Salterton Health Centre. For services to the community in Budleigh Salterton, Devon. (Budleigh Salterton, Devon)

Councillor Geoffrey Frank EVANS For services to Local Government and the community in Falmouth. (Falmouth, Cornwall)

Maria, Mrs EVES Chair of Governors, Broughton Hall Catholic High School and Vice Chair, St Teresa of Lisieux Catholic Primary School. For services to Education. (Liverpool, Merseyside)

Brian Timothy EXELL President, Seashell Trust and Chair of Governors, Ysgol y Deri, Penarth. For services to Special Needs Education in Wales and England. (Ogmore By Sea, Vale of Glamorgan)

Miss Julia Emma FARMAN Head, European Intake Unit, UK Visas and Immigration, Home Office. For public service. (Bedfordshire)

Ms Neelam FARZANA Co-founder and Managing Director, The Listening Service. For services to Mental Health 59 in the Community. (London, HA2)

Miss Susan Mary FAZACKERLEY For services to the community in Lytham St. Annes, Lancashire. (Lytham St Annes, Lancashire)

James William FERGUSON For services to Mental Health Awareness in Devon. (Exeter, Devon)

Paul Hugh Paterson FERGUSON For services to Carving, Gilding and Conservation. (Leighton Buzzard, Bedfordshire)

Shimon FHIMA ***Programme*** Director, HM Revenue and Customs. For services to Taxpayers. (London, HA8)

Norman FINLAY For services to UK Shipbuilding. (Southampton, Hampshire)

Michael William FINNEY Director of Advice, Admissions and Marketing, South Cheshire College. For services to Education. (Middlewich, Cheshire)

Louise, Mrs FITZROY-STONE Executive Director of Sport, Guildford High School. For services to Education. (Emsworth, Hampshire)

Ms Sara Lee FITZSIMMONS Executive Charity Director, SiMBA. For services to Bereaved Families. (Dunbar, East Lothian)

William David FLEETWOOD For services to the community in the North East Dave of England. (Sunderland, Tyne and Wear)

Charlie FOGARTY For services to Young People in Solihull, West Midlands. (Solihull, West Midlands)

Lawrence FORSHAW Life President, Governing Body, Alder Grange School, Rossendale, Lancashire. For services to Education. (Rossendale, Lancashire)

Ms Rebecca Jane FOSTER Course Leader for Physical Education and Senior Lecturer in Adapted Physical Education, University of Worcester. For services to Inclusive Sport and Young People. (Worcestershire)

Dr Rosemary FOX National Director for Screening ***Programmes***, Public Health Wales. For services to Healthcare in Wales. (Whitchurch, Cardiff)

Arthur FROST Foster Carer, East Cheshire Council. For services to Children and Families. (Alsager, Cheshire)

Dorothy Ann, Mrs FROST Foster Carer, East Cheshire Council. For services to Children and Families. (Alsager, Cheshire)

Ms Patricia Veronica FULLER For services to the community in Norwich. (Norwich, Norfolk)

Dr Nicholas Pearson GAIR For services to ex-Service Personnel and Young People in London. (Somerset)

Scott John GALLAGHER Sergeant, North Wales Police. For services to Policing and the National Police Air Service. (Flintshire)

James David GALLIENNE Police Constable, Devon and Cornwall Police. For services to Policing and Search and Rescue. (Cornwall)

Miss Angela GANNON Training Standards Verifier, London and South Region, St John Ambulance. For voluntary service to First Aid. (London, HA1)

Deborah Sylvia, Mrs GARDINER Chief Executive Officer, Qube Learning. For services to Apprenticeships and charity. (Dunstable, Bedfordshire)

Donovan John GARDNER For services to the community in Cornwall. (Camborne, Cornwall)

Edward GATENBY Head of Residence and Services, HM Prison Durham. For services to HM Prison Service. (Chester-Le-Street, Durham)

Miss Beverly GAYLE Higher Executive Officer, Department for Work and Pensions. For services to Unemployed People. (London)

Ms Jacqueline Alexandra GERRARD Chair of the Corporation, Strode's College, Egham. For services to Education. (Bagshot, Surrey)

Ms Margaret Emily GIANOTTI Executive Officer, Work Service Directorate, Department for Work and Pensions. For services to Employment in South London. (London, SW2)

Dr Ben Michael GOLDACRE Senior Clinical Research Fellow, Centre for Evidence-Based Medicine, University of Oxford. For services to Evidence in Policy. (Oxford, Oxfordshire)

Antony GOODMAN Chief Executive Officer, Yumsh Snacks Ltd. For services to International Trade and UK Exports. (Altrincham, Greater Manchester)

Tobiasz GORNIAK For services to Young People in Plymouth. (Plymouth, Devon)

Craig Andrew GRAHAM Chairman, The Spartans Community Football Academy. For services to Football and the community in Edinburgh. (Edinburgh)

Michael William GRAHAM Lately Constable, Police Service of Northern Ireland. For services to Policing and the community in Northern Ireland. (Belfast)

Ms Ruth GRAHAM For services to Disabled and Bereaved Children in Northern Ireland. (Belfast)

Evelyn Joan, Mrs GRIEVE Speaker, Children's Hospice Association Scotland. For voluntary service in Perthshire. (Blairgowrie, Perth and Kinross)

Malcolm GRINDROD For services to Mountain Rescue in Cumbria. (Coniston, Cumbria)

Anita Rosina, Mrs GRODKIEWICZ Manager, the Rosmini Centre. For services to the community in Wisbech, Cambridgeshire. (Outwell, Cambridgeshire)

Howard GROVES Member, Senior Mathematical Challenge Problems Group and Member, UK Mathematics Trust Challenges Sub Trust. For services to Education. (Worcestershire)

Catherine Diane, Mrs GULLEN For services to Children. (Mansfield Woodhouse, Nottinghamshire)

Rosemary, Mrs HADFIELD Member, The Clement Danes Trust Board and Associate Governor, Westfield Academy, Hertfordshire. For services to Education. (Chorleywood, Hertfordshire)

Susan Morgan, Mrs HALLAM Managing Director, Hallam Internet Limited. For services to Entrepreneurship and Innovation. (Nottinghamshire)

Sacha Ian HARBER-KELLY Case Controller, Serious Fraud Office. For services to Combatting Fraud, Bribery and Corruption. (London)

David Lawrence HARCOURT For services to the community in Stourbridge, West Midlands. (Stourbridge, West Midlands)

Jill, Mrs HARDY For voluntary service to the Arts in Dumfries and Galloway. (Irongray, Dumfries)

Ms Jane HARLEY Team Leader, Teacher Strategy and Practice Unit, Department for Education. For services to Education and to the community in Sheffield. (Sheffield, South Yorkshire)

Florence, Mrs HARPER For services to Cardiology in County Tyrone. (Omagh, Tyrone)

Ian David HARRABIN For services to Heritage and Regeneration in Coventry. (London)

Ian Michael HARRIS Chief Executive, Wine and Spirit Education Trust. For services to the Wine and Spirit Industry. (London, CR2)

Ian Richard HARRIS Honorary Trustee, Citizens' Advice Bureau. For services to the Citizens' Advice Bureau in Newcastle upon Tyne. (Newcastle Upon Tyne, Tyne and Wear)

Eric George HARRISON Lately Youth Team Coach, Manchester United Football Club. For services to Football. (Halifax, West Yorkshire)

Professor Matthew HARRISON Trustee, STEMNET. For services to Engineering and Education. (Ninfield, East Sussex)

Margaret Ann, Mrs HARVEY Vice Chair, Camden Association of Foster Carers. For services to Children. (London, N19)

Deborah Maria, Mrs HEALD Managing Director, Heald Ltd. For services to Exports and Promotion of STEM Careers for Women. (Hornsea, East Riding of Yorkshire)

Peter John HEALD Director, Lunds of Otley. For services to Business and the community in West Yorkshire. (Leeds, West Yorkshire)

Roderick John HEATHER For services to Flood Risk Management. (Chester, Cheshire)

Christopher Charles HEBDEN Chair, Southend MENCAP. For services to People with Disabilities in Essex. (Essex)

Dr Jonathan HEGGARTY Director of Curriculum, Belfast Metropolitan College. For services to Further Education in Northern Ireland. (Carrickfergus, Antrim)

Margaret Dorothy, Mrs HELLER For services to the Magistracy and to Vulnerable Families in the communityin Southampton. (Southampton, Hampshire)

Miss Jennifer HENDERSON For parliamentary and voluntary service. (London)

Anne, Mrs HENDY Teacher, Hitchin Girls' School. For services to Education. (Hitchin, Hertfordshire)

Inez May, Mrs HENRIQUES For services to the West Midlands, Caribbean Parents and Friends Association. (Wolverhampton, West Midlands)

Matt HENRY Actor and Singer. For services to Musical Theatre. (London)

Maureen Constance, Mrs HERCULES Founder and Headteacher, Dallington School, London. For services to Education. (London, N1)

Hedley George HERON For services to charity and the community in Northumberland. (Morpeth, Northumberland)

Kenneth Malcolm HEWITT For services to Cross Community Relations in Londonderry. (Londonderry)

Beverley Elizabeth, Mrs HICKEY Administrative Officer. For services to Defence. (Herefordshire)

Patricia, Mrs HILEY For services to Adoption. (Grantham, Lincolnshire)

Ms Rachael Maria HILL National Flood and Coastal Risk Manager, (Mrs Rachael Maria Thomas) Environment Agency. For services to Flood Risk Management and Flood Recovery. (Bristol)

Councillor Michele HODGSON Lately Chair, County Durham and Darlington Fire and Rescue Authority. For services to Fire and Rescue. (Stanley, Durham)

Margaret Helen, Mrs HOLLINGSWORTH Lately Trustee, Inspiration Trust. For services Maggie to Education. (London, SE1)

Susan Yvonne, Mrs HOLLISTER Headteacher, Cefn Hengoed Community School, Swansea. For services to Education in Swansea. (Neath, Neath Port Talbot)

Carol, Mrs HOLT Flood Incident Manager, Environment Agency. For services to Flood Risk Management and the Environment. (Clitheroe, Lancashire)

Colin Roy HOPKINS School Governor and Chair of Trustees,Church of England Central Education Trust. For services to Education. (Burton-on-Trent, Derbyshire)

William Thomas HOPKINS For services to the community, particularly Children and Maritime Safety, in South Wales. (Port Talbot, Neath Port Talbot)

Pearline Evadney, Mrs HOWARD Foster Carer, Wandsworth Borough Council. For services to Children and Families. (London, SW16)

Christopher Paul HUDSON Founder and Owner, Chimo Sheffield (Manufacturing) Ltd. For services to Exports and Investment in Sheffield. (Sheffield, South Yorkshire)

Alan Thomas HUGHES Area Convener, Glasgow Children's Panel. For services to the Children's Hearings System in Scotland. (Glasgow)

Glenys Irene, Mrs HUGHES For services to Music in Orkney and Charity in Malawi. (Kirkwall, Orkney)

John Martin HUGHES Managing Director, Ryobi Aluminium Castings (UK). For services to Economic Development in Northern Ireland. (Belfast)

Christopher Robin HYSON For services to the Magistracy and the community in Hampshire. (Portsmouth, Hampshire)

Anthony John IMPEY Founder and Chief Executive Officer, Optimity. For services to Apprenticeships, Small Businesses and Broadband Connectivity (London, N1)

Lindsey Ann, Mrs ISAACS Lately Head of Prevention, Dorset Fire and Rescue Service. For services to Fire Prevention and Community Safety in Dorset. (Dorchester, Dorset)

Adrian Antony JACKSON Artistic Director and Chief Executive Officer, Cardboard Citizens. For services to the Arts. (London, SE14)

Dr Sarah Caroline JARVIS General Practitioner, Shepherd's Bush, London. For services to General Practice and Public Understanding of Health. (London, W5)

Mark Richard JEFFERSON Lately Higher Officer, National Deep Rummage Team Immingham, Border Force North Region, Home Office. For public service. (Lincolnshire)

Ms Christine Ann JEFFERY Chair, Skills Group UK Ltd. For services to Skills Training and charity. (Honiton, Devon)

David Ellis JENKINS For services to Maritime Safety. (Aberystwyth, Ceredigion)

Philippa Helen Dodds, Mrs JOHN For services to Young People and Culture in London. (London, N1)

Ms Sian Bassett JOHN Lately Chief Security Strategist, Symantec Corporation. For services to Cyber Security. (London)

Anthony Colin JOHNSON Chair of Governors, Oaklands Primary School, Yeovil, Somerset. For services to Education. (Yeovil, Somerset)

Shahina Baloch, Mrs JOHNSON For services to the Arts and Creative Industries in Swindon and Wiltshire. (Devizes, Wiltshire)

Elizabeth Anne, Mrs JOHNSTON For voluntary service to the community in Donaghadee, County Down. (Donaghadee, Down)

Miss Carly Jayne JONES For services to People with Autism. Olley Edwards (Arborfield, Berkshire)

Karen, Mrs JONES For services to Children with Life Limiting Illnesses in the North West and North Wales. (Neston, Cheshire)

Peter JONES Lately National Account Manager, National Employer and Partnership Team, Department for Work and Pensions. For services to Unemployed People. (Southport, Merseyside)

Rowena Wendy, Mrs JONES Paediatric Oncology Outreach Specialist Nurse, Hywel Dda University Health Board. For services to Sick and Disabled Children and End of Life Care. (Aberaeron, Ceredigion)

Trevor John JONES For services to the community in Stoke-on0Trent, Staffordshire. (Stoke-on-Trent, Staffordshire)

Mohammad Yaqub JOYA For services to the Army and the Muslim community in Northern Ireland. (Down)

Shirley, Mrs KANKOWSKI Project Manager, HM Revenue and Customs. For services to State Pension Reform. (Ashington, Northumberland)

Andrew Charles KAUFMAN For services to Holocaust Education. (London, NW3)

Dorothy Harriet, Mrs KEANE Clinical Lead, E-Learning for Healthcare Image Interpretation Project, Society of Radiographers. For services to Radiography. (Sunderland, Tyne and Wear)

Kathleen, Mrs KEILLOR Governor, Caroline Haslett Primary School. For services to Education. (Milton Keynes, Buckinghamshire)

Susan Stephen, Mrs KENNEDY Lately National Co-ordinator, General Practice Nursing in NHS Education Scotland. For services to General Practice Nurse Education. (Elie, Fife)

Alexander KHAN Chief Executive Officer, Lifetime Training. For services to Apprenticeships. (Raglan, Monmouthshire)

Ms Sadi KHAN (SAJDAH MEHMOOD) For services to Cultural and Religious Training and voluntary service to Vulnerable Women. (Long Eaton, Nottinghamshire)

Ronald George KNIGHT Founder, Knight Farm Machinery Limited. For services to ***Agricultural*** Engineer Entrepreneurship and Charitable Fundraising. (Stamford, Lincolnshire)

Geoffrey Arthur KNIGHTS For services to the community in High Kelling, Holt, Norfolk. (Holt, Norfolk)

Bernd KOSCHLAND For services to Holocaust Education. (London, NW4)

Dr Susan Elizabeth KRUSE For services to Community Archaeology in the Highlands of Scotland. (Strathpeffer, Ross and Cromarty)

Ms Grace LADOJA For services to Music. (London)

Gillian, Mrs LANE Lately Vice-Chair of Governors, Central College Nottingham and Governor, Acorn Primary Federation. For services to Education. (Burton Joyce, Nottinghamshire)

Mark Ralph LANGSHAW Managing Director, Continental Teves Ltd. For services to the Economy and community in Blaenau Gwent. (Usk, Monmouthshire)

Ganiyu LANIYAN Managing Director, Shian. For services to the community in London. (London, IG1)

John LARKE, TD For services to Music in Cornwall. (Truro, Cornwall)

Susan Florence Moyes, Mrs LAW Chair, Muirfield Riding Therapy. For services to Riding for the Disabled. (Gullane, East Lothian)

Ms Rosemary LEACH Principal Lecturer, Sport Development, Sheffield Hallam University. For services to Education. (Bradwell, Derbyshire)

Ms Ivy Agnes LEE For services to Girlguiding in Northern Ireland. (Belfast)

Michele Ganley, Mrs LEE Chair, Dyspraxia Foundation Charity. For services to Improving the Diagnosis and Treatment of Children with Dyspraxia. (Denham, Buckinghamshire)

Professor Michael LEVIN Professor, Paediatrics and International Child Health, Imperial College London and St Mary's Hospital. For services to Infectious Diseases, Critical Care and Research. (London, N2)

Alison, Mrs LEWIS Site Lead, HM Revenue and Customs. For public service. (Colchester, Essex)

Christopher David LEWIS Lifeguard, RNLI. For services to Maritime Safety. (Bournemouth, Dorset)

Hannah, Mrs LEWIS For services to Holocaust Education. (London, NW8)

Leonie Rachelle, Mrs LEWIS For services to the Jewish community in London. (London, HA5)

Robert Joseph Stanley LONG For services to the community in Maldon, Essex. (Tiptree, Essex)

Christopher Charles LOVEDAY For services to Children and People with Mental Health Issues and the community in Swindon. (Marlborough, Wiltshire)

Elizabeth Ann, Mrs LOVESEY For services to Education and the community in Great Barford, Bedfordshire. (Great Barford, Bedfordshire)

Timothy James LOVETT Lately Director of Public Affairs, British Beekeepers Association. For services to the Beekeeping Industry. (Esher, Surrey)

Carol LUKINS For services to HM Coastguard and the Prison Service. (Ipswich, Suffolk)

Ms Margaret Ann LYNCH For political service. (London)

Ms Inez Therese Philomena Alice LYNN For services to Literature and Libraries in London. (London, SW17)

James Jamieson LYON Forest Management Director, Forestry Commission. For services to Forestry and to Conservation in the North East. (Bury St Edmunds, Suffolk)

Katherine Mary, Mrs MACKAY Chair, Isle of Lewis Local Committee, Cancer Research UK. For services to Charitable Fundraising. (Isle of Lewis, Western Isles)

Miss Sine Cameron MACVICAR Lately Headteacher, Dunbeg Primary School. For services to Education and the community in Dunbeg, Argyll. (Argyll and Bute)

Ms Roisin MAGUIRE Lately Principal, St Joseph's College, Stoke-onTrent. For services to Education. (Crewe, Cheshire)

Sajda, Mrs MAJEED For services to the community in Burnley. (Burnley, Lancashire)

Suzanne Marie, Mrs MARKLEW Senior Executive Officer. Foreign Liaison Staff Army, Ministry of Defence. For services to Defence Engagement. (Hampshire)

Ian George MARKS For services to the community in Warrington, Cheshire. (Warrington, Cheshire)

Ms Lucy MARKS Chief Executive Officer and Clinical Psychologist, Compass Wellbeing. For services to Children's Mental Health and Primary Care. (London)

Margaret Patricia, Mrs MARTIN For voluntary service to Road Safety in Northern Ireland. (Newtownabby, Antrim)

Anthony MARWOOD Violinist. For services to Classical Music. (East Sussex)

Ms Margaret MATHER Founder, Dundee Junior Showtime Youth Theatre. For services to the Arts and community in Dundee. (Dundee)

John Bernard Roger MATTHEWS Trustee, Heart Your Smile. For services to Dentistry. (Isle of Wight)

Ms Linda Jane MCAULEY Presenter, BBC Radio Ulster. For services to Consumers in Northern Ireland. (Bangor, Down)

Thomas Adrian MCAULEY For services to First Aid and Healthcare in 74 Northern Ireland. (Londonderry)

Thomas Celestine MCBRIDE Head, Department for Business Services, South West College. For services to Further Education in Northern Ireland. (Plumbridge, Tyrone)

Margaret Lynne, Mrs MCCABE Head, Welsh Tribunals Unit. For services to Administrative Justice in Wales. (South Glamorgan)

Daniel MCCALLUM Co-Founder and Managing Director, Awel Aman Tawe. For services to Community Energy in Wales. (Ammanford, Carmarthenshire)

Hazel Roberta, Mrs MCCREADY For services to Disabled ex-Police Officers in Northern Ireland. (Armagh)

Angus James MCINTOSH Managing Director, Lecht Ski Centre. For services to Skiing and Tourism in North East Scotland. (Strathdon, Aberdeenshire)

John Stuart MCLESTER For services to Education and the community in Monmouth. (Coleford, Gloucestershire)

Stefa Janita, Mrs MCMANNERS For services to the community in County Durham. (Bishop Auckland, Durham)

Robert Duncan MCPHAIL For services to the community in Tarbert, Argyll. (Tarbert, Argyll and Bute)

Donald Wallace MCPHIE National Trustee and Regional Representative, West Midlands, SSAFA. For voluntary service to ex-Service Personnel. (Solihull, West Midlands)

Carolyn Anne, Mrs MCVITTIE Managing Director, Stepahead. For services to Children and Families. (Ashford, Kent)

Bazil Leonard Duncan MEADE Founder, London Community Gospel Choir. For services to Music especially the Development of British Gospel Music (London, E17)

Jennifer, Mrs MEAKIN For services to Children with Disabilities, particularly through Sport. (Betchton, Cheshire)

Thomas Frederic METCALFE For services to Bell Ringing in Cumbria. (Kirby-In-Furness, Cumbria)

Garry MILLAR Detective Constable, Police Service of Northern Ireland. For services to Policing and the community in Northern Ireland. (Belfast)

Professor Mark Andrew MIODOWNIK Professor of Materials Science, University College London. For services to Science, Engineering and Broadcasting. (London, SE1)

Ms Christine Valerie MITCHELL Account Manager, Department for International Trade. For services to International Trade. (London, E7)

Ms Gillian MOGLIONE For services to the community in Liverpool. (Liverpool, Merseyside)

Moira Anne, Mrs MONAGHAN Lately Head Teacher, Bushes Primary School, Paisley. For services to Education in Renfrewshire. (Kilmarnock, East Ayrshire)

Margaret Gilmour Wilson, Mrs MOODIE Lately Volunteer, St Columba's. For services to People with Life Limiting Illnesses and to Deaf People in Scotland. (Edinburgh)

Henry Joseph MOORE, TD For services in support of the Northern Ireland peace process. (Down)

Ms Sandra MOORE Chief Executive Officer, Welcome Organisation. For services to Tackling Homelessness. (Antrim)

Rachel Duncan, Mrs MORGAN For services to UK Antarctic Heritage and Conservation. (Monmouthshire)

Richard Hugh MORGAN Police Constable, South Wales Police. For charitable services to Armed Forces Veterans. (Carmarthenshire)

Elizabeth Julie, Mrs MORRIS Headteacher, Severn Primary School, Cardiff. For services to Education. (Highlight Park, South Glamorgan)

Margaret Anne, Mrs MORRIS For services to Health and Wellbeing in Salford. (Eccles, Greater Manchester)

Richard MORRIS Lately Senior Head of Service, Children and Family Courts Advisory and Support Service. For services to Children in England. (Huntingdon, Cambridgeshire)

Karen Vivienne, Mrs MORRISON For services to the Children's Hearings System in Scotland and the community in North Lanarkshire. (Cumbernauld, Lanarkshire)

Michael Cecil MOSS For services to Golf, Tourism and charity in Northern Ireland. (Londonderry)

Ms Alison MOTH For services to Education in Northern Ireland. (Belfast)

Sylvia Doreen, Mrs MOYS Member, Court of Common Council. For services to the City of London Corporation and Education in Croydon. (London, CR2)

Ms Ann Stewart MUIR Volunteer, Macmillan Cancer Voice. For services to People Affected by Cancer in Scotland. (Blackwood, Lanarkshire)

Eric Eugene MURANGWA For services to Raising Awareness of the Rwandan Genocide. (London, SW4)

Kenneth John NELSON Chief Executive Officer, LEDCOM. For services to Economic Development and the Voluntary Sector. (Ballyclare, Antrim)

Edward Augustus NESTOR For services to Radio and to charity. (London, E11)

Moira, Mrs NEWTON For services to the Jewish community in North London. (London, EN5)

Peter John Wellesley NOBLE For services to Photography and to charity. (Poundbury, Dorset)

Alison Elizabeth, Mrs NORTH Teacher and Choir Leader, Lindley Junior School, Huddersfield. For services to Education. (Huddersfield, West Yorkshire)

Josephine Maria, Mrs O'FARRELL For services to the community in Crowthorne and Bridport, Dorset. (Bridport, Dorset)

David George OPENSHAW For services to Music in Northern Ireland. (Bangor, Down)

Professor Gerard Patrick PARR For services to Developing Telecoms Infrastructure in Northern Ireland. (Norwich, Norfolk)

Miss Janet Elizabeth PARROTT For voluntary political service. (Newton Abbot, Devon)

Dr Bernard Neil PARSONS Co-founder and Chief Executive Officer, Becrypt. For services to Digital Technology. (London)

Atulkumar Bhogilal PATEL For services to Heritage and the community in the East Midlands. (Leicestershire)

Mubeen Yunus PATEL Administrative Officer, Personal Tax Operations, HM Revenue and Customs. For services to Public Sector Digital Transformation ***Programme***. (Leicestershire)

Robert Ian PATERSON For services to Paralympic Sport. (London, NW3)

Desmond George Arthur PAYNE Master Distiller, Beefeater London Dry Gin. For services to the British Gin Industry. (London, SW18)

Ms Bernadette PEERS Compliance Manager, ***Strategic*** Shipping Ltd. For services to Export Control. (Birmingham, West Midlands)

Major Donald PEPLOE Staff Officer, Army Equipment Support, Ministry of Defence. For services to Military Capability. (Wiltshire)

Clifford Edward PERRY Business Coordinator, Railway Division, Institution of Mechanical Engineers. For services to Railways. (Wokingham, Berkshire)

Janice, Mrs PETTIT For services to Youth Work and the community in the London Borough of Waltham Forest. (London, E4)

Ms Marcella Eileen PHELAN For services to Young People in Ealing, London. (London, TW8)

Ms Helen Margaret PHILLIPS For services to Welsh Gymnastics and the Commonwealth Games Council for Wales. (Ducklington, Oxfordshire)

Captain Martin Graham Highmore PHIPPS Harbour Master. For services to UK Exports. (Swanmore, Hampshire)

David PICKERING Education Administrator and Teacher, The Royal Ballet. For services to the Arts and Education. (London, SE14)

Michael John PIPES Lately School Governor, Hampshire. For services to Education. (Emsworth, Hampshire)

Susan, Mrs PLATTEN Bedfordshire and Hertfordshire Business and Partnership Manager, Department for Work and Pensions. For services to Young People. (Letchworth, Hertfordshire)

Timothy Michael Staden POCOCK For services to Education and charity. (Ripon, North Yorkshire)

Kathryn, Mrs PODMORE Lately Principal, Birkenhead Sixth Form College. For services to Education. (Staffordshire)

Diana Lois, Mrs PORTER Founder, Fresh Start - New Beginnings. For services to Sexually Abused Children, Young People and their Families. (Suffolk)

Stephen Philip PRENTER For services to Arts, Business and Education. (Belfast)

Michael Julian PRIOR Commercial Officer, Military Flying Training System ***Programme***, Ministry of Defence. For services to Military Training Provision. (Gloucestershire)

Adrian John PRIOR-SANKEY For services to the community in Taunton, Somerset. (Taunton, Somerset)

Captain (Rtd) Santa PUN Staff Officer, Army Division, Defence Academy. For services to Defence. (Wiltshire)

Naeem Rabbani QURESHI For services to the community in Sparkbrook, Birmingham. (Birmingham, West Midlands)

Dr Robert RAMDHANIE For services to Dance. (West Midlands)

Dr Michael John RANCE For services to the community in Macclesfield, Cheshire. (Macclesfield, Cheshire)

Dorothy Anne, Mrs RAND For services to Local Government and the community in Durham. (Chester-le-Street, Durham)

Gurmit Singh RANDHAWA For services to Community Cohesion in the Vale of Glamorgan. (Barry, Vale of Glamorgan)

Linda Mary, Mrs RANSOM For services to the community in East London and Essex. (Writtle, Essex)

Andrew Rowland READY Senior Surgeon, Renal Transplant ***Programmes***, University Hospital Birmingham. For services to Renal Transplantation. (Solihull, West Midlands)

Alan REGIN For services to Campanology and its Heritage. (London, E13)

Allan Martin Russell REID For services to the community in Winchester, Hampshire. (Winchester, Hampshire)

Councillor Ann Lorraine REID Councillor, City of York Council. For services to Local Government. (York, North Yorkshire)

Patricia Ann, Mrs REID Secretary, Dunfermline Tennis Club. For services to Tennis and Lacrosse in Scotland. (Dunfermline, Fife)

Stefanie McLeod, Mrs REID For services to Paralympic Sport. (Leicestershire) Janet Elizabeth, Mrs RICHES For political and public service. (Anstruther, Fife)

Christine Elizabeth, Mrs ROBSON Watch Manager, County Durham and Darlington Fire and Rescue Service. For services to the Fire and Rescue Service and the community in County Durham. (Stanley, Durham)

Dr James Peter ROBSON Doctor, Scotland National Rugby Team and Head of Medical Services, Scottish Rugby Union. For services to Rugby. (Fowlis, Dundee)

Louise Mary, Mrs ROONEY Senior Nurse, Head of Prison Healthcare, HM Prison Usk. For services to Nursing and Prison Healthcare in Monmouthshire. (Chepstow, Monmouthshire)

Paula, Mrs ROOTS Group Manager, Early Years and Early PAULA HUDDART ***Intervention***, West Lothian Council. For services to the community in West Lothian. (Blackness, West Lothian)

Carolyn Ann, Mrs ROSEBERRY-SPARKES Deputy Director, Border Force, Home Office. For services to Border Security. (Surrey)

Dr Nicholas Andrew Nesbitt ROWE Director of Converge, York St John University. For services to People with Mental Ill Health in Yorkshire and the North East. (York, North Yorkshire)

Linda Ruth, Mrs ROWLES Personal Assistant to Directors for Higher Education Reform, Department for Education. For services to Education and to the community in Bromley. (London, BR5)

Professor Helen Elizabeth ROY Group Leader, Population Ecology, Centre for Ecology and Hydrology. For services to Biodiversity Research, Science Communication and Citizen Science. (Crowmarsh Gifford, Oxfordshire)

Miss Leslie Ann ROY For services to Athletics in Scotland. (Bearsden, Dunbartonshire)

Sean Edward RYAN Volunteer, St Monica's Flixton Parish, Manchester. For services to Refugee Resettlement. (Flixton, Greater Manchester)

Simon Charles RYDER Watch Manager, Greater Manchester Fire and Rescue Service. For voluntary service to the Manchester Children's Burns Camp and Northern Burns Care Network. (Radcliffe, Greater Manchester)

Ms Joan SALTER For services to Holocaust Education. (London, N10)

Joan Mary, Mrs SANGER For services to charity and the community in Beckingham, South Yorkshire. (Doncaster, South Yorkshire)

Dr Mehool Harshadray SANGHRAJKA For services to the Jain Faith and Education. (London, HA7)

Jeffrey SCORAH Senior Executive Officer, Ministry of Defence. For services to Defence. (London)

Neil Duncan SCOTT Project Support Officer, Department for Business, Energy and Industrial Strategy. For public service. (London, NW7)

Dr Martin Pengton SEAH Emeritus Senior Fellow in Surface and Nanoanalysis, National Physical Laboratory.For services to Measurement Science. (London, TW11)

Keith Dennis SEARS Lately Inspector, Sports Ground Safety Authority. For services to Sport. (Rickmansworth, Hertfordshire)

Diana Joyce, Mrs SEENEY For services to the Girls' Brigade. (Kingswinford, West Midlands)

Shyamal Kanti SENGUPTA For services to Interfaith Relations in Renfrewshire. (Giffnock, Renfrewshire)

William Robert SERGEANT, QPM County Vice-Chairman, Merseyside and West Lancashire, Royal British Legion. For voluntary service to ex-Service Personnel and to First World War Remembrance. (Liverpool, Merseyside)

Vikas Sagar SHAH Member, Industrial Development Advisory Board and Chief Executive Officer, Swiscot Group. For services to Business and the Economy. (Greater Manchester)

Ms Summera Naheed SHAHEEN Owner, The Diamond Studio. For services to Business and the community in Glasgow. (Newton Mearns, Renfrewshire)

Dr Rohit SHANKAR Consultant in Adult Developmental Psychiatry, Cornwall Partnership NHS Foundation Trust. For services to People with Learning Disabilities in Cornwall. (Truro, Cornwall)

Ms Anne Florence May SHAW Foster Carer, Sheffield City Council. For services to Children and Families. (Sheffield, South Yorkshire)

Margaret Ann, Mrs SHIELDS Administrative Assistant, Ministry of Defence. For services to Defence. (Down)

Patricia Anne, Mrs SHORE For services to the community in Harrogate. (Harrogate, North Yorkshire)

Dr Sanjiv Kumar SHRIDHAR General Practitioner, Nantwich, Cheshire. For services to Primary Care. (Nantwich, Cheshire)

Miss Anya SHRUBSOLE For services to Cricket. (Bath, Somerset)

Hazel Marie, Mrs SIMMONS For services to Local Government in Luton. (Luton, Bedfordshire)

Colin Ian Angus SKEATH Lately Neighbourhood Inspector, West Yorkshire Police. For services to Policing and the community in Halifax. (Argyll and Bute)

Frances Jane, Mrs SLOAN Chair, Aldouran Wetland Garden. For voluntary service in Leswalt, Wigtownshire. (Stranraer, Wigtown)

Emma Louise, Mrs SMITH Head of Operations, National Crime Agency. For services to Tackling Economic Crime. (Leighton Buzzard, Bedfordshire)

Jeffrey Douglas Reginald SMITH Founder, Ards Peninsula First Responders Group. For services to Health in Northern Ireland. (Newtownards, Down)

Raymond John SMITH Ceremonial Technical Officer, House of Commons. For services to Parliament. (Brentwood, Essex)

Susan, Mrs SMITH Joint Chief Executive, South Northamptonshire and Cherwell District Councils. For services to Local Government. (Rugby, Warwickshire)

Ms Wendy Jane SMITH Community Engagement ***Strategic*** Lead, Peninsula School of Dentistry. For services to Oral Healthcare and Dental Education in the South West. (Gunnislake, Cornwall)

Jonathan William SPENCER Head of ***Planning*** and Environment, Forest Enterprise England. For services to Woodlands, Nature Conservation and the Environment. (Winchester, Hampshire)

Peter Stewart SPENCER Adviser, Environment Agency. For services to Flood Hydrology and the Economy. (Cheadle Hulme, Greater Manchester)

Dr Andrew SPIERS Director of Science and Technology, Ardingly College. For services to Education. (Hartfield, East Sussex)

Michael George SQUIRE Foster Carer, Wiltshire Council. For services to Children and Families. (Salisbury, Wiltshire)

Rachel Denise, Mrs SQUIRE Foster Carer, Wiltshire Council. For services to Children and Families. (Salisbury, Wiltshire)

Dr Seema SRIVASTAVA Safety ***Programme*** and Falls Lead, North Bristol NHS Trust. For services to Improving Quality and Patient Safety. (Henleaze, Bristol)

David Leonardus STEENVOORDEN Superintendent Coxswain, Humber Lifeboat Station, RNLI. For services to Maritime Safety. (Hull, East Riding of Yorkshire)

Professor William STEPHENS University Secretary and Head, Executive Office, Cranfield University. For services to Higher Education. (Steppingley, Bedfordshire)

Dr Martin Adam STERN For services to Holocaust Education. (Oadby, Leicestershire)

Alison Rosemary, Mrs STEWART For services to Libraries in Suffolk. Alison Wheeler (Ipswich, Suffolk)

David Arthur STONE For services to Young People and the community in Wolverton, Warwickshire. (Stratford Upon Avon, Warwickshire)

Freda, Mrs STREETER For services to Open Water Swimming. (Nutfield, Surrey)

Paul Antony STROTHERS Lately Chief Executive Officer, Zodiac Seats (UK) Ltd. For services to the Development of Aerospace Manufacturing in the UK. (Wolverhampton, West Midlands)

Ms Deborah Alison SUGG For political and public service. (London, SM1)

Madeleine SUMPTION Director, Migration Observatory, Universityof Oxford. For services to Social Science. (London, SE3)

Bryan James SUTHERLAND Engineer, Loganair. For services to the Orkney Air Service. (Kirkwall, Orkney)

Claudette Joyce, Mrs SUTTON Lately Chief Executive Officer, Minority Ethnic Talent Association. For services to Diversity in the Civil Service. (London, BR2)

Rosamund Anne, Mrs SWEET Police Community Support Officer, City of London Police. For services to Policing and the community in the City of London. (London)

Dr Melinda TAN Rector, University of Central Lancashire Cyprus Branch Campus. For services to British Higher Education Overseas and the Promotion of Bicommunal Relations in Cyprus. (Preston, Lancashire)

Ms Elizabeth TAPPENDEN Owner and Founder, In to Biz Ltd. For services to Small Business Start-ups and Women in Business in the Isle of Wight. (Cowes, Isle of Wight)

Angela TATE Probation Officer, HM Prison Isle of Wight. For Groves services to Probationers and voluntary work to the community in the Isle of Wight. (Newport, Isle of Wight)

Patrick Francis Benjamin TATHAM For services to the community in the Mole Ben Valley, Surrey. (Dorking, Surrey)

Suzanne Jane, Mrs TAYLOR For services to Education. (Hermitage, Berkshire)

David Anthony TEMPLE Musical Director, Crouch End Festival Chorus. For services to Music. (London, N10)

Gerald Robert TESSIER Review Manager, Boundary Commission for England, Cabinet Office. For services to Democracy. (Grays, Essex)

David THOMAS For services to Social Work Education and People with Disabilities. (Sandy, Bedfordshire)

Elizabeth Ann Patricia, Mrs THOMAS Group Leader, Bereavement Service, Gloucestershire. For services to Supporting People Bereaved by Suicide in Gloucestershire. (Hucclecote, Gloucestershire)

Michael Everard THORNHILL For services to the community in Leominster, Herefordshire. (Leominster, Herefordshire)

Robert Telford TINLIN Lately Chief Executive, Southend on Sea Borough Council. For services to Local Government in Essex. (North Berwick, East Lothian)

Professor Michael John TIPTON Professor of Human and Applied Physiology, University of Portsmouth. For services to Physiological Research in Extreme Environments. (Gosport, Hampshire)

Stella Gladys, Mrs TOMKINSON For services to Foster Care in Warwickshire. (Nuneaton, Warwickshire)

Adrian TREHARNE Grade 7, Capabilities and Resources, Home Office. For services to People with Disabilities in the Public and Charitable Sectors. (Ulverston, Cumbria)

Kevin TRICKETT For services to the community in Wakefield, West Yorkshire. (Wakefield, West Yorkshire)

Ian Nigel TULLY For services to Music. (Nigel) (Markyate, Hertfordshire)

Professor Lynne Frances TURNER-STOKES Consultant, Rehabilitation Medicine, Northwick Park NHS Trust and Professor of Rehabilitation, University of London. For services to Rehabilitation Medicine (London, N6)

Professor Philippa Jane TYRRELL (MRS JONES) Professor and Consultant, Stroke Medicine, Salford Royal NHS Foundation Trust and University of Manchester. For Services to Stroke Medicine and Care. (Wilmslow, Cheshire)

Frances Margaret, Mrs VEAL For services to the community in Bridgnorth, Shropshire. (Bridgnorth, Shropshire)

Dr Tracey VELL General Practitioner, Surrey Lodge Group Practice, Greater Manchester. For services to Primary Care. (Prestbury, Cheshire)

John Victor Frederick VOSS For services to Rugby. (Y Barri, South Glamorgan) Dr Joanna Margaret WALKER Consultant Paediatrician, Portsmouth Hospitals NHS Trust. For services to Children, Young People and Families in Hampshire and West Sussex. (Waterlooville, Hampshire)

Ms Anne Amelia Manson WALLACE Senior Personal Secretary, Department for Communities, Northern Ireland Executive. For services to the Northern Ireland Civil Service. (Newtownards, Down)

Miss Verena Lesley WALLACE Midwife. For services to Midwifery in Northern Ireland. (Belfast)

David WALSH Executive Officer, Ministry of Defence. For services to Defence. (London)

Dr Jennifer Mary WALSH Independent Research and Development Manager. For services to Transmissions Research and Development. (Marton, Warwickshire)

Ms Hayley WALTERS Welfare and Anaesthesia Veterinary Nurse, University of Edinburgh. For services to Veterinary Education and Animal Welfare. (Edinburgh)

Stephen James WALTHO Lately Mayor of Dudley. For services to Local Steve Government and the community in Dudley. (Kingswinford, West Midlands)

Cleveland Alexander WATKISS Jazz Vocalist, Actor and Composer. For services to Music. (Bishops Stortford, Hertfordshire)

Alison Jayne, Mrs WATSON Chief Executive Officer, Class of Your Own. For services to Education. (Clitheroe, Lancashire)

Andrew Paul WATSON Leader, Geese Theatre Company. For services to the Arts in the Criminal Justice System. (Birmingham, West Midlands)

William John Allen WATSON For services to Cycling. (Bangor, Down)

William Duncan WATT Chairman, Wick Harbour Authority. Forservices to the community in Wick and Caithness. (Wick, Caithness)

Edward John WATTS For services to the Scouting Movement, Mission to Seafarers and Community Cohesion in South Wales. (Newport, Gwent)

Derek WEAVER Curator, Marine Engineering Museum, HMS Sultan. For voluntary service to Naval Heritage. (Fareham, Hampshire)

James Lewis WEST Lately Head, Product Assurance, AWE Aldermaston. For services to Nuclear Safety. (Hampshire)

Christopher John WHITESIDE For political and public service. (Whitehaven, Cumbria)

Derrick John WILLER Schools Liaison Officer, Institution of Engineering and Technology. For services to Education. (Warwickshire)

Cheryl Barbara, Mrs WILLIAMS Director, Yorkshire Wildlife Park and Chief Executive, Yorkshire Wildlife ParkFoundation. For services to Business and Conservation. (Hope Valley, Derbyshire)

James Hugh Alexander WILLIAMS For services to the Shrievalty and the community in Hertfordshire. (Much Hadham, Hertfordshire)

Mark WILLIAMS Manager, Investigations, Specialist Operations, National Crime Agency. For services to Law Enforcement. (Essex)

Martin WILLIAMS Foster Carer, Croydon Borough Council and Chair, Croydon Foster Carer Association. For services to Children and Families. (London, CR0)

Ms Jacqueline Frances WILLIAMSON Founder, Kinship Care Northern Ireland. For services to Carers and Children in Northern Ireland. (Waterside, Londonderry)

Robert Clive WILSON Director of Estates and Facilities, University of Bradford. For services to Higher Education and Sustainability. (Leamington Spa, Warwickshire)

Dr John Albert WOOD General Practitioner, St Elizabeth's Medical Centre. For services to General Practice in Leicester. (Leicestershire)

Janet Sarah, Mrs WOODROFFE For voluntary and charitable services in Wistanstow, South Shropshire. (Craven Arms, Shropshire)

Barbara Ann, Mrs WOODWARD-CARLTON Chair, University of Bradford Panel for Dementia Research. For services to Patient and Public Involvement in Furthering Dementia Research. (Northallerton, North Yorkshire)

Medallist of the Order of the British Empire:

David John ALLEN For services to the community in Barnsley. (Barnsley, South Yorkshire)

Thomas ALLEN For services to the community in Donemana, County Tyrone. (Tyrone)

Ms Yasmin Jade ALLEN Clinical Fellow, NHS. For services to OralHealth. (London, TW10)

Michael Anthony AMIES Lately Chair, Organ Donation Committee, Worcestershire Acute Hospitals NHS Trust. For services to Healthcare. (Pershore, Worcestershire)

Anthony Robin ARDRON For services to People with Disabilities in Cumbria. (Workington, Cumbria)

Antony Robin Brian ASHBURNER For services to the community in Exford, Somerset. (Minehead, Somerset)

Violet, Mrs ATKINSON Road Safety Volunteer, Northumbria Police. For services to Road Safety Awareness and Education in Northumberland. (Sunderland, Tyne and Wear)

Sarah, Mrs AVERY Team Manager, Child Protection and Court (Sarah Hogan) Team, Bath and North East Somerset Council. For services to Children. (Bristol)

Gertrude, Mrs AYER For services to the community in Annfield Plain, County Durham. (Stanley, Durham)

Peter BAILLIE Senior Executive Officer, Ministry of Defence. For services to Defence and Veterans. (Belfast)

Ramon Lionel BANKS For services to the community in Tiptree, Essex. (Colchester, Essex)

Reginald Robert BARRY For services to the community in the Isle of Wight. (Nettlestone, Isle of Wight)

Jack Alexander Erwin BEATTIE For services to the Development of Sport in Lisburn, Northern Ireland. (Lisburn, Antrim)

Mark Macleod BEAUMONT For services to Sport, Broadcasting and charity. (Cupar, Fife)

Catherine Cicely, Mrs BEECH For services to the community in Ceredigion. (Borth, Ceredigion)

James BELL For services to the Farming Community in Northern Ireland. (Castlewellan, Down)

Neomi Beverley, Mrs BENNETT Managing Director, Neo-Innovations UK Ltd. For services to Nursing and Healthcare. (London, SW18)

Jean, Mrs BETT For services to Education and Community Drama in Renfrewshire and West Dunbartonshire. (Renfrewshire)

Mark Gunter BEYER Administrative Officer, Ministry of Defence. For services to Defence and the Dartmoor Mountain Rescue Group. (Devon)

Harry BIBRING For services to Holocaust Education. (Bushey Heath, Hertfordshire)

Bryan BIRKETT For services to Bell Ringing and the community in Nottinghamshire. (Retford, Nottinghamshire)

Margaret Jean, Mrs BISHOP For services to Age UK and to charity. (Hull, East Riding of Yorkshire)

Elizabeth Masson, Mrs BLADES Captain, 5th Motherwell Girls' Brigade. For services to Young People and the community in Motherwell, Lanarkshire. (Carluke, Lanarkshire)

Ms Regina Akosua BOAKYE-NIMO For services to Dance. (London, SW16)

Terence George BOLT For services to the community in Cornwall. (Callington, Cornwall)

Sonia Jane, Mrs BOND For services to Dance. (Harlow, Essex)

Sandra Jane, Mrs BOOER For services to Music and the community in Dartford. (Dartford, Kent)

Ms Eileen BORTON For services to Older People in Rugby, Warwickshire. (Rugby, Warwickshire)

Alison Sara, Mrs BRADBURY For services to the community in Clophill, Bedfordshire. (Box End, Bedfordshire)

Sandra, Mrs BRADSHAW For services to the community in Manchester. (Fallowfield, Greater Manchester)

Kulbir Singh BRAR Community and Diversity Officer, Thames Valley Police. For services to Community Cohesion. (Windsor, Berkshire)

Andrew Robert BROMLEY International Student Support Officer, Sheffield Hallam University. For services to Higher Education. (Sheffield, South Yorkshire)

Joyce, Mrs BROOKER For services to the community in Wing, Buckinghamshire. (Wing, Buckinghamshire)

Ann Maureen, Mrs BROWNING Chairman, Berkhamsted Committee, The Children's Society. For charitable services. (Berkhamsted, Hertfordshire)

Frank Eric BULL For services to The Royal British Legion and the community in Whitby. (Alnwick, Northumberland)

Derek Alan BURNETT For services to the community in Nottinghamshire. (Watnall, Nottinghamshire)

Margaret, Mrs CAHOON Learning Support Assistant, Knockloughrim Primary School, Magherafelt. For services to Education in Northern Ireland. (Magherafelt, Londonderry)

Gayle Luett, Mrs CARSON Administrator, Northern Ireland Custody Visitor Scheme. For services to Prisoner Welfare and charity in Northern Ireland. (Antrim)

Samuel Frederick Erskine CARUTH For services to Rowing in Northern Ireland. Ricky (Holywood, Down)

Colin Russell CASE For voluntary and charitable services to the community in Ruyton XI Towns, Shropshire. (Ruyton XI Towns, Shropshire)

Anita Itallina, Mrs CASTELLINA For services to the community in Cannock. (Thornton-Cleveleys, Lancashire)

Stephen CHAPMAN For services to Music in Northern Ireland. (Hillsborough, Down)

Paul CLABBURN Member, London Veterans Advisory and Pensions Committee. For services to Veterans and to Awareness of Cardiac Risk. (London, W4)

Susan, Mrs CLAREY Office Manager, St. Anne's Church of England Primary School, Bishop Auckland. For services to Education. (Newton Aycliffe, Durham)

Jacqueline, Mrs CLARK-BASTEN For services to the community in Sipson, Middlesex. (London, UB7)

Mary, Mrs CLARKE For services to Flood Defence and the community in Cardiff. (Rhiwbina, Cardiff)

Jean, Mrs CLARKSON For services to Riding for the Disabled in Dumfries and Galloway. (Castle Douglas, Dumfries)

Gayle Denise, Mrs CLAY Team Manager, Homeless Healthcare Team, Gloucester Care Services NHS Trust. For services to Community Health for Homeless and Vulnerable People. (Witcombe, Gloucestershire)

Richard CLEAVES For services to the community in Ewhurst, Surrey. (Cranleigh, Surrey)

Jonathan Victor COOKE For services to Cross Community Relations through Sport in Northern Ireland. (Whitehead, Antrim)

John Mervyn CORNISH For services to the community in Buckinghamshire. (Stewkley, Buckinghamshire)

Lee COULSON For services to Disability Basketball. (Aberystwyth, Ceredigion)

John Charles COX For services to Scouting and to Holy Trinity Church, Bradford on Avon. (Bradford on Avon, Wiltshire)

Patricia Anne, Mrs COX For voluntary and charitable services. (London, SE21)

Michael CREDLAND For services to First World War Heritage and Remembrance. (Martin, Lincolnshire)

June Mary, Mrs CREW For voluntary service to Natural History and the community in Broxbourne, Hertfordshire. (Broxbourne, Hertfordshire)

Tom CROSBY Volunteer, Network Rail Community Safety ***Programme***. For services to Railway Safety. (Liverpool, Merseyside)

Diane Gail, Mrs CURTIS Manager, Bowel Screening Wales. For services to Cancer Patients. (Pontypridd, Rhondda, Cynon, Taff)

Nadine Samantha, Mrs DANIEL For services to Interfaith and Community Relations in Merseyside. (Liverpool, Merseyside)

Jacqueline Rhys, Mrs DAVIES For services to Young People in Cheshire. (Nantwich, Cheshire)

Dawn Ruth, Mrs DAVIS Northern Ireland Environment Agency. For voluntary services through the Samaritans. (Belfast)

Wendy Elizabeth, Mrs DAWS For voluntary service to Visually Impaired People in North Kent. (Rochester, Kent)

Hamish DEAN Pipe Major, Huntly and District Pipe Band. For services to Piping and the community in Aberdeenshire. (Huntly, Aberdeenshire)

Elizabeth Gabrielle, Mrs DEANS For voluntary service to the Western Health and Social Care Trust, Northern Ireland. (Foyle Springs, Londonderry)

Sheila, Mrs DELAHOY For services to Cancer and Cystic Fibrosis charities in Flintshire. (Mold, Flintshire)

Louise Gail, Mrs DEMBNY Executive Officer, Department for Work and Pensions. For public and charitable services. (Nailsworth, Gloucestershire)

Leslie David DENNISON, DL For services to charity. (Chelmsford, Essex)

David DENVIR Watch Commander, Northern Ireland Fire and Rescue Service. For services to Fire Safety in Northern Ireland. (Newtownards, Down)

Rosalind Jane, Mrs DOLDING For services to the community in Edington and Polden Hill, Somerset. (Bridgwater, Somerset)

Theresa Mary, Mrs DOUGLAS Police Staff, Police Service of Northern Ireland. For services to Policing and the community in Northern Ireland. (Belfast)

Rosemary Enid, Mrs DOWIE For services to the community in WestonSuper-Mare, Somerset. (Weston Super Mare, Somerset)

Ms Mary DOWSON For services to Community Radio. (Bradford, West Yorkshire)

Gregory Matthew DROZDZ For services to the community in Hinckley, Leicestershire. (Hinckley, Leicestershire)

Hazel Valerie, Mrs DRUMMOND For services to Music in Northern Ireland. (Coleraine, Londonderry)

Frances, Mrs EDWARDS For services to the community in Bishopsteignton, Devon. (Bishopsteignton, Devon)

Thomas Wallace ELDER For services to the community in Ahoghill, County Antrim. (Ballymena, Antrim)

James Andrew EMERY For voluntary service to the Boys' Brigade and the community in County Tyrone. (Castlederg, Tyrone)

Miss Alison Lesley EVANS For services to the community in Suffolk. (Beccles, Suffolk)

Gareth EVANS Deputy Local Policing Inspector, South Wales 101 Police. For services to Community Cohesion and Engagement. (Cardiff)

Gordon Malcolm EVANS Chairman, Stafford Town Football Club. For services to Football in Stafford. (Great Haywood, Staffordshire)

Ms Efe Elizabeth EZEKIEL For services to Young People in London. (London, E4)

Lloyd Bartle FAIREY Special Constable, Northamptonshire Police. For services to Policing and the community in Wootton Fields, Northampton. (Northamptonshire)

Adrian Kenneth FARMER For services to the community in Belper and Derwent Valley, Derbyshire. (Belper, Derbyshire)

Gay Sandra, Mrs FIFIELD For services to Older People in South Wales. (Barry, South Glamorgan)

Miss Susan Ann FIFIELD For services to the community in Farringdon, Hampshire. (Alton, Hampshire)

Robert FISHER For services to the Northern Ireland Prison Service Pipes and Drums Band. (Northern Ireland)

William James Keith FLEMING For services to Young People through the Church Lads' and Church Girls' Brigades and The Duke of Edinburgh's Award Scheme. (Lisburn, Antrim)

Joan Marie, Mrs FLYNN Lately Senior Receptionist, Medical Research Council. For services to the Medical Research Council. (London, NW2)

Anne Danson, Mrs FORBES Refugee Resettlement Co-ordinator, Ashford Borough Council. For services to the Resettlement of Syrian Refugees in the UK. (Ashford, Kent)

Hilary Cynthia, Mrs FORD School Volunteer, Herringthorpe Junior School, Rotherham. For services to Education. (Doncaster, South Yorkshire)

Edwin Ian FOWLES Trumpeter (Ex Military Bandsman), Bunbury Branch, Royal British Legion. For voluntary service to ex-Service Personnel. (Bunbury, Cheshire)

Gregory FRANCIS Senior Officer, National Cyber Crime Unit, National Crime Agency. For services to Law Enforcement and Protecting Vulnerable People. (London)

Ms Sabrina Alicia FRANCIS Social Media Officer, City, University of London. For services to the University of London. (London, NW5)

Margaret Louise, Mrs FROST For services to charity and the community in Bude, Cornwall. (Bude, Cornwall)

Stuart Alan FROST For services to the community in Harrogate, North Yorkshire. (Harrogate, North Yorkshire)

Alan FUTTER For services to People with Visual Impairments. (Reading, Berkshire)

Matthew FYFE Poppy Convener, Royal British Legion. For services to Veterans in Aberdeenshire. (Balmedie, Aberdeenshire)

Patrick James GAUL For voluntary service in Turriff, Aberdeenshire. (Turriff, Aberdeenshire)

Bernard Oswyn GEORGE For services to Withybush Hospital Chemotherapy Day Unit, Pembrokeshire. (Milford Haven, Pembrokeshire)

Patricia Elizabeth, Mrs GEORGE For services to Withybush Hospital Chemotherapy Day Unit, Pembrokeshire. (Milford Haven, Pembrokeshire)

Teifwen Mary, Mrs GEORGE For services to Equality, Young People, charity and the community in Merthyr Tydfil. (Aberdare, Rhondda, Cynon, Taff)

Mary Bernadette, Mrs GLASS For services to Nursing and the community in the Causeway Area, Northern Ireland. (Maghera, Londonderry)

Mary Sydney, Mrs GRACE For services to the community in Crawley, West Sussex. (Crawley, West Sussex)

Aonghas William GRANT For services to Fiddling and Music Tuition in the Highlands. (Caol, Inverness)

David Edward GRAVELL For services to charity, Sport and Education in Wales. (Kidwelly, Carmarthenshire)

Jenny, Mrs GRIFFITHS For services to Wrexham Maelor Hospital, North Wales. (Llay, Wrexham)

Ms Lesley Ann HALL For services to Education. (London, IG6)

Isabella Turnbull, Mrs HALLIDAY Fundraiser, Children's Hospices Across Scotland. For services to charity. (Hawick, Roxburgh, Ettrick and Lauderdale)

Benjamin David HAMMOND For services to Dance and charity. (London, EN3)

Peter George Thomson HARDIE Badminton and Tennis Coach. For services to Sport and Young People in the Scottish Borders. (Duns, Berwickshire)

Celia, Mrs HARGRAVE For services to charity and the community in Sheepscombe, Gloucestershire. (Stroud, Gloucestershire)

Roberta June, Mrs HARRINGTON Education Officer, Chelmsford Cathedral, Essex. For services to Education. (Chelmsford, Essex)

Margaret Mary, Mrs HARVIE For services to Music in Dumfries and Galloway. (Dumfries)

Judith, Mrs HAYCOCKS Healthcare Assistant, Whitchurch Community Hospital, Shropshire Community Health NHS Trust. For services to Care of Older People. (Whitchurch, Shropshire)

Kathryn Jane, Mrs HEYWORTH For services to the community in Burnley. (Burnley, Lancashire) Emmelence

Irivuzimana, Mrs HIGGINS Manager, Barlochan Care Home. For services to Older People in Castle Douglas, Dumfries and Galloway. (Castle Douglas, Dumfries)

Henry Arnold HILL Tailor to the Royal Navy and Royal Marines. For services to Naval Personnel. (Plymouth, Devon)

Dr Norman Wesley Francis Berkeley HILL For services to Music in Kent. (Hythe, Kent)

Ms Roselyn HIRST Senior Chief Cardiac Physiologist, Manchester Royal Infirmary. For services to the NHS. (Ramsbottom, Greater Manchester)

Pauline May, Mrs HODGETTS For services to the community in Tipton,West Midlands. (Tipton, West Midlands)

Colin Brendan HOLLOWAY Field Force Collector, Debt Management, HM Revenue and Customs. For voluntary services to Young People. (Shrewsbury, Shropshire)

Jean, Mrs HOLMES For services to Choral Music in Nottinghamshire. (Pleasley, Nottinghamshire)

Lisa Jane, Mrs HORDER Domestic Abuse Champion, British Forces, Germany, Ministry of Defence. For services to the Armed Forces and their Families in Germany (Abroad)

Gail Louise, Mrs HUMPHREYS Troubled Families Lead, Liverpool City Council. Gail Porter For services to Troubled Families in Liverpool. (Preston, Lancashire)

James George HURST Administrative Officer, Compliance Operations Processing, HM Revenue and Customs. For voluntary and charitable services in Salford. (Bury, Greater Manchester)

Caroline Anne, Mrs HUSAIN For services to charity and the community in Chandlers Ford, Hampshire. (Eastleigh, Hampshire)

Percy Edwin ILES For services to RAF Veterans and the community in Basingstoke, Hampshire. (Hook, Hampshire)

Adrian Mark JACOBS Volunteer, Police Liaison, Metropolitan Police Service. For services to Interfaith Relations and the community in the London Borough of Barnet. (London, NW4)

Robert Walker JAMES For services to the community in Hungerford, Berkshire. (Hungerford, Berkshire)

Margaret Harvey, Mrs JAMIESON Founder, The Blue Door. For services to the community and charity in Orkney. (Kirkwall, Orkney)

Patricia, Mrs JARDINE For services to charity through the Annan and District Group of Friends, Dumfries and Galloway. (Annan, Dumfries)

Yvonne Margaret, Mrs JARDINE For services to the community in Sleaford, Lincolnshire. (Sleaford, Lincolnshire)

Annwen Selima Amoret, Mrs JOHNSON Correspondence Manager, HM Treasury. For service to Diversity and Inclusion. (London, E9)

Betty Irene, Mrs JOHNSON Visiting Assistant, The Royal Star and Garter Home. For voluntary service to Veterans. (West Molesey, Surrey)

Brenda, Mrs JOHNSTON For services to Swimming and the community in Brenda Fisher Grimsby. (Grimsby, Lincolnshire)

Bryan Stanley JONES For services to Education and Young People. (Herefordshire)

Gareth JONES For services to Church communities in Skewen and Neath, South West Wales. (Neath, West Glamorgan)

Helena, Mrs JONES For services to Young People and the community in Wales. (Brecon, Powys)

Ms Buldev Kaur Angela KANDOLA Founder, AWAAZ charity. For services to Vulnerable People with Mental Health Issues. (Carrington Point, Nottinghamshire)

Geoffrey Miles KEATING Founder and Conductor, Solway Sinfonia. For services to Music and charity in Dumfries and Galloway. (Gatehouse of Fleet, Dumfries)

John Roger KENNEDY For services to the community in St Bees and West Cumberland. (St Bees, Cumbria)

Sarah Gertrude, Mrs KENNEDY For services to the community in St Bees and West Cumberland. (St Bees, Cumbria)

Yvonne Teresa, Mrs KEY Main Reception Coordinator, Queen's Medical Centre. For services to the community in Nottingham. (Clifton, Nottinghamshire)

Leslie KLEINMAN For services to Holocaust Education. (Westcliff on Sea, Essex)

Maria, Mrs KOVACEVIC-THOMAS For services to the National Health Service and voluntary service in Merthyr Tydfil. (Heolgerrig, Merthyr Tydfil)

Philip Colin KYLE For services to Young People and the community in Northern Ireland. (Tyrone)

Janet Eve, Mrs LAKE For services to the community in Brancaster, Norfolk. (King's Lynn, Norfolk)

Sister Mary-Joy LANGDON For services to Disabled and Disadvantaged Children. (London, W3)

John LAW For services to the community in Coldstream, Scottish Borders. (Coldstream, Berwickshire)

Elizabeth June, Mrs LAWRENCE For services to the community in Morton, Shropshire. (Oswestry, Shropshire)

Angeline Margaret, Mrs LAWSON For services to Children, the Judiciary and the community in Denbighshire. (Denbigh, Denbighshire)

Mrs Alderman Sonia Jean LEWIS For services to the community in Colchester, Essex. (Colchester, Essex)

Ms Kathryn Angela Maria Ann LIVINGSTON Founder, First Person Plural Charity. For services to People with Dissociative Identity Disorder. (Wolverhampton, West Midlands)

Ann Maria, Mrs LOADER For services to charity and the community in Tickenham, North Somerset. (Tickenham, Somerset)

Elizabeth, Mrs MACCOLL For voluntary service in North Berwick. (North Berwick, East Lothian)

John MACLEAN Chairman, Peterhead Branch, RAF Association. For voluntary service to ex-Service Personnel. (Peterhead, Aberdeenshire)

John MADDEN Principal, Roddensvale School. For services to the community in Larne, County Antrim.

(Antrim) Eileen Mary, Mrs MAGEE For services to Cheltenham Croquet Club and the community in Hartpury, Gloucestershire. (Hartpury, Gloucestershire)

Subhash Chander MAHAJAN For services to the community in Hounslow. (London, TW4)

Ellen Maisie, Mrs MANN Nurse, Cwm Taf University Health Board. For services to Children and Young People. (Pontypridd, Rhondda, Cynon, Taff)

James Donald MANNING For services to Young People and the community in Ipswich. (Ipswich, Suffolk)

Andrea, Mrs MANSON For voluntary service to Disability Sport. (Annan, Dumfries)

Giles William MARGARSON For services to the community in Aylsham, Norfolk. (Aylsham, Norfolk)

Jennifer Susan, Mrs MARLOW For services to Vulnerable People in the community in Alton, Hampshire. (Alton, Hampshire)

Richard MARRIOTT Fundraiser, RNLI. For charitable services. (Hull, East Riding of Yorkshire)

Andrew Neil MARSHALLSAY Fire Service Trainer, Hertfordshire Fire and Rescue Service. For voluntary service to the Fire Cadets Unit and the Fire Service Youth Training Association. (Bedfordshire)

George Edwin MARTIN Train Manager, CrossCountry Trains and Founder, Myra's Wells. For services to charity. 110 (Ferndown, Dorset)

William John MATHESON For services to Music, Culture and charity in the Highlands. (Broadhill, Nairn)

Norman MAWHINNEY For services to Running and the community in Comber, County Down. (Comber, Down)

Ann Margaret, Mrs MAYER For services to the community in Bollington, Cheshire. (Macclesfield, Cheshire)

Miss Clare Beatrice MCCARTHY Member, London and South Region, St John Fellowship. For voluntary service to First Aid. (London, N11)

Ms Fiona MCCORMACK For services to Children and Young Adults with Special Educational Needs in Essex, Hertfordshire and London. (Chigwell, Essex)

Margaret Patricia, Mrs MCDONALD For services to Young People through the Dunmurry Girls' Brigade and to the community in Lisburn, Northern Ireland. (Lisburn, Antrim)

Veronica, Mrs MCDONALD Club Leader, Firpark Alma Group. For services to Adults with Special Needs in North Lanarkshire. (Motherwell, Lanarkshire)

Jennifer Mary, Mrs MCGREGOR-SMITH For services to the community in Bromsgrove. (Bromsgrove, Worcestershire)

Alistair MCINNES Civilian Assistant, Gwent and Powys Army Cadet Force. For voluntary service to Young People. (Brecon, Powys)

Elaine Davidson, Mrs MCINTEE Physiotherapy Technical Instructor, Douglas Grant Rehabilitation Centre, Irvine. For 111 services to Holistic Rehabilitation in Ayrshire. (Irvine, Ayrshire and Arran)

Alan MCINTOSH, DL Company Captain, 1st Buckie Company. For services to the Boys' Brigade. (Buckie, Banffshire)

Jennifer Kay, Mrs MCINTOSH Officer in Charge, Anchor Boys, 1st Buckie Company. For services to the Boys' Brigade. (Buckie, Banffshire)

Barbara, Mrs MCKINLEY Company Secretary, Ulster Orchestra.For services to Culture in Northern Ireland. (Newtownabbey, Antrim)

Selma Anne, Mrs MCMULLAN For services to Young People through the Girls' Brigade in Ballycastle, County Antrim. (Ballymoney, Antrim)

Jeanette, Mrs MCMURRAY Police Staff, Police Service of Northern Ireland. For services to Policing and the community in Northern Ireland. (Belfast)

Sarah Reeman, Mrs MCNAMARA For services to the community in Terling, Essex. (Chelmsford, Essex)

Iris Phoebe, Mrs MCSWIGIN For services to charity and Community Relations in Fivemiletown, County Tyrone. (Tyrone)

Ms Heather MEALING For services to People with Disabilities and their Carers in Leeds and East Sussex. (Lewes, East Sussex)

Miss Lucia Quinney MEE For services to Promoting Public Awareness about Organ Donation. (Ballycastle, Antrim)

Andrew MENMUIR Scout Leader, Tannadice Scout Group. For services to the Scouting Movement in Angus. (Forfar, Angus)

John Robert MIDDLETON Lately Technical Manager, School of Physics and Astronomy, University of Nottingham. For services to Higher Education and Science. (Ravenshead, Nottinghamshire)

Sheila, Mrs MILLER Volunteer, Leeds Teaching Hospitals NHS Trust. For services to the community in Leeds. (Leeds, West Yorkshire)

Gillian Ward, Mrs MILNE Senior Dental Nurse, Department of Oral and Maxillofacial Surgery, Ninewells Hospital, Dundee. For services to Maxillofacial Surgery Patients in Tayside. (Dundee)

Dean John MILTON For voluntary service to Young People and Charitable Fundraising. (Chigwell, Essex)

William David Alexander MITCHELL For services to the community in County Down. (Down)

Colin John MOORE For services to Music in East Sussex. (Uckfield, East Sussex)

Ms Jo-Ann MORAN Senior Executive Officer, Home Office. For services to People with Disabilities in the Public Sector. (London)

Judith, Mrs MORRIS Unit Manager, Halesowen Young Persons Service Unit, St John Ambulance. For voluntary service to First Aid and to Young People. (Halesowen, West Midlands)

Ms Patricia MORRISON Founder and Managing Director, Universal Patsy Comedy. For services to Comedy, People with Long Term Health Conditions and charity. (Milngavie, East Dunbartonshire)

Rachel, Mrs MORRISON For services to the community in Portstewart, County Londonderry. (Portstewart, Londonderry)

Helen Arrol, Mrs MORTON Childline Volunteer, NSPCC. For services to Children and Young People. (East Kilbride, Lanarkshire)

Janice Inglis, Mrs MOSS For voluntary services and fundraising forthe Christie Hospital, Manchester. (Altincham, Greater Manchester)

Peter Francis MULLIGAN For services to Archery and the Arts in Northern Ireland. (Banbridge, Down)

Ms Diana Stella MURDIE For services to Sport for Visually Impaired People. (Colwall, Worcestershire)

Peter NEILD For services to the community in Maghull, Merseyside. (Maghull, Merseyside)

Elizabeth Mary, Mrs NELSON For services to the community in Elma Maguiresbridge, County Fermanagh. (Maguiresbridge, Fermanagh)

Ms Hayley Angela Rhodes NELSON For services to Digital Inclusion in Sheffield. (Sheffield, South Yorkshire)

Ms Lucy Nkwameni NJOMO For services to Vulnerable Young People on the Dangers of Female Genital Mutilation. (London, CR7)

Jean, Mrs O'HANLON Caseworker, Northumberland Branch, SSAFA. For voluntary service to ex-Service Personnel and to the community in Alnwick, Northumberland.

(Alnwick, Northumberland) Ernest O'HARA For services to ***Agriculture*** and the community in Northern Ireland. (Ballymena, Antrim)

Alex Peter OLIVER For services to charity and the community in Durham. (Meadowfield, Durham)

Dr Chaim OLMER For services to Holocaust Education. (London, NW7)

Rebekah Mary, Mrs OLPHERT Founder and Artistic Director, Ballymena Chamber Orchestra. For services to Music. (Ballymena, Antrim)

Francis Peter George OSBORN Civilian Instructor, Bexley and Lewisham Sea Cadets. For voluntary service to Young People. (London, DA16)

Ms Jane Claire OWEN Train Running Controller, Network Rail. For services to the LGBT community. (Ashton Under Lyne, Greater Manchester)

Melanie Jane Petrina, Mrs PARKER For services to Girlguiding and the Royal British Legion. (Toddington, Bedfordshire)

Martin Richard PARRY For services to Film, Media and Music. (Swindon, Wiltshire)

Ann Marjorie Francescia, Mrs PEMBROKE For services to the Cultural History of the City of London. (Newport, Isle of Wight)

Josef PERL For services to Holocaust Education. (Bushey Heath, Hertfordshire)

Hugh Raymond PHILLIPS For services to Gymnastics. (Bangor, Down)

Sandra Elizabeth, Mrs PLASTING Manager and Matron, Queen's House Nursing and Residential Home. For services to Older People and the community in the Scottish Borders. (Kelso, Roxburgh, Ettrick and Lauderdale)

Avril, Mrs POLLOCK For services to the community in Strabane, County Tyrone. (Londonderry)

Samuel POLLOCK For services to the community in Northern Ireland. (Down)

Christine, Mrs PRATT For services to the community in Blurton, Stokeon-Trent. (Stoke-on-Trent, Staffordshire)

Patrick Joseph PRUNTY For services to the Lough Neagh Rescue Service. (Portadown, Armagh)

Elfyn PUGH For voluntary service to Rugby. (Willenhall, West Midlands)

Manju, Mrs RAJAWAT Higher Officer, Border Force, Home Office. For services to Border Security. (Gerrards Cross, Buckinghamshire)

Robert RAMSEY For services to Schools and Youth Football in Northern Ireland. (Londonderry)

Dr Suryadevara Yadu Porna Chandra Prasad RAO Lately Chair, Stoke on Trent Clinical Commissioning Group. For services to Health and Care. (Trentham, Staffordshire)

Phyllis Martha Kathleen, Mrs REEVE For services to Basildon Hospital. (Benfleet, Essex)

Phoebe Ethel, Mrs REVILL-JOHNSON Secretary and Treasurer, Leeds Branch, National Association of Retired Police Officers. For voluntary service to Police Officers. (Leeds, West Yorkshire)

Alison Margaret, Mrs REYNOLDS For services to community Sport in Kent. (Faversham, Kent)

Ms Gillian Mary RHODES For services to Digital Inclusion in Sheffield. (Sheffield, South Yorkshire)

Elvet Owen RICHARDS For services to the community inTrelystan, Powys. (Marton, Shropshire)

Terry Stephen RIDGLEY Welfare Officer, Buckinghamshire Fire and Rescue Service. For services to the Fire and Rescue Service and the Fire Fighters Charity. (Aylesbury, Buckinghamshire)

William Robert ROBERTS For services to in community in Ty'n-y-Groes, Conwy. (Conwy)

Mary Gertrude, Mrs ROBINSON For services to Nursing. (Strabane, Tyrone)

Steven Michael ROBINSON For services to People with Disabilities and the community in West Yorkshire. (Leeds, West Yorkshire)

Stuart Christopher ROSE For services to the Multiple Sclerosis Society in Scotland. (Culloden, Inverness)

Paul David ROY Vice President, The Spinal Injuries Association. For voluntary service to Healthcare. (Windelsham, Surrey)

Hayley Louise, Mrs RYAN Teaching Innovation Manager, Southampton City College. For services to Education. (Southampton, Hampshire)

Janet, Mrs RYLES For services to the community in Aston-on-Trent, Derbyshire. (Aston-On-Trent, Derbyshire)

Julie Elizabeth, Mrs SALMON For services to Charitable Fundraising and the community in the Wirral. (Greasby, Merseyside)

Robert John SAVAGE Caretaker, Southern Regional College, Greenbank Campus. For services to Further Education in Northern Ireland. (Newry, Down)

Alfred George SCORER For services to the community in Ellesmere Port, Cheshire. (Ellesmere Port, Cheshire)

Elizabeth Pauline, Mrs SCOTT Crossing Patrol Warden, Alloway Primary School. For services to Education in Ayrshire. (Maybole, Ayrshire and Arran)

Thomas Richard SCOTT For voluntary service to the Ulster Special Constabulary Association. (Crossnacreevy, Belfast)

Carl Jonathan SCRIVENS For services to the community inGlenridding, Cumbria. (Glenridding, Cumbria)

Miss Nancie Caroline SHACKLETON Lately Assistant Chief Officer (Resources), Lincolnshire Police. For services to Policingand to charity. (Welton, Lincolnshire)

Paul Terence SHEEHY Driver, Government Car Service. For public service. (London, BR7)

Janet Mary, Mrs SHEPHARD Trustee, The Sunrise Appeal. For services to Cancer Care in Cornwall. (Truro, Cornwall)

Elizabeth Joan, Mrs SHIPTON For services to the community in South Derbyshire. (Swadlincote, Derbyshire)

Adele Ellen, Mrs SILVEY Volunteer, Thames Valley Hospice. For services to Hospice Patients. (Windelsham, Surrey)

Daryl Jon SIMPSON For services to Community Relations and Peace and Reconciliation in Northern Ireland. (Tyrone)

Joan Edna, Mrs SIMPSON For services to the community in Coningsby, Lincolnshire. (Coningsby, Lincolnshire)

Arthur Roy SKELLINGTON For services to the community in Gedling, Nottinghamshire. (Carlton, Nottinghamshire)

Jeanette Lavon, Mrs SMITH County Youth Officer, West Glamorgan, St John Ambulance. For voluntary service to First Aid and to Young People. (Swansea, West Glamorgan)

Ms Maureen SMITH Operations Manager, Facility for Airborne Atmospheric Measurements. For services to Atmospheric Science and Meteorology. (Sandhurst, Berkshire)

Ronald Scott SMITH For voluntary service to Harmeny School, the Seagull Trust and the community in Midlothian. (Edinburgh)

Amy Margaret, Mrs SMYTON For services to Local Government and the community in Omagh, County Tyrone. (Tyrone)

Susan Mary, Mrs SOLLIS For services to Leukaemia Research. (Evesham, Worcestershire)

Asish Jaidev SONI For voluntary and charitable services to Homeless People in London. (London, CR0)

Michael John SPEIGHT For services to the community in Rotherham. (Rotherham, South Yorkshire)

Miss Susan SPENCE For voluntary service to Rugby. (Londonderry) Nicola Jane, Mrs SPENCER For services to the Arts in London. (London, SW19)

Harry SPIRO For services to Holocaust Education. (Radlett, Hertfordshire)

Karen, Mrs SQUIRES For services to the community in Sheffield. (Sheffield, South Yorkshire)

David STARK Pipe Major. For voluntary service to Piping in South Lanarkshire. (Hamilton, Lanarkshire)

Margaret Elizabeth, Mrs STEAD Voluntary Worker, Breast Cancer Research Action Group, Leeds. For services to Women Suffering from Breast Cancer in West Yorkshire. (Leeds, West Yorkshire)

Lisa Ann, Mrs STEPHENSON Founder, Lisa's Challenge for Maggie's. For services to Maggie's Cancer Care Scotland. (Edinburgh)

Maryon, Mrs STEWART Founder, Angelus Foundation. For services to Drug Education. (Bushey, Hertfordshire)

Elizabeth Macphail, Mrs STODDART For services to the community in Lanarkshire. (Hamilton, Lanarkshire)

Roger STONE Apostleship of the Sea Port Chaplain. For services to Seafarers. (Southampton, Hampshire)

Eileen Thelma, Mrs STRANGE For voluntary service to The Seven Towers Male Voice Choir. (Ballymena, Antrim)

Dr Sarah Louise STRINGER Honorary Lecturer, King's College London. For services to Psychiatry and Equality in Mental Healthcare. (London, BR5)

Marilyn, Mrs STUART Founder, Sign and Be Heard. For services to Marsie British Sign Language Education. (Troon, Ayrshire and Arran)

Miss Margaret Janet SUTTON Chair, Mount Vernon Hospital Comforts Fund, Hillingdon Hospital NHS Foundation Trust. For services to the NHS. (London, HA6)

Deviesh TANKARIA International Youth Chairman, Sathya Sai International Organisation. For voluntary service. (London, TW7)

Geoffrey TAYLOR For services to the Scouts and the community in Chester. (Chester, Cheshire)

Miss Joyce TAYLOR For services to Durham Cathedral. (Chester-le-Street, Durham)

Stephen Terence TAYLOR For services to the community in Midsomer Norton, Somerset. (Midsomer Norton, Somerset)

Sheila Lynette, Mrs THOMAS For services to Music, Education and the Welsh Language in Powys. (Brecon, Powys)

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Robert James Hamilton THORNBERRY For services to Young People through the Boys' Brigade in Northern Ireland. (Cookstown, Tyrone)

Lillian, Mrs THORNTON For services to Local Government and the community in County Fermanagh. (Kinawley, Fermanagh)

Joanna, Mrs TINDALL For voluntary service to the Pony Club. (Mayfield, Kent) Lisa, Mrs TOOKEY For voluntary service. (London)

Mary Edith, Mrs TOWARD For political service in the North East of England. (Newcastle upon Tyne, Tyne and Wear)

James TRAVIS For services to the community in Silkstone, South Yorkshire. (Barnsley, South Yorkshire)

Roy William TRICKER For services to Heritage in Suffolk. (Ipswich, Suffolk)

Robert John TRIMBLE Chief Executive and Team Leader, the Bromley By Bow Centre. For services to the Economy. (London, E7)

Lisa Mariane, Mrs TURNER For services to the community in the Four Churches Benifice, South Cambridgeshire. (Royston, Cambridgeshire)

Patricia Catherine, Mrs VENTON Business Manager, Camelsdale Primary School. For services to Education. (Haslemere, Surrey)

Alfred Shaun VICKERS For voluntary service to Sport in Tower Hamlets. (London, E2)

Dr Margaret Ruth VINCENT For charitable services in the UK and Abroad and the community in Swansea. (Swansea)

Graham John WADLEY For services to Church Music. (Wivenhoe, Essex)

Ms Marion Maitland WALLACE For voluntary service in Falkirk and Stirlingshire. (Stenhousemuir, Stirling and Falkirk)

Bernadette Mary, Mrs WALLINGTON For services to Homeless People. Dettie (Woodhouse Eaves, Leicestershire)

Scott John WATKIN Eye Care and Vision Development Officer, SeeAbility. For services to People with Learning Disabilities. (Ryde, Isle of Wight)

Paul WATSON Vice Chairman, Lee-on-Solent Branch, Royal Naval Association. For voluntary service to Veterans. (Gosport, Hampshire)

Janine, Mrs WEBBER For services to Holocaust Education. (London, N14)

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Shirley Ann, Mrs WELLS For services to Education and Young People. (Clacton on Sea, Essex)

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David Alan WILSON Conductor, Slough Philharmonic Orchestra and Chorus. For services to Music and Young People. (Reading, Berkshire)

John Samuel WILSON For services to the community in Newtownstewart, County Tyrone. (Omagh, Tyrone)

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Michael John WOODHALL For services to the community in Hampshire. (Stockbridge, Hampshire)

David Thomas William WOODWARD For services to Youth Hockey in South Yorkshire. (Rotherham, South Yorkshire)

Frances Elizabeth, Mrs WOOLAWAY For services to The Ways and Means Trust and Frances Hill the community in Caversham, Berkshire. (Reading, Berkshire)

Miss Gillian Doreen WORTHING Manager, Holy Trinity Cadet Unit, Hereford, St John Ambulance. For services to First Aid and Young People. (Herefordshire)

Brian Arthur Frederick YEOMAN For services to the Lions Club International and the community in Bramley and Wickersley, South Yorkshire. (Rotherham, South Yorkshire)

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[***BTR and housebuilders – ideal partners look to a bright future; COMMENT: Increasing collaboration between the build-to-rent sector and major housebuilders will be beneficial to all parties, says Greystar's Mark Allnutt***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S51-CF51-JCF2-H2DR-00000-00&context=1516831)

Estates Gazette

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**Section:** NEWS; Pg. 49

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**Body**

Consider for a moment a future development model involving large, often complex, brownfield sites, brought forward quickly and profitably for new housing, writes Mark Allnutt.

These new homes will be delivered at scale and pace, comprising a combination of for-rent, for-sale and affordable properties to create a balanced, diverse and cohesive resident population. The for-sale homes will command a premium, coming later in the development cycle and following the delivery of the professionally managed rental homes.

A sense of place will already have emerged by this stage, thanks to investment from the build-to-rent (BTR) developer and the beginnings of a vibrant community will be visible.

Sound too good to be true? This future is a not-too-distant reality and will come about because of increasing collaboration between the BTR sector and major housebuilders. Early adopters on both sides are well on the way to overcoming any barriers to a partnership that will be beneficial to all parties.

At face value, the rental housing operator’s “build more apartments and build more quickly” approach runs counter to the “drip feed” economic delivery model followed by most housebuilders. But drill below the surface and you discover that BTR operators and housebuilders are ideal partners in several respects.

Pipeline and capacity

Housebuilders are an attractive partner for BTR operators for two obvious reasons – pipeline and capacity to deliver – but I suspect that what our sector promises in return is less clear. The starting point is to share some intelligence on our business model.

For the BTR operator, the focus is on yield and delivering an income-***producing*** asset to hold for the long term (the housebuilder on the other hand is primarily concerned with build, sell and move on).

I don’t believe these contrasting financial models are mutually exclusive. Quite the opposite. Because BTR and housebuilder are dealing with different phases of the development cycle, there are considerable synergies in working together.

BTR developers can typically bring early capital to fund initial phases of a large-scale development – de-risking the development for the housebuilder and improving return on capital employed. As a result, major schemes with a long development timetable can be delivered in half the time.

Housebuilders will anticipate a dilutive impact on gross margin, but the reward – the de-risking of selling individual properties at, perhaps, a late stage in the cycle and improved return on capital employed – will be attractive.

Housebuilder's criteria

For a major residential scheme, the housebuilder’s criteria for a partner should be one that is not constrained by size or access to capital; who knows how to create optimal efficiency that does not add costs to a builder; with development capability and design expertise (developing for BTR is not the same as the for-sale market).

Besides the obvious commercial and financial incentive on offer, a ***strategic*** alliance between for-sale housebuilder and rental housing developer/operator promises a significant social and economic good for local communities. Difficult sites with or without ***planning*** can be brought forward more quickly.

Communities with limited housing options – to buy and to rent – will enjoy more choice. Local business will benefit from improved infrastructure and the arrival of new customers to the area.

The arrangement is a win-win for both housebuilder and BTR operator. All it requires on both sides is an open mind, a willingness to work together, and an appreciation that the financials add up.

Mark Allnutt is managing director, UK, Greystar

JOURNAL : Farmers Weekly

Gadgets and devices to monitor dairy herds are becoming commonplace.

There are established precision technologies for heat detection and rumination, and these remain the most widely used technology in dairy herds.

But there are multiple aspects of cow health and performance now targeted by developers, from infrared devices for detecting injury to systems that deliver lameness alerts.

Below are some of the latest dairy monitoring devices that were on show at Dairy-Tech.

Jenysis Portable Heat Detection

A reader collects cow activity data from collars or leg tags in range of an antenna and sends them to a controller for analysing.

An activity profile is built for each cow, monitoring functions such as eating, rumination, standing and lying times.

After the first seven days, the system can detect abnormal activity by comparing a cow’s two-hour activity period with the corresponding herd average for that same period.

When two consecutive two-hour periods show an increase in “suspicious” activity, a third period converts this into a full heat attention.

These alerts and other information are accessed through a wi-fi network supplied with the system or via a free dedicated online account that allows access from internet-enabled devices.

The internet connection option requires a standard 3G SIM card to transmit the data via the mobile phone network.

Smartbow

An ear tag collects real-time data on cow location, activity and rumination, and wi-fi receivers forward this data to a local server at the farm.

Each animal’s data is analysed using specially formulated algorithms, and alerts are sent to a smartphone, tablet or PC with information on all relevant behavioural changes, such as anomalies in metabolic performance. The exact current position of the animal is indicated on a digital map.

This information can be used to work out the causes of performance loss, as the data can be traced back to the first day it was collected, allowing farmers to work out if and where management was wrong.

Moocall Calving Sensor

A tail-mounted sensor that measures tail movement to detect calving.

If farmers manage the placement of the device well, six or seven calvings a week can be captured with a single device, but bigger farms may need more than one unit.

It is particularly useful for detecting calvings in stragglers, in heifers, at night or where the farmhouse is distant from the herd or calving areas.

According to the manufacturer the sensor can last up to five years if properly maintained.

Miracle Tech

Infrared radiation is directly affected by temperature – the higher the temperature, the more infrared radiation is emitted.

This diagnostic tool applies a colour palette to the different intensities of infrared radiation and generates a thermal image.

So if an animal has an injury or other health issue, the thermal image will pinpoint where this is.

This allows the animals to be treated accordingly and means that the correct treatment or medicine is used, potentially lowering antibiotic usage.

The camera can also be used to scan for bulling activity or early signs of mastitis.

CowAlert Lameness Alert

Edinburgh-based IceRobotics has incorporated lameness monitoring into its CowAlert system to identify cows in the early stages of lameness.

This feature comes as a module within the CowAlert fertility and health monitoring system, calculating when a cow begins to walk differently or lies down more frequently and alerting the farmer to a potential problem.

The system is cloud-based, so the alerts and supporting data can be viewed through any device with an internet connection.

smaXtec Basic Bolus

The technology in this bolus measures the temperature in the rumen and the cow’s activity levels, and transmits this data in real time to a base station.

As well as tracking heat and calving status, it allows the user to monitor the drinking behaviour, core body temperature and health status of every animal.

The data can be shared with others, such as vets and feed advisors.

The system’s base station and repeaters require a three-point domestic power supply, but a portable solar battery unit can be used to power these to allow monitoring of cows out at pasture.

ioLight field microscope

A portable microscope with a similar resolution to a lab model that can be folded to fit in a jacket pocket.

Farmers can test animals they suspect of having parasite infections before giving antimicrobial drugs.

This is done by counting parasite eggs in a sample of the animal’s faeces. Drugs need only be administered if a significant number of eggs are found.

Faecal egg counting (FEC) is commonly done by sending faeces samples to a lab and waiting for the results. Using the microscope in the field or the farmyard means the time before treatment can start is reduced and lab fees are avoided.

Comparison of the different technologies available

Description

What it monitors

Internet/mobile phone signal considerations

Cost

Other considerations

Jenysis Portable Heat Detection

Heat detection system suitable for dairy and beef herds

Heats

3G is required to access the system remotely or WiFi can be used where cellular data is not available

£3,450, plus collars or leg tags from £70 per cow, depending on the features included; rental options are available

The internet connection option requires a locally purchased 3G SIM card to transmit the data via a mobile network

Smartbow

A tag fitted to a cow’s ear

Heats, rumination and location

Runs from its own server, which needs an internet connection for updates and backing up to the cloud, but can work on a 4G dongle.

The cost of the server, software and installation is £2,500 per farm, irrespective of cow numbers

£69 per cow for heat detection only, £98 per cow for heat and rumination, and £150 per cow for heat, rumination and location. These prices, which are exclusive of VAT, are based on a 120-cow installation

The ear tag can be removed and reused if a cow is sold; ear tags must be correctly fitted to prevent losses if a cow hooks its ear on a sharp edge or slot

Moocall Calving Sensor

A sensor that monitors a cow’s contractions to work out when she is likely to calve. Gives an hour’s advance warning of calving

Calving activity

Needs only a weak signal, and uses the network with the strongest signal. A rechargeable battery lasts for up to 60 days in good network areas

£239 plus VAT per sensor, which includes a 12-month warranty and service; there is an annual fee to cover data, software, service and support costs, but this is not charged in the first year

Device must not be overtightened as this could cut off circulation to the cow’s tail or irritate the tail

Miracle Tech

A thermal imaging camera first developed to identify and treat lame animals. It now has multiple uses, including identifying cows on the point of calving

Injury, bulling activity, temperature and mastitis

4G data required

From £1,000 plus VAT for the PK160 thermal imaging tablet to £10,000 for full CCTV system with computers

Quick and non-invasive to the animal

CowAlert Lameness Alert

A leg-mounted sensor uses a detailed algorithm to track a cow’s behaviour and identify lameness in the early stages

Lameness; builds up a profile of the mobility of each cow and lets you know when a cow is lame or is in danger of going lame. A full history of the mobility of the whole herd allows changes and issues to be easily tracked

Cloud-based, which means alerts must be viewed through devices with an internet connection

About 20p per cow in addition to the £68 sensor; there is also an installation cost for the sensor system, or a monthly rental fee

Once the battery expires – after approximately five years – the sensor must be replaced

smaXtec Basic Bolus

A bolus that continuously measures the internal temperature of the animal

Heats, onset of calving and basic individual health monitoring

Internet or mobile phone data (3G or 4G) needed

About £9,800 for a 100-cow dairy herd, which includes the cost of a base station, two repeaters, a climate sensor to monitor temperature and humidity, the bolus applicator gun, installation cost, 100 basic boluses, and training and set-up

A premium bolus can be added to monitor pH

ioLight field microscope

Portable microscope for counting parasite eggs

Parasite infections

Not applicable

£700 plus VAT

Images can be downloaded on to a tablet or mobile phone to share with your vet

JOURNAL : Farmers Weekly

Hands up who knows the difference between a tractor’s rated and maximum power? Or what the perfect torque curve should look like? How about torque rise? Or six-point fuel tests?

If this mumbo-jumbo gets your head in a spin, then fear not. Over these pages we’re going to explain exactly what you should be looking for in the engine statistics of the tractor you’re eyeing up.

Which power statistics?

There are two different figures to consider here, the simplest of which is rated power. This appears on the torque curve at the maximum rated engine speed and is the power available when the crankshaft is spinning at its fastest.

The second is maximum power and is the highest achievable power at any engine speed. This can be the same as the rated power (if the peak of the curve occurs at the rated engine speed) but, on tractors, is likely to occur some way before that – normally 100 to 300rpm below rated speed.

To add a touch of extra confusion, there can be another list of rated and max power figures that relate to a second ***programmed*** torque curve. This is usually referred to as the boosted power, which is only available for certain applications.

See also: Tractor test: Six 120hp tractors go head to head

What is boost?

Boosted power is a relatively new thing. It’s where two (or more) different torque curves have been ***programmed*** into the engine’s computer.

One of those will have a higher maximum power or torque, but will only be available under certain conditions. Most commonly, it can be accessed during high-speed transport work and when running the PTO.

Why? The limitations of the standard torque curve – which is usually de-rated by engine makers to suit the machine it is fitted to – are set to protect the weakest link in the driveline from being subject to loads that it isn’t designed to cope with (think transmission, axles or clutch).

A good example is the field mode available on a lot of modern tractors for low-geared cultivations. Making the boost-badged torque curve available here would send far too much torque through the driveline for the other components to be able to cope with (long term, anyway).

Basically, boost allows tractor-makers to give operators more power by pushing the engine closer to its limits, but only where it’s safe to do so.

Same standards

Thumb through any tractor spec sheet and you’ll see several power ratings that are based on different ISO global and European measuring standards.

These vary depending on how the different figures are measured. Some require the alternators, fans and other ancillaries to be fitted; others just consider an engine’s gross torque without deductions, which could be up to 10% higher.

If you’re picky then the one to look at is net torque (it takes frictional losses in the engine into consideration) as this gives a good idea of real-life performance at the flywheel.

Tractor companies tend to pick whichever figure makes their machine look the best, which is usually the top parent torque curve (the boost curve). In reality, it doesn’t matter which one you base your decision on – it’s more important that you compare figures based on the same standards.

Ideal torque curves

Designing a new engine starts by drawing the ideal torque curve, which will vary according to its intended end use.

This parent torque curve simply sets the highest performance of a particular engine and could have about 20 subsequent versions that are ***programmed*** to max-out at lesser figures.

These help to make sure the tractor works within the limitations of its other components or reduce fuel consumption in pre-set modes, such as ‘eco’.

Every different version of the torque curve has to be certified and emissions tested before it can be made available and displays things like peak torque and torque rise, which are both key attributes of a tractor.

Torque rise is the difference between peak torque and the torque at rated power; hence the rate at which the torque increases as the engine speed slows. There’s nothing complicated here – it’s just a case of the bigger, the better – but a figure of 35-40% is pretty healthy.

If, for instance, you’re cultivating and hit a rough patch, a tractor with good torque rise can be dragged down from its rated rpm to peak torque without stalling or needing to drop gears.

Comparatively, if it can’t hang on and maintain speed then the tractor will lose momentum, the engine rpm will shoot up and so will the fuel consumption. The same rule applies for road work with a loaded trailer – without torque rise, the engine would lose speed on a hill more quickly and, without gear changes, stall.

Torque curves of automotive vehicles tend to have flatter tops. The shape of the curve is closely related to drivability, so off-highway machines suit a peak that stops the engine sinking when the going gets tough.

Low-end torque

The other figure to consider is low-end torque, particularly for road or loader work. It is the baseline torque – the engine’s force at tickover speed – and dictates how easily the tractor pulls away from a standstill.

The key to this (in the construction of the engine, at least) is matching the turbocharger performance to the engine.

The amount of torque is determined by the quantity of fuel delivered to the cylinders and the aim is to ram as much diesel into the cylinders as possible (while making sure the air-fuel mix ratio, compression ratio and timing is correct).

So, the greater the air density in the cylinders, the more combustion of fuel and torque available.

The size and design of the turbo depends on the intended end use of the engine. A combine, for instance, can afford to have a bigger turbo that takes longer to spool up as it doesn’t need to respond so quickly to a heavy load at low rpm compared with a tractor.

How to measure fuel consumption

Fuel consumption is notoriously difficult to predict as far as tractors are concerned. Every farmer has a slightly different use for their machine and there are so many variables in play, including weather, implement and the load on the tractor.>

To get a good guide, it’s best to work out the mix of work you’re likely to be undertaking. The independent DLG testing station provides fuel consumption stats for most tractors that give a flavour of its efficiency at different speed and load points.

Steady state figures – where the engine is running at a pretty constant speed – tend to be calculated in g/kWh, which is the measure of the number of grams of fuel used to ***produce*** 1kW for an hour.

This allows for the comparison of different sized tractors and is measured at the engine flywheel, the PTO or at the drawbar depending on the type of test.

The commonly referred to figure is the six-point load test, which sees consumption recorded at six steady-state (stable engine speed) points. These tend to be based on common operating speeds in the middle of the rev band and are a good basis to work from.

Engine-makers set an engine’s sweet spot at a point on the torque curve where it is likely to spend most of its time working. It’s here that operators will get the best combination of fuel consumption and power

Four-cylinders or six?

The decision between four- and six-cylinder engines is becoming more common as tractor-makers try to fit smaller, lighter-weight blocks that are able to provide stats comparable with six-potters.

The biggest downside of opting for a four is the reduced low-end torque. In simple terms, it comes down to the capacity to combust and the total displacement, so the bigger the engine volume and more fuel in the combustion chamber, the higher the low-end torque.

Manufacturers can partially offset this problem by tweaking the governor to predict heavy loads and rev up quickly in response.

Four-cylinders sometimes have less torque rise, too – mainly because of a lower peak torque figure. So, although the headline-rated power stats look similar, the torque curves tend to look very different.

Load factor – making the engine last

Engine longevity is often determined by the load factor, which relates to how hard it’s being worked as an average percentage of the torque it ***produces*** during its life.

A combine usually operates much closer to its limits and might have a 70% load factor, but only does a fraction of the work hours compared with a tractor where a 50% load factor is more typical.

The average load factor increases on smaller engines (so needs to be considered in the four- versus six-cylinder debate) but shouldn’t actually make a whole lot of difference – it’s probably still working well below its maximum.

How clean are new engines?

The latest round of emissions constraints on tractor engines has led to the launch of new generation Stage 5 blocks.

Exhaust particulates are now measured by particle number count, rather than just weight, and have seen a real-world cut of well over 90% since the previous stage

Emissions challenges have seen most makers fit EGR kits, but these sap power as they try to run cooling systems that reduce the temperature of the returning gas.

Highly strung EGR systems don’t react well to high-sulphur content fuels either, which has implications when they’re flogged to less developed countries further down the line.

Surprisingly, Cummins has managed to buck the trend and strip its Stage 5 engines of EGR – opting for a combination of DOC/DPF/SCR – with all the emissions gubbins fitted in a single module.

And it’s done that without a power punishment. Its latest 6.7-litre engine has up to 30% more torque and, at 326hp, is more powerful too.

That is good news for tractor manufacturers that will be able to offer higher ratings from the same sized block or replace big nine-litre engines with a smaller one to cut the costs of purchase and ownership.

What about Stage 6?

There’s currently no push towards Stage 6, mainly because ***agricultural*** engines are now so close to zero on NOx and particulates that they’re hard to measure.

However, there’s a lot of industry chat about future regulations. Speculative guesses include a scrappage schemes for older machines (as seen in the automotive industry) or in-use monitoring of emissions that restrict performance when set levels are exceeded.

Equally, farm machinery could be classified according to its efficiency, with financial incentives for running low emissions or fuel-efficient kit.

What's the future for diesel?

Diesel power is here to stay, although engine developers will be governed in some way by rules that limit emissions, improve fuel consumption or reduce the cost of ownership.

In the long term, engines are likely to become smaller, lighter, more efficient and have longer service intervals, particularly if manufacturers are able to develop them without the burgeoning costs of emissions development.

Lots of progress has been made in this department in other sectors. Take F1 cars, for instance, where ceramic materials in the pistons, bores and intakes mean they can work at far greater pressures. Of course, things will have to be ***produced*** more cheaply if they’re being used in ***agriculture***.

Manufacturers have also ploughed a lot of time and money into researching renewable energy sources. Hybrid diesel/electric set-ups are the clear front-runner (although still a decade or so away from mainstream production in tractors) and use a battery pack as the main source of power with a small engine to top it up.

Full electrification is much less likely. Big batteries are prohibitively expensive and don’t have the capacity to fit inside tractors that run for 17 hours a day, not to mention the shortage of infrastructure required to deliver a good supply of electricity to farms for rapid charging.

Cummins engines – where they’re made

Cummins has maintained a strong reputation in ***agricultural*** circles. The company is based in Indiana but has 18 manufacturing sites all over the world, including engine divisions in Darlington and Daventry and a turbocharger factory in Huddersfield.

Last year, Cummins ***produced*** over 1.1 million engines in a range that runs from 2.8-litres and 55hp up to 95-litre blocks pushing out 4,400hp. That includes the ag-spec engines from 3.9 litre (75hp) up to 8.9 litres (400hp) that are built in Darlington and the 15- and 19-litre engines assembled in the US for John Deere and Versatile tractors.

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[***BRIEF NEWS BULLETIN NO. 10250***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R01-VN41-JDKJ-1469-00000-00&context=1516831)

HINA Digest

17 November 2017

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**Body**

Zagreb, 17 November 2017 (Hina) - Croatia issues 1.275 billion euro-bond at best interest rate everZAGREB, Nov 16 (Hina) - Croatia on Thursday issued 1.275 billion in a euro-bondwhich will mature in 2030 and which hasa yield of 2.953% and a coupon rate of 2.75%, which is the most favourable loan ever, the Finance Ministry has reported, saying that the money will be used to repay and refinance the road sector's debts."The Republic of Croatia today issued 1.275 billion in the euro bond which matures in 2030 and hasa yield of 2.953% and a coupon rate of 2.75%, which is the most favourable and longest maturity issue ever achieved on international capital markets," the ministry said in a press release.The leading agents for the issue are Banca IMI/Privredna Banka Zagreb, Barclays and J.P. Morgan."With the ministry having strategically selected a favourable moment for the issue, considering the recently release data on GDP growth and the decrease in public debt and favourable market trends, the transaction to issue the euro-bond was conducted with exceptional success," the ministry said.The ministry said the outstanding investor interest was proven by the fact that the book of entries was closed within one day with interest shown by 226 investors in about 3.38 billion euro.The ministry added that the bond was issued without any premium on a new issue, which is usual practice when funds are collected on foreign capital markets.The demand for the bond was quite widely geographically dispersed, with most of the demand coming from Central and Eastern European countries - Italy, the United Kingdom, Austria, German, the Benelux countries and elsewhere."The funds collected with this issue will be used for the early payment and refinancing of loans taken by the HAC, ARZ and HC road sector companies, which involve state guarantees," the press release said.The total debt of the road sector is currently about 5 billion euros.This is the second issue this year, following one in March for a 10-year euro-bond valued at EUR 1.25 billion with a yield of 3.2% and a coupon rate of 3%.PM: Talks under way to refinance road sector's EUR 1.3 bn debtPrime Minister Andrej Plenkovic said earlier on Thursday that negotiations were being held with investors in London to refinance about 1.3 billion euros of debt owed by the road sector in order to extend the maturity and lower the interest rates, so that the sector's consolidation could continue.Finance Ministry officials led by Minister Zdravko Maric are on a tour of European cities this week meeting with investors to discuss refinancing of the road sector's debt, which totals about 5 billion euros, by issuing a euro-bond."Talks are under way in London to extend the maturity and lower the interest rates for loans which amount to approximately 1.3million euros, which fall due soon and have unfavourable interest," Plenkovic said at the start of a cabinet meeting.The PM noted that in talks like these investors usually first ask questions about the situation in the country, about its stability, the reliability of the government, and whether the economic policy and fiscal consolidation are agreed with the European Commission.

He recalled that the Commission has recently revised up its projection of Croatian growth for 2017 to 3.2 percent.Plenkovic said that all these circumstances "are not visible at first glance but are much more important than the failed initiatives we have seen in the past week," alluding to an opposition motion for a no-confidence vote in the government which did not receive support in parliament last Friday."I am confident that the talks which Minister Maric and his associates have conducted in London, Frankfurt, Milan and Amsterdam, and again in London today will resultin quality refinancing of this debt and further consolidation of the road sector, without resorting to monetisationwhich was discussed a few years ago by the same promoters of last week's initiative who apparently care about the country's financial reputation," the PM concluded.Bank analysts have said that the euro bond issue would have a maturity of between 12 and 15 years and a yield of between 2.89 and 3.3 percent, and that it may be issued already later this week.PM says euro-bond to help Croatia to save EUR 21 mln annually next 12 yearsZAGREB, Nov 16 (Hina) - Croatia's Prime Minister Andrej Plenkovic said on Thursday evening that the issuance of a 1.275 billion euro-bond which has a yield of 2.953% and a coupon rate of 2.75% for the purpose of refinancing the road sector's debt, would help the country to make savings in the amount of approximately 160 million kuna annually next 12 years.The finance ministry stated earlier on Thursday that Croatia had "issued 1.275 billion in the euro bond which matures in 2030 and has a yield of 2.953% and a coupon rate of 2.75%, which is the most favourable and longest maturity issue ever achieved on international capital markets."This is an exceptional success, Plenkovic said in Gothenburg where he arrived for the European Union's Social summit meting for fair jobs and growth.This saving is also the confirmation that political stability is not a status quo but a step forward, the premier added.Minister confident of positive restructure of road sectorZAGREB, Nov16(Hina) - Transport and Infrastructure MinisterOleg Butkovicsaid on Thursday that he was confident that Finance Minister Zdravko Maric would secure favourable loans to refinance debts in the roadsector and that the result of the entire restructuring process would be positive.Earlier on Thursday Croatia launched the procedure to issue a euro-bondwith a maturity of January 2030 and the funds will be allocated to refinancedebts in the roadsector. Prime Minister Andrej Plenkovic made mention of the procedure at the start of Thursday's cabinet meeting and explained that Minister Maric wascurrently in London where he wasnegotiating with investors in an effort to reschedule about 1.3 million euro in road sector debts and to extend their maturity and reduce interest rates. The total debt of the roadsector amounts to 5 billion euro.After the meeting, Minister Butkovic told reporters that he did not wish to specify the amount of the debt until Minister Maric completedhis task. "We still don't have anything definite however, I hope that everything will be for the best. The intention is that all foreign loans that are covered by foreign banks and are unfavourable (...) be exchanged for more favourable ones. Due dates and amounts will be known when Minister Maric finishes the job," Butkovic said.He added that this "is the continuation of the largest reform in the transport sector, that is, restructuring the roadsector.""Recently I made a decision to merge companies, reducemaintenance costs andthe number of employees, that means that we are working on making the system in the Hrvatske Ceste (HC),Hrvatske Autoceste (HAC) andAutocestaRijeka-Zagreb (ARZ) companies more efficient, stable and sustainable. We have backed down from selling the motorways as we consider that to have been a mistake and a detrimental decision and I am confident in a good result, not just in what Minister Maric is doing at the moment but I believe the entire process will end positively," Butkovic concluded.Administrative fee to replace excise tax on used carsZAGREB, Nov16(Hina) - The government on Thursday sent to parliament a final bill of amendments to the law governing special tax on motor vehicles, under which excise tax paid onused vehicles would be replaced by an administrative fee payable on vehicle registration.Presenting the bill, Finance Ministry state secretary Zeljko Tufekcic said this was a continuation of the tax reform which would simplify the administrative procedure both for public administration bodies and for citizens, increase transparency and halvethe used car tax burden.The bill regulates two taxes - the excise tax on motor vehicles and the excise tax on used motor vehicles. The latter will be replaced by an administrative fee payable on registration and calculated according to a vehicle's age and engine.The bill will align Croatian legislation to the European acquis. AEuropean Commission regulation on gas emissions went into force in the middle of the year, introducing a new, globally aligned procedure for measuring CO2 emissions, Tufekcic said.In 2016, Croatia's revenue from excise tax paid on used cars totalled HRK 193.78 million.The administrative fee is projected to bring in about HRK 100 million less.The government has proposed that the law be passed under fast-track procedure so that it can go into force on January 1, 2018.Government adopts documents signed with Russian FederationZAGREB, Nov 16 (Hina) - The Croatian government, at its meeting on Thursday, adopted several conclusions concerning a ***programme*** ofcooperation between Croatian and Russian state institutions as part ofwhich agreements, memorandums and protocols had been signed during President Kolinda Grabar-Kitarovic's official visit to Moscow.The documents concern cooperation between the two countries' state prosecutor's offices, economic cooperation in third markets, and cooperation between the ministries of the interior.Russian Ambassador Anvar Azimov visited the government offices before the cabinet meeting, and a government press release only said that it was "a usual meeting".Also, the government granted permission to the Defence Ministry to use HRK 110.9 million from the state budget for a majoroverhaul of Mi-171SH helicopters.Russian ambassador paid inaugural visit to PM's chief of staffZAGREB, Nov 16 (Hina) - Prime Minister Andrej Plenkovic said on Thursday, while responding to questions from the press about the reason for the Russian ambassador's visit to the government offices this morning, that Ambassador Anvar Azimov paid an inaugural visit to his new Chief of Staff, Zvonimir Frka Petesic."It is normal for ambassadors to meet with him and discuss various issues," Plenkovic said, recalling that at its meeting today the government had adopted four conclusions concerning cooperation between Croatia and Russia following President Kolinda Grabar-Kitarovic's recent official visit to Moscow."There are a lot of topics that warrant such meetings, but there is nothing spectacular in this case," the prime minister added.Croatian PM meets his Swedish counterpart, expat Croats in GothenburgZAGREB, Nov 16 (Hina) - Croatia's Prime Minister Andrej Plenkovic, who travelled to Sweden for the European Union's Social Summit due to be held on Friday in Gothenburg, held talks with his Swedish counterpart Stefan Loefven on Thursday on the strengthening of economic and scientific bilateral cooperation as well as on cooperation in the defence sector since Swedish Saab Group manufactures Gripen aircraft, one of the few options the Croatian Defence Ministry is considering for the procurement of the fighter jets.Upon his arrival in Gothenburg on Thursday afternoon, Plenkovic and the summit's host Loefven held talks on the bilateral relations and on the enhancement of economic cooperation as well as on the 40,000 strong expat Croat community in that Scandinavian country."We and Sweden have developed diverse economic cooperation. In Croatia Ericsson Nikola Tesla does business as well as Tele2 and Ikea that arrived in our market a few years ago. They are interested in connecting the triangle between business sphere, academic community and institutions. This is the model Sweden wants to apply in international relations. I hope that a recent visit of Swedish business people to Croatia will help boost economic and scientific cooperation, thus being conducive to our economic growth and trade," Plenkovic told a news conference after his talks with his Swedish counterpart.Also, European topics were on the agenda of the Loefven-Plenkovic meeting.Plenkovic confirmed that they had considered Croatia's ***plan*** to purchase fighter jets and Swedish offer of Gripen.The Croatian premier, who held talks also with expat Croat representatives, said he was happy to hear what his cabinet could do to improve the connections with Croatians living abroad.Council of Europe not out of fashion, says Danish ambassadorZAGREB, Nov16(Hina) - This month Denmark took over the six-month chairmanship of the Council of Europe and the country's ambassador to Croatia, which will take over the chairmanship from Denmark next year, claims that thepan-European organisation has not lost its significance and that its fundamental values are still exceptionally important on the Old Continent in the current times when it is faced with radicalisation, extremism and populism.Croatia takes over the presidency of the Council of Europe in May next year.Addressing a news conference in Zagreb, Ambassador Christian Thorning, who stepped into office in September, said that the chairmanship of the Council of Europe was a big challenge.Denmark last chaired the organisation in 1996. Since then a lot has happened in Europe. Today we have a very different Europe and a very different Council of Europe, Thorning said.Asked if the Council of Europe had somewhat lost its importance, the new ambassador said that it had not.It is true that Denmark, too, is turned to the European Union for a number of reasons, but the recent challenges have shown again theimportanceof the Council of Europe values, the ambassador said,mentioning in that context the prompt reaction of the organisation to the attempted coup in Turkey as well as its reactions to the migration crisis.Besides, human rights are of fundamental importance and will hopefully never go out of fashion, he said.On 15 November Denmark took over the six-month chairmanship of the Committee of Ministers of the Council of Europe, which today has 47 members.The chairmanship of the organisation gives a country the possibility to set its agenda and promote values and ideas important to it. That is what we are doing and I believe Croatia will be doing it as of May next year, said Thorning.Next year Croatia,a member of the Council of Europe since November 1996, will take over chairmanship of the organisation for the first time.Denmark was one of the founding countries of the Council of Europe, established in May 1949 with themandate to protect human rights, democracy, the rule of law, minorities and freedom of speech. It was also among the first signatories of the European Convention on Human Rights.Freedom of speech and freedom of religion must co-existThorning said that the key event of the Danish presidency, along with conferences and seminars to be organised in the six-month period, would be a ministerial conference to be held in Elsinor on May 17-18, when Croatia would take over the presidency of the Council of Europe.Speaking of the priorities of Denmark's presidency, Thorning cited the continuation of reforms of the European system of human rights; the fight for equal opportunities; inclusion of children and young people in democratic processes; the fight against prejudices and stigmatisation of people with special needs; and the fight against torture.Denmark has always supported the European system of human rights and continues to do so. Now we want that work to be morefocused, balanced and efficient, Thorning said.He underlined the importance of including young people in the democratic system so as to enable the formation of democratic citizens with democratic competencies early on.Thorning said his country strongly believed that including children and young people in democratic processes was crucial for the fight against radicalisation, extremism and populism, underliningtheimportance of promoting strong democratic competencies - understanding, critical thinking and solidarity among people in Europe.As for freedom of speech, the Danish diplomat also answered questions about caricatures of the Prophet Mohammad in the Danish press, saying that a debate about the balance between respect for freedom of speech and respect for religious beliefs was ongoing.Those are freedoms that must live side by side, said Thorning.Ex-HNB governor says HDZ officials tried to talk him into entering politicsZAGREB, Nov 16 (Hina) - Former Croatian National Bank (HNB) governor Zeljko Rohatinski on Thursday testified before the parliamentary commission of inquiry for the ailing Agrokor corporation, saying that former HDZ party chief Tomislav Karamarko and current Health Minister Milan Kujundzic had been close to Agrokor founder Ivica Todoric and that in 2012 they had tried to talk him (Rohatinski) into becoming politically active.Answering a question from commission member Nikola Grmoja of the Bridge party, Rohatinski said that suggestions that he should become politically active had come much earlier and that they were not related to Todoric."There were several attempts at talking me into it, thatlasted until August 2012. Several very private meetings were held involvingindividuals from some political parties, including Karamarko, but I turned down the proposal. I also declined it at the last meeting that was also attended by Todoric, and I said that I would not become politically active," Rohatinski said."After that, weird things started happening.Two days after I definitely turned down the proposal, Poslovni Dnevnik (business newspaper) ran a story about my wife's company and our residence," said Rohatinski.Grmoja then asked Rohatinski if he had any knowledge that a different strategy had been chosen then - to take over the Croatian Democratic Union (HDZ) - to which Rohatinski said he had no knowledge of that, but he answered in the affirmative when asked if Karamarko and Kujundzic were part of Todoric's circle who tried to talk him into entering politics.The HDZ members of the commission protested against Grmoja's questions, claiming that they were irrelevant, but Social Democrat Orsat Miljenic, who chairs the commission, allowed the questions, saying that one of the reasons the commission was formed was to establish possible connections between Agrokor and politicians.Commenting on the HDZ MPs' dissatisfaction with his questions, Grmoja said that he understood that it "is not easy for them to hear that Ivica Todoric took over their party."Grmoja also asked the former central bank governor if he was aware that in 2012 Todoric commissioned a survey to see how popular Rohatinski was so that he could become politically active.Rohatinski said he was not aware of it butbelieved that Todoric did not commission an evaluation ofhis potentialpolitical rating from an agency."Some agencies did such surveys on their own, and I was aware of that," he said.Opposition claims Todoric appointed ministers, HDZ leadersRohatinski's testimony prompted Grmoja to say afterwards that it proved the collusion between Todoric and politicians and that Todoric had appointed not only ministers and officials but also HDZ leaders, while Social Democrat Gordan Maras said that it was now clear why the HDZ was trying to stop the commission'swork.HDZ MP Josip Boric responded to this by saying that by making such claims the opposition MPs were trying to boost their public image.Grmoja said Rohatinski's testimony would show that "Agrokor was not only in collusion with politicians but thatthe key person in Agrokor tried to launch political projects of his ownor act concretely through political parties."Zdravko Maric attendedmeeting with Todoricas state secretaryWhen the then HNB governor Rohatinski announced in 2011 that the HNB would release HRK 6.3 billion to be invested in the economy and Croatian companies, the then Prime Minister Jadranka Kosor did not allow it, considering it a political initiative by the governor, said Grmoja.He went on to say that Rohatinski admitted that at meetings with Todoric and representatives of banks and companies that were to have been part of the HNB's ***plan***, one of the state secretaries in attendance was current Finance Minister Zdravko Maric."Zdravko Maric, together with Rohatinski and Todoric, was part of the ***plan*** with which the then prime minister did not agree," said Grmoja.He also pointed to Rohatinski's statement that he had attended meetings with Todoric, current Health Minister Milan Kujundzicand former HDZ chief Tomislav Karamarko and that they had tried to talk him into becoming politically active.Grmoja: Todoric's candidate took over HDZ"The two people who were part of Ivica Todoric's political project, which failed because Rohatinski turned them down, later became candidates for HDZ leader. Jadranka Kosor, who did not agree with the HNB's measures, was defeated and one of Todoric's candidates took over the biggest Croatian party," said Grmoja.Social Democrat Gordan Maras said that the HDZ was doing its best to have the interviewsby the parliamentary commission stopped due to its ties with Agrokor."We have insisted on the commission to lay bare the linksbetween the HDZ and the way Agrokor was established and operated as well as their interconnectedness, which was such that not only ministers joined Agrokor and left it to join HDZ governments... but their links went beyond the imaginable. People wonder how it was possible for the biggest Croatian company to have so much influence to make aman become, practically out of the blue, the president of the HDZ," said Maras.Karamarko joined the HDZ in 2011 and became the party's leader in 2012."People have good reason to wonder whether the current HDZ president, too, is somehow implicated because he was not in active politics until 2010, and as regards the leadership of the HDZ,he was nowhere near the current structures," said Maras.HDZ MP dismisses Opposition claimsHDZ MP Josip Boric said the Oppositioncriticisms and impressions only served to "bombard the media."They do not care about the parliamentary commission but about building up their public image and they do so by misusing the opportunity to talk publicly, said Boric.Bridge is a small party which has failed to stay in power for more than one term in its hometown of Metkovic and now it wants to run business in the HDZ, said Boric."The HDZ has its president, we elected him normally in intra-party elections and we will take care of our intra-party situation," said Boric.As for the SDP's criticism, Boric said that the commission had not yet come to the year 2000."You will see what was going on from 2000 to 2003 and the extent of collusion between the then government and Agrokor," said Boric.Kujundzic claims he has no idea what Rohatinski is talking aboutZAGREB, Nov 16 (Hina) - Health Minister Milan Kujundzic on Thursday said that he had no idea what former central bank governor, Zeljko Rohatinski, was talking about and deniedthat former Croatian Democratic Union (HDZ) leader, Tomislav Karamarko, Agrokor owner, Ivica Todoric, and he hadtried to convince Rohatinskito run for the country's presidency in 2011."I don't know what he is talking about. I certainly did not urge anyone to be involved in politics," Kujundzic told reporters outside Government House when asked by reporters to comment on a statement Rohatinski made before the inquiry commission into Agrokor.Asked whether that meant that Rohatinski waslying, Kujundzic said, "I am not claiming that. I am not claiming anything. I know that I did not urge anyone and I don't know what that man is talking about."Asked whether he had spoken with Rohatinski about such matters, Kujundzic said that "many people had been his patients but that he could not say anything about all the people he has encountered in life."Reporters insisted that Rohatinski claimed that during lunches in restaurants, he was cajoled, Kujundzic said "I don't know who cajoled that man," and that he (Kujundzic) spentthe least time at various lunches.Kujundzic admitted that he had spoken with Karamarko and Todoric, however they did not discuss this matter.HZZO will pay for operations that can't be conducted in CroatiaKujundzic also commented on a case of an infant requiring a jaw operation and that money had been collected to pay for the operation abroad and underscored that the Croatian Health Insurance Fund (HZZO) would pay for procedures that can't be conducted in Croatia."I will see what this is about and am certain that HZZO will pay for the costs if that is not conducted in Croatia, however, if it can be conducted in Croatia then it will be done so," he said.Referring to long waiting lists for certain scans, Kujundzic said that that would be resolved with the introduction of priority lists."People who have indications that require urgent examinations and procedures, will be solved in that way," he said.Rohatinski says Todoric never asked him to favour AgrokorZAGREB, Nov16(Hina) - Former Croatian National Bank (HNB) governor Zeljko Rohatinski told the parliamentary commission of inquiry into the ailing Agrokor corporation on Thursday that former HDZ chief Tomislav Karamarko and current Health Minister Milan Kujundzic were part of Agrokor founder Ivica Todoric's circle and tried to persuade him to joinpolitics in 2012, but that in the 12 years of his service as central bank governor neither Todoric nor any of his associates had contacted him to suggest any measure that would potentially benefit Agrokor.Testifying before the commission for more than two hours, Rohatinski said that in 2011 the HNB had ***planned*** to release more than ten billion kuna to be used for the financing of the economy, on which agreement was to have been reached by the government, employers and banks. However, a conference on that initiative was cancelled because the government distanced itself from it, describing it as my political project, Rohatinski said, noting that employers, too, had beenunder pressure to give up the project.Asked by HDZ MP Josip Boric if he was aware that from 2012 to 2015 a number of decisions were passed by regulatory bodies that helped Agrokor, Rohatinski said that he had not been responsible for that.The former HNB governor said that before becoming governorhe had worked in Agrokor from 1 April to 12 July 2000, as head of the macroeconomic analysis division, and that the then Prime Minister Ivica Racan suggested that he should transfer to the HNB.Rohatinski said he had discussed this with Todoric who told him that he "could be more useful to society in the HNB than in Agrokor."Responding to MP Nikola Grmoja's remark that Todoric was focused on his personal benefit rather than society's, Rohatinski said that in the 12 years of being the HNB governor neither Todoric norany of his associates had contacted him to suggest any measures that could potentially benefit Agrokor.Rohatinski confirmed that his son and daughter had been Agrokor's employees for a short while.Asked why after the completion of his term he found employment as Todoric's advisor, he said that he did not want to exercise his right to receiving a salary as an office-holder for a year after the completion of his term and that he refused anoffer from Goldman Sachs.In Croatia there were not many job offers at the time and since I had to find a job soon, Iaccepted the post as Todoric's advisor on macroeconomic analysis, said Rohatinski.He said that the policy of exchange rate stability which he had pursued as the HNB governor had nothing to do with the interests of Agrokor or any other business entity.Asked if he had met Zdravko Maric in Agrokor and if Maric had worked on loan agreementswith Sberbank, Rohatinski said that he had met him there but that the corporation operated in such a way that no employee knew more than they were supposed to know.Rohatinski also said that during his term as HNB governor banks and their exposure to Agrokor had been monitored."Instructions were given to reduce the exposure to Agrokor but I cannot remember which banks were involved," said Rohatinski.Following Rohatinski's testimony, thechair of the commission of inquiry, Social Democrat Orsat Miljenic, said that the commission would summon Karamarko and Kujundzic to testify.Slovenia's court upholds Sberbank's appeal over "unequal treatment of creditors"ZAGREB, Nov16(Hina) - Ljubljana District Court granted an appeal by Russia's Sberbank lender against a ruling whereby Agrokor's assets were protected because of insolvency proceedings, and the ailing group's emergency administration has announced in the meantime that it will lodge an appeal against the district court's verdict with Slovenia's Supreme Court, insisting that the verdict has no impact on the further course of actions of the emergency administration nor on the group's assets.The verdict, adoptedby the district court two weeks ago, was made public on Thursday.The acceptance of the appeal actually means thatCroatia's law on emergency administration in systemic companies, dubbed Lex Agrokor, can't be implemented in Slovenia, according to local media outlets.Local media note that the Ljubljana court ruled thatLex Agrokor did not respectthe principles of equal treatment of creditors, which the court holds to be one of the basic principles of insolvency proceedings and a part of Slovenia's public order.The media speculate that the verdict paves the way for creditors, or for at least one, that is Sberbank, to collect their receivablesfrom Agrokor's assets in Slovenia.Agrokor's emergency administration stated on Thursday afternoon that its legal team was preparing the appeal against the Ljubljana court's verdict.Agrokor advisory board says emergency administration going in good directionZAGREB, Nov 16 (Hina) - The emergency administration procedure in Agrokor is going in a good direction and conditions have been created for the emergency administration to focus now on drafting a settlement agreement for creditors to decide upon, an advisory board in the emergency administration procedure in the ailing Agrokor food and retail conglomerate concluded on Thursday.The Ministry of Economy, Entrepreneurship and Crafts published the advisory board's conclusions in a press release after a meeting of the board.The press release notes that the advisory board met at the request of Deputy Prime Minister and Minister of Economy Martina Dalic to discuss a monthly report on the Agrokor emergency administration for the period from 11 October to 10 November with a sustainability ***plan***, as well as the corporation's financial statements audited by PricewaterhouseCoopers (Pwc) and registered claims.The meeting also discussed the current economic and financial situation in Agrokor as well as the implementation of all of the emergency administration's measures."Members of the Advisory Board agreed that the implementation of the Law on Emergency Administration in Systemic Companies has removed the systemic risk of a possible uncontrolled collapse of this large company... while maintaining the stability of business operations and preserving jobs," the ministry's press release said.Premilovac describes siphoning of money from road companiesZAGREB, Nov16(Hina) - Igor Premilovac, who confessed to siphoning money from road companiesthrough his own companies, said at the trial of former HDZ minister Bozidar Kalmeta on Thursday that, in agreement with former HAC motorway operator financial director Josip Sapunar, he received money from HAC's contractors and returned it laundered to Croatiafrom accounts abroad."I went to DORH (state prosecutor) in 2013 as I felt I had nowhereto go and told them that, on Josip Sapunar's instructions, I organised the siphoning of moneyfrom some companies. In doing so, I met a small number of people involved in this affair and we worked like that for several years until we were made," Premilovac said in court.He said Sapunar proposed at a social event organised by Premilovac that he could siphon the money and Premilovac said he agreed.Responding to questions from the USKOK anti-fraud office, Premilovac described the cooperation with each company from which money was siphoned as well as the establishment of fictitious companies that did nothing aside from sending fictitious invoices.Premilovac gave a similar testimony in another case of a scandal dubbed Remorker in which one of the accused was former Croatian Chamber of Commerce head Nadan Vidosevic.After plea-bargaining with USKOK, Premilovac and Sapunar were given one year's prison sentences which they can exchange for community service.In addition to Sapunar and Premilovac, a former director of the Viadukt road construction company, Ivan Berket, too agreed to a plea bargain prior to the trial. All three were ordered to return the embezzled money. Sapunar returned HRK 3.8 million in cash and an additional HRK 2 million in real estate and a car. Premilovac repaid HRK 4 million and 350,000 euros in cash, while Berket's foreign currency bank account containing 700,000 euros was blocked and the money was transferred to the state budget.USKOK contends that Kalmeta brought together people from his transport ministry, HAC and the HC road operator and that they shared over HRK 15 million and EUR 850,000 siphoned from road maintenance and construction companies. He is also accused of defrauding the ministry of HRK 600,000 by commissioning a promotional film.Kalmeta has denied all the charges. The other accused in the case are his former closest associates - state secretary and HAC supervisory board chairman Zdravko Livakovic, state secretary Milivoj Mikulic, who sat on the HAC management board, and the directors of the road companies.Lawyer says Kalmeta should be acquitted of chargesKalmeta's defence attorney, Kresimir Vilajtovic, told Hina on Thursday evening that all legal prerequisites were fulfilled to clear his client of accusations that he was responsible for the alleged siphoning of money from state-run road companies.The Office for Suppression of Corruption and Organised Crime (USKOK) should drop Kalmeta's prosecution, the lawyer said. Vilajtovic explained that key witnesses that had testified so far had not directly incriminated Kalmeta.Earlier on Thursday, witness Igor Premilovac testified that he had never met Kalmeta nor had he ever communicated with him.Detention set for Hrkac, other suspects on charges of irregularities in bankruptcy proceedingsZAGREB, Nov16(Hina) - The Zagreb County Court on Thursday granted a request bytheOffice for Suppression of Corruption and Organised Crime (USKOK) for month-long detention forbankruptcy trustee Pero Hrkacand other suspects charged with conspiracy to get illegal gains, abuse of position and office, abuse of trust in businessand bribe-taking.The anti-corruption office said on Wednesday evening that it had launched an investigation against Hrkac, Zagreb Commercial Court judge Vesna Malenica and three of their associates, as well as one company on the suspicion that they had siphoned at least HRK 45.7 million from companies in bankruptcy proceedings and earned at least HRK 27.5 million while doing it.The suspects' assets have beenfrozen for the duration of the investigation.Apart from judge Malenica and trustee in bankruptcy Hrkac, other suspects in this case are Hrkac's secretary Tatjana Kusec, CEOs Miroslav Mitak and Josip Debic, and Milan Lucic.Lucic, whois suspected of assisting the other suspects in illegal activities, is in currently in Austria, according to his lawyer.Unionists recall they warned of bankruptcy trustee's erroneous conductZAGREB, Nov 16 (Hina) - The URHS trade union federation on Thursday said that some time ago it had requested the dismissal of bankruptcy trustee Pero Hrkac from the proceedings in the TZV Gredelj rolling stock company due to irregularities and his failure to see to it that this Zagreb-based company might conclude contracts for business activities essential for the company's survival.Pero Hrkac is one of thesuspects arrested on Monday, chargedwith abuse of position and office, abuse of trust in business, and bribe-taking.USKOK (the Office for Suppression of Corruption and Organised Crime) contends that the companies in which Hrkac was a bankruptcy trustee, were defrauded of HRK 45.7 million.URSH leader Tomislav Rajkovic told a news conference today that the latest developments show that they were right to claim that Hrkac was incompetent of running bankruptcy proceedings in the TZV Gredelj.The unionist said that they had sent a request to Prime Minister Andrej Plenkovic and Transport and Infrastructure Minister Oleg Butkovicfor an urgent meeting to discuss URSH's proposal to revive Gredelj.URSH has claimed from the very start that TZV Gredelj should not have been sent into official receivership and that that wasa political decision. They accuse the SDP-led government and the minister at the time, Slavko Linic and Radimir Cacic of making the deciding they did as well as SDP official Sinisa Hajdas Doncic of helping them to implement that political decision.Shop steward Zeljko Starcevic said that before the initiation of official receivership in 2012, the company had 1,467 people on its payroll. When the procedure was launched,500 workers were firedand the number of employees was scaled down to 420, of whom250 are in production.Starcevic said that from the start of official receivership until the inauguration of the current HDZ-led government, not onelocomotive or wagon had been delivered for overhaul.Recently however, a handful of locomotives and wagons have been sent from the HZ railway company for overhaul in the TZV Gredelj workshop."TZV Gredelj was founded in 1894 as the main workshop of the Hungarian State Railways for the repair and general overhaul of steam locomotives. Today the company participates on the rolling stock market for urban, suburban and regional transport. The company has important references in projects of remotorisation and modernisation of different types of rolling stock. It offers different levels of services starting from repair to complete reconstruction," according to the information on the company's web site.Restructuring ***plan*** for Uljanik shipyard envisages ***strategic*** partner, says ministryZAGREB, Nov16(Hina) - The management of the Uljanik shipyard has presented a proposal to the Economy Ministry for the restructuring of the Uljanik Groupwhich envisages the involvement of the state in that process as well as finding a ***strategic*** partner, the Economy Ministry said in a statement on talks held between Minister Martina Dalic and representatives of trade unions active in the Uljanik Group on Thursday.The unionists told the minister that they were worried about the Uljanik shipyard's financial situation, of which the shipyard's management informed the ministry earlier this week.Dalic told the unionists that according to the information received from the Uljanik management, over the past years the shipyard had incurred significant losses despite the fact that its order books were full, which, the management believes, requires the restructuring of the entire group."The proposed restructuring ***plan***, which was presented to the Ministry, envisages the participation of the state in the restructuring process, as well as finding a ***strategic*** partner to ensure the long-term sustainability of the company's business operations," the Ministry says in its statement.The minister said that the restructuring of the Uljanik Group required the involvement of all current shareholders as well as of the management in finding a ***strategic*** partner and that her ministry would start consultations on the matter with the European Commission, with the first meeting expected to be held next week.The ministry said that at the same time it would continue to regularly meetits obligations regarding the 2013 ***plan*** for the restructuring of the Rijeka-based "3. Maj" shipyard, a member of the Uljanik Group, which has been approved by the European Commission.Govt decides on helicopter overhaulZAGREB, Nov 16 (Hina) - During the cabinet meeting on Thursday the government adopted a decision for the Defence Ministry to take on the obligation with funds from the 2018 and 2019 state budget to cover the costs of a major overhaul of 10Mi-171Sh helicopters, the ministry said in a press release.The total value of the overhaul is assessed at HRK 206 million (EUR 27.5 million) and the funds have been secured from the defence ministry's allocations in the 2017, 2018 and 2019 budgets.This decision is in national interest and will maintain the capabilities of the Croatian Air Force.The defence ministry was given a positive opinion by the parliamentary Defence Committee with regard to the helicopters' overhaul.The defence ministry launched a public procurement procedure for the overhaul with the Aeronautical Technical Centre company in Velika Gorica, just outside Zagreb. Direct negotiation was conducted with the centre pursuant to an agreement with the defence ministry and based on a government decision to establish the Aeronautical Centre company, the press release explained.Minister Krsticevic praises Gotovina and Markac for their conduct during ICTY trialZAGREB, Nov 16 (Hina) - Defence Minister Damir Krsticevic on Thursday commented on the fifth anniversary of the acquittal of generals Ante Gotovina and Mladen Markac before the UN war crimes tribunal for the former Yugoslavia (ICTY) and said that the Homeland War was just, defensiveand victorious and Croatia's generals honourably withstood the legal procedure and have become symbols of the victorious Croatian Army.Five years ago the ICTY acquitted Gotovina and Markac and when they arrived in Zagreb the generalswere greetedby thousands of people in the capital city's main square.After the cabinet meeting on Thursday, Krsticevic said that he was pleased that Croatia ensured the victory n the legal termsand thanked the generals for "withstanding that process and for behaving honourably and with knightly courage and have become symbols of the victorious Croatian army and police.""We waited for that part of the ruling and I am pleased that five years ago we won the legal battle for the truth about the Homeland War...it was a difficult battle however, the truth won. The Homeland War is the foundation of modern-day Croatia and its statehood. The Homeland War was just, we defended ourselves and won," Krsticevic said."US defence secretary, James Mattis in July underscored that the Storm military operation is studied in their academies and that it was carried out by an excellently equipped and trained army that had excellent political guidelines," added Krsticevic.Retired general says security, preservation of freedoms remains permanent commitmentZAGREB, Nov 17 (Hina) - Retired Croatian Army General Ante Gotovina said on Thursday ahead of Holy Mass served on the occasion of the 5th anniversary of the ICTY acquittal of Gotovina and General Ivan Cermak, that the legal victory before the UN war crimes tribunal at the Hague had confirmed the just character of the Homeland War which is the foundation of Croatia's statehood, adding that security and preservation of freedoms remain Croatia's permanent commitment.Earlier on Thursday Gotovina was received by Defence Minister Damir Krsticevic."I thank our generals for their military conduct and power they showed during the long battle in which we preserved the truth and once again proved that the Homeland War is the foundation of the modern Croatian state. I am glad that we are celebrating this anniversary in the week when we mark Vukovar and Skabrnja victims' Remembrance Day," Krsticevic said at the talks with Gotovina.The mass in the Zagreb Cathedral, celebrated by Bishop Ivan Sasko, was also attended by Croatian President Kolinda Grabar-Kitarovic, Defence Minister Krsticevic, Interior Minister Davor Bozinovic, Veterans Minister Tomo Medved, Croatian Armed Forces Chief Of Staff Mirko Sundov and numerous other tops state and army officials.President attends launch of book on missing in warZAGREB, Nov16(Hina) - The book "Nestali u Domovinskom ratu" (Missing in the Homeland War, unofficial translation), which brings testimonies by parents, spouses, children and siblings of more than 1,500 people who went missing in the 1991-95 war and are still unaccounted for, was launched in Zagreb on Thursday.The purpose of the publication is to encourage institutions and the public as well as those who might still be hiding documents on the fate of the missing, to help shed light on their fate.President Kolinda Grabar-Kitarovic, who attended the book launch, said that she and the Croatian state would never give up the search for the war missing.The book was published by the "24 sata" publisher and was supported by the national federation of associations of families of missing Croatian soldiers and the War Veterans Ministry.Boris Trupcevic, representative of "24 sata", said the project was launched in 2016, on the occasion of the 25th anniversary of the fall of Vukovar, and was prompted by the fact that the problem of missing people had somewhat lost its public visibility despite the fact that more than 1,500 people were still being looked for.Grabar-Kitarovic: Acquittal of Gotovina and Markac closed chapter on Homeland WarThe president also commented on the fifth anniversary of the acquittal of Croatian generals Ante Gotovina and Mladen Markac before the UN war crimes tribunal for the former Yugoslavia."For Croatia, the acquittal meant closing the entire Homeland War chapter," she said, stressing that Croatia welcomed the acquittal with a sense of relief and joy."We did not need anyone to tell us that the Homeland War was a defensive and just war, but it was nice to hear the International Criminal Tribunal for the former Yugoslavia, established by the UN, acknowledge it," said Grabar-Kitarovic.Vukovar resident and Croatia remember atrocities of Great Serbian aggressionZAGREB, November 17, 2017 (Hina) - The central commemoration of Vukovar Remembrance Day will be held in that eastern city on Saturday during which thousands of people will go for a five-kilometre walk from the city's hospital to the Homeland War Memorial Cemetery, where state and other delegations will lay wreaths and light candles to mark the 23rd anniversary of the city's suffering in Croatia's 1991-95 war of independence.This year's commemorative events marking the fall of the eastern Croatian town of Vukovar into the hands of the Yugoslav People's Army (JNA) and Serb paramilitary forces in mid-November 1991, started on 13 November and will end on 20 November with the central commemoration to start outside the Vukovar Hospital.Presenting the ***programme*** of this year's commemorations, to be held under the motto "Vukovar- A Place of Special Respect", Mayor Ivan Penava said that the central commemorative event, including a memorial march through the town, would be held on Saturday, 18 November.Vukovar Remembrance Day is observed in memory of 18 November 1991 when the city's defence lines were broken after a three-month siege by the JNA and Serb paramilitaries. The besieged city was defended by around 1,800 members of the National Guard Corps, police and volunteers of the self-organised Croatian Defence Force (HOS), organised into the 204th Croatian Army Brigade.After the ravaged city fell into the hands of the JNA and Serb paramilitaries, around 22,000 local Croats and members of other ethnic groups were expelled and several thousand Croatian soldiers and civilians were taken to Serb-run prison camps.Numerous crimes were committed against the defence forces and civilians, including the massacre of 200 soldiers and civilians from the Vukovar Hospital who were taken from the hospital on November 19 and killed at a former farm at Ovcara, outside the city, and were buried in a mass grave.According to data from the Vukovar Hospital, 1,624 Croatian soldiers and civilians were killed and 1,219 were wounded during the siege of the city. Around 3,600 Croatian soldiers and civilians were killed in the aggression on and subsequent occupation of the city.The town was returned under Croatia's control during the peaceful reintegration in 1998.***Plan*** to introduce computer science in elementary schools outlinedZAGREB, Nov 16(Hina) - Prime Minister Andrej Plenkovic and Education and Science Minister Blazenka Divjak on Thursday presented the ***plan*** to introduce computer science in elementary schools and the prime minister underscored that this will help young people to prepare for a rapidly changing world and jobs.This segment creates the preconditions for something that is essential for younger generations to prepare for a rapidly changing world and rapidly changing jobs, Plenkovic said and added that today 93% of jobs required IT skills, computer know-how and generally managing in a digitalworld.He recalled that an analysis to introduce computer science was prepared and was based on the availability of financing and staff in elementary schools.According to Plenkovic, education is one of the key structural reforms during his government's term so that with joint efforts, the education process and teaching ***plans*** and ***programmes*** are advanced."We don't want our students to be mere users of technology, smart phones or facebook," Education Minister Divjak said and added that she wants schools to prepare young people for life and to encouragecreativity in students who, with the assistance of technology, will be in a position to resolve problems.She mentioned that a decision to equip IT classrooms was preparedand addedthat the analysis identified the number of teachers required and curriculum content."The curriculum is finished and can be found on the ministry's web site," she said and added that the curriculum was improvedthrough expert and public debate and underwent an international review.She underscored that the curriculum was reviewed with the assistance of Croatia's permanent representation in the EU, which identified those countries with the best curriculum - Great Britain, Estonia and Austria and added that this year already the government has secured HRK 10.9 million to equip 200 schools around Croatia.Next year we intend to equip another 430 schools with HRK 26 million, she said.We need 845 teachers, which means employing an additional 76 teachers who are to be hired next year, she said.Minister says doesn't expect resistance regarding health and civic educationZAGREB, Nov 17 (Hina) - Science and Education Minister Blazenka Divjak said on Thursday she did not expect resistance regarding the health and civic education which which is scheduled to be introduced in schools next year.The minister told Nova TV that the curricular reform practically had no ideologically colored content, calling on stakeholders to participate in a public debate on these amendments.Divjak said objections and proposals regarding the said amendments could be submitted via e-counselling which was open on November 3 and will remain open until December 3.Education strategy commission to be appointed next weekZAGREB, Nov 16 (Hina) -Prime Minister Andrej Plenkovic said on Thursday that he would appoint members to theExpert Commission for the Implementation of the Education, Science and Technology Strategy (whose acronym is PSP) next week after which an advertisement would be released for members of the Expert Task Force (ERS) for the implementation of the curriculum reform."Next week a new PSP and after that a call for a new ERS," Plenkovic told reporters in Government House where, together with Science and Education Minister Blazenka Divjak, he announced the introduction of Computer Science as a compulsory subject in Grades 5 and 6.Minister Divjak, who in her capacity as minister will be a member of the PSP, reiterated that the Croatian People's Party (HNS) - the junior coalition partner in government - insistedthat heads of institutions and bodies participating and are important for the implementation of the Strategy to be members of the PSP."That is important for the implementation of the Strategy because the most important task of the PSP is to coordinate various activities related to the implementation of the Education, Science and Technology Strategy," Divjak added.Labour Minister: Retraining provided for young unemployedZAGREB, Nov 16 (Hina) - Labour and Pension System Minister, Marko Pavic, on Thursday said that about 68% of young Croatians out of work werein fact with secondary school qualifications or lower and that the on the job training ***programme*** was in fact designed for them and enabled retraining and for them to "take up a trade."There has been some response, however, we have to promote this measureamong tradesmen. On the one hand, anyone entering this retraining ***programme*** will be paid the minimum wage for 6 months and the tradesman receiveHRK 700 (approximately 95 euro) a month as mentors, Pavic told reporters after the government meeting."In addition, I want to announce what Education Minister Blazenka Divjak is doing - a reform of vocational and dual education, where we wish to increase activities in these vocations and 80 million euro is foreseen for that," he underscored.Asked, how these people will be motivated to stay in Croatia once they enter the labour force seeing that their income would be much higher and working conditions are much better abroad, Pavic said that what washappening in Croatia wassomething all new EU member states went through, citing the example of Poland where 2.3 million or 6% of the population emigrated to Western Europe after it joined the EU.The government is working on population measures, including higher salaries,in an effort to keep young people in Croatia, he added.Int'l conference on security in tourism opens in ZagrebZAGREB, Nov 16 (Hina) - Security in Croatia largely contributes to good tourism results, but more should be invested in maintaining its high level, an international conference on security in tourism was told in Zagreb on Thursday.The conference, organised under the aegis of the Ministry of Tourism and the Ministry of the Interior, brought together over 70 participants from the tourism, security and protection sectors to discuss security challenges to tourism and other security-related issues concerning the tourism industry. The conference closes on Friday.Assistant Minister of Tourism Robert Pende said in his opening remarks that it had taken Croatia quite some time to reach the present level of security after being perceived as an unsafe country because of the war in the 1990s. "That's why it is extremely important, and not just because of tourism, to maintain the present level of security," he noted.Pende said that the Ministry of Tourism financially supported security projects as much as it could. "We were the first to start co-funding the activities of the Croatian Mountain Rescue Service because of its great engagement during the tourist season, and with the Ministry of the Interior we have for years been implementing a cooperation project in tourist destinations in summer involving police officers from foreign countries. With the Ministry of Health we have a project aimed at improving healthcare during the tourist season," he said, adding that these projects would continue in the future.Nikola Milijevic, editor in chief of Zastita magazine, which co-organised the conference with the Croatian Institute for Urban Security, urged the tourism industry to increase investment in security to better protect people and property in tourist areas from potential risks, including natural disasters.Jan Kresimir Isic of the Ministry of Foreign and European Affairs spoke of security challenges in Europe, citing terrorism, illegal activities, organised crime and migration. He emphasised the importance of cooperation between national, regional, European and global institutions."Tourism suffers because of terrorism and other security challenges which are considerably less predictable today than they were before, but yet it generates record numbers. Croatia has been recognised as a safe country and that is important for its tourism," Isic said.Slaven Gospic, the head of security at the Zaton Holiday camping resort near Zadar, said that fewer incidents had been recorded this year than previously, underscoring good cooperation with the police and other services and the importance of prevention.Ido Harel of the Israeli Herods Hotels chain said that tourists continued to visit his country despite the complex security situation there. This year Israel has recorded an increase in tourist arrivals, and attacks are not directed against tourists, so they can feel safe in places where they stay, he added.Harel also highlighted the importance of preventive action in increasing security.Exhibition about Italian-Croatian artistic links opens in ZagrebZAGREB, Nov 17 (Hina) - An exhibition about the importance of the Croatian-Italian artistic connections at the turn of the 20th century was open in Zagreb's Modern Gallery on Thursday.The international project will run in Croatia through 21 January and after that it will be transferred to Italy.The exhibition, whose authors are Giandomenico Romanelli and Biserka Rauter Plancic, is about Italian Neoclassical and 19th-century art, which refers to painting and the plastic arts made in Italy or by Italian artists in the Neoclassical period and also about Novecento Italiano, an Italian artistic movement founded the second decade of the 20th century.Paintings made by Italian artists: Telemaco Signorini, Ciardi Guglielmo, Gennaro Favai, Guido Cadorin and other artists, a few of whom were members of the Macchiaioli, a group of Italian painters active in Tuscany in the second half of the nineteenth century. will be put on display in Zagreb. Those works are arriving from renowned Italian museums and galleries.Croatia's painters whose paintings will be exhibited are Nikola Masic, Ferdo Quiquerez, Mate Celestin Medovic, Emanuel Vidovic, Garbijel Jurkic and Ignjat Job,This international exhibition project titled "On the Shores of the Adriatic Sea, the Painting of Landscape between the Ottocento and the Novocento", "tells of the importance of Italian-Croatian artistic links for the development of the open-air movement and Croatian landscape painting in general," according to information provided by the Modern Gallery."The objective of this exhibition, which will also be presented in Italy in 2018 in association with the Italian Cultural Institute in Zagreb, is to launch the modern Croatian visual heritage on the European exhibition scene and to acquaint the international public with the Croatian section of the plein-air movement, which has considerable correspondences with European painting from the end of 19th and beginning of the 20th century."Green activists protest against ***planned*** construction of Kosinj power plantZAGREB, Nov 16 (Hina) - Activists of the environmentalist organisations Green Action and WWF Adria gathered outside the Ministry of Environmental Protection and Energy in Zagreb on Thursday to protest against the ***planned*** construction of the Kosinj hydroelectric power plant, demanding that the project be rejected as environmentally unacceptable.The protest was staged on the last day of a public consultation on the environment impact study for the project."We think that this project does not pay and that it is unacceptable both for the environment and for the local population because it ***plans*** to flood three villages and displace the population," Green Action leader Zeljka Leljak Gracin told reporters.The project has been in the pipeline for 40 years and has been withdrawn many times for good reason, because of its unprofitability, ecological unacceptability and the impact on the local population, Green Action said.Leljak Gracin said it was not clear to them why the HEP power company had not proposed an alternative solution, given that itallegedly had one."This project is very similar to the Lesce hydroelectric power plant on the River Dobra. That power plant is located in karst terrain and people there were promised development based on tourism and ***agriculture***, which never happened,"she said, adding that the Kosinj project should be scrapped and erased from the development ***plan***."The people of the Kosinj areawant to stay there. They do not want to be relocated and their villages to be flooded," Leljak Gracin said. She noted that the only good thing was that no investments had been made in the area, as a result of which the nature there remained intact and there was great potential for ***agricultural*** development.In other news:Atlantic Group launches production of Argeta pâté in U.S.ZAGREB, Nov16(Hina) - The Atlantic Group has launched the production of its Argeta pâté spread in the United States and this multinational company expects sales revenues in the first year to amount to US$3 million."After successful preparations, the production of the Argeta delicacy spread has been launched in Harrisburg, Pennsylvania and sales revenues in the first year are projected at $3 million," said a press release issued by Atlantic Group whose business operations include the production, development, sales and distribution of consumer goods with simultaneous market presence in over 40 countries around the world.Argeta is ***produced*** accordingto the same recipe for more than 50 years, and it all began with the production of fish pâté. Its chicken pâté, which was given the name Argetaa few years later, began its unprecedented conquest of the world's markets in 1963. Today, Argeta is the world’s largest ***producer*** of pâté that annually ***produces*** 110 million cans of pâtéwhich are sold in nearly 30 countries worldwide. The best indication of Argeta’s superior quality and its worldwide popularity is the fact that every second 4 cans of Argeta's savoury spread are opened around the world.Atlantic Grupa is one of the most dynamic business systems in the region which realises a significant portion of its business activities in the EU. "Now we are opening the door to the US market, which comes with great potential that we will know how to use," said Atlantic Group official Enzo Smrekar.Inflation in October 1.4%ZAGREB, Nov16(Hina) -Consumer prices in October 2017 increased by 1.4% on the year, the same as the month before,according to figures released by the national statistical office (DZS) on Thursday.This is the highest inflation rate recorded in the past four years, after three years of negative inflation rates.According to the DZS, prices of restaurant and hotel services in October grew the most -- 6.3%, followed by prices of food and soft drinks (3.2%), while the prices of alcoholic beverages and tobacco rose by 2.3%.Analysts at Raiffeisenbank Austria (RBA) expect consumer pricess to continue to go up in the coming months.ZSE: Indices in green amid modest turnoverZAGREB, Nov 16 (Hina) - The main Zagreb Stock Exchange indices on Thursday grew by about 0.3% amid a modest trading day with theLedo frozen food manufacturer being the only stock to exceed the one million kuna mark in turnover.The Crobex continued rising for the third day toincreaseby 0.27% to 1,852.74 points while the specialised Crobex 10 which slid for the past three days, on Thursday rebouncedby 0.35% to 1,086.43 points.Regular trading amounted to a modest HRK 4.4 million, about HRK 2.1 million less than on Wednesday.Ledo turned over HRK 1.02 million. The price of Ledo shares increased by 0.93% to close the day at HRK 760 per share.(EUR 1 = HKR 7.5)THIS BULLETIN INCLUDES NEWS ITEMS RELEASED BY 0830 HRS FRIDAY. (Hina) ms Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, Nov 16 (Hina) - Croatia on Thursday issued 1.275 billion in a euro-bondwhich will mature in 2030 and which hasa yield of 2.953% and a coupon rate of 2.75%, which is the most favourable loan ever, the Finance Ministry has reported, saying that the money will be used to repay and refinance the road sector's debts.

"The Republic of Croatia today issued 1.275 billion in the euro bond which matures in 2030 and hasa yield of 2.953% and a coupon rate of 2.75%, which is the most favourable and longest maturity issue ever achieved on international capital markets," the ministry said in a press release.

The leading agents for the issue are Banca IMI/Privredna Banka Zagreb, Barclays and J.P. Morgan.

"With the ministry having strategically selected a favourable moment for the issue, considering the recently release data on GDP growth and the decrease in public debt and favourable market trends, the transaction to issue the euro-bond was conducted with exceptional success," the ministry said.

The ministry said the outstanding investor interest was proven by the fact that the book of entries was closed within one day with interest shown by 226 investors in about 3.38 billion euro.

The ministry added that the bond was issued without any premium on a new issue, which is usual practice when funds are collected on foreign capital markets.

The demand for the bond was quite widely geographically dispersed, with most of the demand coming from Central and Eastern European countries - Italy, the United Kingdom, Austria, German, the Benelux countries and elsewhere.

"The funds collected with this issue will be used for the early payment and refinancing of loans taken by the HAC, ARZ and HC road sector companies, which involve state guarantees," the press release said.

The total debt of the road sector is currently about 5 billion euros.

This is the second issue this year, following one in March for a 10-year euro-bond valued at EUR 1.25 billion with a yield of 3.2% and a coupon rate of 3%.

PM: Talks under way to refinance road sector's EUR 1.3 bn debt

ZAGREB, Nov 16 (Hina) - Croatia's Prime Minister Andrej Plenkovic said on Thursday evening that the issuance of a 1.275 billion euro-bond which has a yield of 2.953% and a coupon rate of 2.75% for the purpose of refinancing the road sector's debt, would help the country to make savings in the amount of approximately 160 million kuna annually next 12 years.

The finance ministry stated earlier on Thursday that Croatia had "issued 1.275 billion in the euro bond which matures in 2030 and has a yield of 2.953% and a coupon rate of 2.75%, which is the most favourable and longest maturity issue ever achieved on international capital markets."

This is an exceptional success, Plenkovic said in Gothenburg where he arrived for the European Union's Social summit meting for fair jobs and growth.

This saving is also the confirmation that political stability is not a status quo but a step forward, the premier added.

ZAGREB, Nov16(Hina) - Transport and Infrastructure MinisterOleg Butkovicsaid on Thursday that he was confident that Finance Minister Zdravko Maric would secure favourable loans to refinance debts in the roadsector and that the result of the entire restructuring process would be positive.

ZAGREB, Nov16(Hina) - The government on Thursday sent to parliament a final bill of amendments to the law governing special tax on motor vehicles, under which excise tax paid onused vehicles would be replaced by an administrative fee payable on vehicle registration.

ZAGREB, Nov 16 (Hina) - The Croatian government, at its meeting on Thursday, adopted several conclusions concerning a ***programme*** ofcooperation between Croatian and Russian state institutions as part ofwhich agreements, memorandums and protocols had been signed during President Kolinda Grabar-Kitarovic's official visit to Moscow.

ZAGREB, Nov 16 (Hina) - Prime Minister Andrej Plenkovic said on Thursday, while responding to questions from the press about the reason for the Russian ambassador's visit to the government offices this morning, that Ambassador Anvar Azimov paid an inaugural visit to his new Chief of Staff, Zvonimir Frka Petesic.

ZAGREB, Nov 16 (Hina) - Croatia's Prime Minister Andrej Plenkovic, who travelled to Sweden for the European Union's Social Summit due to be held on Friday in Gothenburg, held talks with his Swedish counterpart Stefan Loefven on Thursday on the strengthening of economic and scientific bilateral cooperation as well as on cooperation in the defence sector since Swedish Saab Group manufactures Gripen aircraft, one of the few options the Croatian Defence Ministry is considering for the procurement of the fighter jets.

Upon his arrival in Gothenburg on Thursday afternoon, Plenkovic and the summit's host Loefven held talks on the bilateral relations and on the enhancement of economic cooperation as well as on the 40,000 strong expat Croat community in that Scandinavian country.

"We and Sweden have developed diverse economic cooperation. In Croatia Ericsson Nikola Tesla does business as well as Tele2 and Ikea that arrived in our market a few years ago. They are interested in connecting the triangle between business sphere, academic community and institutions. This is the model Sweden wants to apply in international relations. I hope that a recent visit of Swedish business people to Croatia will help boost economic and scientific cooperation, thus being conducive to our economic growth and trade," Plenkovic told a news conference after his talks with his Swedish counterpart.

Also, European topics were on the agenda of the Loefven-Plenkovic meeting.

Plenkovic confirmed that they had considered Croatia's ***plan*** to purchase fighter jets and Swedish offer of Gripen.

The Croatian premier, who held talks also with expat Croat representatives, said he was happy to hear what his cabinet could do to improve the connections with Croatians living abroad.

ZAGREB, Nov 16 (Hina) - Former Croatian National Bank (HNB) governor Zeljko Rohatinski on Thursday testified before the parliamentary commission of inquiry for the ailing Agrokor corporation, saying that former HDZ party chief Tomislav Karamarko and current Health Minister Milan Kujundzic had been close to Agrokor founder Ivica Todoric and that in 2012 they had tried to talk him (Rohatinski) into becoming politically active.

ZAGREB, Nov 16 (Hina) - Health Minister Milan Kujundzic on Thursday said that he had no idea what former central bank governor, Zeljko Rohatinski, was talking about and deniedthat former Croatian Democratic Union (HDZ) leader, Tomislav Karamarko, Agrokor owner, Ivica Todoric, and he hadtried to convince Rohatinskito run for the country's presidency in 2011.

ZAGREB, Nov16(Hina) - Former Croatian National Bank (HNB) governor Zeljko Rohatinski told the parliamentary commission of inquiry into the ailing Agrokor corporation on Thursday that former HDZ chief Tomislav Karamarko and current Health Minister Milan Kujundzic were part of Agrokor founder Ivica Todoric's circle and tried to persuade him to joinpolitics in 2012, but that in the 12 years of his service as central bank governor neither Todoric nor any of his associates had contacted him to suggest any measure that would potentially benefit Agrokor.

ZAGREB, Nov16(Hina) - Ljubljana District Court granted an appeal by Russia's Sberbank lender against a ruling whereby Agrokor's assets were protected because of insolvency proceedings, and the ailing group's emergency administration has announced in the meantime that it will lodge an appeal against the district court's verdict with Slovenia's Supreme Court, insisting that the verdict has no impact on the further course of actions of the emergency administration nor on the group's assets.

ZAGREB, Nov 16 (Hina) - The emergency administration procedure in Agrokor is going in a good direction and conditions have been created for the emergency administration to focus now on drafting a settlement agreement for creditors to decide upon, an advisory board in the emergency administration procedure in the ailing Agrokor food and retail conglomerate concluded on Thursday.

The Ministry of Economy, Entrepreneurship and Crafts published the advisory board's conclusions in a press release after a meeting of the board.

The press release notes that the advisory board met at the request of Deputy Prime Minister and Minister of Economy Martina Dalic to discuss a monthly report on the Agrokor emergency administration for the period from 11 October to 10 November with a sustainability ***plan***, as well as the corporation's financial statements audited by PricewaterhouseCoopers (Pwc) and registered claims.

The meeting also discussed the current economic and financial situation in Agrokor as well as the implementation of all of the emergency administration's measures.

"Members of the Advisory Board agreed that the implementation of the Law on Emergency Administration in Systemic Companies has removed the systemic risk of a possible uncontrolled collapse of this large company... while maintaining the stability of business operations and preserving jobs," the ministry's press release said.

ZAGREB, Nov16(Hina) - Igor Premilovac, who confessed to siphoning money from road companiesthrough his own companies, said at the trial of former HDZ minister Bozidar Kalmeta on Thursday that, in agreement with former HAC motorway operator financial director Josip Sapunar, he received money from HAC's contractors and returned it laundered to Croatiafrom accounts abroad.

Lawyer says Kalmeta should be acquitted of charges

Kalmeta's defence attorney, Kresimir Vilajtovic, told Hina on Thursday evening that all legal prerequisites were fulfilled to clear his client of accusations that he was responsible for the alleged siphoning of money from state-run road companies.

The Office for Suppression of Corruption and Organised Crime (USKOK) should drop Kalmeta's prosecution, the lawyer said. Vilajtovic explained that key witnesses that had testified so far had not directly incriminated Kalmeta.

Earlier on Thursday, witness Igor Premilovac testified that he had never met Kalmeta nor had he ever communicated with him.

ZAGREB, Nov16(Hina) - The Zagreb County Court on Thursday granted a request bytheOffice for Suppression of Corruption and Organised Crime (USKOK) for month-long detention forbankruptcy trustee Pero Hrkacand other suspects charged with conspiracy to get illegal gains, abuse of position and office, abuse of trust in businessand bribe-taking.

ZAGREB, Nov 16 (Hina) - The URHS trade union federation on Thursday said that some time ago it had requested the dismissal of bankruptcy trustee Pero Hrkac from the proceedings in the TZV Gredelj rolling stock company due to irregularities and his failure to see to it that this Zagreb-based company might conclude contracts for business activities essential for the company's survival.

ZAGREB, Nov16(Hina) - The management of the Uljanik shipyard has presented a proposal to the Economy Ministry for the restructuring of the Uljanik Groupwhich envisages the involvement of the state in that process as well as finding a ***strategic*** partner, the Economy Ministry said in a statement on talks held between Minister Martina Dalic and representatives of trade unions active in the Uljanik Group on Thursday.

ZAGREB, Nov 16 (Hina) - During the cabinet meeting on Thursday the government adopted a decision for the Defence Ministry to take on the obligation with funds from the 2018 and 2019 state budget to cover the costs of a major overhaul of 10Mi-171Sh helicopters, the ministry said in a press release.

ZAGREB, Nov 16 (Hina) - Defence Minister Damir Krsticevic on Thursday commented on the fifth anniversary of the acquittal of generals Ante Gotovina and Mladen Markac before the UN war crimes tribunal for the former Yugoslavia (ICTY) and said that the Homeland War was just, defensiveand victorious and Croatia's generals honourably withstood the legal procedure and have become symbols of the victorious Croatian Army.

ZAGREB, Nov 17 (Hina) - Retired Croatian Army General Ante Gotovina said on Thursday ahead of Holy Mass served on the occasion of the 5th anniversary of the ICTY acquittal of Gotovina and General Ivan Cermak, that the legal victory before the UN war crimes tribunal at the Hague had confirmed the just character of the Homeland War which is the foundation of Croatia's statehood, adding that security and preservation of freedoms remain Croatia's permanent commitment.

Earlier on Thursday Gotovina was received by Defence Minister Damir Krsticevic.

"I thank our generals for their military conduct and power they showed during the long battle in which we preserved the truth and once again proved that the Homeland War is the foundation of the modern Croatian state. I am glad that we are celebrating this anniversary in the week when we mark Vukovar and Skabrnja victims' Remembrance Day," Krsticevic said at the talks with Gotovina.

The mass in the Zagreb Cathedral, celebrated by Bishop Ivan Sasko, was also attended by Croatian President Kolinda Grabar-Kitarovic, Defence Minister Krsticevic, Interior Minister Davor Bozinovic, Veterans Minister Tomo Medved, Croatian Armed Forces Chief Of Staff Mirko Sundov and numerous other tops state and army officials.

ZAGREB, Nov16(Hina) - The book "Nestali u Domovinskom ratu" (Missing in the Homeland War, unofficial translation), which brings testimonies by parents, spouses, children and siblings of more than 1,500 people who went missing in the 1991-95 war and are still unaccounted for, was launched in Zagreb on Thursday.

ZAGREB, Nov 16(Hina) - Prime Minister Andrej Plenkovic and Education and Science Minister Blazenka Divjak on Thursday presented the ***plan*** to introduce computer science in elementary schools and the prime minister underscored that this will help young people to prepare for a rapidly changing world and jobs.

ZAGREB, Nov 16 (Hina) -Prime Minister Andrej Plenkovic said on Thursday that he would appoint members to theExpert Commission for the Implementation of the Education, Science and Technology Strategy (whose acronym is PSP) next week after which an advertisement would be released for members of the Expert Task Force (ERS) for the implementation of the curriculum reform.

ZAGREB, Nov 16 (Hina) - Security in Croatia largely contributes to good tourism results, but more should be invested in maintaining its high level, an international conference on security in tourism was told in Zagreb on Thursday.

ZAGREB, Nov 16 (Hina) - Activists of the environmentalist organisations Green Action and WWF Adria gathered outside the Ministry of Environmental Protection and Energy in Zagreb on Thursday to protest against the ***planned*** construction of the Kosinj hydroelectric power plant, demanding that the project be rejected as environmentally unacceptable.

ZAGREB, Nov16(Hina) -Consumer prices in October 2017 increased by 1.4% on the year, the same as the month before,according to figures released by the national statistical office (DZS) on Thursday.

ZAGREB, Nov 16 (Hina) - The main Zagreb Stock Exchange indices on Thursday grew by about 0.3% amid a modest trading day with theLedo frozen food manufacturer being the only stock to exceed the one million kuna mark in turnover.

**Load-Date:** November 17, 2017

**End of Document**



[***The region pulls together to become more prosperous by boosting productivity***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PYR-PMS1-DYY4-33T4-00000-00&context=1516831)

Western Morning News

November 16, 2017 Thursday

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**Section:** FEATURES:ADVERTORIAL; Pg. 6

**Length:** 1536 words

**Body**

Productivity was the theme of the day, and is the key to prosperity in the 21st century economy. Basically, by raising productivity - that is - being more efficient in what we ***produce*** per hour worked; we can raise living standards and boost business growth.

This can be done in a number of ways, such as improving connectivity, increasing skills, innovation and automation; all of which reduce costs and raise profit. At the same time, improving prosperity has a positive effect on the health and wellbeing of the community, which in turn reduces costs to the public purse and therefore helps business by maintaining a buoyant workforce and keeping a measure on tax and rates.

Productivity has been in the news a lot lately and it appears that others share our view that investment is the key to raising output. Some MPs and the CBI are calling on the chancellor increase public investment, the UK's five leading business organisations this week urged the government to "put the economy first" in Brexit talks.

Let's see what next week's budget announcement for us. We're hoping to be given the tools to grow our way towards prosperity through diligent investment and sector deals with government.

The draft Productivity Strategy for the area is still out for consultation, which I know many of you have been involved in developing. Anyone not having made comments has until 14 December to do so, and we want as much input as possible from a broad range of business interests and all stakeholders in this economy. It can be found at [*www.torbay.gov.uk/devolution*](http://www.torbay.gov.uk/devolution)

We're operating in a fast-moving political and economic environment, with many unknowns on the horizon - which could present many opportunities if we're swift off the mark to harness them. There are also potential risks in a changing landscape that we may need to mitigate and manage.

It's more important now than ever that we work together as business leaders, local authorities, education establishments, social enterprises, politicians and communities as a common voice to champion our area.

Now, top line strategy is very important, but at HotSW LEP we're in the business of leading and delivering as well as thinking and analysing.

When I addressed our first conference in 2015, we'd just signed one Growth Deal with government that was to put in place a set of ***strategic*** infrastructure needs that were to kickstart the regeneration process for area.

Only a handful of these projects had started on site, so our impact wasn't very evident to see. Now we have three Growth Deals in the bag - including the biggest allocation in the country - which, along with our other pots of funding gives us a ***programme*** of investment of nearly three quarters of a billion pounds. This is surely testament to our success and shows consistent confidence from government in our ability to deliver.

And delivering we are. Of our 57 projects, 11 are already completed, 27 are underway and a further 19 are in the pipeline to start soon. These funds are matched by a range of public, private a third sector partners, which again demonstrates confidence in the LEP and the HotSW area itself.

Details of our projects and their progress are available on our website [*www.heartofswlep.co.uk*](http://www.heartofswlep.co.uk), where you can sign up for our newsletter and social media streams to keep abreast of what's going on. Our project portfolio includes a diverse range of schemes ranging from transport improvements to skills raising, innovation to supply chain development.

Generating investment isn't just about securing grants and handouts though, it's showing our worth to UK plc and raising our profile in a national and international marketplace.

Here at the Heart of the South West - the epicentre of the peninsula with the thriving neighbouring catchments of Bristol and the southern England - we already have a bigger economy than Birmingham and the potential to grow at a faster rate than the UK average.

Increasingly there's a critical mass of success factors that are converging to make the south west a prime business location.

The region has long been hindered by its geography and connectivity being detached from the industrial cities; but that's all changing. Investments in road, rail and broadband; the development of higher level skills, more affordable housing and the offer of favourable investment opportunities through our multi-site Enterprise Zones, all add up to creating the right conditions for growth and maximising on our opportunities.

Through the measured ***interventions*** of the LEP partnerships and the commitment and enthusiasm of the business community and local authorities, we're attracting increasing levels of investment in new companies and expansions coming from outside of HotSW and overseas.

There's been investment in a range of innovative sectors such as advanced electronics, marine, nuclear and aerospace. We've had a catalyst of investment in nuclear with the largest engineering project in Europe taking shape at Hinkley, which is presenting enormous supply chain and careers opportunities across the region. And a renewed global focus on ***agriculture*** heralds a dawning of a new age of rural productivity in which we have the potential to be a world leader if we collaborate and adopt new technologies.

We'd like to thank our colleagues at the Heart of the South West Growth Hub, who hosted some insightful business support events throughout the afternoon of our conference. And I would like to remind all businesses of this free and impartial service that's there to help all businesses grow.

To pitch ourselves on a global stage though, we need to be creative, innovative and flexible when it comes to marketing ourselves. Three weeks ago, the second South West Growth Summit was held here, which builds on the momentum and aspirations of the region's business community and political leaders to generate a step-change for the South West's economy.

The passion in the room was palpable, and the main message of the day was that we have to work together to make a real difference. Secretary of State for Communities and Local Government, Sajid Javid, summed it up when he said that regional collaboration is good for business, trade, overseas investment and skills; all of which are crucial to the area's prosperity.

The Growth Summit and the business-led Great South West Campaign (which is the current working title for the partnership of south west LEP areas working together) already has some practical achievements underway that HotSW LEP is playing a pivotal role in.

I've already touched on Hinkley, and its impact on the economy for the south west region is reckoned at £50bn. So we teamed up with the West of England LEP and GFirst, whose areas also host significant nuclear businesses, to create the Nuclear South West partnership. We launched the initiative at a well-attended reception at Westminster, and we've presented an acclaimed response to the Government's Industrial Strategy, from which we're anticipating a favourable announcement next week in the Budget.

Aerospace and Marine too, are strong sectors for the south west with global prominence; and we're working with our partners from the West of England and Cornwall and the Isles of Scilly LEPs to Portsmouth to harness the opportunities for growth and build on the existing cluster through the iAero and South Coast Marine partnerships. Working with our neighbours and our businesses is the best way to take our strong propositions to Government.

You may have seen the new South West Rural Productivity report in the news recently. This was another joint LEP collaboration with ourselves, Dorset and Cornwall and the Isles of Scilly to explore the opportunities and threats of the rural economy in our areas.

The report goes into detail about how the south west can realise immense economic benefits through rural growth, increasing productivity in many sectors of businesses who just happen to be rurally placed too, as well as traditional "rural" sectors such as tourism, food and farming. (See the next article with more details and how you can read the full report online).

Again, our improving connectivity and innovation development offer growth opportunities on an unprecedented scale. The report also strikes a warning note; that Brexit has the potential to shaking our rural economies to their foundations; or boost them to new prosperity.

All of these sectors and new initiatives have the potential to generate higher value jobs and rewarding careers, which is what we are set up to do back in 2011 when we started out with no full-time staff and no budget. But we collaborated, formed partnerships, bid for funding and ***strategic*** backing and got our voices heard.

Since then we've come a long way together - and I do mean "together". The LEP, like the south west itself, is worth more than the sum of its parts.

Everyone who came to the LEP conference, and those who attended the Growth Summit last month, are crucial to our continued success, as are their colleagues, clients, investors, suppliers, and anybody else who lives or does business in this area.

I hope you will help us all spread the message about the ever increasingly louder beating "Heart of the South West".

**Graphic**

Communities Secretary Sajid Javid addresses the audience at the South West Growth Summit

HoSW LEP chairman Steve Hindley talks about regional achievements at the conference and AGM

HoSW LEP Chairman Steve Hindley at the South West Growth Summit

**Load-Date:** November 15, 2017

**End of Document**



[***Ringing in the new; 2017 was a year of big change at senior level: some planned, others enforced. Here we look at the new faces leading some of Ireland's largest companies, and the challenges they face in 2018. By Brian Carey, Gavin Daly and Niall Brady***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R9C-6BS1-F021-611F-00000-00&context=1516831)

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**Body**

Peter Jackson, Paddy Power Betfair

When Peter Jackson takes over as chief executive of Paddy Power Betfair, the quoted gambling giant, on January 8, he can hardly claim he needs time to get to know the company.

The 42-year-old was unexpectedly unveiled as successor to Breon Corcoran almost five months ago, sending the company's shares down to a 21-month low. That had less to do with Jackson's credentials than the shock departure of Corcoran, seen as the brains that turned around Betfair and merged it with Paddy Power in February 2016.

Jackson, who comes to Paddy Power Betfair as boss of payments company Worldpay in the UK, knows half the betting business well, at least. Appointed after a "rigorous and extensive succession process", he has been a non-executive director of Betfair since 2013 and is on the board of the merged group.

That may well be both his strong point and his blind spot. The 2016 "merger of equals" quickly came to resemble a takeover of Paddy Power by Betfair, with Betfair execs taking most of the top jobs and a new tech platform being based on the existing Betfair technology. All international expansion is to be pursued under the Betfair brand.

Morale could be better at the Paddy Power end, once known for its cheeky chappie approach. Jackson will have to move quickly to outline his vision for the company. He has big boots to fill.

Outside the HQ walls, gambling groups face higher taxes and restrictions on fixed-odds betting terminals, while Paddy Power Betfair lags rivals in online casino-type gaming. Jackson may consider more merger and acquisition activity to fend off the threats from Ladbrokes Coral, which is being acquired by Sportingbet owner GVC Holdings, and William Hill, which is running the rule over CrownBet in Australia.

With 2017 earnings flagged to be between £450m and £465m ((EURO)506m and (EURO)523m), Paddy Power Betfair is not in bother by any stretch - but the new boss needs a strong start.Edmond Scanlon, Kerry Group

From Brosna, Co Kerry, Edmond Scanlon is unassuming and understated, even by Kerry Group standards, yet investors detect a steely resolve to keep the food company driving on. The 43-year-old farmer's son, who joined Kerry through its graduate training ***programme***, impressed at a capital markets day in October. The stock is up 40% this year.

Indeed, Kerry's value has doubled in the last five years to more than (EURO)16.5bn, with its profits forecast to grow by about one-third in the same period. There is clearly a lot of expectation built into that share price.

Scanlon's five-year ***plan*** plays to the group's strengths. Kerry spots consumer and industry trends, and has the technology and production capacity to deliver globally for all manner of customers from soft drink manufacturers to fast food companies. It is big on authenticity - a prime reason it keeps its milk business despite spats with farmers over price.

This constituent knows not to complain too loudly, with the farmers' co-op stake alone worth more than (EURO)2.3bn and local ***producers*** also making up the bulk of retail investors, who own 27% of stock, worth a further (EURO)4.5bn.

The group is in excellent shape, with its debt due to fall below its annual earnings before interest, tax depreciation and amortisation in 2018. That leaves Scanlon plenty of scope for acquisitions, even a chunky purchase if need be. Emerging markets will be a focus, not surprising given Scanlon's last job heading up Kerry's expansion in Asia.

He will also be working alongside new chairman Philip Twomey, a former chief operating officer of global consultants Accenture, the group's first chairman from outside the world of ***agriculture***.Francesca McDonagh, Bank of IrelandThe new chief executive has moved quickly to put her stamp on Bank of Ireland since joining in October. The most visible break with the past has been a change in approach to the tracker mortgage scandal. Richie Boucher, her predecessor, owned up to 600 cases where customers had wrongly been deprived of cheap tracker loans. McDonagh admitted that, including those over charged on trackers, the number affected is now closer to 6,000. She has pledged to make resolving the scandal "a personal priority".

Of even greater significance will be her attitude to Project Omega, Boucher's (EURO)900m "grand project" to rebuild the bank's information systems from scratch. The investment is seen as essential to the bank's future, although the scale, timetable and risks of the ***plan*** are regarded by some insiders as monumental. McDonagh is reviewing the ***plan***.

Reshaping management is another priority, with Oliver Wall appointed to the new, very West Wing sounding position of chief of staff, effectively a gatekeeper role between the new chief executive and the group of executives she inherited from Boucher. Wall was hired from HSBC, where McDonagh forged her career since joining the British bank as a graduate trainee. Other external hires can be expected.

The first woman and only the third outsider to land the top job at Bank of Ireland in recent history, McDonagh, 43 next month, will also be expected to unveil a first dividend in almost a decade at results time in February.Kevin Toland, Aryzta The former DAA boss has been spending an awful lot of time in aircraft as he tries to rebuild relations between baker Aryzta and its big customers, particularly in America. It's a familiar task, as he has built up Glanbia's US ingredients business and schmoozed airlines at the airport company.

Aryzta strayed from its core business as a bakery supplier for retailers, food companies and caterers and fast food chains. It started to make branded products that competed against some of its contract clients, and invested scarce capital in Picard, a French frozen food retailer. Its woes were compounded by the massive task of transferring thousands of product lines to a new super bakery in Germany and by, notoriously, having to sack 800 staff at its Cloverhill bakery in Illinois due to immigration problems. Cloverhill makes buns for McDonald's.

Toland has promised to bring the business back to basics, cut costs to boost margins and bring down debt. Selling its 45% stake in Picard requires the co-operation of fellow shareholder Lion Capital, and that is not immediately forthcoming. The French retailer has just jacked up its debt to facilitate the payment of a dividend to its shareholders.

Toland might consider selling Cloverhill, which has been heavily written down in the company books and continues to attract negative publicity, including, this month, a Black Workers Matter rally. The challenge will be to get profitability up, bed down nervous customers and pump up production capacity. Aryzta owns the largest frozen product bakery in the world in Germany, yet it operates at just 65% capacity. For Toland, hired on a salary of (EURO)850,000, it will be sleeves-rolled-up time.Dalton Philips, DAA

Hired to replace Kevin Toland (see Aryzta), former Morrisons boss Philips faces the decidedly dangerous predicament of taking over a success. Dublin has been among the fastest growing airports in Europe, and passenger numbers are also finally going in the right direction at Cork.

The big file in his in-tray is a second runway at Dublin. DAA is pursuing a twin track approach: ploughing ahead with ground works and a main contractor expected to be announced in 2018, while challenging ***planning*** conditions through the courts. It is hoping to overturn a limit on night-time flights to 65, which it says would prevent them flying another 2.1m passengers a year.

Philips will also be welcoming a new chairman, with lawyer Padraig O'Riordan standing down next month. State company chairmen form a buffer between government and enterprise, so it's a critical appointment.

With more than 20 destinations in the UK, Brexit is a concern, and a weak sterling and sluggish growth in the UK are likely to dent visitor numbers. Despite Dublin's stellar growth, UK traffic into Ireland last year was flat, and any further falls in the pound against the euro will not be welcome.

Brexit means the return of duty free, which should bring the retailer out in Philips, and a potential boon for DAA at Dublin, Cork and for ARI, its duty-free operator subsidiary, which runs shops at Larnaca in Cyprus. The company inked its first airport management contract at Riyadh in 2016, and will be keen to add another in 2018.Donal Murphy, DCCHaving led DCC's dominant energy division for more than a decade, Donal Murphy, 52, was favourite to succeed Tommy Breen as chief executive of the FTSE 100 company in July. Murphy was instrumental in the string of acquisitions that have led to the fuel distribution business growing to contribute about three-quarters of DCC's profits. The spending spree continued in 2017 with £550m spent on Esso's petrol stations in Norway in February, Shell's liquid petroleum gas (LPG) business in Hong Kong in April, and Illinois-based Retail West in November, the first plank in the strategy to build an LPG presence in America.

The big ***strategic*** question for Murphy is whether the group should remain a conglomerate, a business model last in vogue in the 1970s, despite its success for DCC. As fuel distribution continues to grow, the group's healthcare and technology businesses may be increasingly viewed as distractions.

A low-key figure, Murphy will mark 20 years at DCC in 2018, having joined the group as head of IT from AIB. With the shares trading on a multiple of almost 30 times earnings, investors are demanding a lot of the new man in charge.Margaret Sweeney, Irish Residential Properties Reit As a former head of Aer Rianta and Postbank, An Post's ill-fated banking venture, Margaret Sweeney knows all about running a business in the public eye.

She took over as chief executive of Ires Reit, the country's largest private residential landlord, with more than 2,500 apartments on its books, on November 1.

Its initial phase was marked by property acquisitions but the company now needs to develop new units to bolster its portfolio. That is proving easier said than done. An Bord Pleanala refused permission for 456 apartments at Rockbrook in Sandyford, south Dublin, forcing Ires back to the drawing board. A new ***plan*** for a scheme of 420-460 units should be submitted in the second quarter of 2018, with fast-track ***planning*** likely to take 25-35 weeks.

***Plans*** are also expected to be submitted in January for 85 units beside the company's Maple development in Sandyford, where Ires built 68 units this year. The Maple apartments rent for (EURO)2,570 a month. There are also ***plans*** to develop 61 units beside its 85-unit Bakers Yard scheme on the North Circular Road, where rents are nearing (EURO)1,400 a month.

Ires has also moved into housing, with a deal for the development of 99 houses at Hansfield Wood, Dublin 15, with more schemes expected in 2018. The aim is to have 5,000 units in the longer-term. More deals with developers and Nama - which controls a former John Fleming site beside Rockbrook - would help to shift the dial.Paul McDade, Tullow Oil

Paul McDade marked eight months as chief executive of Tullow Oil on St Stephen's Day and has reason to hope that the coming 12 months will not be so tough.

A 16-year veteran of Tullow, McDade was chief operating officer from 2004 before replacing founder Aidan Heavey as chief executive last April. In his first outing, he had to announce an operating loss of $395m ((EURO)330m) for the first half of 2017 as the company took $642m in impairment charges because of depressed oil prices.

Tullow shares slid further later in the year as it announced it had plugged a well off Suriname. The shares started 2017 at £3.30 apiece but are heading into 2018 trading around £2.

There are signs the worst is over. A long-running maritime border dispute with the Ivory Coast that had stalled the expansion of Tullow's TEN oilfields off Ghana has been resolved, and the company's oversubscribed refinancing of its $2.5bn reserves-based lending facilities removed any threat of having to issue equity.

McDade's tasks in 2018 include the drilling of new wells on the TEN field, which should enable production there to increase to a targeted 80,000 barrels a day. The company is also expected to make progress on large projects in Uganda and Kenya.

Analysts expect net debt to fall to $3.5bn by the end of next year, down from $4.8bn at the end of 2016. With its cost base slashed to take account of lower oil prices, Tullow should be well placed to benefit if prices increase.Justin Bickle, Glenveagh Properties The chairman of English National Ballet, Justin Bickle displayed some fancy footwork in floating Glenveagh Properties in Dublin and London in October, raising (EURO)550m to fund its housebuilding ambitions.

Glenveagh's shares are up a bumper 17.5% in Dublin since the IPO, valuing the company at (EURO)780m. The company has completed a number of site acquisitions and is active on five sites, with two more to follow in the first quarter of 2018.

Glenveagh this month paid more than (EURO)40m for a five-acre site in Dublin's north docklands, which has potential for about 450 apartments. While it has enough land for about 4,700 units, many of its sites still require ***planning*** permission, which may slow the pace of development.

A first-time chief executive, Bickle, a former corporate lawyer, left private equity group Oaktree Capital to set up Glenveagh and has moved from London to Dublin to run the company. The company has pledged to complete 250 homes in 2018 and 725 in 2019. In the longer term, its ambitions are for 1,350 homes in 2021 and 1,750 in 2022.

The market will also be looking for more detail on Glenveagh's ***plan*** to build houses and apartments for third parties through its Glenveagh Living division. Critics fear the approach could distract from its core business of building and selling homes. Bickle has said creating and floating Glenveagh was a "career-defining opportunity". We shall see.Michael Doorly, INM

Thrust into the top job following the highly public departure of Robert Pitt, Michael Doorly has the task of getting INM back on the path to growth. The past 12 months have been characterised by internal division, failure to complete deals and profit warnings. The shares lost a quarter of their value.

Having stuck its neck out to hire Pitt, a former Tesco executive, the board plumped for Doorly, a 28-year company veteran as replacement. With a background in finance, and popular on the executive floor, he made noises about buying Landmark, owner of the Irish Examiner, and The Sunday Business Post, but INM remains restricted from doing deals here by its sheer size.

It added a small stationery supply business to its growing Newspread distribution business, though this barely made a dent in its (EURO)90m-plus cash pile.

EY has reportedly been hired to advise on a new corporate strategy. With the Office of the Director of Corporate Enforcement still trawling through circumstances surrounding the spat between Pitt and chairman Leslie Buckley, there will be plenty of noises off.

**Load-Date:** December 31, 2017

**End of Document**



[***The region pulls together to become more prosperous by boosting productivity***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PYR-PMS1-DYY4-33VP-00000-00&context=1516831)

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**Body**

Productivity was the theme of the day, and is the key to prosperity in the 21st century economy. Basically, by raising productivity - that is - being more efficient in what we ***produce*** per hour worked; we can raise living standards and boost business growth.

This can be done in a number of ways, such as improving connectivity, increasing skills, innovation and automation; all of which reduce costs and raise profit. At the same time, improving prosperity has a positive effect on the health and wellbeing of the community, which in turn reduces costs to the public purse and therefore helps business by maintaining a buoyant workforce and keeping a measure on tax and rates.

Productivity has been in the news a lot lately and it appears that others share our view that investment is the key to raising output. Some MPs and the CBI are calling on the chancellor increase public investment, the UK's five leading business organisations this week urged the government to "put the economy first" in Brexit talks.

Let's see what next week's budget announcement for us. We're hoping to be given the tools to grow our way towards prosperity through diligent investment and sector deals with government.

The draft Productivity Strategy for the area is still out for consultation, which I know many of you have been involved in developing. Anyone not having made comments has until 30 November to do so, and we want as much input as possible from a broad range of business interests and all stakeholders in this economy. It can be found at [*www.torbay.gov.uk/devolution*](http://www.torbay.gov.uk/devolution)

We're operating in a fast-moving political and economic environment, with many unknowns on the horizon - which could present many opportunities if we're swift off the mark to harness them. There are also potential risks in a changing landscape that we may need to mitigate and manage.

It's more important now than ever that we work together as business leaders, local authorities, education establishments, social enterprises, politicians and communities as a common voice to champion our area.

Now, top line strategy is very important, but at HotSW LEP we're in the business of leading and delivering as well as thinking and analysing.

When I addressed our first conference in 2015, we'd just signed one Growth Deal with government that was to put in place a set of ***strategic*** infrastructure needs that were to kickstart the regeneration process for area.

Only a handful of these projects had started on site, so our impact wasn't very evident to see. Now we have three Growth Deals in the bag - including the biggest allocation in the country - which, along with our other pots of funding gives us a ***programme*** of investment of nearly three quarters of a billion pounds. This is surely testament to our success and shows consistent confidence from government in our ability to deliver.

And delivering we are. Of our 57 projects, 11 are already completed, 27 are underway and a further 19 are in the pipeline to start soon. These funds are matched by a range of public, private a third sector partners, which again demonstrates confidence in the LEP and the HotSW area itself.

Details of our projects and their progress are available on our website, where you can sign up for our newsletter and social media streams to keep abreast of what's going on. Our project portfolio includes a diverse range of schemes ranging from transport improvements to skills raising, innovation to supply chain development.

Generating investment isn't just about securing grants and handouts though, it's showing our worth to UK plc and raising our profile in a national and international marketplace.

Here at the Heart of the South West - the epicentre of the peninsula with the thriving neighbouring catchments of Bristol and the southern England - we already have a bigger economy than Birmingham and the potential to grow at a faster rate than the UK average.

Increasingly there's a critical mass of success factors that are converging to make the south west a prime business location.

The region has long been hindered by its geography and connectivity being detached from the industrial cities; but that's all changing. Investments in road, rail and broadband; the development of higher level skills, more affordable housing and the offer of favourable investment opportunities through our multi-site Enterprise Zones, all add up to creating the right conditions for growth and maximising on our opportunities.

Through the measured ***interventions*** of the LEP partnerships and the commitment and enthusiasm of the business community and local authorities, we're attracting increasing levels of investment in new companies and expansions coming from outside of HotSW and overseas.

There's been investment in a range of innovative sectors such as advanced electronics, marine, nuclear and aerospace. We've had a catalyst of investment in nuclear with the largest engineering project in Europe taking shape at Hinkley, which is presenting enormous supply chain and careers opportunities across the region. And a renewed global focus on ***agriculture*** heralds a dawning of a new age of rural productivity in which we have the potential to be a world leader if we collaborate and adopt new technologies.

We'd like to thank our colleagues at the Heart of the South West Growth Hub, who hosted some insightful business support events throughout the afternoon of our conference. And I would like to remind all businesses of this free and impartial service that's there to help all businesses grow.

To pitch ourselves on a global stage though, we need to be creative, innovative and flexible when it comes to marketing ourselves. Three weeks ago, the second South West Growth Summit was held here, which builds on the momentum and aspirations of the region's business community and political leaders to generate a step-change for the South West's economy.

The passion in the room was palpable, and the main message of the day was that we have to work together to make a real difference. Secretary of State for Communities and Local Government, Sajid Javid, summed it up when he said that regional collaboration is good for business, trade, overseas investment and skills; all of which are crucial to the area's prosperity.

The Growth Summit and the business-led Great South West Campaign (which is the current working title for the partnership of south west LEP areas working together) already has some practical achievements underway that HotSW LEP is playing a pivotal role in.

I've already touched on Hinkley, and its impact on the economy for the south west region is reckoned at £50bn. So we teamed up with the West of England LEP and GFirst, whose areas also host significant nuclear businesses, to create the Nuclear South West partnership. We launched the initiative at a well-attended reception at Westminster, and we've presented an acclaimed response to the Government's Industrial Strategy, from which we're anticipating a favourable announcement next week in the Budget.

Aerospace and Marine too, are strong sectors for the south west with global prominence; and we're working with our partners from the West of England and Cornwall and the Isles of Scilly LEPs to Portsmouth to harness the opportunities for growth and build on the existing cluster through the iAero and South Coast Marine partnerships. Working with our neighbours and our businesses is the best way to take our strong propositions to Government.

You may have seen the new South West Rural Productivity report in the news recently. This was another joint LEP collaboration with ourselves, Dorset and Cornwall and the Isles of Scilly to explore the opportunities and threats of the rural economy in our areas.

The report goes into detail about how the south west can realise immense economic benefits through rural growth, increasing productivity in many sectors of businesses who just happen to be rurally placed too, as well as traditional "rural" sectors such as tourism, food and farming. (See the next article with more details and how you can read the full report online).

Again, our improving connectivity and innovation development offer growth opportunities on an unprecedented scale. The report also strikes a warning note; that Brexit has the potential to shaking our rural economies to their foundations; or boost them to new prosperity.

All of these sectors and new initiatives have the potential to generate higher value jobs and rewarding careers, which is what we are set up to do back in 2011 when we started out with no full-time staff and no budget. But we collaborated, formed partnerships, bid for funding and ***strategic*** backing and got our voices heard.

Since then we've come a long way together - and I do mean "together". The LEP, like the south west itself, is worth more than the sum of its parts. Everyone who came to the LEP conference, and those who attended the Growth Summit last month, are crucial to our continued success, as are their colleagues, clients, investors, suppliers, and anybody else who lives or does business in this area. I hope you will help us all spread the message about the ever increasingly louder beating "Heart of the South West".

**Graphic**

Communities Secretary Sajid Javid addresses the audience at the South West Growth Summit

HoSW LEP chairman Steve Hindley talks about regional achievements at the conference and AGM.

HoSW LEP Chairman Steve Hindley at the South West Growth Summit

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**End of Document**



[***Chinese envoy to Russia upbeat on cooperation prospects***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NXC-YHD1-JC8S-C2KN-00000-00&context=1516831)

BBC Monitoring Former Soviet Union - Political

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July 1, 2017 Saturday

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**Body**

Excerpt from report by the website of government-owned Russian newspaper Rossiyskaya Gazeta on 28 June

[Interview with Li Hui, Chinese ambassador to Russia, by Nikolai Daryin; place and date not given: "One belt, one road. Li Hui, Chinese ambassador to Russia: Russia is a reliable partner and loyal friend to China"]

On the eve of Chinese President Xi Jinping's visit to Russia, Li Hui, Chinese ambassador to the Russian Federation, gave an interview to Rossiyskaya Gazeta.

[Daryin] Mr. Ambassador, tell us about this visit. You are a witness to and participant in the development of Chinese-Russian relations. How do you assess the current interaction between China and Russia?

[Li Hui] Chinese President Xi Jinping will pay a state visit to Russia in early July at the invitation of Russian President V.V. Putin; this will undoubtedly be the most important event in bilateral relations this year and will attract a great deal of attention from the international community. This will be the third meeting this year between President Xi Jinping and President V.V. Putin following their meetings at the high-level One Belt and One Road international cooperation forum and the SCO [Shanghai Cooperation Organisation] Summit in Astana. The two countries' leaders will determine a ***strategic*** ***plan*** to further raise the level of Chinese-Russian relations, deepen business cooperation between the two countries, and promote the coordination of the building of One Belt and One Road and the building of the Eurasian Economic Union and will also exchange views on important issues, including on improvements to global government and on pressing international and regional issues. In general, against the backdrop of the complex and volatile international situation and the slow recovery of the world economy and of the in-depth settlement of relations between the leading powers, this visit will be of great importance, impart new driving forces to sustaining the development of Chinese-Russian relations at a high level, and also ***produce*** new options for developing regional economic integration.

In recent years, under the ***strategic*** leadership of the two countries's leaders, the Chinese-Russian relationship of all-embracing partnership and ***strategic*** interaction has maintained stable, protracted, and high-level development, and our businesslike cooperation in various spheres is demonstrating consistent forward movement and is constantly benefiting both countries and their peoples. In 2017 we will celebrate the 20th anniversary of the founding of the Chinese-Russian Friendship, Peace, and Development Committee and the 60th anniversary of the founding of the Russian-Chinese Friendship Society, and it will also mark the final stage of the Years of Exchanges between Chinese and Russian Media. Within these frameworks the sides have developed and carried out a number of diverse measures that have deepened the mutual understanding and friendship between the two countries' peoples and strengthened the social and popular foundation of interstate relations. In international affairs China and Russia are strengthening their ***strategic*** interaction and carrying out the obligations of great powers and jointly promoting the process of a political settlement of acute problems, including the nuclear issue of the Korean Peninsula, the Syrian issue, and so forth, playing an important role as catalysts for the preservation of world and regional peace and stability. The development and deepening of Chinese-Russian relations is the ***strategic*** choice of both states and is in keeping with the fundamental interests of the two countries and their peoples. In turn, favourable Chinese-Russian relations are an extremely important factor for China's and Russia's own development and revival and also for peace and stability in the world as a whole. Therefore, no matter how the international situation might change, we must develop by all means and reliably maintain the bilateral relationship and tirelessly raise it to a higher level.

[Daryin] We have noticed that the state of Chinese-Russian trade is gradually improving. How do you assess the current situation in terms of Chinese-Russian trade cooperation? What are your expectations with regard to the future prospects?

[Li Hui] The Russian and Chinese economies have a very high level of mutual complementarity and significant potential for cooperation. China has been Russia's biggest trade partner for six years, while Russia, for its part, is for China one of the main sources of imports of energy and electromechanical and high-tech products. Despite the negative factors of the slow recovery of the world economy and the dip in global trade and investment, Chinese-Russian trade nevertheless demonstrated a revival and improvement, and this trend is becoming more evident this year. According to the relevant statistics, in the first five months of this year bilateral trade turnover between China and Russia reached 223.1 billion yuan (around 32.8 billion US dollars), representing an increase of 33.7 per cent in comparison with the same period last year, and the following features can also be noted at the same time:

First, the structure of bilateral trade is constantly improving. Chinese-Russian trade and economic cooperation is expediting the transition from a desire for quantity and speed to a focus on quality and efficiency, and ***agricultural*** products, oil and gas equipment, and so forth are becoming a new growth point in bilateral trade and economic cooperation. New Chinese and Russian trading platforms are taking shape, including cross-border e-commerce, and logistical corridors are diversifying. Second, financial and investment cooperation has seen renewed development. The Russian Central Bank has opened an office in China, a Russian yuan-clearing centre has started operating in Moscow, and the Chinese State Development Bank and Import-Export Bank have identified a number of important new investment projects involving cooperation with many Russian financial structures. Third, major projects are making consistent progress. The eastern-route Chinese-Russian gas pipeline project is being successfully implemented, and Russia will be delivering gas to China according to ***plan***. A Chinese-Russian joint company for cooperation in the development and manufacture of widebody long-range airliners has been founded in Shanghai. Fourth, interconnection and interaction are gradually broadening. Construction of a cross-border railroad bridge linking northeastern China and Russia's Far East and of the major Primorye-1 and Primorye-2 transport corridors is progressing, and a subsidiary of the Chinese telecommunications giant China Unicom Operations has opened in Moscow.

I am confident that, thanks to the joint efforts of both sides, the quality of the countries' trade and economic cooperation will rise to a new level, the structure of bilateral trade will continue to improve, and bilateral trade turnover will also continue its upward trend, which will contribute to the development of Chinese-Russian relations.

[Daryin] Recently China successfully hosted the high-level One Belt and One Road international cooperation forum. Mr. Ambassador, please tell us about the work of the forum and the important results achieved. What are your expectations and proposals with regard to coordinating the construction of One Belt and One Road and the construction of the Eurasian Economic Union?

[Li Hui] In the Fall of 2013 president Xi Jinping launched the important One Belt and One Road initiative. Over four years the construction of One Belt and One Road has made successful progress, the ***programme*** is transitioning to the practical phase, the dream is being converted into reality, the progress and achievements are exceeding what was predicted, the circle of friends is continuing to expand, and there are more and more cooperation partners. Against this backdrop, in May this year China successfully hosted in Beijing the high-level One Belt and One Road international cooperation forum, which can be regarded as a very timely event.

One of the features of this forum was the large number of participants and their status. Heads of state government from 29 countries and also more than 1,500 representatives from more than 130 countries and 70 international organisations encompassing various regions on five continents participated in the form. The participants in the event are viewing the prospects for building One Belt and One Road optimistically, and they hope that, thanks to this project, the driving forces for joint development can be concentrated on the platform of this forum, promoting real cooperation. Judging by the responses from various sides, they are all have a feeling of having acquired something, considering that this matter could ***produce*** universal benefit.

On the other hand, this forum ***produced*** fruitful results, being characterised by many positive elements. First, it clarified the directions of future cooperation within the framework of One Belt and One Road. The forum stressed the need to adhere to the principles of common consultations and joint construction and utilisation of its fruits; and the coordination of policies, amalgamation of infrastructures, unimpeded trade, free circulation of capital, and spiritual unification of the peoples have become the objective of joint efforts. Second, the Chinese side, together with the participating countries and international organisations, carried out a comprehensive coordination of policies, signed dozens of cooperation documents with them, and identified important areas and directions for future work. Third, a number of important projects to be implemented were identified within the framework of One Belt and One Road, including a total of 5 main areas, 76 major projects, and more than 270 routine projects. Fourth, President Xi Jinping announced an additional investment of 100 billion yuan in the Silk Road Fund in order to provide more effective support for the construction of One Belt and One Road in the sphere of investment and funding.

Russia is a founder member of the Eurasian Economic Union and also a good neighbour, reliable partner, and good friend to China. And in the last two years since the conclusion of the Joint Statement on Cooperation in Coordinating the Construction of One Belt and One Road and the Construction of the Eurasian Economic Union the sides have achieved positive results in cooperating in economic, energy, infrastructure, financial, aviation, humanitarian, and other spheres, and this has played an important role in deepening bilateral business cooperation and stimulating the development of the Eurasian region. I believe that, thanks to the two sides' efforts, cooperation on coordination will gradually create for our countries even more areas of overlapping interests and growth points and will continuously provide the two countries' peoples with even greater benefits, impart new content to the in-depth development of Chinese-Russian relations, and promote the overall development of the entire Eurasian region.

[Daryin] The SCO Summit in Astana has just ended, and the ninth meeting of the BRICS countries' leaders will take place in September this year in China. Mr. Ambassador, how would you assess the role of the two above-mentioned organisations in the international arena and the ***strategic*** interaction between China and Russia on these two platforms?

[Li Hui] Over the course of 16 years the SCO, continuously developing and strengthening, has now become an important platform for its member states for strengthening mutual trust, deepening good neighbourliness, broadening business cooperation, and protecting regional security. This year sees the 15th anniversary of the ratification of the SCO Charter and the 10th anniversary of the conclusion of the Treaty on Long-Term Good Neighbourliness, Friendship, and Cooperation among the SCO Member States. At this summit the member states mentioned the "Shanghai spirit" that permeates these two documents and signed and published the Astana Declaration and an Information Communique, and officially admitted India and Pakistan to membership of the organisation. The SCO has carried out its first broadening of membership, and in the future the area of cooperation will broaden and its international influence will grow even further; the member states have taken a confident step along the road of creating a community with a shared destiny.

As the leaders of countries with developing markets and developing countries, the BRICS countries are an important force for promoting the growth of the world economy, improving global government, and promoting the democratisation of international relations. Faced with a complex and volatile international situation, the BRICS countries are making common efforts and are adhering to the BRICS spirit - of openness and inclusiveness, cooperation, and joint benefit - are constantly raising standards in order to create a South-South cooperation platform possessing even greater international influence, and are promoting the creation of a fairer and more rational international order. The ninth meeting of the BRICS countries' leaders will take place in September this year in the city of Xiamen in China's Fujian Province. The Chinese side hopes and believes that, thanks to common efforts on the part of the various parties, the meeting of BRICS countries' leaders in Xiamen will definitely ***produce*** fruitful results and open up an even brighter future for the BRICS countries.

Russia and China are founder members of the SCO and BRICS and also play a driving role in these two mechanisms. Over many years China and Russia have been continuously raising the level of cooperation between themselves and with relevant countries within the framework of the two mechanisms, strengthening good neighbourliness and political mutual trust between the member states, disseminating the "Shanghai spirit," and adhering to the BRICS principles -- of openness, inclusiveness, cooperation, and joint benefit - and as a result of this the cooperation between the member states is acquiring an increasingly businesslike character. As regards serious international problems, the member states are strengthening contacts and interaction and voting jointly in defence of their interests, as a result of which the main trend of the age - whose content comprises peace, development, and cooperation - is strengthening. China and Russia possess the confidence and responsibility to continue to promote cohesion and interaction among the member states of the said mechanisms, to build closer, more comprehensive, and stronger partnership relations among the SCO and BRICS member states, and to protect the interests of countries with developing markets and developing countries [passage omitted reviewing results of 2016 Hangzhou G20 Summit, hopes for 2017 Hamburg Summit].

Source: Rossiyskaya Gazeta website in Russian 28 Jun 17

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[***Register of Commission documents:Global Trends to 2035' Geo-politics and international power Document date: 2017-09-20 EPRS\_STU(2017)603263 Study***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PX3-MST1-JDG9-Y362-00000-00&context=1516831)

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**Body**

Brussels: Public Register European Parliament has issued the following document:

Global Trends to 2035 Geo-politics and international power

Global Trends to 2035 Geo-politics and international power This study considers eight economic, societal, and political global trends that will shape the world to 2035, namely an ageing population, fragile globalisation, a technological revolution, climate change, shifting power relations, new areas of state competition, politics of the information age and ecological threats. It first examines how they may affect some of the fundamental assumptions of the international system. Then it considers four scenarios based on two factors: an unstable or stable Europe and world. Finally, it presents policy options for the EU to address the challenges created by these trends. AUTHOR This study has been written by Oxford Analytica, at the request of the Global Trends Unit of the Directorate for Impact Assessment and European Added Value, within the Directorate General for Parliamentary Research Services (DG EPRS) of the General Secretariat of the European Parliament. ADMINISTRATOR RESPONSIBLE Leopold Schmertzing, Global Trends Unit, EPRS [*eprs@ep.europa.eu*](mailto:eprs@ep.europa.eu) LINGUISTIC VERSIONS Original: EN DISCLAIMER The opinions expressed in this document are the sole responsibility of the author and do not necessarily represent the official position of the European Parliament.

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PE 603.263 Print: QA-04-17-693-EN-C ISBN 978-92-846-1493-6 DOI:10.2861/22464 PDF: QA-04-17-693-EN-N ISBN 978-92-846-1494-3 DOI:10.2861/800293 Global Trends to 2035 1 TABLE OF CONTENTS Executive Summary .................................................................................................................. 5 Section 1: Trends since 2015................................................................................................... 13 Section 2: Trends to 2035 ........................................................................................................ 15 Trend 1: An ageing global population ................................................................................. 15 I - Developing countries ......................................................................................................... 15 II – Developed world .............................................................................................................. 19 1. 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By paying attention to longer-term trend development, how breakthrough technologies may be overhyped, and the reinforcing intersection of trends, this report attempts to avoid the cognitive trap of placing too much emphasis on the most high-profile events that emerged at the time of its writing. Nonetheless, there are some major stories that, despite being relatively recent, could have major long-term implications for Europe. \_ US President Donald Trump. While immediate US foreign policy is highly uncertain, given Trump’s unorthodox policy agenda, in the long-term it can be expected that the usual pressures and incentives of the international system will come into effect and force the United States to engage with the world along the lines of policy under the Obama Administration and George W. Bush’s second term. \_ Brexit. This report does not make a prediction for how or whether Brexit will be negotiated. It does assume that the population and economy of the UK will remain broadly the same as projected and that by 2035, at least, it will have an extensive relationship with the EU, either as a member or partner. \_ Refugee/migration crisis. Although the numbers of illegal border crossings have dropped since their peak in 2015 and a resolution to the conflicts in Syria and Iraq will presumably reduce the pressure for migration from there, migration pressures overall will increase. It is likely that 2015 could be a precedent for the next time a conflict or natural disaster occurs in Europe’s neighbourhood. \_ Information and cyber warfare. Despite the near-certainty of damaging cyberattacks as internet-enabled devices proliferate and zero-day vulnerabilities are found by criminal actors and hostile governments, this report assumes that the developed world will remain dependent on the internet and technology. In some areas, such as top-level political campaigns, there may be a reversion to pre-internet workflows, but the economic advantages of information and communications technology will continue to outweigh the risks of hacks. \_ Terrorism. The high-profile nature of the lone wolf attacks that have occurred across Europe in the last few years inspire copycats and are difficult to prevent. Security services will not be able to track every potential terrorist in Europe, especially as the collapse of the Islamic State in Syria and Iraq triggers a return for foreign fighters. Individual attacks against ‘soft targets’ are likely to persist as a constant threat in Europe, alongside more traditional modes and sources of terrorism. EPRS - Global Trends Unit 6 Section 2: Trends to 2035 Trend 1: An ageing global population The world is facing an ageing population due to a combination of increased life expectancy and declining fertility rates. As dependency ratios shift with growing elderly populations, governments will be faced with falling saving rates, falling consumption, and growing pressure on social services. There are stark differences in demographic changes between developed countries and developing countries. In general, high-income countries are experiencing population stagnation or decline. Conversely, many developing countries, particularly in sub-Saharan Africa, are experiencing “youth bulges” and expansion of working-age population. Both demographic scenarios pose challenges for governments seeking to create policies that are economically sustainable and politically palatable. Trend 2: Fragile globalisation in a multipolar world Fears about weakening enthusiasm for globalisation have, seemingly, been realised in the past few years. However, there are numerous variables that will shape whether the purported anti-trade environment of 2016 lasts to 2035. In the most likely scenario, globalisation patterns will be shaped less by politics and more by structural factors. Global trade is steady as a percentage of global growth, likely due to China’s reorientation towards domestic consumption and the maturing of trade in goods. A more services-oriented economy will have different requirements for global trade governance, but Beijing, Brussels, and Washington will remain the key decision points for global economic affairs. Trend 3: Industrial and technological revolution By 2035, technological advances will have a major impact on the social and economic foundations of society, potentially more far-reaching than the initial phase of computerisation from the 1980s onwards. Technologies involving automation and machine learning have the potential to disrupt job markets, making millions of jobs obsolete. As technologies like self-driving cars begins to proliferate, governments at all levels will be faced with questions of adaptation, governance, and human development. Countries will be forced to consider how much of their core information infrastructure they will permit to be run by companies domiciled in other countries. Parties may be faced with a trade-off between protecting consumers’ privacy and encouraging the growth of artificial intelligence firms that rely on large amount of data for training and improving algorithms. The question of when platform companies achieve monopolistic power will be a key issue brought before the court system in many countries. Trend 4: Climate change and resource competition Changes in the global climate due to rising greenhouse gases will not be reversed by 2035, even if great strides are made with the implementation of political agreements to greatly reduce carbon usage in the future. As the consequences of climate change become increasingly apparent -- and natural events such as famines and water strain become linked to climate change in popular discourse -- the world is likely to see climate-related political disputes proliferate at the national and international level. Renewable energy will proliferate and become cost-competitive around the world, but will trigger instability in countries dependent on fossil fuels, many of which are in Europe’s neighbourhood. Global Trends to 2035 7 Trend 5: Changing power in the international system In many ways, the power balance in the international system in 2017 looks broadly similar to the world in 2000. Yet in some fundamental ways, the world has changed considerably. The wars in Iraq and Afghanistan have left its participants wary of foreign ***intervention***. China has expanded its global presence. Russia has demonstrated a willingness to intervene in neighbouring countries and attack democracies with information ‘wars’. And the impact of the 2007-08 financial crisis has hit many nations’ capabilities to fund military increases. There are some broad trends that are likely to continue through 2035: the United States will remain the largest military power; China and regional leaders will see their power grow; Russia will focus on areas of asymmetric advantage to counteract its declining population; and the creation of a unified European military structure with significant expeditionary power will be one of the biggest wild cards in the international system. Trend 6: New arenas of state competition When projecting long-term trends in international affairs, it is important to consider the possibility that the major conflicts of 2035 will be centred on issues that barely register in the international arena today, or are secondary matters at best. Over the next two decades, these will likely include: the space market; new weapons systems like unmanned vehicles; policing rogue states; cyberwarfare and internet governance; and the Arctic Ocean. Trend 7: Politics of the Information Age Politics often evolves as a reaction to changing societal and economic trends. There is evidence -- from measures on inequality to the percentage of the economy comprised of services -- that in much of the developed world, the industrial era has transitioned to an information economy. Political reactions to these economic changes are already underway across the United States and Europe. While they are highly unlikely to completely overturn the existing political landscape by 2035, they will add new layers that will shift partisan coalitions and incentive structures. Some of the most important aspects will be industry disruption and political competition for new or more important voting blocs such as newly upper middle class profesionals, former industry workers, gig economy contractors, and the elderly. Trend 8: Ecological threats While climate change is a gradual process that will be felt over the course of decades, it also increases the likelihood of relatively sudden disasters, from stronger hurricanes, deeper famines, or droughts. By 2035, the world will most likely be confronted by more natural disasters, and the political system will be required to adjust to them. Northern Europe will see greater flooding. Southern Europe will experience more frequent heatwaves. The international system will need to create a more robust system to protect climate refugees and migrants, who will grow as climate change increases the power of natural disasters and rapid urbanisation means that natural disasters will affect more people. Section 3: International power to 2035 The eight global trends discussed in the previous section will have significant consequences for some of the more fundamental assumptions about the nature of the international system. They will likely add up to a continued evolution away from what might be known as the post-Cold War order, dominated by a unipolar United States, into a multipolar order, in which EPRS - Global Trends Unit 8 medium-sized powers will have considerably greater power and corporations and international institutions will be major constraints on state action. Two of the major uncertainties of the international system involve states’ freedom of action. If the nuclear taboo remains in place and states’ surveillance and air defence systems improve, the feasibility of interstate conflict or cross-border action declines. However, if states are increasingly unable to prevent domestic politics from spilling over into other countries, either through refugee flows, terrorism, or criminal activity, there may be a pattern of regional coalitions intervening in unstable countries. Another variable is the resilience of global institutions in the face of changing economic and political weights. Countries such as China will demand greater representation, but will be opposed by those countries that would stand to lose influence. If reforms are not undertaken, there is a high probability of alternative institutions being created by those countries pushing for reform. Section 4: Scenarios to 2035 This section uses the scenario ***planning*** method developed by Pierre Wack at Royal Dutch Shell in the 1970s to propose alternate futures about the environment in which European decision-makers are operating in 2035. The scenarios are not meant to be predictive of what will happen, but to create internally consistent and plausible scenarios of what could happen, so as to test assumptions and encourage policy-makers to create contingency ***plans***. The scenarios are built from the combinations of the two following variables. 1. Adaptation (or non-adaptation) of European economies to the challenges of the information age, leading to (in)stability in Europe 2. Managed (or disorderly) evolution of the global system towards multipolarity, leading (in)stability outside Europe. The two macro drivers were combined in their extreme versions to create four mutually exclusive scenarios. Scenario 1: Sick men of Europe: unstable Europe in a stable world. In this scenario, Europe fails to adjust to the economic dislocations driven by the information economy and the growing power of China, India, and others are directed towards maintenance of the international order. Europe sees relatively low average economic growth, with a recession affecting many of its members as the United Kingdom leaves the EU without a transitition deal. Greece leaves the euro and speculation is persistent that more countries will leave during the next recession. Political parties across Europe find their support dropping quickly once in government and the political system fragments, with extremist, nationalist, or personal vehicles comprise a greater percentage of the vote share. The United States abandons its “America First” foreign policy quickly, moving to complete its pivot to Asia. Developing countries are brought more closely into international institutions, Global Trends to 2035 9 but find their demands for reform met largely at the expense of Europe’s influence, such as the loss of a UN Security Council seat and voting rights at the IMF. Scenario 2: Cold Wars: stable Europe in a stable world. In this scenario, Europe adapts to the information economy and the United States, Europe, and China collaborate on ensuring that a multipolar world does not descend into conflict. Europe’s growth is in part attributable to a European ‘New Deal’, which revamps the social contract. A Europe-wide fiscal union and social safety net are introduced, minimising the extent to which the common currency is over- or undervalued in each country of use. The result is not an immediate panacea, just as the New Deal under President Franklin D. Roosevelt did not lead to an end to the

Great Depression. Instead, the gradual accumulation of new policies leads to a transformation of the political culture over the course of 15 years to a more federalist system, with greater power for the European and sub-national levels of government. The greater stability in the international system encourages a summit on the norms of cyberwarfare and a series of global agreements, modelled on the ***Strategic*** Arms Reduction Treaty, attempt to create an acceptance that hacking and purposely damaging civilian targets is not permissible and that proportional responses are accepted. The stability of this scenario contains the seeds of future problems. Seeking a peaceful transition to multipolarity leads the United States and Europe to acquiesce to authoritarian regions, climate change may be neglected by a focus on employment, and ageing populations may encourage governments to win votes by delaying pension adjustments, thereby imperilling future fiscal health. Scenario 3: Hollow foundations: unstable Europe in an unstable world. In this scenario, Europe fails to adjust to the information economy, and few European firms are able to compete with tech companies in the United States and China. Global governance is increasingly frayed, as the United States, China, and others clash over the roles they seek to play in shaping the norms of the system. Integration is effectively reversed by states promoting their own policies that had previously been under the aegis of the EU. Ad hoc groups collaborate on various issues together, but rarely achieve a European consensus, while member states frequently clash on foreign policy. The Untied States becomes increasibly isolationist and sees NATO as less relevant for its agenda. Article V remains applicable to the territorial integrity of its members, but is seen not to cover information warfare or terrorism. Tax evasion becomes a greater source of lost revenues for countries around the world and the developed world sees the de facto creation of a two-tiered tax system, with the wealthiest individuals and corporations paying significantly lower taxes. This is a source of contention at international forums and a source of distrust between citizens and their governments. EPRS - Global Trends Unit 10 Scenario 4: The EU as a global power: stable Europe in an unstable world. In this scenario, Europe increases wages for all parts of the population and stabilises the financial system. China is aggressive internationally, in part to distract from domestic economic and governance challenges. Brazil, Russia, Nigeria, and India advocate an end to the Western-led international order. Economic growth and instability elsewhere create the push and pull factors for migration to Europe, which leads to a continent-wide system modelled on Australia’s immigration approach. A series of external crises ***produce*** European common responses. These create a new integration momentum which is codified in a new treaty, termed a Constitution. The United Kingdom rejoins the EU. The High Representative becomes a more powerful actor on the international stage. Russia’s declining economy has led to conflicts in neighbouring states, as countries seek to reincorporate Russian-backed enclaves. Europe is requested as a mediating power both in its neighbourhood and abroad, as it is accepted as a credible interlocutor by the United States and non-Western countries. Section 5: Policy challenges and options The trends and scenarios present a number of challenges to the EU for the next two decades. The following is not a proscriptive list of policy recommendations, but an overview of ten areas that the findings of the previous sections show will be of particular importance to Europe in the next two decades. 1. Manage tensions related to NATO NATO is likely to remain the leader in major areas of security and defence for European countries to 2035. However, European governments will need to manage or resolve a series of delemmas surrounding the organisation in the coming years. These include: the US pivot to Asia; whether NATO involves itself with border security; and whether a specific policy is needed for Turkey. 2. Enhance EU defence and security institutions The year 2035 may be too soon for a unified command structure that might rival that of a nation-state. Nonetheless, progress on defence and security integration is likely, in part due to new threats and the possibility of US inattention to European issues. Specific policy challenges that the EU will need to focus on in the next 20 years include: reducing inefficiencies in defence procurement; developing a common ***strategic*** outlook; and how to use piecemeal approaches to defence and security collaboration in the coming years in the service of larger ***strategic*** goals. 3. Strengthen cybersecurity Cyber attacks will present major challenges for EU countries over the next 20 years, in large part due to their unpredictable nature. For example, most cybersecurity experts failed to foresee the apparent Russian attempts to influence the outcomes of the US election by manipulating online information and hacking key participants’ email accounts. Nonetheless, certain specific challenges appear very likely over the next 20 years, such as attempts by Global Trends to 2035 11 foreign intelligence services or related groups to influence European elections; data localisation regulations, as EU citizens’ pressure may mount to stop non-EU intelligence agencies or criminal groups from accessing their online data; and the development of a cyberwarfare doctrine. 4. Employ sustainability as a source of soft power Over the next 20 years, the EU will be challenged in areas of soft power in which it currently enjoys leadership. An important one of these is the area of sustainable trade and investment. The EU and its member states have developed some of the most comprehensive sustainability legislation worldwide. In the long term, this provides strong support for the reputation of both the EU and EU corporations. This body of legislation gives the EU a platform from which to drive similar change towards sustainable trade and investment in other parts of the world. As sustainability and environmental awareness becomes a greater concern to countries around the world, the EU could use its leading position to increase its power in this area, countering some of the loss in diplomatic influence that its relative economic decline would otherwise entail. 5. Regain fiscal space in an environment of ageing workforces Over the long term, the EU will need new policies to combat the impact of ageing populations. As European governments seek to enact further reforms to social ***programmes*** to account for an ageing population, they will face the prospect of voting publics who will not accept the prospect of diminished living standards in their retired years. Over the next 20 years, policies in the EU may need to include: measure to increase the pension age in a politically sustainable manner; schemes to extend the working life of citizens or enhance their productivity; and policies to increase participation in the labour force for working-age citizens. 6. Harness the power of artificial intelligence Automation and artificial intelligence will accentuate several economic and public policy trends over the next 20 years. While there is a tendency to emphasise employment displacement, there is also a positive impact, as new jobs are established in R&D, ***programming*** and technology-related services. Major policy challenges and potential solutions include: building a social consensus around the future of automation; encouraging the rapid adoption of relevant new technologies, particularly by small- and medium-sized companies, which are at a disadvantage in any field that requires access to large amounts of data; re-assessing the development models for poorer countries; and considering income assistance ***programmes*** for those whose jobs have been eliminated by technological change. 7. Combat food and water scarcity in Africa and the Middle East Between now and 2035, climate change and resource competition could increasingly make food and water scarcity in Africa and the Middle East into a geopolitical and security issue for the EU, rather than primarily a development issue. There is a chance that there will be a sharp rise in the number of people displaced by climate change seeking to migrate to the EU. Some responses to this include: expanding aid budgets on issues such as governance, corruption, social safety nets and quality of institutions; better managing global grains stocks, which can prevent price spikes on the most basic foodstuffs; and encouraging developments in biotechnology, in areas such as drought-resistant crop technology. EPRS - Global Trends Unit 12 8. Gain from the opportunities of space exploration From its genesis at the end of the 1950s, the development of Europe’s space activities has been unique in its purely scientific origins. In the European Space Agency (ESA), it has also ***produced*** an organisation that has flourished in parallel with the EU, but with a remit that can offer membership to a wider range of countries. Over the next twenty years, several factors are likely to feed into the development of European space policy, such as: considering Europe’s emphasis on heavy lift rockets as a commercial product; integrating space into military doctrines; and deciding whether to compete with the private sector in commercial areas, or focus governmental action on non-commercial tasks such as space exploration. 9. Create business clusters to build Europe’s leading edge Clusters of interconnected businesses and institutions can drive productivity and innovation in various fields, and often rely on government support, either directly (through the location of a government facility) or indirectly (through grants to universities). In order to compete with firms in the United States, China, and Japan, European businesses would benefit from the development and deepening of clusters. However, this may go against the political impetus of the EU, to ensure that prosperity is spread evenly across the union, rather than concentrated in a few areas that may already be wealthy. Some ways to balance these two needs include: developing cluster-based policies to replace industry-level and firm-level policies; encouraging more government funding of basic research at universities; facilitating European-level social services and pension policies, to encourage migration from across the Union to clusters; and ensuring access to capital and markets to help an innovative business find the success that grows a cluster wherever it emerges. 10. Adapt to new types of terrorist threat The threat from terrorism will remain a major challenge for European policymakers to 2035. In addition to seeking ways to respond to the currently known types of terrorist threats, new types of threats will emerge over the next 20 years. These may include, but will not be limited to: bio-hacking, the design of new germs and viruses; advanced robotics, allowing precise assassination attacks or mass casualty attacks to be remotely launched by individuals and small groups; 3D-printing weapons; and lone wolf attacks against soft civilian targets. Global Trends to 2035 13 SECTION 1: TRENDS SINCE 2015 In 2015, the European Strategy and Policy Analysis System (ESPAS) launched its report “Global Trends to 2030: Can the EU meet the challenges ahead?”1 This report aims to update and extend that report, including developments that have occurred in European and global politics since then, and will project out to 2035. By paying attention to longer-term trend development, this report attempts to avoid the cognitive trap of placing too much emphasis on the most high-profile events that emerged near the time of its writing. Nonetheless, there are some stories that, despite being relatively recent, could have major long-term implications for Europe, both domestically and in relation to its geopolitical power, which this report defines as its ability to influence events at the international level. Their interaction with the trends and impact on policy challenges is explored in further depth in the report, but it is useful to foreground the issues that this report considers of particular importance. \_ US President Donald Trump. At the time of writing this report, Trump is the president of the United States, but there are strong indications -- from the firing of the director of the FBI to historically low approval ratings -- that impeachment or resignation is possible. Further, there are institutional constraints on the presidency and Vice President Mike Pence, should he take office or become de facto president, would likely manage a more conventional foreign policy. Therefore, while immediate US foreign policy is highly uncertain, given Trump’s unorthodox policy agenda, in the long-term it can be expected that the usual pressures and incentives of the international system would come into effect. This is not a certainty, to be sure, given the long-term consequences of immediate decisions that could lead to a war, but is the most likely scenario for how his administration will affect US power to 2035. \_ Brexit. The process of the United Kingdom departing the EU is underway, with little indication from London or Brussels on the contours of the post-Brexit relationship. This creates a wide range of possible outcomes to 2035: from a weakened UK, which has suffered a major depression and seen Scotland and Northern Ireland leave the country, to a country that has proceeded largely along pre-Brexit economic projections, to a reversal of Brexit or re-application of the UK to the EU. In forecasting the trends for the EU, this report assumes that the population and economy of the UK will remain broadly the same as projected and that by 2035, at least, it will have an extensive relationship with the EU, either as a member or partner. Contingencies in which Brexit leads to a domino effect are addressed in Section 4: Alternate scenarios. \_ Refugee/migration crisis. In 2015, the EU received more than 1.2 million asylum application, more then double the amount in 2014 and more than four times the applications received in 2010. The surge in migration appeared to be driven by the conflicts in Syria, Afghanistan, and Iraq, which were the main three sources of origin for asylum 1 ”Global Trends to 230: Can the EU meet the challanges ahead?.” European Strategy and Policy Analysis System, [*http://ec.europa.eu/epsc/sites/epsc/files/espas-report-2015.pdf*](http://ec.europa.eu/epsc/sites/epsc/files/espas-report-2015.pdf) EPRS - Global Trends Unit 14 applications. Although the numbers of illegal border crossing dropped by more than three-quarters from 2015 to 2016, and a resolution to the conflicts in Syria and Iraq will presumably reduce the pressure for people there to migrate, it is likely that 2015 could be a precedent for the next time a conflict emerges in Europe’s neighbourhood. \_ Information and cyber warfare. In US and French presidential elections, hackers attempted to disrupt campaigns (and arguably succeeded). Damaging hacks and viruses have also been seen in settings as diverse as Hollywood -- with Sony Pictures in 2014 -- and the healthcare sector -- with WannaCry in 2017. Despite the near-certainty of more hacks as internet-enabled devices proliferate and zero-day vulnerabilities are found by criminal actors and hostile governments, this report assumes that the developed world will remain dependent on the internet and technology. In some areas, such as top-level political campaigns, there may be a reversion to pre-internet workflows, but the economic advantages of information and communications technology will continue to outweigh the risks of hacks. \_ Terrorism. Since 2015, there have been numerous terrorist attacks in Europe, some of which appear to have been ***planned*** by terrorist organisation, and many of which appear to be ‘lone wolf’ attacks. While terrorism is not a new phenomenon in Europe, the pace and methods of the new round of attacks are particularly hard to prevent. Six of the seven most recent terrorist incidents causing fatalities in Europe have involved attackers using cars or trucks to drive into crowds of pedestrians. It is likely that security services will be hard-pressed to track all those radicalised, especially as the collapse of ISIS in Syria and Iraq triggers a return for foreign fighters, and that the high-profile nature of these lone wolf attacks inspire others to copy their techniques. Global Trends to 2035 15 SECTION 2: TRENDS TO 2035 TREND 1: AN AGEING GLOBAL POPULATION The world is facing an ageing population due to a combination of increased life expectancy and declining fertility rates. As dependency ratios shift with growing elderly populations, governments will be faced with falling saving rates, falling consumption, and growing pressure on social services. The ability of states to adapt to changing demographics will largely depend on their capacity to install policies that are sustainable both politically and economically in the long term. There are stark differences in demographic changes between developed countries and developing countries. In general, high-income and predominately western countries are experiencing population stagnation or decline. Conversely, many developing countries, particularly in sub-Saharan Africa, are experiencing “youth bulges” and expansion of working-age population. Both demographic scenarios pose challenges for sustainable development that could have global political and macroeconomic impacts.2 I - Developing countries Many developing countries are seeing a growth in working-age citizens, helped by high fertility rates in recent decades combined with greater medical care. However, the youth bulge has passed through some developing countries already and these will experience the same ageing patterns as developed countries. As Figure 1 shows, the ratio of children to the working age population to 2015 (indicative of how many will enter the workforce by 2035), has steadily declined in many large emerging or developed countries, but remains extremely high in most of Sub-Saharan Africa. This will hinder the chances that the Sub-Saharan African economies grow strongly, as their dependency ratio will be high, but is also a reflection of an underlying economic problem, in that fertility rates are most often high when women have the least access to the workforce. High fertility rates will be both a cause and effect of pressures driving down broad-based economic growth. The fall in the youth dependency ratio, in those countries where it occurs, can be tracked with the demographic dividends that countries enjoy, with a higher youth dependency ratio indicating a demographic dividend that will extend further into the future. By 2040, the median citizen of Brazil and Mexico will be almost as old as the that of the United States, and China’s will be older. South Korea, Taiwan, and Singapore have median ages similar to Germany, Italy, and Japan.3 More than one-third of the global over-80 population will live in China and India by 2040 and 10% will be in Latin America. Social spending in these countries will require a much larger budget share than in advanced markets if similar levels of healthcare are to be provided, given the smaller per capita earnings of the working age population. 2 ”World Population Trends.” United Nations Population Fund,   [*http://www.unfpa.org/world-population-trends*](http://www.unfpa.org/world-population-trends). 3 Where data in this report projects beyond 2035, it is because those years provided the most accurate data available. EPRS - Global Trends Unit 16 Figure 1. Youth bulges worldwide. Size of youth (0-14) population to working age (15-64) population per 100. Source: World Bank Developing countries face the challenge of capitalising on the demographic dividend they are experiencing now, with rising workforce populations, while ***planning*** for the eventuality of an ageing population in the future. The World Economic Forum forecasts developing countries’ health spending will rise at 10% per year to 2022, compared to only 3.7% in developed countries.4 Higher spending increases are likely to persist through 2035, as the workers who constituted the leading edge of the demographic dividend in many countries begin to retire. As seen in Figure 2, many developing countries have been growing older more than they have been growing wealthier, as compared to developed countries, over the past two decades. 4 World Economic Forum, “Health Systems Leapfrogging in Emerging Economies,” Jan. 2014,   [*http://www3.weforum.org/docs/WEF\_HealthSystem\_LeapfroggingEmergingEconomies\_ProjectPaper\_2014.pdf*](http://www3.weforum.org/docs/WEF_HealthSystem_LeapfroggingEmergingEconomies_ProjectPaper_2014.pdf) 0 10 20 30 40 50 60 70 80 90 100 1990 1995 2000 2005 2010 2015 Nigeria China India Brazil Germany United States Global Trends to 2035 17 Figure 2: Ageing and economic development trends Source: IMF, Oxford Analytica 1. China and East Asia East Asia’s sharp decline in fertility, partially due to China's one child policy, will soon present as an age wave, with the elderly share of the population rising from 11% to 24% by 2030. By 2030, China's working-age population will be contracting by 0.7% per year, and internal migration from rural to urban areas will not be sufficient to supply new workers for the manufacturing labour force. Rates of saving and investment will likely fall as the Chinese population ages, leading to a downturn in foreign direct investment, as China's economic landscape presents lower rates of return on capital investments. The short-term boom in Chinese fertility due to the ending of the one-child policy in 2016 is unlikely to do more than create a mild alleviation of China's ageing issue. In fact, for at least the next 15 years, the dependency ratio will grow, as more children are born but do not yet reach working age. South Korea and Singapore have incentivised having children with tax breaks and government-sponsored dating services. It is possible that China will consider further boosting policies that support more children per family. Nonetheless, increased fertility in the region now will not add to the workforce until after 2035. EPRS - Global Trends Unit 18 2. India The elderly population in India is expected to rise from 5% to 8% by 2030, and to 12% by 2050. Unlike China, India's working age population will continue to expand in the coming decades. However, India will be challenged to find productive employment for all these workers. Less than half of Indians in their twenties have completed any form of secondary education and 37% of all Indian adults are illiterate. This has contributed to a large gap between the skills demanded by the growing Indian workforce, and the skills available in the Indian population. Large discrepancies in regional fertility rates will shape India’s ability to cope with demographic shifts. Birth rates have fallen in the Southern parts of the country, meaning the less developed Northern states will have to create many more jobs than projected to employ its young citizens. It is possible that India's long democratic tradition will aid its efforts in adapting to these demographic shifts, but the internal dynamics of ageing and richer states against younger and poorer states raises difficult questions of the political sustainability of any policy arrangement. 3. Latin America The demographic transition towards an older population is happening much faster in Latin America than in other parts of the developing world, with fertility rates as low as 1.9 births per woman in Brazil and Chile. The elderly population in Argentina is expected to reach 17% by 2050, 20% in Brazil and Mexico, and 22% in Chile, a ratio on par with the United States. The challenges of Latin America will be to sustain their social welfare systems, as with Europe, but with a lower per capita GDP. 4. Russia Russia's demographic transition began early, and its fertility rate is already down to 1.4 births per woman. Low birth rates have been accompanied by deteriorating health and lower life expectancy, which have severely trailed the consistent improvements in life expectancy among OECD members. Nonetheless, by 2050, Russia's median age will have risen to 48, making it slightly older than the developed world, assuming that there is not another repeat, in macroeconomic terms, of the collapse of the Soviet Union, which accompanied a precipitous drop in Russian life expectancy Russia's human capital will be eroded by the population's poor health and life expectancy, the combination of which will put a damper on economic growth. Sick workers are less productive, which discourages foreign direct investment in Russia. Russia’s total population, now around 140 million, is expected to drop to 125 million by 2030. This will put Russia in a precarious position, as it becomes increasingly dependent on natural resources as its labour force declines, but these resources are prone to sharp cyclical swings. Its reliance on hydrocarbons may prove to be a major weakness if renewable energy becomes the default energy source. The Russian economy is not, for the medium-term, likely to be able to generate much stronger growth through innovation. Global Trends to 2035 19 Figure 3: Life expectancy at birth, years Source: World Bank II – Developed world An ageing population poses a series of challenges to the global economy, due largely to a combination of lower saving rates, changes in investment patterns, impacts on asset prices and returns, and the effects of globalisation.5 Saving rates generally conform to a person’s lifecycle, meaning that they rise over the course of a career, and fall to negative during retirement. As workers head towards retirement, they transfer savings from volatile assets such as equities to low-risk assets such as bonds and money market funds. This will place downward pressure on the value of stocks, by reducing consumer demand.6 This economic shift will be felt unevenly throughout the world, as some countries see a savings boom as their growing working age population permits a demographic dividend. The United States will be less vulnerable to ageing pressures than most developed world countries. It has a younger population than most developed world countries (median age of 38 compared to a median age of 47 for Germany) and has a tradition of accepting younger immigrants. 5 Bosworth, Barry P., Gary Burtless, and Ralph C. Bryant. ”The impact of Aging on Financial Markets and the Economy: A Surevy | Brookings Institution.” Brookings, Brookings, 28 July 2016,   [*https://www.brookings.edu/research/the-impact-of-aging-on-financial-markets-and-the-economy-a-survey/*](https://www.brookings.edu/research/the-impact-of-aging-on-financial-markets-and-the-economy-a-survey/). 6 Institution of Medicine (US) Committee on the Long-Run Macroeconomic Effects of the Aging U.S Population. ”Saving and Retirement Security.” Aging and the Macroeconomy: Long-Term Implications of an Older Population., U.S National Library of Medicine, 10 Dec. 2012,   [*https://www.ncbi.nlm.nih.gov/books/NBK148839/*](https://www.ncbi.nlm.nih.gov/books/NBK148839/). 55 60 65 70 75 80 85 1960 1962 1964 1966 1968 1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010 2012 2014 Russia - male Russia - female OECD - male OECD - female EPRS - Global Trends Unit 20 Japan will be on the leading edge of developed world ageing trends. It has the oldest median age of any large country, one of the lowest fertility rates, and has a foreign-born population of only 1.5% of the country, demonstrating a resistance to immigration. 1. Europe Europe will sit between the United States and Japan in its demographic shift. European states can be divided into two main categories: on one hand, countries such as France, the Netherlands, and much of Scandinavia are experiencing a fertility rate ranging from 1.8-2.0 per woman, close to replacement level. In the other group, Germany, Central and Eastern European countries, and Mediterranean countries are experiencing fertility rates between 1.3 and 1.6, leading to a sharply contracting workforce population. Overall, the demographic old age ratio (people over 65 per 100 people aged 15-64) in the EU is expected to increase from 27.8 to 50.1 by 2050, meaning that there will only be two working age people for every person over the age of 65.7 As Figure 4 shows, although the low fertility rates will reduce the number of young dependents in each society, the working age percentage of the population will decrease as a result of growing older generations. Figure 4: Working age population projections, per 100 people Source: Eurostat, Oxford Analytica 7 European Commission. ”The 2015 Ageing Report: Economic and Budgetary Projections for the 28 Member States (2013-2060).” European Economy Series, 2015,   [*http://ec.europa.eu/economy\_finance/publications/european\_economy/2015/pdf/ee3\_en.pdf*](http://ec.europa.eu/economy_finance/publications/european_economy/2015/pdf/ee3_en.pdf) Global Trends to 2035 21 The cost associated with an ageing population will have fiscal impacts throughout Europe. The declining working-age population and costs associated with an ageing population are together expected to reduce growth rates by 0.2%, offset primarily by labour productivity growth due to technological innovation and automation. The projected change in age-related expenditures is expected to be two percentage points of GDP by 2050, primarily driven by the costs of providing healthcare to the elderly, who use more health services on a per-year-of-life basis than younger people. In countries such as Germany, where total GDP will fall because of low fertility rates, there will be efforts to extend work lives and to boost labour force participation. 1.1 Political stability Many European countries have recognised the implications of an ageing population and contracting workforce, and have initiated reforms to pension systems. For example, in France, pension contributions by employers and employees will slowly rise in an attempt to prevent an increase in retirement age.8 However, there is a tension between pension systems that are sustainable – with pension benefits that can be supported by the working population – and acceptable – not triggering an electoral backlash. As European governments seek to enact further reforms to social ***programmes*** to account for an ageing population, they will face the prospect of voting publics who will not accept the prospect of diminished living standards in their retired years. The shift of populations to being nearer to retirement age will constrain the ability of politicians to enact reforms that will take effect soon, creating an incentive to transfer wealth from the young to the old. The Social Security reform agreement by President Ronald Reagan and Congress in the United States in 1983 phased in changes so gradually that the largest tax increases and benefit cuts targeted people who were at the time 11 years old -- and therefore could not vote against the measure. Politics in the coming decades will see a constant balancing act by European governments between temptations to increase benefits for the growing ranks of elderly voters, and the need to make unpopular cuts if costs become unsustainable.9 One possible solution to Europe’s ageing population could be immigration. Four-fiths of asylum applicants in Europe in 2015 were under 35 years old; refugees and immigrants could partially offset the contraction of Europe's working age population. However, the process of integrating immigrants is a contentious political issue; politics may become divided between parties that would rather increase immigration to pay for higher social spending, and those that would rather restrict immigration and pension benefits.10 Immigrants themselves age and their birth rates quickly mirror those of the overall population and so immigration would delay but not solve the problem of ageing populations. Further, 8 Carnegy, Hugh, ”France avoids radical overhaul in pension reforms,” Financial Times, 27 Aug. 2013,   [*https://www.ft.com/content/a39fea58-0f35-11e3-ae66-00144feabdc0*](https://www.ft.com/content/a39fea58-0f35-11e3-ae66-00144feabdc0). 9 Hernan Winkler. ”How will aging populations affect politics?” World Economic Forum, 18 June 2015,   [*https://www.weforum.org/agenda/2015/06/how-will-ageing-populations-affect-politics/*](https://www.weforum.org/agenda/2015/06/how-will-ageing-populations-affect-politics/). 10 ”Attitudes abput Aging: A Global Perspective.” Pew Research Center’s Global Attitudes Project, 30 Jan. 2014,   [*http://www.pewglobal.org/2014/01/30/attitudes-about-aging-a-global-perspective/*](http://www.pewglobal.org/2014/01/30/attitudes-about-aging-a-global-perspective/). EPRS - Global Trends Unit 22 the volume of immigrants required – some estimates have suggested 800,000 per year in Germany – may well be beyond what is politically, socially, or economically sustainable. 1.2 Europe's position in the geopolitical order As Europe's working-age population contracts while the developing world sees increased growth, Europe's position in the global economy and international political order will be threatened, a pressure that will grow to 2035. While GDP per capita may be sustained, the region’s power in international institutions and its ability to fund its military depends on aggregate GDP, which is dependent on population. However, Europe will not see a rapid decline in global power before 2035. It will increase relative to Japan and Russia, and China may be more constrained in its spending, as the effects of the one child policy are felt in its worker-dependency ratio. Europe may therefore cede some ground to India and developing countries in Africa, but will remain one of the largest economies in the world, have considerable military expenditures, and have stable political and economic institutions. One possible wild card is automation and machine learning. If large numbers of jobs are eliminated worldwide by technological substitution, then countries such as Germany and Japan, with high innovation and declining populations, may be best positioned. They would enjoy the advantages of economic growth, while avoiding the unemployment issues that would affect other countries. However, given current trends, that is a small probability event. While rapid adoption of automation would permit greater productivity with fewer workers, it is currently impossible (and unlikely to be possible before 2035) to automate the high numbers of jobs in the healthcare sector needed to accommodate an elderly population, and employment losses in the working age population would further strain the tax base for a country with a high dependency ratio. Global Trends to 2035 23 Trend 2: Fragile globalisation in a multipolar world Fears about weakening enthusiasm for globalisation have, seemingly, been realised in the past few years. The United Kingdom voted to leave the EU. China has launched the Asian Infrastructure Investment Bank, which could be a signal that it will be shifting away from Western-led international institutions. Donald Trump campaigned against nearly all existing trade agreements, and pulled out of the Trans-Pacific Partnership (TPP) as one of his first acts of his presidency. However, not all of these events are definite indicators of a more fragile era of global trade. There are numerous variables that will shape whether the purported anti-trade environment of 2016 lasts to 2035. In the most likely scenario, globalisation patterns will be shaped less by politics and more by structural factors dependent on the contours of a services-oriented global economy, and Beijing, Brussels, and Washington will remain the key decision points for global economic affairs, and rhetoric on trade moving from an emphasis on “free” trade, to greater discussion of what constitutes “free and fair” trade. I - Economic leaders 1. United States Donald Trump appears personally opposed to the concept of multilateral negotiations and institutional frameworks for discussions, but Congress remains opposed to protectionism. Therefore, it is unlikely that the United States will completely withdraw from international trade agreements through 2021, when the next president will take office, but neither will it be at the forefront of advocating for them. From 2021 (or earlier) through 2035, there will likely be a return to a commitment to free trade principles. As China becomes more powerful and its military spending increases, there will be a greater geostrategic impetus for the United States to engage in global institutions. The desire to constrain China was one of the main drivers of the TPP, but was not powerful enough to override other concerns held by members of Congress, particularly that it would lead to job losses in the manufacturing sector. As China builds new aircraft carriers and seeks to expand its influence in East Asia, national security issues will rise and the United States, as it did after the Second World War, will likely turn away from protectionist impulses. One indicator of whether a more pro-globalisation attitude will take hold in Congress is if the United States adopts a much stronger suite of policies to help workers displaced by a changing economic landscape. Increased funding for trade adjustment assistance -- financial support to those workers who can show their job loss was as a result of a trade agreement -- would permit lawmakers to back new trade deals with less fear of electoral consequences, granting more relative weight to the pro-trade business and defence communities. 2. Europe Headlines on EU trade policy in the near term will be dominated by Brexit negotiations. Yet a more worrying indicator for the EU’s ability to conduct trade agreements may have been the Comprehensive Economic and Trade Agreement (CETA) with Canada, which was approved with difficulty after opposition in the Wallonia regional parliament. CETA may EPRS - Global Trends Unit 24 send the signal to other interested parties that agreements with the EU are uncertain, even after negotiations are complete. A May 2017 European Court of Justice decision has clarified some of the divisions of competencies between the EU and member states. This may help to protect future agreements. However, the ruling stated that non-direct foreign investment and dispute settlement regimes are not the exclusive competence of the EU, which raises the possibility of internal deadlocks on those parts of economic flows.11 Europe will likely still be one of the drivers of global trade rules, despite the course of specific major trade deals, simply because all European states have exports and imports as higher percentages of their economies than the United States, and the EU is itself the world’s largest exporter and importer. 3. China In January 2017, at the World Economic Forum Annual Meeting, Chinese President Xi Jinping pushed back against protectionist sentiments from the United States and Vice Premier Zhang Gaoli reiterated China's commitment to multilateral free trade agreements (FTAs) at the Boao Forum for Asia in March 2017.12 However, Zhang also stated that China intends to prioritise regional free trade relationships, rather than strengthening global institutions. One example of this strategy is the 16-nation Regional Comprehensive Economic Partnership (RCEP), composed of the ten member states of the Association of Southeast Asian Nations (ASEAN), together with Australia, China, India, Japan, South Korea, and New Zealand. RCEP membership represents about 46% of the world’s population, and about 30% of the global economy. While there are obstacles to completion, it is likely that sufficient compromises will be found for its passage. As Figure 5 shows, the RCEP includes all of the Asia-Pacific members of the TPP. This process, if repeated, may see a bifurcated system emerge by 2035: a series of trade deals and institutions promoted by the United States and Europe competing with a China-driven set of FTAs. 11 Court of Justice of the European Union, Press Release No 52/17, Luxembourg, 16 May 2017,   [*https://curia.europa.eu/jcms/upload/docs/application/pdf/2017-05/cp170052en.pdf*](https://curia.europa.eu/jcms/upload/docs/application/pdf/2017-05/cp170052en.pdf) 12”China Vice Premier Sees ’Unstoppable Momentum’ of Globalization.” Bloomberg.com, Bloomberg, 24 Mar. 2017,   [*https://www.bloomberg.com/politics/articles/2017-03-25/china-vice-premier-sees-unstoppable-momentum-of-globalization*](https://www.bloomberg.com/politics/articles/2017-03-25/china-vice-premier-sees-unstoppable-momentum-of-globalization). Global Trends to 2035 25 Figure 5. Membership in RCEP and TPP, before the United States withdrew from TPP II - Globalisation elsewhere Between now and 2035, countries that are not in the G3 of the United States, EU, and China, will have a major impact on how global trade develops. There will be a push from developed countries for higher environmental and labour standards in developing countries. This will be carried out both bilaterally and unilaterally; developed countries will seek to engage emerging markets through governmental and business ties, while raising standards on imported goods. For example, Myanmar, Cambodia, Vietnam, the Philippines, and Laos have implemented measures to ensure higher food and beverage standards to comply with Japanese, US and EU food and drug codes. Such policy developments may lead to gradual changes that will, while not replacing the lack of major US- or EU-led trade deals, mitigate the effects of their absence. Regional agreements that do not include the G3 will expand and deepen. As the middle class in Africa grows and has consumer power, the economic linkages created by the trade across borders in Africa will pressure leaders to regulate trade. It is unlikely that a major trade breakthrough will occur in these areas; the once-discussed monetary union and single market within the East African Community seems highly unlikely, as domestic agendas and concerns regarding economic sovereignty dominate member states. Nonetheless, gradual changes will occur here to create a situation in which there are more power centres in the global economy, most likely led by countries in the G20 or regional economic organisations. III - Structural changes in globalisation It is doubtful that world trade can sustain past trend annual growth rates of as much as 6-7% in volume and 10% in value terms. Such rates were around double typical GDP growth. The global average for the ratio of imports/exports to GDP rose from just over 10% in the mid-1960s to a peak of more than 30% in 2007, where it has broadly stayed since. Data shows that the difference between GDP growth and trade growth may be linked to the rapid increase in exports in China from 1990 to 2006, as it became a major manufacturing exporter. As China EPRS - Global Trends Unit 26 redirects growth more towards domestic consumption, disconnect between trade and GDP may be seen as a unique occurance, and that world trade will not experience a similar phenomenon through 2035. Figure 6. Annual growth rates in GDP and trade, five-year rolling average Source: World Bank Figure 7. Exports as a percentage of GDP Source: World Bank The IMF estimates that subdued trade in investment goods (volumes and prices) accounts for about 75% of the world trade slowdown. The maturing of global supply chains has also 0 1 2 3 4 5 6 7 8 1975 1980 1985 1990 1995 2000 2005 2010 GDP growth (annual %) Exports growth (annual % growth) 0 5 10 15 20 25 30 35 40 45 50 European Union China United States World Global Trends to 2035 27 contributed to slowed trade growth. China is transitioning towards more domestic-led growth and domestic firms are internalising more of their supply chains. The growth of the US shale oil and gas sector has also led to less offshore manufacturing by US companies, through reducing energy input prices in US factories, helping the United States become more self-sufficient. Furthermore, there are limits to any policy measures countries could adopt to reverse the fall in world trade growth. Particularly if the lack of demand for capital equipment is the most important contributing factor to the drop in trade, a boom in countries that manufacture capital goods, such as the United States or Germany, or in sectors that require few major pieces of equipment, will not reset trade growth. 1. Goods trade maturing The falling share of the advanced economies in world trade raises questions about the relevance of encouraging world trade. Over the medium to long run, increasing trade benefits the world economy, despite its costs to some industries, according to the consensus of economists. It spurs global efficiency, acting as a conduit for transmission of skills and technology and raising long-term productivity through technical progress. However, other drivers of growth could become more important to global GDP than trade, as on-demand business requires shorter supply chains, 3-D printing reduces the need for manufacturing hubs, and an emphasis on customisation benefits service providers located near the consumer. The trade/GDP ratio may not return to its previous peak and may not be a key indicator of economic strength of a region, in the way that it has been. 2. Shift to services The trade outlook for global trade may depend on the balance between emerging market developments that will boost trade and changes in developed countries that will decrease trade. Developing countries are witnessing growth in consumption and a rising middle class which demands imported goods. Further, their exports and imports are increasingly flowing between other developing countries, protecting trade flows from being tied wholly to the economic preferences of the developed world. Advanced economies are moving towards services as the main source of economic value, even in manufactured goods. This, alongside shifts within the trade in goods, are likely to curb the demand from advanced countries for imports and thus lessen their role in world merchandise trade. As shown in Figure 8, trade in goods rose much more rapidly than trade in services from 2000-2008 for the euroarea, China, and the United States. Since the initial recovery from the financial crisis, the share of trade has been even for these three blocs, and has recently begun trending towards services. EPRS - Global Trends Unit 28 Figure 8. Difference between value of goods trade (exports and imports) vs services trade (exports and imports), millions of US dollars Source: OECD IV- New drivers of growth to 2035 It looks likely that the EU, focused as it is on its goods-export industries, will continue to lag behind the United States in harnessing new services and digital drivers of growth. While EU collaboration has encouraged research and development (R&D) spending, it does not have the fundamental research drive or capacity of a large single state, like the United States or China, with investment in innovation needing to be shared among 27 countries. In 2015, the EU spent less than 2% of GDP on R&D. To compare, OECD members on average spent 2.4%, the United States spent 2.8% and Japan spent 3.5%. In addition, the EU venture capital market is underdeveloped relative to the United States and the EU also lags behind the United States in numbers of large high-tech companies and patents. 0 500000 1000000 1500000 2000000 2500000 3000000 3500000 4000000 2000 2002 2004 2006 2008 2010 2012 2014 United States China Euroarea Global Trends to 2035 29 Trend 3: Industrial and technological revolution By 2035, technological advances will have a major impact on the social and economic foundations of society, potentially a more far-reaching impact than the initial phase of computerisation from the 1980s onwards. Technologies involving automation and machine learning have the potential to disrupt job markets, making millions of jobs obsolete. As technologies like self-driving cars begins to proliferate, governments at all levels will be faced with questions of adaptation, governance, and human development. Countries will be forced to consider how much of their core information infrastructure they will permit to be run by companies domiciled in other countries. I - Technologies 1. Self-Driving Cars Self-driving cars have left the realm of science fiction, with companies such as Google, Uber, and Baidu investing in (R&D) for commercial self-driving car ***programmes***. The success of self-driving vehicles could eventually lead to the banning of human driven vehicles, as the safety of driverless vehicles surpasses that of traditional cars. While this shift will not happen overnight, the possibility of a proliferation of self-driving car technology by 2035 is likely. The technology for fully autonomous cars will likely be in place by 2025, but human drivers will still be wary of giving up control. Until then, regulators will struggle to keep up with the commercial ambitions of the sector. There will likely be several million fully autonomous vehicles on public roads by 2022, albeit still with drivers present because of regulatory, insurance and safety issues, and with an expected shift to non-drivers not long thereafter. Autonomous vehicles are already deployed in dangerous locations, such as mines, and where long hours of operation or tedious, repetitive trips are needed, like airport terminal shuttles. Progress on developing self-driving cars is most advanced in China and the United States, the world’s two largest car markets as well as its two leading polluters. Unless major regulatory changes occur elsewhere, it can be expected that self-driving cars will advance most rapidly in those places. Some cities that see self-driving cars as a component of an urban transit model, like Helsinki and Singapore, will be the largest factors encouraging adoption elsewhere. A tipping point may come when the first generation of drivers to have grown up with self-driving cars takes the road. Young and new drivers are already the most dangerous; a generation who rarely need to steer the car may not be trusted to take over from the car if necessary, prompting more rapid regulatory change. However, it is still uncertain whether that would happen before 2035 or which countries would be most skittish about this age group. According to industry projections, self-driving cars would be about one-fifth of all vehicle sales by 2035, with nearly half of all sales in the United States and China. EPRS - Global Trends Unit 30 Figure 9. Forecast sales of cars and light trucks Source: IHS Automotive, Oxford Analytica Beyond changing the way that people use transportation, the proliferation of driverless vehicles will put a dent in the tax income generated from traffic violations and other costs associated with private transportation, or may not be privately owned at all, reducing registration fees. Local governments will have to create new tax schemes to make up for the lost revenue in order to maintain their funding streams to maintain roads and bridges.13 It will also require governments to reconsider public transit options. It may be that self-driving cars reduce traffic to the point that every commuter relies on an autonomous vehicle to get to work, and the cars spend the day providing ride-sharing services. In this case, public transit would be less and less relevant for commuting (unless the cars became owned and operated by public transit systems). Or, conversely, self-driving cars may be combined with public transit services in a hub-and-spoke model. Self-driving cars can bring workers to a train or subway station efficiently, where they travel long distances on a cheaper per-person basis. This scenario would extend the reach of each station and increase the reliance on public transit. Deciding which model a city will adopt should be a key component in transportation investment decisions. 2. Artificial intelligence and automation Automation, which involves ***programming*** a machine to perform a task previously done by a human, and artificial intelligence (AI), which involves ***programming*** a machine to learn about the task as it performs it, are realities in many industries. While automated processes have been present in many industries for decades, combining it with AI permits its use to spread to many new industries much more rapidly than before, when each task required ***programming*** by humans. 13 Desouza, Kevin C., et al. ”Local government 2035: ***Strategic*** trends and implications of new technologies.” Issues in Technology Innovation, no. 27, May 2015,   [*https://www.brookings.edu/wp-content/uploads/2016/06/desouza.pdf*](https://www.brookings.edu/wp-content/uploads/2016/06/desouza.pdf) Global Trends to 2035 31 2.1 Employment In the next 20 years, researchers at the Oxford Martin School estimates that 47% of jobs in the United States will become vulnerable to computerisation, and that 35% of UK jobs could be eliminated as a direct consequence of artificial intelligence.14 Particularly at risk are jobs that consist of a set of tasks following defined procedures, such as data entry. While automation and artificial intelligence are usually associated with lower skilled jobs, they have also begun to replace highly skilled workers. For example, oncologists at Memorial Sloan Kettering, a leading cancer hospital in New York, have begun using IBM's Watson artificial intelligence platform for diagnostics, and many law firms have begun replacing paralegals with software such as Symantec's Clearwell system. As education improves in many countries, there could be a growth of high-skilled workers that exceeds the growth of high-skilled positions available.15 This could contribute to the shift in the makeup of the workforce, as many highly skilled workers will be forced to take jobs below their pay-grade or be supported with continual job retraining opportunities. 2.2 Governance AI has the potential to generate significant wealth, but not everyone will benefit equally. A small number of large companies will attract a significant amount of the relatively small pool of people with AI expertise because they have the resources to develop sophisticated AI systems. AI must be trained on vast amounts of data, and only a few companies in the world have this supply. As their AI systems improve, and they can offer better products, they will attract more customers, creating a feedback loop that builds their market position while locking out others. One of the concerns with this trend is that it gives a few companies a powerful yet hidden influence. AI is used to present advertisements, search results and newsfeeds to users, which gives power to the designers and owners of such systems to control what users see and how they see it. Governments will need to decide whether anti-trust actions should be levied against AI companies, especially if rounds of industry consolidation create a single entity with monopolistic power, in addition to the economies of scale in big data and AI. To address these issues, some organisations have started trying to become more transparent with their work on AI by making their algorithms and data publicly available for others to use and analyse. Companies including Google, Microsoft, Facebook, Amazon and IBM have formed a partnership for this purpose, while others, such as OpenAI -- a non-profit founded by Elon Musk – were built on the idea of AI benefiting everyone in society. Calls for transparency in AI will increase, as AI adoption grows and its failures, when they occur, affect more people. By 2035, the social impacts of AI will be a major point of political concern. If AI algorithms begin to evolve faster than engineers can understand them, such as 14 Frey and Osbourne, “The Future of Employment: How susceptible are jobs to computerisation?”, 17 Sept. 2013,   [*http://www.oxfordmartin.ox.ac.uk/downloads/academic/The\_Future\_of\_Employment.pdf*](http://www.oxfordmartin.ox.ac.uk/downloads/academic/The_Future_of_Employment.pdf) 15 ”Technology, globalisation and the future of work in Europe: Essays on employment in a digitised economy.” Dolphin, Tony. (eds.), Institue for Public Policy Research, Mar. 2015,   [*http://www.oxfordmartin.ox.ac.uk/downloads/academic/technology-globalisation-future-of-work\_Mar2015.pdf*](http://www.oxfordmartin.ox.ac.uk/downloads/academic/technology-globalisation-future-of-work_Mar2015.pdf) EPRS - Global Trends Unit 32 the Facebook chatbots that invented their own non-human language, there will likely be incidents that cause questions of legal liability for the creators of destructive or invasive algorithms.16 Questions about how AI runs advertising or news aggregation in the run-up to elections may be one of the first debates to be held about this issue, and will likely arise in the next few years. 3. Sharing economy It is estimated that a sharing economy, one in which non-full time employees use assets they already own (such as a car or a spare bedroom) to generate additional income, could have an annual global value of 335 billion dollars by 2025. Governments have had mixed success regulating sharing economies. Firms that coordinate such activities are growing in popularity among providers and users of the service, and their legal, lobbying and marketing resources have often helped them prevail as force in highly regulated markets -- although in other cases they have adapted to comply with at least some existing rules. By 2035, most governments will have adopted some regulatory framework for these companies, given the unsustainability of the current system of firms operating in legal grey areas and then adopting post-hoc lobbying campaigns. However, the time of adoption will likely depend on whether incumbent actors decide to co-opt the new market entrants, or fight to exclude them. One question will be whether any sharing economy achieves monopolistic status. This has not yet happened. In the New York City taxi market, one of the most currently lucrative of all sharing markets, Uber and Lyft combine for more weekly trips than taxis in 2017. However, Uber faces a number of reputational challenges and licenced taxis are adopting ride-hailing software.17 Nonetheless, platform economics -- in which companies act as the intermediary between vendor and customer -- lead naturally to monopolies, because having a larger number of customers attracts a larger number of suppliers (such as drivers for Uber, homeowners for AirBnB, or sellers on eBay), which increases the options for customers, creating a mutually reinforcing cycle of growth. As the sharing economy matures and monopolies emerge in various markets, goverments will likely find themselves pressured to break up firms that are preventing new entrants into that market.18 4. Data privatisation The amount of private data ownership is rapidly rising, creating a unique problem for governance. Questions of data ownership, consent, passive and purposeful data exchanges, and individual liberties will enter public discourse as government ability to secure data is tested. 16 LaFrance, Adrienne, “An Artificial Intelligence Developed Its Own Non-Human Language,” The Atlantic, 15 Jun. 2017. 17 Schneider, Todd W., ”Taxi, Uber, and Lyft Usage in New York City,”   [*http://toddwschneider.com/posts/taxi-uber-lyft-usage-new-york-city/*](http://toddwschneider.com/posts/taxi-uber-lyft-usage-new-york-city/). 18 Choudary, Sangeet Paul, “The Dangers of Platform Monopolies,” INSEAD Blog, 8 May, 2017,   [*https://knowledge.insead.edu/blog/insead-blog/the-dangers-of-platform-monopolies-6031*](https://knowledge.insead.edu/blog/insead-blog/the-dangers-of-platform-monopolies-6031). Global Trends to 2035 33 Local governments will increasingly need access to data in order to deliver human services and enforce laws. Location data from personal devices could be used to help support search and rescue operations and disaster response teams. Sociometrics could help innovate communication systems. Governments will have to collaborate with companies developing new technologies, which could be difficult given limited budgets. Yet privacy concerns will only grow as the amount of data expands.19 Governments will be asked to pass regulations to ensure citizens’ privacy, while also being tempted to pass legislation allowing governmental access to data for law enforcement purposes. If glasses that include cameras like Google Glass, or home listening devices like the Amazon Echo, proliferate, then citizens will be unwittingly creating recordings of nearly every moment of their lives, creating a political debate that will touch some of the most sensitive issues in society. II - Implications for Europe The European Commission estimates that new technology will boost Europe's GDP by 110 billion euros annually over the next five years, benefiting sectors that account for 60% of the regions GDP.20 However, the poorer EU Member States are likely to face severe drastic job losses because they have higher concentrations of low-skill jobs. The disruption of the job market will be particularly challenging for countries that have less developed pension systems and even the richer states will lose out if Europe as a whole does not compete in the field of AI. One of the largest problems Europe will face in the next two decades is that most of the largest tech providers in the world are based in the United States and China, and their dominance in the sector will be consolidated by the shift to AI. The knowledge economy is particularly suitable to economic clusters, in which a concentration of workers, companies, and capital create a competitive advantage that is difficult to break. The United States has the world’s largest cluster for information technology in Silicon Valley, with clusters for other industries in New York (finance), Boston (biotech), and Detroit (automobiles). Europe does not have similarly dominant clusters in these some of these sectors. Rather, many industries are spread out across countries.21 Widespread networks can function well in some sectors, especially complex manufactured products which can have separate hubs for types of parts or assembly factories. However, industries in which there is a high level of turnover within companies, or rapid start-up formation, tend to favour clusters, for the simple reason that changing jobs does not necessitate a person move houses, thereby reducing friction in the labour market. Of further concern to Europe, a ‘hard Brexit’ could damage UK-based clusters, such as the finance cluster in the City of London. Therefore, the EU will face the challenge of either supporting the development of single clusters, which will require picking which regions will benefit from investment and job 19 Totty, Michael. ”The Rise of the Smart City.” The Wall Street Journal, Dow Jones & Company, 16 Apr. 2017,   [*https://www.wsj.com/articles/the-rise-of-the-smart-city-1492395120*](https://www.wsj.com/articles/the-rise-of-the-smart-city-1492395120). 20 Karnitsching, Matthew. ”Why Europe’s Largest Economy Resists New Industrial Revolution.” Politico, 4 Apr. 2017,   [*http://www.politico.eu/article/why-europes-largest-economy-resists-new-industrial-revolution-factories-of-the-future-special-report/*](http://www.politico.eu/article/why-europes-largest-economy-resists-new-industrial-revolution-factories-of-the-future-special-report/). 21 For details on clusters by industry, see   [*http://clustermapping.us*](http://clustermapping.us) and   [*http://www.clusterobservatory.eu*](http://www.clusterobservatory.eu) EPRS - Global Trends Unit 34 growth, or rely on US or Chinese technology, with the concern that Brexit negotiations will lead to the disruption of some existing clusters. Both are politically difficult approaches, and there has already been considerable US-EU friction over EU rulings against US technology companies. The mismatch between the relative profiles of US and EU firms in the web economy means that EU ***interventions*** in applying EU rules and designing new legislation will have differential impacts and major US firms will lobby European governments and regulatory agencies -- perhaps with US government support -- to minimise any adverse effects. Trend 4: Climate change and resource competition Changes in the global climate due to rising greenhouse gases (GHGs) will not be reversed by 2035, even if great strides are made with the implementation of political agreements to greatly reduce carbon usage in the future. As the consequences of climate change become increasingly apparent -- and natural events such as famines and water strain become linked to climate change in popular discourse -- the world is likely to see climate-related political disputes proliferate at the national and international level. I - Growing GHG emissions According to the European Environment Agency, Europe is on track to hit its 2020 GHG emissions target, and to miss its 2030 target.22 By 2023, all countries will be expected (at a UN Framework Convention on Climate Change ‘stocktake’) to indicate trajectories and possible targets for GHG reduction efforts beyond 2030. By 2035, a new round of GHG emission reduction targets will be underway, more demanding than the current round. Despite the efforts of countries to fulfil their targets set out in the 2015 Paris Agreement, climate change will have drastic effects by 2035. Globally, emissions will continue to rise, by about 13% for carbon dioxide emission by 2035, according to the base case in the 2017 BP Energy Outlook.23 Even if there were a major breakthrough in renewable technology soon, the amount of GHG already in the atmosphere and the time needed to shift the global economy away from carbon means that some of the most damaging effects of climate change will begin to be experienced in 2030-35. The result will be disruption in weather and climactic patterns that will lead to competition and possible conflict over resources, with spillover into the political realm. 22 ”Total Greenhouse Gas Emissions Trends and Projections.” Total Greenhouse Gas Emissions Trends and Projections – European Environemnt Agency, 21 June 2016,   [*http://www.eea.europa.eu/data-and-maps/indicators/greenhouse-gas-emission-trends-6/assessment*](http://www.eea.europa.eu/data-and-maps/indicators/greenhouse-gas-emission-trends-6/assessment). 23 ”BP Energy Outlook 2035,” Feb. 2015,   [*http://www.bp.com/content/dam/bp/pdf/energy-economics/energy-outlook-2015/bp-energy-outlook-2035-booklet.pdf*](http://www.bp.com/content/dam/bp/pdf/energy-economics/energy-outlook-2015/bp-energy-outlook-2035-booklet.pdf) Global Trends to 2035 35 Figure 10. Global warming above pre-industrial levels by 2100, degrees centigrade Source: Climate Action Tracker II - Resource competition 1. Food Food sits at the nexus of many trends in resource competition and is one of the most important topics for its effects on political and humanitarian matters. The Arab Spring of 2011 has been attributed, in part, to a spike in worldwide grain prices in 2010, caused by weather effects lowering the size of harvests in Russia, Ukraine, China, Argentina, Canada, Australia, and Brazil.24 Political change triggered by rising food prices is not new; the French Revolution followed two years of poor harvests. However, in the next decades, that climate volatility is expected to increase the frequency and severity of these events. Food scarcity on a global scale is not inevitable. In its latest working paper, the UN Food and ***Agriculture*** Organisation (FAO) is sanguine about the ability of ***agriculture*** to provide for population growth.25 It projects that population growth will be lower than in the past century, especially in richer countries with more land-intensive diets, and the bulk of population growth will come in poorer countries, which will have diets based on grains and vegetables that are more efficient to farm. However, there are three major wild cards. Climate change could make existing ***agricultural*** areas less suited for cultivation. A global middle class may shift more rapidly to demanding 24 Kelley, Colin P., et al. ”Climate change in the Fertile Crescent and implications of the recent Syrian drought.” Proceedings of the National Academy of Science of the United States of America, vol. 112, no. 11, 2015,   [*http://www.pnas.org/content/112/11/3241*](http://www.pnas.org/content/112/11/3241). 25 Alexandratos, Nikes., Bruinsma, Jelle., ”World ***agriculture*** towards 2030/2050: the 2012 revision.” ESA Working Paper No. 12-03, FAO, 2012,   [*http://www.fao.org/docrep/016/ap106e/ap106e.pdf*](http://www.fao.org/docrep/016/ap106e/ap106e.pdf) EPRS - Global Trends Unit 36 meat -- itself a driver of climate change. And yields may cease to rise quickly enough to keep up with demand. The most likely course for food competition in 2035 is that there are sufficient resources for the world population, but with periodic protest movements as importers face price rises. Developed countries will be investing in innovative farming techniques, such as indoor farms or meat grown in laboratories, but the vast majority of the world’s calories will come from traditional farms. Food supply measures will come increasingly to focus on minimising wastage -- the EU wasted about 88 million tons of food in 2012 -- and maximising yield through better monitoring of farmland.26 However, food production may increasingly be in competition with other environmental objectives. The need to limit deforestation, and thereby constrain development of palm oil and the area available for grazing cattle expansion, or the demand for renewable biofuels, could cut into the supply of affordable food. 2. Water The availability of water is becoming one of the most important inputs for a country’s economy. In many parts of the world, such as the Middle East, water basins are becoming “closed,” meaning that all water has been allocated for use, and climate change is adding additional pressure. Figure 11. Freshwater withdrawal as percentage of total renewable water resources in countries near Europe. Source: FAO AQUASTAT 26 Stenmarch, Åsa. et al. ”Estimates of European food waste levels.” FUSIONS, 31 Mar. 2016,   [*http://www.eu-fusions.org/phocadownload/Publications/Estimates%20of%20European%20food%20waste%20levels.pdf*](http://www.eu-fusions.org/phocadownload/Publications/Estimates%20of%20European%20food%20waste%20levels.pdf) 0 20 40 60 80 100 120 140 Global Trends to 2035 37 Figure 12. Projected water withdrawal in 2025 Source: FAO AQUASTAT To tackle this issue, governments are experimenting with a variety of regulatory and legislative reforms. These include:  restricting the amount of water rights available;  creating tradeable water permits; and  increasing effluence controls and introducing tradeable effluent permits; Water prices rarely reflect the true cost of provision, as governments have often created indirect or direct subsidies. Reform of water practices will therefore increase the cost of water for industry and ***agriculture***. This will lead to business adaptation to minimise the use of water, or to minimise the effect of using water, such as building factories that can recycle their wastewater. Emerging policy developments and technological innovations will significantly shape water management practices and opportunities in the coming decade. These innovations will occur in three main areas:  Water Data. Advances in satellite and drone-based remote sensing allow systematic data collection of water uses while sensors allow water utilities to monitor water use, leaks, and contaminants in real time.  Water supply. Emerging desalination technologies will make desalination increasingly viable for many uses. New generation membranes incorporating nanoparticles, carbon tubes, and graphene-based materials are showing superior permeability and salt-rejection. Combined with renewable energy, which will allow easy power supply to desalination plants, coastal cities around the world may be able to supply their own water by 2035 through ocean water. However, it will still be EPRS - Global Trends Unit 38 inefficient to move water inland, given the power challenges inherent in moving the weight of water against gravity.  Water Use. ***Agriculture*** claims 70% of world water withdrawals, so precision irrigation techniques, such as drip systems delivering water directly to crop roots, can be some of the most effective water control measures possible. Advanced genomics could help farmers optimise growing conditions, watering amounts, and schedules based on better understanding of plant genomes. 2.1 Water in Europe Europe is, as a region, relatively resilient in terms of water availability, but will be affected negatively by migration pressures from areas of collapsing water supply, notably the Middle East, and positively from the demand for European technology to monitor and minimise water usage. 3. Energy The energy sector may see little to no competition for resources by 2035. This is, in large part, due to the rapid advances made by renewable energy in the last decade. Energy companies are attempting to position themselves for this new business model. They are shedding high carbon assets such as coal-fired generation power plants. The fall in solar and onshore wind costs puts renewable energy on a new footing. Previously, renewables helped countries to meet climate change targets and secure supply, but were relatively expensive. By 2035 they will likely meet affordability criteria, and do so without subsidy in developing countries, leading to increased generating capacity worldwide, tracking the shape of the power market in the United States, as shown in Figures 13 and 14. Global Trends to 2035 39 Figure 13. Estimated levilised cost of electricity (LCOE) for new plants in the United States in 2040, dollars Source: Energy Information Administration Annual Energy Outlook 2017 Figure 14. Estimated electricity generating capacity in the United States, gigawatts Source: Energy Information Administration Annual Energy Outlook 2017 0 20 40 60 80 100 120 140 160 180 200 0 50 100 150 200 250 300 350 2018 2020 2022 2024 2026 2028 2030 2032 2034 Coal Oil and Natural Gas Steam 4 Combined Cycle Combustion Turbine/Diesel Nuclear Power Renewable Sources EPRS - Global Trends Unit 40 3.1 Fracturing the global market By 2035, the proliferation of renewable energy technologies, especially wind, solar, and tidal, combined with more energy efficient buildings and electric vehicles, could put an end to the concept of countries as energy exporters. Because renewable energy can be ***produced*** in any country that has wind and sun, the local energy market may be largely supplied by a country’s own resources. For many developing countries, this will require the development of grid infrastructure across countries. This would allow the peaks and troughs in the solar and wind to be balanced out across large distances. There may still be a need in many electric grids for a fossil fuel-generated baseload, which can take over when renewable sources are lagging, or to ***produce*** on-demand increased load. However, this market may soon be serviced by natural gas, which can be globally traded when more LNG terminals are built in both exporting and importing countries. The baseload could become more climate friendly if technology develops surrounding bio-energy with carbon capture and storage (CCS). This involves using biomass in energy plants, then storing the carbon. The technology is at an even earlier level of maturity than regular CCS, but it features heavily in many future energy models, and is probably the main requirement in terms of meeting climate targets by 2100. However, there are land-use implications of bio-energy with CCS because it would require turning ***agricultural*** land away from food production. Nonetheless, the development of alternate sources of energy will likely fail to create climate-friendly fuels for aviation and shipping, which will form a rising proportion of GHGs. For Europe, the downside of this will be the geopolitical instability that a shift to renewable energy could unleash. Many countries in its neighbourhood are dependent on oil and natural gas; fuels comprise more than 50% of merchandise exports for the Republic of Congo, Oman, Russia, and Kazakhstan, more than 75% of exports for Saudi Arabia, Qatar, Azerbaijan, and Kuwait, and more than 90% of exports for Nigeria, Algeria, Angola, and Iraq. A drop in those exports could trigger unrest, as governments find that they are unable to fund services or maintain the social contract that, in some countries, was dependent on the revenues oil and gas provided. III - Political solutions Many of the developments in this era will impact the outlook for climate change and spur new divisions within international politics. 1. US-China rivalry After the 2009 Copenhagen summit, which led to no concrete ***plans***, much of the developed world’s efforts on climate change focused on encouraging China to reduce emissions. At the 2015 Paris summit, these efforts succeeded, only to see the United States turn away from a climate-friendly trajectory when President Donald Trump announced ***plans*** to pull out of the Paris Agreement. However, by 2035, Trump’s Administration will most likely be seen as a blip in the historical trajectory. US cities and states have promised to keep their own emissions targets, mitigating the damage to climate efforts from US withdrawal. Nonetheless, Trump may delay concerted US action by four years, which will make global targets difficult to achieve. Global Trends to 2035 41 More importantly, the US business community will look to keep pace with China on renewable energy technology. Beijing has announced a 2.5-trillion-renminbi investment ***programme*** in renewable energy as part of its 13th Five-Year ***Plan*** (2016-20). This continues the twin strategies of boosting the share of non-fossil fuel in the energy mix and supporting the growth and internationalisation of China's renewable energy manufacturing industry. As long as the Chinese economy does not suffer a major collapse during the next two decades, investment and state support for the sector is likely to continue in the 14th and 15th Five-Year ***Plans***. 2. Developed world vs developing world One of the major accomplishments of the Paris summit was to commit all signatories, both the developing world and developed world, to GHG reduction targets. However, this will continue to be one of the key dividing lines, as developing countries such as India will push for greater flexibility and financial assistance, while Europe, the United States post-Trump, and China will push for stricter controls. Climate change could become a source of international power dynamics, much in the way that terrorism has shaped diplomatic efforts since 2001. If a major ecological disaster hits the United States, China, or the EU (see Trend 8), there may be political will to use both hard and soft power to enforce climate governance on recalcitrant countries. Tariffs on exports or sanctions on companies known to use fossil fuels could be used to mandate compliance; more likely, foreign aid will be targeted to renewable and energy efficient ***programmes***, while bilateral assistance in carbon-intensive industries will receive international scrutiny. Trend 5: Changing power in the international system In many ways, the power balance in the international system in 2017 looks broadly similar to the world in 2000. The United States is still the world’s only superpower, able to launch and sustain major military operations around the world. The international system can be most accurately described as unipolar. NATO and the EU provide for security in Europe. Second-tier powers, notably China and Russia, do not yet have the capability to challenge for global leadership. Yet in many fundamental ways, the world has changed considerably. The wars in Iraq and Afghanistan have left the United States and its coalition partners wary of foreign ***intervention***. China has expanded its global presence with foreign investment, aid and military bases. Russia has demonstrated a willingness to intervene in neighbouring countries and attack democracies with information ‘wars’. The impact of the financial crisis and economic downturns have hit many nations’ capabilities to fund military increases. Projecting the future power balance of the world in 2035 is highly susceptible to wild cards and black swan events. Nonetheless, there are some broad trends that are likely to continue through 2035. EPRS - Global Trends Unit 42 I - Country power projections 1. United States In 2035, the United States will most likely still be the world’s preeminent military power. It will have the world’s largest defence budget and have the most technologically advanced military. The US armed forces have spent the last two decades learning how to better operate in the “Long Wars” in Iraq and Afghanistan, with an emphasis on small unit action and defences against irregular forces. The United States will likely continue to have the capabilities for a wide range of operations, from carrier group actions to Special Forces raids. Its ***plans*** for these actions will include greater budget space for drones, special operations, and cyberwarfare. 2. Russia Russia’s military will be highly constrained by its economy. This in turn will be affected by the income from the country’s mineral wealth, which is currently suffering from the fall in oil prices from the peak of 2014 and the impact of a declining workforce. If current trends hold, the working force population would drop from about 85 million to less than 75 million by 2035. However, this does not necessarily mean that the geopolitical power of Russia will drop precipitously. Military capabilities are slow to develop; an economic boom cannot be immediately translated into the hardware and tactical proficiency needed for adequate operations. Just as China’s military rise has lagged its economic rise by at least a decade, and maybe more, Russian military power will remain significant even if its economy crumbles. Russian power will be focused on areas of high impact and relatively low cost. One of the most important will be anti-access/area denial (A2/AD) systems, which would prevent operations by other countries in or near its territories. In the Russian case, the A2/AD 'bubbles' that Moscow has created along its western frontier include the S-400 air defence system, the Iskander ballistic missile, and the K-300 Bastion anti-ship missile. These long-range anti-access systems are complemented by platforms, including new generations of submarines and fighter jets, which further contribute to Russia's ability to keep NATO at a distance during a crisis. However, a major issue will be the extent to which the Russian defence industry can remain competitive. It has been heavily dependent on export orders, which will dry up if Chinese or Indian manufacturing reaches Russian levels of quality and price. Russia will therefore likely be playing a “spoiler” role through 2035, concentrating its forces in preventing freedom of action for NATO, or in state-based asymmetric warfare, such as informational attacks and cyberwarfare. Geopolitically, it will likely focus its attention on its neighbours, especially former members of the Soviet Union with internal disputes, as described in Figure 15. Global Trends to 2035 43 Figure 15. Russian-backed regions that claim sovereign or autonomous status Source: Oxford Analytica 3. China China’s military capabilities will continue to grow, a product of increased expenditures as its GDP grows and time spent incorporating modern equipment into tactical and ***strategic*** ***plans***. By 2035, it will have multiple aircraft carriers and will likely have more basing rights for its forces in other countries. Most likely, it will attempt to do so in the ports it is building or funding around the Indian Ocean rim. China’s military will not equal that of the United States by 2035, but it will be sufficient to play a major role in its near abroad. The South China Sea may be the first flashpoint, as island building and territorial disputes could be the ingredients of miscommunication leading to conflict. It may also play a role in peacekeeping operations outside of Asia. EPRS - Global Trends Unit 44 Figure 16. South China Sea provides a ***strategic*** advantage to China’s growing nuclear-armed submarine force as a more secure outlet to the open ocean Source: Oxford Analytica China’s greatest ***strategic*** liability is the threat that it poses to others. Although it will have less military power than the United States, balance of threat theory suggests that it will be seen as the larger concern to countries nearby. The United States has been able to play the role of the offshore balancer and a supporter of an Asia-Pacific order that is largely supported by the other states in the region. China may become severely constrained in its freedom of action if its greater strength leads to the creation of coalitions against it. This seems to have already happened in the Indian Ocean. The United States and Japan are helping India to develop advanced naval platforms and weapons systems, giving it privileged access to their military technology. India may eventually become a security contributor not only in the Indian Ocean but throughout the Indo-Pacific as the trilateral relationship deepens. 4. European Union The largest variable in projecting global military power in 2035 is that of the EU. At the moment, one of the largest tensions within NATO is European members spending less than the 2%-of-GDP guidelines. In part, this is because, within member states, the largest perceived threats for Western Europeans are not geostrategic, but relate to climate change, economic stability, and domestic terrorism. Defence spending may increase over the next decade in response to US calls, but large increases are unlikely as public support appears to be weak, especially in Italy and Spain which face large debt burdens. Global Trends to 2035 45 Figure 17. European defence spending and attitudes Source: Pew Research Center, NATO Yet the EU collectively trails only the United States in military spending. The difficulty for European states is translating funds into power projection. The Commission estimates that a lack of cooperation costs the EU Member States between 25 and 100 billion euros annually, and duplication in administration and personnel means that far fewer of its service members can be deployed on operations at a given point in time than is the case for the United States.27 If the European Union continues on post-2008 trends, it and its Member States will be minor powers by 2035, with military spending falling to only two-thirds as much in real terms as in 2005. The EU is also vulnerable to more EU member states leaving or choosing to prefer defence cooperation through NATO in order to partner with a post-Brexit United Kingdom and its defence industry. If the EU consolidates its defence procurement procedures, ensures interoperability, and creates a more streamlined decision-making process, it will be one of the most significant actors in international security. While a unified command structure may not be in place by 2035 -- thereby limiting the EU’s scope of operations in conflicts -- it will play a large role in areas of immediate interest the Middle East or Africa. 5. G20 It is to be expected that economic growth will translate into military power and so by 2035, regional powers will be playing a much larger role in military operations. Even if no other 27 European Commission, “European Defence Action ***Plan***: Towards a European Defence Fund,” 30 Nov. 2016,   [*http://europa.eu/rapid/press-release\_IP-16-4088\_en.htm*](http://europa.eu/rapid/press-release_IP-16-4088_en.htm) EPRS - Global Trends Unit 46 country approaches the military capabilities of the United States, China, or Russia, there will be countries or coalitions powerful enough to launch and sustain operations of their own. The Saudi-led campaign in Yemen may be an example of these types of operations. Likely places for these campaigns to emerge would be in Sub-Saharan Africa, the Middle East, and Southeast Asia, where there are a number of countries with some expeditionary military capabilities, although militaries in those countries may be mostly preoccupied with internal conflicts. As seen in Figure 18, the share of worldwide military expenditures has declined for North America and Western and Central Europe, while the Asia-Pacific region has nearly doubled is share since the end of the Cold War. One variable is the role of Turkey over the next twenty years. While it is not likely to be expelled from NATO in the near future, if it continues towards an authoritarian style of government, it is more likely that it will pursue a foreign policy increasingly divergent from Europe or the United States. Turkey may seek to become the most pivotal power in the Middle East, North Africa, the Caucasus, and Central Asia, taking positions at odds with the rest of NATO. This could elevate Turkey’s influence in the region at the same time undermining the US and Europe, which may be reluctant to press Turkey for fear of causing greater disruptions within NATO. However, this could spur greater defence cooperation within the EU, as member states seek to work together in an institution not affected as much by policy towards Turkey. Figure 18. Share of world military expenditures by region, %.28 Source: SIPRI 28 Data does not include: Cuba, Eritrea, Iraq, North Korea, Somalia, Syria, Turkmenistan, Uzbekistan, former Yugoslavia 0 5 10 15 20 25 30 35 40 45 50 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010 2012 2014 North America Central and South America Western and Central Europe Eastern Europe Asia-Pacific Central & South Asia North Africa and Middle East Sub-Saharan Africa Global Trends to 2035 47 Trend 6: New arenas of state competition When projecting long-term trends in international affairs, it is important to consider the possibility that the major conflicts of 2035 will be centred on issues that barely register in the international arena today, or are secondary matters at best. While this section focuses on state action, it is important to note that corporations and international institutions will play a key role in each of these areas. I - Space Space is marked by the amount of civilian international cooperation that exists alongside military competition. US-Russian cooperation on the International Space Station is the most obvious example, but the joint European-Russian ExoMars mission, the China-Brazilian joint effort to develop remote sensing satellites, and other examples of scientific collaboration all continue the long tradition of linkages between national space activities and diplomacy. Cooperation will become even more important as developing countries grow their consumer sectors but have no satellite production capabilities. However, space plays a key role in conflicts. The use of satellites as a linchpin of command, control, and communications networks seems unlikely to change in the next two decades. They will also continue to play a key role in military monitoring, although they will increasingly be supplemented by airship-based surveillance networks and drones. Militaries will seek ways to reduce satellite vulnerability to protect their systems from attacks. Space will continue to be an important component of international prestige. The United States has signalled an intent to reinvigorate its space ***programme*** with Moon, Mars and asteroid recovery missions. Europe, China, India and Russia all have ***plans*** to continue their space exploration efforts and, although the next major bout of exploration will lack the frenzied timeline of the 1960s, comparisons in achievements will be inevitable. The domestic impact of space achievements will also be an important consideration for governments at a time of continuing pressures on funding allocation. ESA’s Rosetta mission to comet P67 captured the public’s imagination across Europe, in part through the social media skills of the Rosetta mission control team. Space achievements will remain a source of domestic pride and international admiration. 1. Trends in space market The next two decades will see three distinct trends in the space industry, which has the potential to reshape how it is viewed and operated by policymakers. 1.1 Market differentiation The satellite manufacturing market will split into two distinct types of products. The first will be a continuation of the current trend of developing larger chasses for direct broadcast satellites, as improvements in design and materials allow the number of transponders per satellite to increase without a commensurate increase in cost. This will mean a market for launch vehicles capable of carrying heavier payloads to geosynchronous orbit, such as the Ariane 6. EPRS - Global Trends Unit 48 At the same time, there will be a growth in microsatellite constellations operating in low earth orbit that offer a robust network for constant communications or remote sensing. This will open up the market for launch vehicles that carry relatively small payloads at low cost and short notice, able to replenish these constellations when necessary. US companies, notably SpaceX and Blue Origin, are developing the ability to recover and re-use the expensive engines housed in the first-stage of launch vehicles. 1.2 Broadband The second trend is the full-scale commercial development of global space-based broadband internet. The use of small low-cost satellites will be a key development here, and would generate a sizeable share of the commercial activity in the space sector. 1.3 Data collection The third trend is a greater incorporation of space-based remote sensing data into systems operations. This has already been deployed in sectors such as oil and gas, but the combination of images collected from earth orbit with evolving interpretative software will both lower the cost of this data and increase its utility across commercial sectors. Advances in software to extract and incorporate the data means that the space-based component can be less sophisticated, more disposable and therefore cheaper. In a sense, the satellite market is moving closer to a mass market -- or at least high-volume -- product. Given the utility of satellites for military uses, the country that can capture this market will receive a boost in its ***strategic*** reach. II - Maturing weapons systems in development Given the long lifespans of many weapons systems, many of the foundational elements of the militaries of 2035 are already in development or deployed. However, their use and the mix of technologies could drastically change how technology is used. 1. Air The F-35 Joint Strike Fighter was first declared combat-ready in 2015; it is projected to be in production until 2038 and operational until 2070. The F-35 has procurement orders from the United Kingdom, Italy, the Netherlands, Denmark, Norway, and Turkey, among others, which will make it a central element in NATO’s flight arsenal for the next few decades. While the F-35 is the most technologically advanced aircraft in production, it is likely that Russia, and perhaps China, will develop aircraft or air defence systems by 2035 that can negate some of its technical attributes, such as its stealth capabilities. Despite considerable setbacks in the research and development of this aircraft, the F-35’s proponents argue that it will transform aerial combat as a fully networked plane whose software can be updated. The Pentagon is exploring ***plans*** to allow the F-35 to be a manned command vehicle controlling a fleet of unmanned drones, or even retrofitted unmanned F-16 “wingmen” to fly alongside it. While the F-35 may not filfill its supporters’ highest expectations, it does seem apparent that air warfare by 2035 will be marked among NATO militaries by a mix of manned and unmanned aircraft, which can operate in areas too dangerous for solely manned fighter jets and too delicate for solely unmanned drones. Global Trends to 2035 49 Europe will face severe internal tensions in air procurement. The Typhoon and Rafale fighter aircrafts will still be operational by 2035 and there will be trade-offs between fostering intra-European cooperation versus purchasing aircraft developed outside the EU. Europe will also face challenges to expanding its ***strategic*** transport capabilities -- if it is to become a greater expeditionary power -- and to engage in the drone market, currently led by US and Israeli designs. 2. Land In the last fifteen years, US and European military forces have seen considerable technological advances, such as drone-based reconnaissance working in conjunction with ground troops. In the same time frame, however, low-tech adversaries in Iraq and Afghanistan proved highly effective at using improvised explosive devices and suicide attackers. Land-based combat appears likely to evolve along the same lines. In many combat areas, small units of Special Forces will use superior technical and tactical capabilities to achieve national security aims. However, armies seeking to hold territory will develop systems to guard against asymmetric attacks, including using unmanned ground vehicles, such as the existing bomb disposal robots to monitor areas deemed too threatening for soldiers. 3. Sea Aircraft carriers will remain central to the US Navy, which will retain its position as the most powerful ocean-going force by a large measure. By 2035, there will be at least three, and likely five, Ford-class supercarriers in the US Navy. These ships, and the Marine “Lightning carriers” that will deploy F-35s, will have a significant mobility advantage over land bases while maintaining extensive power projection capabilties.29 Yet carriers could have a moment of extreme vulnerability. Defensive missile technology or stealth submarines carrying anti-ship guided missiles could make combat zones too dangerous for the expensive carriers, leading to a push to increase naval defensive measures. Dominance by a US-led alliance in sea power is more likely to lead to other nations developing area denial capabilities, rather than competing in power projection capabilities. China is the exception. Although it is unlikely to compete in a conspicuous way with the United States by 2035, China’s goal is to develop a blue-water navy within the next 25 years -- not least to assert its maritime claims in the East and South China Seas and protect its so-called ‘first island’ chain. Also, the view that carriers are linked to being a great global power will be hard to dislodge. The fact that China has begun investing in overseas naval bases suggests that the country is already moving in the direction of competing with the US Navy. One exception to this trend may be submarines. Germany already has developed a submarine-launched unmanned aerial vehicle and advances in drone technology could make this a more effective weapons delivery platform. Additionally, underwater unmanned vehicles (UUVs) have been receiving increasing attention from the United States as a means of tracking enemy submarines. 29 ”Document: 2017 U.S Marine Corps Aviation ***Plan***.” USNI News, 2017,   [*https://news.usni.org/2017/03/28/document-2017-u-s-marine-corps-aviation-****plan***](https://news.usni.org/2017/03/28/document-2017-u-s-marine-corps-aviation-plan). EPRS - Global Trends Unit 50 III - Policing rogue and failing states Since the end of the Cold War, a dominant trend in international security has been military ***interventions*** in states that threaten the international order -- either through their actions or their inability to control their territory. In Iraq, the former Yugoslavia, Somalia, Afghanistan, Libya, Syria, and Yemen, international coalitions have been formed to replace regimes and try to build new ones more amenable to the global order. While it is uncertain whether such ***interventions*** will be triggered for reasons of responsibility to protect, democracy promotion, or other ideological drivers, the security risk that such countries can pose to surrounding regions will be sufficient to ensure that such ***interventions*** will, at least occasionally, continue through 2035. However, the initial post-Cold War ***interventions*** benefited from the willingness of the United States to bear a considerable portion of the costs, such as in the Gulf War of 1991, or for NATO to act as the umbrella organisation, as in Bosnia or Afghanistan. In recent years, this trend has waned; the Libya ***intervention*** in 2011 received crucial support from the Arab League before it was approved and the Syria conflict was driven mainly by regional powers prior to the Russian ***intervention***. A multiplicity of actors with different agendas will complicate ***strategic*** and tactical decisions. Actions against rogue or failing states in 2035 are more likely to resemble the mixed alliances of the Syrian conflict than the cohesive coalition of the Gulf War. Further, unlike the Gulf War, for which Soviet and Chinese abstentions at UN Security Council votes were critical to winning international legitimacy for the eventual Operation Desert Storm, there will likely be competition from China, Russia, and leading regional powers for policing operations, as this will give them greater political sway in the conflict zone. IV - Cyber Advanced persistent threats (APT), a term cyber specialists use to describe government-sponsored offensive actions in cyberspace, have been growing in recent years. Success in several arenas, from destroying nuclear centrifuges in Iran, to cutting information systems in Crimea in 2014 to hacks during the 2016 US presidential election, means that they will multiply in the near- and medium-term. Businesses will collaborate with governments closely in public-private defence partnerships, but they will be unlikely to find ways to stop APTs. As government-sponsored cyber units experiment with operational concepts and doctrine, new forms of threats will emerge and mission objectives are likely to shift from espionage to more integrated cyber operations including sabotage and subversion. By 2035, advanced intrusion capabilities will be available to many countries willing to use these techniques. The threat of altering medical records, accessing government personnel files, and targeting low-level bureaucrats for blackmail may become common and a routine part of conflict negotiation. Global Trends to 2035 51 1. Government collaboration over norm-setting As the spectrum of operations is explored, governments’ incentives to agree on acceptable norms of behaviour will rise. The United States and China will be leading actors in gradually developing these norms over the next decade. Although cyber espionage had been and is a major source of tension between the United States and China, there is evidence that China has begun to recalculate its use of cyber attacks.30 An initial downward trend was visible before China concluded an agreement with the United States in 2015 to cease commercial cyber espionage and therefore, implicitly, to limit cyber attacks to governmental objectives such as national security or diplomatic advantage. By 2035, the scope and scale of societal damage from a major civilian-focused cyber attack -- combined with the widespread access to cyber weapons -- will see states attempting to institutionalise control over such tools. Cyber may follow the same path as nuclear weapons, where, after an initial period of intense competition, a series of summits and international bodies attempted to regularise and control nuclear weapons, while deterrence theory pushed states away from their use. 2. Balkanised internet However, cyber weapons are far harder to monitor than nuclear weapons. Debates over cyber defence may blend together with international disagreements on the idea of internet sovereignty. Chinese President Xi Jinping expressed a desire to establish sovereignty as the foundational norm of internet governance at the December 2015 Wuzhen World Internet Conference (WIC). By 2035, China will have the largest or second-largest online population. With the purchasing power of its market, it, along with like-minded countries, such as Russia, Pakistan, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, will push to set rules for global internet governance. There is a significant risk that technical standards diverge over the next decade, making it difficult for Chinese and foreign systems to talk to each other. The impact of this could be serious on, for instance, the banking transaction platforms supporting Chinese import and export transactions. Europe would then face squeezed economic opportunities, with China and similar countries locking out foreign companies and US firms seeking to capture what markets are left elsewhere. V - Arctic The 2014 synthesised International Panel on Climate Change report stated with very high confidence that the Arctic will continue to warm more rapidly than the global averages.31 Some models predict that the Arctic Ocean will be nearly ice-free before 2050, which means 30 ”Redline Drawn: China Recalculates its use of cyber espionage.” Fireeye iSight Intelligence, June 2016,   [*https://www.fireeye.com/content/dam/fireeye-www/current-threats/pdfs/rpt-china-espionage.pdf*](https://www.fireeye.com/content/dam/fireeye-www/current-threats/pdfs/rpt-china-espionage.pdf) 31 Interngovenmental Panel on Climate Change. ”Climate Change 2014: Synthesis Report.” IPCC Fifth Assessment Report, t   [*http://www.ipcc.ch/pdf/assessment-report/ar5/syr/AR5\_SYR\_FINAL\_All\_Topics.pdf*](http://www.ipcc.ch/pdf/assessment-report/ar5/syr/AR5_SYR_FINAL_All_Topics.pdf) EPRS - Global Trends Unit 52 that both the Northwest Passage and the Northern Sea Route will be open to shipping well before then. Figure 19. Arctic sea routes Source: Oxford Analytica 1. Territorial claims President Vladimir Putin describes the Arctic as an area where the military, political, economic, technological, environmental and resources aspects of national security converge. Moscow achieved an important win in 2013 with a positive decision from the UN Commission on the Limits of the Continental Shelf (CLCS) regarding the Okhotsk Sea enclave. This increased Russia's territory by 50,000 square kilometres. In February 2016, Russia submitted evidence to the CLCS that the southern part of the Gakkel Ridge and Podvodnikov Basin, as well as the Lomonosov Ridge, the Mendeleyev Ridge and Chukotka Plateau, represent a continuation of the Russian continental shelf. The total area claimed is 1.2 million square kilometres, but this will be contested. Denmark has submitted its own claim to the CLCS and in September 2016 refused to negotiate with Russia bilaterally. Canada is expected to file its own claim with the CLCS in 2018; this is expected to lay claim to some of the same territory as Russia and Denmark. Global Trends to 2035 53 By 2035, these claims will have been adjudicated in some way. The region contains 13% of the world's undiscovered conventional oil and 30% of its undiscovered conventional natural gas, according to estimates by the US Geological Survey, as well as mineral deposits.32 Figure 20. Arctic territorial claims beyond existing boundaries (dashed line) Source: Oxford Analytica 2. Institutional jurisdiction Arctic concerns are currently managed by rules under the UN Convention of the Law of the Sea (UNCLOS) and the Arctic Council. China calls itself an “Arctic stakeholder” and a “near-Arctic state” and will push to have governing influence in the Arctic. Outside interest in resources will act as a driver of cooperation among members of the Arctic Council. Arctic states will promote strict adherence to the UNCLOS regime and work within the Arctic Council to ensure that the decision-making powers of outsider states are held in check and that they can join only those governance structures and regimes that have been agreed by Arctic states. There are three futures for the Arctic.  The next South China Sea: competing territorial claims constantly threaten to devolve into armed conflict. 32 ”Circum-Artic Resource Appraisal: Estimates of Undiscovered Oil and Gas North of the Artic Circle.” USGS, 2008,   [*https://pubs.usgs.gov/fs/2008/3049/fs2008-3049.pdf*](https://pubs.usgs.gov/fs/2008/3049/fs2008-3049.pdf) EPRS - Global Trends Unit 54  New OPEC: an oligopoly of resource-rich nations work to ensure that they alone determine policy for the region.  Marginal value: If renewable energy and electric automobiles drive down the price of oil and natural gas, or if unconventional oil and gas extraction becomes significantly cheaper, Arctic resources may be too expensive to drill, providing significantly less incentive to turn the region into an arena for state conflict by 2035. Trend 7: Politics of the Information Age Politics often evolves as a reaction to changing societal and economic trends. The economic changes in the developed world from the 19th century to the middle of the 20th century, broadly speaking, led politics to be focused on the question of the role of the state in economic life, with left-wing or centre-left parties advocating more social democratic policies and right-wing or centre-right parties advocating more free market policies. There is evidence -- from measures on inequality to the percentage of the economy comprised of manufacturing versus services -- that in much of the developed world, the industrial era has transitioned to an information economy. While there is no ‘official’ start to this era, the mid-1970s are a potentially useful dividing point. Around this time, advances in information technology and the entry of China into global markets created a situation in which the developed world’s middle class -- its most powerful political bloc -- saw stagnating income prospects as an individual’s productivity became decoupled from earnings. Political reactions to these economic changes are already underway and can be observed across the United States and Europe. While they are highly unlikely to completely overturn the existing political landscape by 2035, they will add new layers and issues that will shift partisan coalitions and incentive structures. Furthermore, although the next two decades will not be shaped directly by the global recession of 2008, they will be marked by the many trends the recession accelerated. I - Inequality Economic inequality has grown in the United States and Europe for most of the last thirty years in real terms and in political salience. The gap between the rich and poor was described as a “very big problem” by a majority of respondents in France, Italy, Spain, and Greece in a 2014 Pew survey.33 Economically, the trend shows no sign of abating across the developed world, although, as Figure 21 shows, there is considerable variation between countries, with the United States seeing the most rapid change since the mid-1970s and France and the Netherlands seeing gradual changes. 33 ”Emerging and Developing Economies Much More Optimistic than Rich Countries about the Future.” Pew Research Center’s Global Attitudes Project, 2015,   [*http://www.pewglobal.org/2014/10/09/emerging-and-developing-economies-much-more-optimistic-than-rich-countries-about-the-future/*](http://www.pewglobal.org/2014/10/09/emerging-and-developing-economies-much-more-optimistic-than-rich-countries-about-the-future/). Global Trends to 2035 55 Figure 21. Percentage of national income earned by the top 1%, five-year rolling average Source: World Wealth and Income Database Researchers at the IMF have found evidence that the drivers of inequality include:34 \_ Technological change, which increases the value of high-skilled work and replaces low-skilled work; \_ Globalisation, which in the developed world, at least, contributes to the value placed on high-skilled work that can be sold to global markets, while offering cheaper labour input for low- and medium-skilled work; \_ A decline in labour market protections, such as minimum wages and union memberships, which gives greater economic power to those at the higher end of the income spectrum; \_ Tax policies, which have shifted since the immediate post-war era to lower marginal tax rates on the highest earners. None of these trends appear close to disappearing and technological change will only accelerate them to 2035. Therefore, inequality in Europe is likely to rise. 34 Dable-Norris, Era. et al. ”Causes and Consequences of income inequality: A Global Perspective.” International Monetary Fund, June 2015,   [*https://www.imf.org/external/pubs/ft/sdn/2015/sdn1513.pdf*](https://www.imf.org/external/pubs/ft/sdn/2015/sdn1513.pdf) 0 0,05 0,1 0,15 0,2 0,25 France United States United Kingdom Netherlands Sweden Australia EPRS - Global Trends Unit 56 While it is impossible to predict which issue will gain the most prominence in every country, there is evidence that people universally respond more towards situations of unfairness rather than strict inequality.35 Therefore, it is most likely that the topic perceived as involving the most unfair practices, such as tax evasion, will attract the most popular attention. II - Industry disruption Despite popular press coverage of claims that AI and automation will lead to a sudden elimination of various industries, research performed on occupational data from 24 OECD countries since the 1950s demonstrates that changes in broad job categories often occur along smooth trends.36 The share of the workforce in middle- or high-skilled jobs increased throughout the 20th century and displacement has happened over decades. As seen in Figure 22, the share of jobs in the UK economy that labelled “Production” (including manufacturing and repetitive clerical work), has consistently dropped since 1960, with its biggest losses coming in the 1980s. As Figure 23 demonstrates, the decline in production jobs has occurred across the developed world, where the only decade in this sample where it increased by a large degree was in 1960s Japan, when its was in the middle of its post-war economic boom. Therefore, the evolution of the workforce until 2035 must be considered in view of two factors: gradual changes that will accumulate to become major changes in industry employment; and industries vulnerable to drastic disruption. 35 Starmans, Christina., Sheskin, Mark., and Bloom, Paul. ”Why people prefer unequal societies.” Nature News, Nature Publishing Group, 7 Apr. 2017,   [*https://www.nature.com/articles/s41562-017-0082*](https://www.nature.com/articles/s41562-017-0082). 36 Handel, Michael J. “Trends in Job Skill Demands in OECD Countries”, OECD Social, Employment and Migration Working Papers (2012),   [*http://dx.doi.org/10.1787/5k8zk8pcq6td-en*](http://dx.doi.org/10.1787/5k8zk8pcq6td-en). Global Trends to 2035 57 Figure 22. Per decade change in share of occupations in the United Kingdom, % Source: Michael Handel, OECD Figure 23. Per decade change in share of production jobs in selected countries, % Source: Michael Handel, OECD 1. Gradual change The largest change in occupation across Europe over the past century has been the steep decline in ***agricultural*** jobs that resulted from the advent of mechanised farming. This -12 -10 -8 -6 -4 -2 0 2 4 6 8 1960-1970 1970-1980 1980-1990 1990-2000 2000-2010 Professional Clerical Service Production -12 -10 -8 -6 -4 -2 0 2 4 6 8 1960-1970 1970-1980 1980-1990 1990-2000 2000-2010 UK France Germany United States Canada Australia Japan EPRS - Global Trends Unit 58 occurred at different times in various countries; in Ireland the fall was from 36.8% of jobs in ***agriculture*** in 1960 to 1.9% in 2009, while the more industrial United Kingdom started with only 4.4% of jobs in ***agriculture*** in 1960, but only 2.0% in 2009. We can expect that the same process of convergence will happen in those European countries with still-sizeable ***agricultural*** sectors, such as Greece, with 12.2% of its jobs in ***agriculture*** in 2009.37 The other major trend in employment has been the consistent decline in manufacturing and low-skilled work, what can be defined as “production” jobs. In France, production jobs fell from 42.0% of all workers in 1960 to 21.6% in 2009. Declines were consistent in every decade since 1960, a pattern repeated in Austria, Belgium, Denmark, Finland, Germany, Italy, the Netherlands, Norway, Sweden, and the United Kingdom, among European OECD members. Therefore, even without a major disruptive force, and a continuation of existing trends, we can expect to see the share of the workforce in manufacturing decline, perhaps by around 25% by 2035, while high-skilled workers are in greater demand. Employment growth over the next decade will primarily be driven by positions requiring greater preparation (in-employment training, work experience and formal education) and social skills (interpersonal, communication and management), most notably in the healthcare sector. Jobs requiring above-average preparation are expected to grow 2.8 percentage points faster than their below-average counterparts by 2024, and positions requiring greater social skills will grow by 8.8% over the period, compared to 4.4% with lower requirements. It is likely that such a trend will continue through 2035.38 2. Rapid disruption It is nearly impossible to predict which specific businesses or subsectors will face precipitous declines. For example, online book sales have surpassed sales from traditional book stores. However, groceries, for which there was speculation of huge online sales during the Dot Com bubble of the late 1990s, saw relatively little disruption to their industries during that time. The employment effects of this are considerable, eg, Amazon employs 70% fewer workers per unit of revenue than brick-and-mortar retailers. Some industries are particularly vulnerable to “tipping point” economics, whereby crossing a threshold leads to a quick downward spiral, as shown in Figure 24. 37 Handel, Michael J. “Trends in Job Skill Demands in OECD Countries”, OECD Social, Employment and Migration Working Papers (2012),   [*http://dx.doi.org/10.1787/5k8zk8pcq6td-en*](http://dx.doi.org/10.1787/5k8zk8pcq6td-en). 38 DeSilver, Drew. ”Jobs requiring preparation, social skills or both expected to grow most.” Pew Research Center, 13 Oct. 2016,   [*http://www.pewresearch.org/fact-tank/2016/10/13/jobs-requiring-preparation-social-skills-or-both-expected-to-grow-most/*](http://www.pewresearch.org/fact-tank/2016/10/13/jobs-requiring-preparation-social-skills-or-both-expected-to-grow-most/). Global Trends to 2035 59 Figure 24. Potential industry disruption and tipping points Industry Tipping point Taxi/truck drivers Self-driving cars become safe for use on roads and 3-D printing reduces the need for long supply chains Fast-food and retail workers Self-service checkouts and RFID checkouts become ubiquitous Low-cost hotels Services like AirBnB achieve regulatory acceptance Oil workers Electric cars make up a majority of the automotive fleet in the United States and Europe Translators Machine learning allows for natural language processing sufficient for most business needs Source: Oxford Analytica 3. Political effect for Europe While media attention will focus on high-profile companies and subsectors that have shuttered due to digital disruption, most of the electoral weight will be behind the gradual changes that have a far larger total impact on the distribution of the workforce. This will be especially true if the jobs lost are low-skilled, and equivalent jobs are not being created elsewhere in the economy. III - Populism Several academics, such as New York University social psychologist Jonathan Haidt, have argued that the next global partisan divide will not be left/right, but between “nationalists and globalists.”39 This divide may already be seen in the rise of populist/nationalist political parties in the 2010s. Populists can come from a variety of ideological backgrounds and are present in some form in many countries. They are marked not by a set of policies but, according to most academic definitions, an attitude and a worldview of a cohesive “people” who have been betrayed or attacked by an “other,” usually some form of elite establishment, who must be combatted by electing the populist. As Figure 25 shows, populist movements in the developed world tend to be right-wing in origin, compared to left-wing or nationalist/sectarian in the developing world, but those are only approximate groupings. 39 Haidt, Jonathan, “When and Why Nationalism Beats Globalism,” The American Interest, 12:1, 10 Jul. 2016 EPRS - Global Trends Unit 60 Figure 25. Populist movements/leaders worldwide and their closest ideological source Left-wing Right-wing Anti-establishment Nationalist/sectarian National Democratic Convention (Ghana) Fujimorismo (Peru) Youth protest movements (Ethiopia) Orange Democratic Movement (Kenya) Patriotic Front (Zambia) Pauline Hanson’s One Nation (Australia) M5S (Italy) Economic Freedom Fighters (South Africa) President John Magufuli (Tanzania) New Zealand First Party (New Zealand) Bersih (Malaysia) Hindu Nationalists (India) Lulismo (Brazil) President Donald Trump (United States) VMRO-DPMNE (Macedonia) Chavismo (Venezuela) Peronism (Argentina) Vetevendosje (Kosovo) Law and Justice (Poland) FDC (Uganda) PVV (Netherlands) AKP (Turkey) UKIP (UK) Fidesz (Hungary) FPO (Austria) President Rodrigo Duterte (Philippines) Front National (France) PAP (Singapore) Alternative fur Deutschland (Germany) Swedish Democrats (Sweden) Danish People’s Party (Denmark) Source: Survey of academic experts conducted by Oxford Analytica 1. Populist prospects While populist politicians have been active throughout the history of democratic societies, there are indications that they will have greater sway over the next two decades. 1.1 Causes In the information age, unseen forces like automation or global market changes can quickly translate into job losses. Because the source of social displacement is difficult to identify, human psychology is susceptible to a charismatic politician offering a group to blame. Second, media disintermediation allows politicians to connect more directly to voters, bypassing the institutions that have often worked to block aspiring populists. Fundraising can also be crowdsourced, allowing populist leaders the funding to compete with traditional politicians with party backing. Microtargeted advertising can hinder the ability of traditional politicians to build large coalitions. Global Trends to 2035 61 Finally, populism thrives on attacking an “elite” that does not seem to follow the rules of society. If global tax evasion and tax avoidance proliferates over the coming decades, whittling away at a country’s revenues and causing cuts to social services, populist politicians would have evidence to support their rhetoric.40 Failure to tackle these issues would permit populist leaders to paint governing parties as siding with those who do not share the same burdens as the rest of the people, a typical populist attack. 1.2 Lifecycle Populists have usually failed to sustain their momentum when in office, as often-vague campaign promises meet the reality of governing trade-offs. Therefore, over the next two decades, there are three possibilities for how populists might fare if they should win: 1. Failure and rejection from office, as opponents are joined by now-disillusioned supporters. This appears to be the eventual end of Chavismo in Venezuela. 2. Turn to traditional party policies, as has happened in the United States with Trump’s adoption of Speaker of the House Paul Ryan’s agenda. 3. Creation of a new political alignment, against which future political battles are fought, as happened with Peron in Argentina. In Europe, the success of populists in creating new domestic alignments would create greater stress on the integration process. Unlike ideological parties, which are likely to favour similar policies to those of resembling parties in other countries, Members of the European Parliament (MEPs) and Commissioners representing a populist party may not have allies with whom to work on policies in Brussels. Therefore, they will find it difficult to advocate policies at the European level and would likely try to repatriate competencies to the national level, where they have more control over governance. IV - New voting blocs One of the hallmarks of the political reaction to the Industrial Revolution was the political power of unions and the labour movement and a counter-reaction from conservative movements. An information economy is likely to lead to the creation of new voting blocs, either through increasing job sharing in the economy or voters who have had similar experiences. These blocs may become crucial elements of winning electoral coalitions. Coalitional realignment is a regular feature of politics, and can see parties slowly change their geographic and popular base. The shift to an information economy could trigger a series of realignments across Europe. Some likely voting blocs include: \_ Newly upper-middle class professionals. Tony Blair’s New Labour strategy was centred on targeting this group, which was outside Labour’s traditional working-class support and many of whom were the result of expanded access to education since the 1950s. They might 40 Yikona, Stuart, “How corruption and tax evasion distort development,” Governance for Development, World Bank, 12 Jun. 2011. EPRS - Global Trends Unit 62 be considered one of the first ‘new’ voting blocs of the information age emerging in the 1980s and 1990s, unconnected to previous political identities. \_ Former industry workers. As high-employment industries succumb to the forces of automation, there will be large numbers of voters who are bound together by similar interests, attitudes, and life experiences. Truckers and taxi drivers may be the largest single bloc of this type if self-driving cars become ubiquitous over the next decade. \_ Gig economy workers. Part-time and flexible workers are already common in the on-demand ‘gig economy’, which includes companies such as Uber and Amazon TaskRabbit. These workers exist in a contested legal area between being self-employed contractors and employees of multi-billion dollar corporations. As their status becomes regularised, they may comprise a highly interested voting bloc, given how much of their work environment may depend on government regulations. \_ Cities vs. rural voters. Eurostat projects that the rural population in Europe will fall by 8 million people by 2050, while the urban population will rise by 24 million. As population and economic growth is increasingly concentrated in cities, a key divide in national governments will be between those officials representing rural areas and those representing urban areas. One key challenge for elected officials will be to ensure that the interests of voters in areas of declining population are not overlooked, without sacrificing necessary investments in areas of growth. \_ Elderly. While this voting bloc is not a product of the information age, it will be growing rapidly through 2035 due to demographic shifts. This group is likely to push for consideration of higher taxes on corporations and high-profit/low-employment industries to fund maintenance of living standards for retirees. However, catering to elderly voters could polarise the rest of the population away from those policies, especially as maintaining pension schemes would require tax increases on the working-age population. Trend 8: Ecological threats While climate change is a gradual process that will be felt over the course of decades, it also increases the likelihood of relatively sudden natural disasters. By 2035, the world will most likely be confronted with more of these natural disasters, and the political system will be required to adjust to them. I - Natural disasters Natural disasters can be broken down into rapid onset (eg, storms and floods) and slow onset events (eg, drought). The disaster risk management community, of which the EU is one of the primary supporters and funders, tends to use the following conceptual framework: Risk = Hazard x Exposure x Vulnerability Exposure is the people or things that lie in harm’s way. Hazard is the size and destructive power of the weather event. Vulnerability is the susceptibility of a person or asset to harm. Global Trends to 2035 63 1. Hazard The link between climate change and extreme weather is clear. Energy from higher temperature levels can be translated into kinetic energy that disrupts usual weather patterns. The subsequent strength of hydro-meteorological events (ie, weather-related, rather than earthquakes and volcanoes) increases the hazards facing communities. Assessing the extent of a causal connection between climate change and specific events has until recently been difficult. In the past, scientists have supported general statements about climate change increasing the chances of extreme weather events as a long-term trend. Now, a growing body of climate scientists argue it is possible to model accurately how much more or less likely a single event has become as a result of climate change. This will help us understand the climactic origins of extreme weather events, but also indicates that extreme weather will become more freqnt by 2035. 2. Exposure Economic growth, population trends, and often unplanned urbanisation contribute to a trend of growing disaster losses. People and economic assets are increasingly concentrated in cities in hazard-prone locations such as low-lying coastal areas. The increased exposure to disaster risk pushes potential losses upwards. The OECD estimates that about 40 million people were exposed to a 1-in-100-year coastal flood event in 2005, and that the number will grow to about 150 million by 2070, as well as an almost doubling in the share of assets exposed. Population exposure will be concentrated in developing countries, while assets will see high levels of exposure in the United States, China, the Netherlands, and Japan.41 By 2035, this trend will already be evident. 41 Nicholls, R.J , et al. “Ranking of the world’s cities most exposed to coastal flooding today and in the future,” OECD, 2007. EPRS - Global Trends Unit 64 Figure 26. Top 20 cities exposed to coastal flooding in 2070 by population and assets Cities with highest population exposed Cities with the most assets exposed 1. Kolkata 11. Alexandria 1. Miami 11. Ningbo 2. Mumbai 12. Tianjin 2. Guangzhou 12. New Orleans 3. Dhaka 13. Khulna 3. New York 13. Osaka-Kobe 4. Guangzhou 14. Ningbo 4. Kolkata 14. Amsterdam 5. Ho Chi Minh City 15. Lagos 5. Shanghai 15. Rotterdam 6. Shanghai 16. Abidjan 6. Mumbai 16. Ho Chi Minh City 7. Bangkok 17. New York 7. Tianjin 17. Nagoya 8. Rangoon 18. Chittagong 8. Tokyo 18. Qingdao 9. Miami 19. Tokyo 9. Hong Kong 19. Virginia Beach 10. Hai Phong 20. Jakarta 10. Bangkok 20. Alexandria Source: OECD 3. Vulnerability Rapid urbanisation in developing countries leads to the creation of informal settlements where building standards are not enforced. The confluence of urbanisation and climate change will drive increased losses from hydro-meteorological hazards such as flash floods and coastal flooding, tropical storms and landslides. It is estimated that losses from hydro-meteorological disasters in coastal cities could reach 1 trillion dollars or more per year by 2050.42 4. Seismic events While climate change is not connected to seismic risk, this area remains one of the largest climate change is not connected to seismic risk, this area remains one of the largest climate change is not connected to seismic risk, this area remains one of the largest climate change is not connected to seismic risk, this area remains one of the largest climate change is not connected to seismic risk, this area remains one of the largest climate change is not connected to seismic risk, this area remains one of the largest climate change is not connected to seismic risk, this area remains one of the largest climate change is not connected to seismic risk, this area remains one of the largest climate change is not connected to seismic risk, this area remains one of the largest climate change is not connected to seismic risk, this area remains one of the largest climate change is not connected to seismic risk, this area remains one of the largest climate change is not connected 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II - Risks from natural disasters 1. Risks to Europe Throughout Europe, extreme weather events are likely to increase in frequency and impact by 2035. In extreme scenarios, regions of Europe that currently see flooding and other extreme 42 Hallegatte, Stephane. et al. ”Future flood losses in major coastal cities.” Nature Climate Change, 18 Aug. 2013,   [*http://www.nature.com/nclimate/journal/v3/n9/full/nclimate1979.html*](http://www.nature.com/nclimate/journal/v3/n9/full/nclimate1979.html) Global Trends to 2035 65 sea level events roughly every 100 years would need to prepare for annual or semi-annual events of the same magnitude.43 Southern Europe will be severely hit with prolonged heat waves, causing increased water scarcity, decreased ***agricultural*** productivity, coastal flooding, and loss of biodiversity. Northern Europe will struggle mostly with coastal and river flooding.44 Overall, Europe is predisposed to experience more instances of flooding and greater precipitant events, rather than prolonged drought.45 Soil erosion, caused by flooding and high winds in storms, will create environments less hospitable to farming.46 2. Global risks However, the areas at greatest risk of natural disasters are located elsewhere in the world. In South America, the western flank of the Andes is normally an area of near-zero rainfall. Sudden heavy rainfall can ***produce*** widespread landslides and flooding. Houses are often built of materials that cannot withstand adverse weather conditions, some urban areas lack proper drainage, and transport infrastructure (primarily roads and bridges) is easily washed away under torrents of water. This area is exposed to climate change and the cyclical effects of El Niño. The Caribbean is one of the world's most disaster-prone regions, as measured by disasters per capita and per square kilometre. The effects on growth and debt are significant. According to research by the IMF, output typically falls by about 1% in response to an average hurricane or severe storm. In South Asia, the delta areas of Eastern India and Bangladesh are highly vulnerable to flooding. By 2050, as many as 25 million Bangladeshis will be affected by climate change, and Asia as a whole has seen a rising number of natural disasters in the past 65 years. As the most populous region of the world, cyclones, typhoons, and floods can have a devastating effect, with ripples throughout the global economy. III - Climate refugees and migrants Climate disasters drive people away from their homes. For example, a decline in rainfall in the Sahel would force larger numbers of people to migrate from rural areas into cities, further south into West Africa, or north towards Europe. In this situation, migrants would place new 43 ”Increase in extreme sea levels could endanger European coastal communities.” AGU Newsroom, 14 Mar. 2017,   [*http://news.agu.org/press-release/increase-extreme-sea-levels-endanger-european-coastal-communities/?utm\_source=CPRE&utm\_medium=email&utm\_content=17-21+extreme+sea+levels*](http://news.agu.org/press-release/increase-extreme-sea-levels-endanger-european-coastal-communities/?utm_source=CPRE&utm_medium=email&utm_content=17-21+extreme+sea+levels) 44 Behrens, Arno., Georgiev, Anton and Carraro, Melis., ”Future Impacts of Climate Change across Europe: CEPS Working Document No. 324.” Centre for European Policy Studies, Feb. 2010,   [*http://aei.pitt.edu/14586/1/WD\_324\_Behrens,\_Georgiev\_&\_Carraro\_final\_updated\_(1).pdf*](http://aei.pitt.edu/14586/1/WD_324_Behrens,_Georgiev_&_Carraro_final_updated_(1).pdf) 45 Hulme, Philip E. ”Adapting to Climate Change: Is There Scope for Ecological Management in the Face of a Global Threat?” Journal of Applied Ecology, Blackwell Science Ltd., 28 Sept. 2005,   [*http://onlinelibrary.wiley.com/doi/10.1111/j.1365-2664.2005.01082.x/full*](http://onlinelibrary.wiley.com/doi/10.1111/j.1365-2664.2005.01082.x/full). 46 ”Agri-Environmental Indicator-Soil Erosion.” Agri-Environmental Indicator-Soil Erosion – Statistics Explained, 2015,   [*http://ec.europa.eu/eurostat/statistics-explained/index.php/Agri-environmental\_indicator\_-\_soil\_erosion#Key\_messages*](http://ec.europa.eu/eurostat/statistics-explained/index.php/Agri-environmental_indicator_-_soil_erosion#Key_messages). EPRS - Global Trends Unit 66 pressure on social services in destination cities, or strain the productive capacity of the land in surviving fertile areas, particularly along the Niger and Senegal rivers and around Lake Chad, if they move to rural areas. These migrants would also likely prompt political debates about migration and humanitarian burden-sharing in recipient countries. The UNHCR estimates that an average of 21.5 million people are displaced by climate-related disasters every year. The highest total numbers of displaced persons have come after disasters in India and Myanmar; the highest number of displaced as a percentage of a country’s population have been in Pacific Island nations. Because climate change places strains on resources, it can lead to, or trigger social upheavals, and can indirectly lead to wars and subsequent migratory flows. Indeed, the war in Syria has caused 13.5 million people to become displaced, 4.8 million of whom have left Syria. One of the drivers of the Syrian war was a drought, and so this massive displacement can be considered, in part, climate-related. Europe will continue to be one of the main recipients of climate-related migration. It is close to the climate-insecure areas of North Africa, the Sahel, East Africa, and the Middle East, from which there are existing migration patterns, as shown in Figure 27. In an extreme scenario, climate change could cause one of the largest single humanitarian disasters in history. The failure or re-routing of the three Himalayan rivers -- the Ganges, Brahmaputra, and Indus would affect hundreds of millions of people, many of whom would seek to move across borders, with Europe being a likely desitination. A disaster in South Asia would prompt individuals to leave their home countries and, combined with other push factors, would exacerbate current migration flows to Europe. Citizens of Bangladesh, a country significantly exposed to climate change, represented the third most common nationality arriving in Italy during the first quarter of 2017. Figure 27. Areas of greatest climate vulnerability Source: University of Notre Dame Global Adaptation Initiative Global Trends to 2035 67 IV - International response One of the major variables determining the impact of this trend will be the degree of political resolve to mitigate and prepare for climate disasters. Bilateral support to the most affected countries is unlikely to be sufficient, given the wide areas across which these disasters can hit and the many systems that can be impacted by them. Therefore, there are three major sources of action after disasters, and one crucial pre-disaster warning system. 1. Aid and assistance There is currently a reorientation of multilateral development aid to support climate adaptation. Indeed, almost all aid could be categorised as climate aid, and the World Bank made its recent pitch to donors for an International Development Association (IDA) top-up by saying ‘IDA is a resilience fund.’ Adaptation to climate change requires action on many fronts: social safety nets or insurance systems that can help households who lose ***agricultural*** income due to storms or drought; slum upgrading projects; water projects; building flood-resilient road systems; and rehabilitating ecosystems. Therefore, the prospects of foreign and multilateral aid to 2035 will play a large role in shaping climate adaptation and resilience. 2. International bodies The Paris Agreement included a reference to migrants in its preamble and directed the Executive Committee of the Warsaw International Mechanism to create a task force on “displacement related to the adverse impacts of climate change.”47 Through 2035, new cooperation frameworks on climate disasters will flourish, such as the Global Disaster Alert and Coordination System, a partnership between the European Commission and the United Nations. There could be gradual improvements in the coordination and capabilities of relevant bodies, such as the UN Refugee Agency (UNHCR), whose remit includes those displaced by natural disasters. However, much will depend on countries willing to fund these bodies, whose budgets will come under strain from the demands of climate disasters. Without an increase in commitment to funding and accepting the leadership of these bodies, future climate disasters are likely to be handled in the same way as the 2015-2016 migration flows into Europe. 3. Risk pooling Countries are increasingly developing rules-based frameworks, informed by actuarial analysis on financing statistically probable disaster events. For example, Mexico’s Fonden 47 United Nations High Comissioner for Refugees. ”Cop 22 Technical Inputs: Climate & Disaster Displacement.” UNHCR,   [*http://www.unhcr.org/en-us/protection/environment/583455267/cop-22-technical-inputs-climate-disaster-displacement.html*](http://www.unhcr.org/en-us/protection/environment/583455267/cop-22-technical-inputs-climate-disaster-displacement.html) EPRS - Global Trends Unit 68 scheme sets aside annual tax revenue and disburses to Mexican states based on strict rules to help them rebuild after disasters.48 The Caribbean and Pacific regions have both created risk pools, with assistance from international donors such as the EU, the United States and Japan. These allow access to catastrophe risk insurance policies at the sovereign level. Such policies would not otherwise be available on the market but, by cooperating, the countries can now receive rapid payouts when a disaster hits, providing instant liquidity for crisis response and rebuilding. The approach is also being used in Africa, in the form of the African Risk Capacity, supported by the EU. 4. Early warning and hydromet Weather forecasting (hydro-meteorological services) will receive increased attention due to climate change. Weather agencies of poor countries are often underfunded, but weather alerts are crucial to encourage people to act to protect themselves and their property. With greater satellite coverage, there may be a push for a global weather forecasting service funded or operated by wealthy countries. 48 ”FONDEN: Mexico’s National Disaster Fund.” Diaster Risk Financing abd Insurance ***Program***, Jan. 2013,   [*http://siteresources.worldbank.org/EXTDISASTER/Resources/8308420-1357776325692/FONDEN\_final\_FCMNB.pdf*](http://siteresources.worldbank.org/EXTDISASTER/Resources/8308420-1357776325692/FONDEN_final_FCMNB.pdf) Global Trends to 2035 69 SECTION 3: INTERNATIONAL POWER TO 2035 The eight global trends discussed in the previous section will have significant consequences for some of the more fundamental assumptions on the nature of the international system. They will likely add up to a continued evolution away from what might be known as the post-Cold War order, dominated by a unipolar United States, into a multipolar order, in which corporations and international institutions will provide major constraints on state action.49 I - Balance of power One of the most important shifts to 2035 will be driven by the extent to which the basic power levels of countries -- whether measured by military or economic size -- change. There is a high deal of uncertainty about how countries will choose to exercise their power in 2035, but some of the fundamental elements of power, such as GDP, can be modelled with a greater degree of certainty. Figure 28. Projection of total GDP, Europe, China, India, Russia, United States, millions of US dollars50 Source: OECD 1. US hegemony The extent to which President Donald Trump will shift the basic tenets of long-term US foreign policy is currently unclear. However, some tendencies are evident regardless of the length of his administration and his successor’s policy positions. 49 Krauthammer, Charles. “The Unipolar Moment,” Foreign Affairs, 1991. 50 Europe includes all European countries for which the OECD has forecasts: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Slovakia, Spain, Sweden, the United Kingdom, Estonia, and Slovenia. 0 5000000 10000000 15000000 20000000 25000000 30000000 35000000 2000 2005 2010 2015 2020 2025 2030 2035 Europe United States Russia China India EPRS - Global Trends Unit 70 The United States will be the world’s largest military power in 2035. Even if China were to dramatically increase its military spending, the lag time between increased spending and the deployment of new technology, equipment, and tactics means that it will be nearly impossible for China to catch up with the United States in terms of military effectiveness. The United States will be extremely wary of any ***intervention*** that would require a major occupation force of another country. The US military in 2035 will be run by generals and admirals who began their careers as junior officers during the wars in Afghanistan and Iraq. It is likely that they will carry the experiences of those wars into ***strategic*** discussions of policy options. As such, the United States may follow the path of the post-Vietnam generation, which avoided occupation of Iraq at the end of the Gulf War partly as a result of concerns over repeating the mistakes of the 1960s and 1970s. President George H.W Bush said at the start of military action in Iraq: “I've told the American people before that this will not be another Vietnam, and I repeat this here tonight.”51 It is likely that future US presidents will make similar statements using Iraq as a reference for the next twenty years. The United States will be the most powerful actor in the international system, but with a smaller advantage over other powers than it enjoys today, and one that will be reluctant to use its power in major kinetic operations. The United States would thus be expected to have much less power in the global security environment than it has had since 1990. 2. Balance of power or balance of threat Kenneth Waltz, a professor at Columbia University, developed the theoretical framework of neorealism in 1979.52 This framework places as the central explanatory variable of international relations the balance of power between states. The theory accounted for the nature of the Cold War -- two superpowers created a bipolar system -- and the pre-World War I era -- multiple great powers created a multipolar system. Under this framework, the relative decline of the United States would lead to the emergence of a multipolar system in which there is greater competition between the United States and its closest rivals. A balance of power framework would suggest that this would likely lead to a higher chance of great power war in 2035 than in 2017. A corollary theory was developed by Harvard professor Stephen Walt, which he termed balance of threat.53 In this framework, states respond not to the overall balance of power in the global system, but to the levels of threat they face from every other country. Threat in this formulation is a function of power, geography, and aggressiveness. For example, Vietnam fears the United States equipped with eleven aircraft carriers less than it fears China with two carriers, because China borders Vietnam. Additionally, North Korea, while weaker than its neighbours, is a greater threat because of the unpredictability of its leaders. 51 ”Transcript of the Comments by Bush on the Air Strikes Against the Iraqis.” The New York Times, The New York Times, 16 Jan. 1991,   [*http://www.nytimes.com/1991/01/17/us/war-gulf-president-transcript-comments-bush-air-strikes-against-iraqis.html?pagewanted=all*](http://www.nytimes.com/1991/01/17/us/war-gulf-president-transcript-comments-bush-air-strikes-against-iraqis.html?pagewanted=all). 52 Waltz, Kenneth. Theory of International Politics. Long Grove, IL: Waveland Press, 2010. 53 Walt, Stephen. The Origins of Alliances, Ithaca: Cornell University Press, 1990. Global Trends to 2035 71 Balance of threat suggests that the rise of rivals to the United States, US preference for non-***intervention***, and its location between two oceans, could enhance Washington’s power around the world. In any region that will have a major power by 2035, such as China in Asia-Pacific, the United States will be seen as a less threatening state. Smaller countries in the region would turn to the United States for support and, because that support may be in greater demand worldwide, the United States would gain leverage on its allies. This style of “offshore balancing” already exists, and in some regions has existed since the end of the Second World War. The shift from a unipolar to a multipolar system would heighten and expand it. 3. European pole The balance of power is highly contingent on the nature of Europe within the global system. If the EU, or the European member states collectively, were to change their defence policies to permit more effective expeditionary forces, a European pole in the multipolar system could emerge. This could be the result of two methods: either an increase in military spending towards the NATO suggested level of 2% of GDP (or higher), or a rationalisation of military expenditures away from administration and personnel and towards equipment and research and development. Both methods would likely require pooling of resources and the rationalisation of procurement mechanisms to create a European defence industry that could rival the US defence industry in size. They would also rely on greater political will to launch military operations. A European pole would shape the international system by simultaneously expanding and minimising the influence of the United States. US power would be increased by the active support of European allies in military operations, as in the ***intervention*** in Libya in 2011, encouraging the United States to act in crises. Even if European states only wished to take part in operations in the Eurasian, Middle East, and African theatres, this would aid the United States by allowing Washington to shift more resources towards other regions. A European pole would also temper US influence by guiding it to act in accordance with European wishes so as to ensure European participation. This scenario would be a security extension of the diplomatic balance in the 2015 agreement over Iran’s nuclear ***programme***. Support for sanctions from European states was crucial in building the leverage that the P5+1/E3+3 were able to exert on Iran to reach an agreement. Similarly, European unwillingness to reinstate sanctions despite the results of the US presidential election in 2016 has constrained Washington’s ability to abrogate the agreement. II - Freedom of action Nearly every theory of international relations posits that states will act in their own interest, even to the point of declaring war.54 These theories therefore assume that states can act if they wish to do so. This assumption will be tested in the coming decades, in the multipolar system, 54 Constructivism, which is not based on the logic of rational action, but on the logic of appropriateness (following norms), accepts war as a possibility if it is considered part of normal state behavior. EPRS - Global Trends Unit 72 as countries that had limited capacity to act in the last 70 years due to alliance pressures or lack of military power will find themselves tempted to resort to force. This will lead to reconsideration of some foundational elements of the international system. 1. Nuclear weapons Since the invention of nuclear weapons, there have been no full-scale wars between great powers. Even at the height of the Cold War, when the United States and the Soviet Union believed themselves to be in an irresolvable struggle, the presence of nuclear weapons prevented the two sides from sparking direct conflict. During the Cuban Missile Crisis, President John F. Kennedy sought ways to avoid a nuclear exchange, which he called “obviously the final failure” and President Harry Truman repeatedly denied authorisation of atomic bombs in the Korean War, despite extreme pressure from one of the most famous military commanders of the time.55 If the restraints imposed by nuclear weapons during the Cold War still apply, it would be expected that there is little chance of war between or on any of the declared nuclear powers. This would mean that many of the hot spots around the world are much cooler than currently considered. India and Pakistan, for example, will have reached ***strategic*** stability, as have China and any state in Asia covered by the US nuclear umbrella. If nuclear weapons have fundamentally changed the calculations of leaders, then the lack of great power war is not simply a historical quirk of the Cold War and US unipolarity, but a new, permanent state of affairs. Major states would have less freedom of action against each other, because attempts to coerce others by full-scale war will be impossible. However, the deterrent effect of nuclear weapons may be eroding or eroded. Evidence suggests that the use of nuclear weapons is one of the strongest taboos in the international system.56 Even if a nuclear-equipped state were embroiled in a crippling war, the convention against detonating nuclear weapons is so great that they would not be used. If this is true, the lack of a great power war is not indicative of any new state of international relations. Countries such as India and Pakistan might still go to war, confident that neither side would use its nuclear arsenal, and therefore ***strategic*** stability is not present. There is no guarantee of which role nuclear weapons will play in grand strategy. Indeed, most nuclear powers have an incentive to say that they would use nuclear weapons in a defensive situation so as to act as a deterrent, especially if that is untrue. However, some indicators about the potential for nuclear powers to go to war are:  funding of nuclear systems compared to funding for conventional offensive weapons systems, with less spending on conventional weapons leaving leaders with fewer means to begin conflict; 55 Evans, Michael. ”The Cuban Missile Crisis, 1962: Audio Cips.” The Cuban Missile Crisis, 1962: Audio Clips,   [*http://nsarchive.gwu.edu/nsa/cuba\_mis\_cri/audio.htm*](http://nsarchive.gwu.edu/nsa/cuba_mis_cri/audio.htm) 56 Tannenwald, Nina. ”Nuclear Taboo Unites States and Non Use Nuclear Weapons 1945|International Relations and International Organisations.” Cambridge University Press, 20 Dec. 2007. Global Trends to 2035 73  aggressiveness of states towards nuclear powers, with belligerent acts towards nuclear states implying that the aggressor does not believe nuclear war is a possibility; and  level of control over nuclear launch authorisation, with highly centralised systems less likely to use them in a wartime situation. 2. Sovereignty Although the UN Charter entitles all states to sovereignty and protection from the “threat or use of force” against their “territorial integrity or political independence,” this is often violated whenever a state deems it to be in its interest.57 The global trends offer two divergent ways in which this can evolve by 2035. 2.1 Stronger sovereignty Since states refrain from ***intervention*** in others’ affairs when it is deemed counterproductive, the sovereign status of many states could rise if technological and military shifts reduce the differences between them and their neighbours. The proliferation of precision weaponry and cheap A2/AD systems would contribute to greater ***strategic*** parity. For example, if Pakistan had possessed advanced air defence and warnings systems, the United States would have been less likely to authorise the 2011 raid that killed Osama bin Laden without seeking Pakistan’s consent (although, in the particular case of bin Laden, the United States may still have acted). There are two technological systems that appear likely to advantage weaker states over the stronger. The first is surveillance. Many violations of sovereignty appear likely to come in the form of counterterrorism raids or small-unit action. Protesting states can use video footage of these raids, especially if civilian casualties occur, to win propaganda victories -- thereby lessening the utility of such raids. If states know that every cross-border action is likely to be filmed and posted online within a few days, the calculus of such raids changes. The second is cyberattacks. Due to the relatively low cost of writing a destructive computer virus and the vulnerable nature of most companies and systems to dedicated hacking, cyberattacks can be used by adversaries of vastly different power differentials. More importantly, the uncertain nature of one country’s infiltration of another’s critical infrastructure may give the more powerful nation pause. For example, the United States may decide that a threat to its security requires an operation against Iran, but it knows that Iran may have infiltrated critical US infrastructure and would retaliate. Not knowing the extent of the infiltration, and not wishing to risk a market crash or widespread power outages, the US president may choose to halt the operation. This would give smaller countries a deterrent effect, even if they do not possess the capabilities. In these ways, an increased ability to broadcast violations of sovereignty and an increased ability to hit back would create an international system in which cross-border military actions are considerably rarer. 57 Charter of the United Nations, Chapter I, Article 2 EPRS - Global Trends Unit 74 2.2 Weaker sovereignty Two major factors would drive the international system towards an environment where cross-border action was common. First, if civil conflicts, natural disasters, or poor governance lead to increased refugee flows, as has been the case with Syria, countries may claim that ***interventions*** in other countries fall under national security provisions. An ***intervention*** may also be justified under the principle of Responsibility to Protect, in cases in which there is evidence of crimes against humanity. Based on the Syrian conflict, it will become easier for evidence of such crimes to reach the international community through social media and independent journalists. A moral and a security justification for ***intervention*** is more likely to win support for ***intervention***, either internationally or domestically. Second, if non-state actors become greater threats to security and appear to have connections with elements in their host nation’s government, there may be a greater acceptance of the need for policing actions that do not respect national sovereignty. The raid against Osama bin Laden in Pakistan is again an example of such an action; the United States considered bin Laden worth the costs of any diplomatic fallout with Pakistan, and that Islamabad could not protest too vehemently because of their own intelligence agencies’ apparent failure to notice bin Laden.58 Divisions between countries on ***interventions*** may be replaced by a coalition of countries that can control their territory countenancing incursions into any country that cannot. The joint naval operations against piracy off the coast of Somalia is the template for such an operation. This type of coalition will lead to burden-sharing disputes: European states, for example, may argue for contributions based on a country’s GDP, while China and India would argue that global contributions should reflect a country’s level of development. If these trends continue, sovereignty in the international system would become dependent on a country’s ability to prevent any action in its own territory spilling over into others’. Weaker and less developed states would be affected most by this, and would find a less sympathetic audience at the UN and elsewhere. III - Global governance A multipolar world will create strains on the existing system of global governance, as rising states wish for a greater share of control, while others will seek to maintain their existing position. This can lead to disputes, even on relatively anodyne topics. In 2016, after nearly two years of discussions, the Internet Corporation for the Assignment of Names and Numbers (ICANN) finalised proposals to shift US government oversight of the corporation to a broader online community -- in effect ending the central role of the US government in internet governance. This is a technical aspect of internet regulation, but still attracted opposition in the US Senate and in partisan media. More consequential shifts in control, such as changes in 58 Hashim, Asad. ”Leaked Report Shows Bin Laden’s ’Hidden Life’.” Leaked Report Shows Bin Laden’s ’Hidden Life’ – Al Jazeera English, 8 July 2013,   [*http://www.aljazeera.com/news/asia/2013/07/20137813412615531.html*](http://www.aljazeera.com/news/asia/2013/07/20137813412615531.html) Global Trends to 2035 75 IMF voting shares, delayed by five years by the US Congress, would trigger more protracted disputes by whichever state is to lose influence. 1. Institutional reform It is probable that many institutions will seek to reform themselves to accommodate shifts in power. Path dependency suggests that once an institution has been created and states have shaped their behavior around it, abolishing it is highly unlikely.59 Further, employees within the institutions have a personal and professional incentive to maintain the prestige of the institution, which encourages bureaucratic entrepreneurialism. Reform is likely to emerge by institutions shifting their activities to suit the needs of their membership. This will reflect the shift that NATO underwent in the post-Cold War era, from territorial defence of its members to providing an umbrella for expeditionary warfare. Institutions with limited memberships facing similar problems are likely to become the arenas for collaborative efforts, rather than institutions with global membership which would see challenges in achieving consensus. 2. Non-global institutions In 2013, China launched an initiative to create what would become the Asian Infrastructure Investment Bank, in part due to its frustrations at its low voting shares at the IMF, World Bank, and Asian Development Bank. This could become a pattern, in which countries that believe they are being stymied by slow-moving institutional reforms create their own. Given that any push against the existing institutional bodies would likely not be made by, or include, the United States or other leading European stakeholders, the resulting institutions would probably be regional in focus. As Figure 29 demonstrates, China will be heavily underrepresented at the IMF in 2035 if current voting patterns stand, while most Western members would be overrepresented, which will lead to constant pressure to reform the IMF or create new institutions. 59 Pierson, Paul. Politics in Time: History, Institutions and Social Analysis, Princeton: Princeton University Press, 2011 EPRS - Global Trends Unit 76 Figure 29. Difference between share of country’s GDP in the world in 2035 and its current vote share at the IMF. Positive numbers indicate the country will be overrepresented at IMF based on its economy. 60 Country GDP share (%) Voting share (%) Difference (%) Australia 1.35 1.34 -0.92 Brazil 2.87 2.22 -22.66 Canada 1.62 2.22 36.99 China 24.31 6.09 -74.95 France 2.50 4.04 61.29 Germany 2.85 5.32 86.89 India 11.33 2.64 -76.70 Indonesia 2.69 0.95 -64.69 Italy 1.85 3.02 63.12 Japan 4.06 6.16 51.84 Mexico 2.43 1.80 -26.00 Russia 3.48 2.59 -25.54 South Africa 1.06 0.64 -39.71 South Korea 2.22 1.74 -21.63 Turkey 2.01 0.96 -52.31 United Kingdom 2.94 4.04 37.62 United States 19.52 16.53 -15.32 Source: IMF, OECD The world in 2035 will contain new regional economic organisations, such as the Eurasian Economic Union, or regional political groupings, like ASEAN. Most regional institutions will be created for specific purposes, as the AIIB was for infrastructure investment. These will face less diplomatic pushback, as they can claim to be only supporting, rather than replacing the broader institutional order. 60 Difference is the voting share minus GDP share, divided by voting share. Global Trends to 2035 77 It could be that transnational cooperation in the coming decades will also reflect shared ideology, and that sub-national units will be members in international institutions, conducting, to some extent, their own foreign policy.61 The C40 group of cities collaborating on climate change would be the model for this type of institution. Given the expected variance in economic development within countries, sub-national institutions will be particularly powerful if they include the richest parts of countries, such as California, Toronto, or provinces in Northern Italy. 3. Ungoverned areas One area where global governance may come under particular stress through 2035 is in ungoverned areas. Spaces where armed groups are equally, or more present than the state often tend to go unnoticed by the international community unless they garner media attention with high-profile violence. The ability of non-state groups to exercise authority and provide government functions allows them to gain support, attract recruits and raise revenue. Providing effective state governance to mitigate the appeal of non-state armed groups will require difficult questions of financial and/or military aid to the countries nominally in control of these areas, or of unpalatable political compromises with local forces. The rejection of a peace process with the FARC in Colombia by popular referendum (although subsequently approved by parliament) is one example of this difficulty, and one that may grow worldwide as populations move towards urban centres, and may become less vulnerable to these often rural insurgencies. While each ungoverned space will have its own causes and attract its own set of particular solutions, the common threats created by them may make ungoverned spaces one of the themes of global governance to 2035 in the same way that terrorism was in the period of 2001-2017. IV - Norms Francis Fukuyama wrote in a 1989 essay, “The End of History?”, that grand ideological disputes may have ended after the Cold War, and Western liberal democracy will become the only system of government that will enjoy widespread normative support.62 That prediction, clearly, has not become true. Over the coming decades, global norms will evolve in two directions: domestic and international. On the domestic front, it appears likely that there will be three types of government: liberal democracies; authoritarian regimes; and illiberal democracies, in which protections of minority interests or checks and balances are limited or eliminated. Illiberal democracies may be only a transition state, before a country returns to democracy or moves further towards autocracy. But the length of the transition may be years, requiring that they be treated as a 61 Jarra, Yasar. ”By 2030, What will Regional Governance Look like?”. World Economic Fourm, 9 Dec. 2016,   [*https://www.weforum.org/agenda/2016/12/by-2030-what-will-regional-governance-look-like/*](https://www.weforum.org/agenda/2016/12/by-2030-what-will-regional-governance-look-like/). 62 Fukuyama, Francis. “The End of History,” The National Interest, 1989. EPRS - Global Trends Unit 78 unique category. Illiberal democracies will be a particular challenge to Europe, as the EU is predicated on a community with broadly similar political values. Populism, which can often lead to illiberal democracies, is correlated with societal factors that may be aggravated by the global trends. For example, Figure 30 shows the results of a model that correlates social and economic variables with support for populist parties in a country. Being dissatisfied with one’s national government -- which may rise if economic disruptions are not managed -- is correlated with an increased share of the vote for populist parties. Boycotting a certain product, which indicates a more politically active and, perhaps, angry population is most strongly correlated with populist parties. It is possible for governments to co-opt populist movements. Negative views of immigrants’ effect on the economy is correlated with a decrease in support for populist parties, most likely because mainstream parties adopt restrictionist policies or rhetoric to appeal to an anti-immigrant electorate. However, moving the centre of the political spectrum to appease voters who might back populist parties is one of the quickest ways to change the norms of a society, which indicates that the pull of populism may not be seen in top-line data. In the international arena, there may not be much difference between illiberal democracies and liberal democracies in security matters. Democratic peace theory has mixed predictions about whether they would be more likely to go to war with each other; while there is evidence that democracies do not fight each other, the historical co-variance of democracy and liberalism means it is difficult to draw conclusions about when they diverge. The two types of governments may diverge when they come to questions of human rights and the need for humanitarian actions. Because populist societies or illiberal governments often base their legitimacy on the supremacy of some conception of the “people” over universal principles, it is easy for them to discount the need to sacrifice their own resources for other countries. Global Trends to 2035 79 Figure 30. Correlation between socio-economic factors and vote share of populist parties in Europe63 Source: European Social Survey, IMF, Oxford Analytica. Therefore, a rise in illiberal democracies or authoritarian regimes may lead to a decline in global humanitarian funds or willingness to contribute to military ***interventions*** to prevent crimes against humanity. The extent of the change may be offset by the rising interest in humanitarian operations for other reasons, such as image promotion by authoritarian regimes, building alliances, or security reasons. But it would nonetheless contribute to an international arena where liberal norms are given less credence. 63 1: Very/extremely dissatisfied (%). 2: Bad/very bad (%). 3: Yes (%). 4. “Allow many” (%). 5: No/almost no trust (%). 6. Logarithmic. EPRS - Global Trends Unit 80 SECTION 4: SCENARIOS TO 2035 It is common, when making long-term forecasts, to simply extend existing trends indefinitely, or to be concerned most by what is important at the time of writing. Even when it is possible to identify a likely disruptive force, one can mistake the way in which it will happen. For example, the United States National Intelligence Council’s Global Trends to 2015 report, published in 2000, wrote that: “Regions, countries, and groups feeling left behind [by globalization] will face deepening economic stagnation, political instability, and cultural alienation.”64 While this prediction matches many of the popular media accounts of the wave of populism in 2016, the authors did not appear to be referring to the United States and Europe, but to the developing world. The scenario of a backlash to globalisation was foreseen, but the assumptions of an NIC analyst in 2000, at the heights of the Dot Com bubble, prevented thoughts of economic malaise in parts of the United States. In consideration of the potential for forecasters to miss plausible alternatives, the oil company Royal Dutch Shell introduced a practice of creating scenarios in 1971. Under the guidance of former magazine editor Pierre Wack, scenarios were built not to be predictive, but to be interesting concepts that would test decision-makers’ preconceived notions of the future.65 In the time since then, scenario ***planning*** derived from Wack’s basic frameworks and purposes has spread throughout governments and corporations which need to make long-term investments.66 Scenarios are not intended to replace the consideration of major driving trends or the likely contours of the international system as discussed in Sections 2 and 3. They are instead designed to consider how those trends and system might combine to ***produce*** dramatically different outcomes. The process of deriving scenarios forces decision makers to think about what could happen, rather than what they expect to happen -- and whether long-term ***plans*** are sufficiently resilient to be successful if an alternative scenario emerges. 64 National Intelligence Council. ”Global Trends 2015: A Dialogue About the Future with Nongovernment Experts.” Central Intelligence Agency, Dec. 2000,   [*https://www.dni.gov/files/documents/Global%20Trends\_2015%20Report.pdf*](https://www.dni.gov/files/documents/Global%20Trends_2015%20Report.pdf) 65 Wack’s work was itself based on the work of Herman Kahn, who studied nuclear weapons theory at the RAND Institute and the Hudson Institute. Wack, Pierre. 'Scenarios: Uncharted Waters Ahead', Harvard Business Review. September-October, 1985; Wack, Pierre. 'Scenarios: Shooting the Rapids', Harvard Business Review. November-December, 1985.   [*https://www.rand.org/pubs/research\_memoranda/RM1829-1.html*](https://www.rand.org/pubs/research_memoranda/RM1829-1.html) 66 Kupers, Angela and Wilkinson, Roland. ”Living in the Futures.” Harvard Buisness Review, 31 July 2014,   [*https://hbr.org/2013/05/living-in-the-futures;*](https://hbr.org/2013/05/living-in-the-futures;) Schoemaker, Paul J. ”Scenario ***Planning***: A Tool for ***Strategic*** Thinking .” MIT Sloan Management Review, 15 Jan. 1995,   [*http://sloanreview.mit.edu/article/scenario-****planning****-a-tool-for-****strategic****-thinking/;*](http://sloanreview.mit.edu/article/scenario-planning-a-tool-for-strategic-thinking/;) Roxburgh, Charles. ”The use and abuse of scenarios.” McKinsey & Compnay,   [*http://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-use-and-abuse-of-scenarios*](http://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-use-and-abuse-of-scenarios). Global Trends to 2035 81 I - Constructing scenarios of Europe’s future To build alternative scenarios of Europe’s future, a workshop was convened to apply the following process to Europe by 2035: \_ Step 1: Define the focal question. \_ Step 2: Identify the predetermined factors, trends, and critical uncertainties. \_ Step 3: From the list of critical uncertainties, determine two that are the most impactful and the most uncertain. These will be the two macro drivers. \_ Step 4: These macro drivers are then brought into the same plane to provide a basic matrix framework for the scenarios. \_ Step 5: Consider what kind of future the different combinations of outcomes might ***produce***, especially how the critical uncertainties interact with trends and predetermined factors. \_ Step 6: Create a narrative for each scenario, incorporating wild cards. Figure 31. Elements of scenario ***planning*** To construct scenarios for this report, a series of workshop groups were asked to examine this focal question: “What will be the environment in which European decision-makers are operating in 2035?” EPRS - Global Trends Unit 82 Discussion led to the creation of the following lists of the ten most important predetermined factors, trends, and critical uncertainties. Figure 32. Building blocks of the scenario ***planning*** workshop Predetermined factors Trends Critical uncertainties Europe will undergo working age population stagnation in some countries, and decline in others European countries’ fiscal space will be constrained, buffeted by ageing populations and low economic growth. Political stability within Europe could fluctuate rapidly, as party systems coalesce or fragment Climate change will grow in its effects on natural weather systems Low-skill jobs are increasingly being lost to automation, with middle-skill jobs also at risk State response to disasters could sow distrust in institutions Economic growth will, assuming no major redistributive policies, ***produce*** a high variance in “winners” and “losers” within countries The United States is retrenching its military, and seeking to move away from the early-2000s trend of ***interventions*** Efforts to lessen inequality could flounder Demographics will cause working age population difficulties for China, Russia, and Japan Regional powers, like Japan, India, and Brazil, are seeking a permanent seat at the UN Security Council Voting blocs may disrupt assumptions of left and right as post-Cold War and post-recession generations age Natural resources will come under strain, especially in the Middle East Inequality is rising across the developed world EU membership and European states could be at risk, as with Brexit and Scottish independence The United States will most likely have the world’s most powerful military China is seeking to set norms and international governance rules in Asia The United States may have a “Suez moment,” declaring regions of the world no longer in its interest Nuclear weapons will exist and have destructive power that will concern the international community There will be strains on currency quotas in the IMF The Middle East could see progress for democracy, a move towards authoritarianism, or sudden state collapse Trade will still lead to greater wealth, despite what advances in 3-D printing and renewable energy may happen by 2035 Centre-left and centre-right parties across Europe have lost ground to more extreme or populist parties The future of Russia’s political system is at stake as President Putin will be 83 in 2035 Sub-Saharan Africa will see a boom in its working age population Urban/rural divides are becoming the dominant political and economic dichotomies in many countries China may choose to project power militarily on a global scale The US tech industry begins this era with a lead on global rivals that will continue to pay dividends to 2035, barring a major disruption larger than what might occur in most plausible scenarios Natural disasters will create more economic damage and dislocation worldwide Entrepreneurial leaders may take EU member states in illiberal or populist directions Global Trends to 2035 83 The workshop group chose two macro drivers that would provide scenarios broad enough to include discussion of all global trends, but focused enough to allow for coherent narratives: 1. Adaptation (or non-adaptation) of European economies to the challenges of the information age, leading to (in)stability in Europe. 2. Managed (or disorderly) evolution of the global system towards multipolarity, leading (in)stability outside Europe. The two macro drivers were combined in their extreme versions to create four mutually exclusive scenarios. These scenarios are described with an eye to two features: 1. What would be the steps that would occur on the path to this scenario by 2035? 2. What would be some of the consequences of this scenario in 2035? Both questions were answered by consultation to the predetermined factors, trends, and critical uncertainties listed above, in addition to the findings of the earlier sections of this report. The narratives are written as if describing historical events, although it must be stressed that these scenarios are not designed to be considered forecasts of what would necessarily happen under these circumstances, but only plausible stories with internal logical consistency based on the building blocks highlighted in the workshop. EPRS - Global Trends Unit 84 Scenario 1: Sick men of Europe: unstable Europe in a stable world In this scenario, Europe fails to adjust to the economic dislocations driven by the information economy, and the United States and other countries bring the growing power of China and India into a workable global governance structures. 1. Economic decline From 2018 to 2035, Europe sees relatively low average economic growth. What growth there is has been highly uneven and highly volatile. A breakdown in Brexit talks leads to the first big economic story of the era. The United Kingdom’s insistence that it be permitted access to the single market without accepting the primacy of the European Court of Justice leads to the UK leaving the EU without a transition deal. Recession quickly ensues, worse for the United Kingdom than that which had affected it in 2008. Recession also hits Ireland, the Netherlands and Belgium.67 As the UK stabilises, it sees that it has become permanently poorer, with much of its financial sector -- and the taxes and employment it generates -- moving to Paris, Dublin, and Frankfurt. Although the Brexit recession has limited effects on most of the EU-27, the European economy nonetheless becomes a constant headache for policy-makers. After nearly 15 years of depression or near-zero growth, Greece leaves the Eurozone, following the basic playbook first created by Finance Minister Yanis Varoufakis for a parallel payment system. The fallout in the bond markets from Greece leaving is contained, but the political implications are much more far-reaching, especially as Greece recovers, with the new drachma making its tourist sector one of the most competitive in Europe. Politicians in Italy, Spain, and Portugal argue that they should adopt their own currencies and leave a currency more suited for Germany. While no country in fact breaks with the euro, there is constant speculation that a new recession will be the last straw, and that unravelling will quickly ensue. However, the daily headlines about the advance of anti-euro parties obscure what is perhaps the larger story of the European economy: a severe innovation gap. Efforts to build clusters of sectoral excellence fail as politicians insist on spreading research and development funds among as many Member States as possible, diluting their effect. Some national clusters do emerge naturally, but the medium-sized companies that grow there find as easier path via acquisition by a foreign company, just as the Swedish-founded Skype was acquired by the US-based eBay and then by Microsoft. European companies are increasingly dependent on automation and machine learning technology designed in the United States and China. Although Europe is still one of the richest parts of the world on a per capita basis in 2035, its firms are increasingly uncompetitive with those from elsewhere which can take advantage of large internal markets and a relatively peaceful global environment. 67 Brinded, Lianna., ”ING: Bad Brexit Deal for Britain Could Cick Europe into a Recession.” Business Insider, Business Insider, 4 Apr. 2017,   [*http://www.businessinsider.com/bad-brexit-deal-impact-on-european-and-uk-economy-trade-single-market-2017-4*](http://www.businessinsider.com/bad-brexit-deal-impact-on-european-and-uk-economy-trade-single-market-2017-4). Global Trends to 2035 85 2. US expansion The promise of an “America First” foreign policy agenda, like President George W. Bush’s pledges of non-interventionism in his 2000 campaign, turns out to be mostly rhetorical. The United States remains the pre-eminent military force in the world and mostly completes, though it does not advertise the fact, its pivot to Asia. It is helped in this re-orientation by a diplomatic solution to the South China Sea dispute. Other nations in the region, emboldened by China’s concerns with its own economic problems, a rickety banking system and asset bubbles, begin asserting their claims more forcefully. When a naval vessel lands on one of China’s artificial islands, a series of summits on the future of the area are held. Resolution of the issue encourages China to recommit itself to President Hu Jintao’s policy of China’s peaceful development. China will participate in international security missions and will act as a major military power in East Asia, but takes efforts to demonstrate that it will not act as a revisionist power. In Europe, the United States continues to provide a security guarantee for the continent under the auspices of NATO, but the alliance is under severe strain after years of lower European military spending. However, European nations have developed extensive defences against hacking and informational warfare, which become commonplace in nearly every election. 3. Global institutions Rapprochement between the United States and China has helped to ease the tensions over many of the institutional disputes that helped to create the Asian Infrastructure Investment Bank. China continues to advocate for regional institutions and forums, but these are in addition to, rather than in competition with, established global institutions like the IMF, World Bank, and UN. Unfortunately for Europe, China’s acquiescence comes at Europe’s expense. Reform of the UN Security Council removes one of Europe’s permanent seats and economic institutions see Europe’s voting share diluted. Europe’s soft power can be effective in some circumstances in cajoling developing countries to adopt human rights legislation, and its economic weight can be used to add conditions to trade agreements, but it has largely ceased to be an example to other regions of integration to be emulated. 4. European political upheaval A relatively benign external environment means that there are no major crises that force greater European cooperation or -- more importantly for domestic audiences -- that can act as a unifying issue for major parties. Dislocation from the growing role of automation in the economy has created a large pool of voters unhappy with the status quo, but the repeated failure of mainstream parties to create broad-based economic growth means that they have no natural political home. European countries accept as the new political normal a fragmentation of the political system. Parties that enter into government or a government coalition will frequently see their support crater at the next election, as happened to the UK’s Liberal Democrats in 2015 and France’s EPRS - Global Trends Unit 86 Socialist Party in 2017. Extremist, nationalist, or populist parties will consume a greater percentage of the vote share, as will parties that are vehicles for charismatic politicians or activists. Yet the underlying problems of economic growth based around a few sectors and major cities, leaving behind much of the population, means that these parties will also fail to deliver on their promises if they enter government. The result is not any particular overall governing strategy. Instead, there is an acceptance of a greater diversity of political systems, including illiberal democracy, and greater volatility in the make-up of governments. Europe-wide investments decrease and there is debate about whether European nations are similar enough to be in the same Union. Global Trends to 2035 87 Scenario 2: Cold Wars: stable Europe in a stable world In this scenario, Europe quickly adapts to the challenges of the information age, while the United States, China, and Europe collaborate on ensuring that an evolving power structure does not descend into miscalculation and conflict. 1. European New Deal The turning point for Europe happens in the late-2010s and early-2020s. The effects of what is known as the “Brexit recession” are devastating for the United Kingdom and for many nations around Europe. The banking system of Europe is disrupted, which, combined with existing problems in the Italian financial system and the Greek economy, leads to a near-disaster. However, that eventuality is averted and a series of summits lead to a dramatic shift from existing economic and institutional structures. Led by a German political culture that has come to a consensus that persistent surpluses and high exports are a problem for the European political economy, European leaders propose the creation of a European fiscal union and policies that would provide a continent-wide social safety net. This minimises the extent to which the monetary union over- or undervalued the currency in each country and encourages citizens to move to areas of economic growth. The result is not an immediate panacea, just as the New Deal under President Franklin D. Roosevelt in the United States did not immediately end the Great Depression. Instead, the European New Deal lays the groundwork for future integration efforts, which proceede along functionalist logic. The gradual accumulation of new rights and benefits for citizens transform the political culture of Europe over the next 15 years. Political disputes continue over this agenda, especially in countries that see themselves as subsidising other Member States. The Europeanist agenda is a crucial issue in elections throughout the era and will still be debated. Nonetheless, by 2035, it has become common for citizens to accept that the usual style of politics is federalist. National governments retain primacy in overall power, but cities (where much of the economic growth is located), regions (especially the largest in a country) and the European Parliament (where European policies are debated) attract considerable interest from news media, parties, and lobbying groups. The threat of automation and machine learning, which has already devastated industries in many small towns, and the necessities of adapting to an ageing population, make the economic advantages of a unified bloc as potent as they were when the European Economic Community was first launched. 2. Cyber START Relative global stability permitted the construction of a global agreement on cyberwarfare, deliberately modelled on the ***Strategic*** Arms Reduction Treaty, and based on the groundwork laid by the UN Group of Governmental Experts. The United States, European states, China, Japan and South Korea are leaders in making the treaty a reality. The democratic nations have all experienced a damaging hack; indeed, it has become expected for elections to be preceded by a document dump designed to embarrass one candidate or for voting systems to be targeted. China holds concerns that cyber weapons developed for military purposes would allow its citizens to attack its system of internet controls. EPRS - Global Trends Unit 88 The summit does not ***produce*** an immediate global acceptance. Russia, in particular, is adamant that the agreement is simply a Western plot to mobilise a global audience against it. Nonetheless, the summit leads to norms on cyberwar broadly agreed to by its participants. Hacking of military and high-level government systems are considered similar to traditional espionage and are permitted. Accessing records of non-military government personnel, as China did to the United States in 2014, is strongly discouraged, although left vague about where the boundary should be. Attacks on voting systems, interference in electoral campaigns to favour one candidate or party, and any attacks on a civilian infrastructure would be considered hostile acts. Moreover, nations agree, not always explicitly, to a ladder of escalation in response to such acts, which would involve sanctions or targeted response strikes. This escalation pattern does not eliminate cyber warfare by non-treaty nations, but it does structure state behaviour in this area, which leads to retaliatory attacks being somewhat accepted by the international community. 3. Barriers and borders Europe’s economic growth will attract migrants from its neighbourhood, with periodic crises -- such as natural disasters or wars -- spurring surges in the number of migrants seeking a home in Europe. The ageing population of some countries will encourage the acceptance of some refugees and migrants, and growing levels of wealth will lessen some of the popular antipathy to migrants.68 Nonetheless, European leaders will be pressured to ensure that borders are controlled and can prevent waves. European support for Frontex will increase, as may support for Justice and Home Affairs integration to ensure that migrants who make it into Europe are handled appropriately by every country’s authorities. Elsewhere, barriers will emerge in a number of areas, pulling back on the globalising trend of the post-Cold War era. Financial crises will be handled by the introduction of capital controls, following the lead of Iceland, and worries about the use of data by US or Chinese tech firms will lead to greater government regulation of the sector. The internet will not become as balkanised as some fear, but it will see obstacles in the path to maximum tech profits. In various countries, these will be requirements to house data in servers located in that country, mandatory privacy regimes that reduce the profitability of free software, or greater taxation on digital products. 4. Problems growing This scenario may seem like the most positive of all the choices. But while Europe has headed off domestic instability through addressing issues of economic dislocation and China has acceded to global norms, this global stability may also contain the seeds of future problems, or be the product of delaying necessary changes. To ensure that a multipolar world is managed peacefully, the United States and Europe may acquiesce to authoritarian regimes worldwide. This has occurred many times before in world politics (and can even be said to be the norm), but in this scenario, it is heightened, as it may become one of the cornerstones of stability. Deals with authoritarians in the Middle East, 68 Friedman, Benjamin, The Moral Consequences of Economic Growth, New York, Vintage, 2006 Global Trends to 2035 89 Africa, and Central Asia are crucial to ensuring that migrants do not have a free passage to Europe’s borders. Chinese influence in global institutions means that political rights are downgraded as priorities. Nationalist politicians seeking to shield their countries from the economic effects of US and European-led technology, while using that technology for surveillance, also creates a difficult environment for human rights to flourish. Further, stability does not solve global governance issues like nuclear proliferation or climate change. In fact, nuclear proliferation may become a larger worry; a ‘black swan’ event like a collapse of Pakistani control over its nuclear arsenal is possible in this scenario and even the most well-coordinated efforts by all countries may not be enough to prevent terrorists from detonating a bomb in a major city. And climate change may be neglected if governments believe that reducing carbon emissions is at odds with ensuring broad-based employment. Moreover, economic happiness in Europe could be achieved at unseen costs. While political anger can be allayed through a diffusion of benefits, there is always an incentive for politicians to delay the costs of those benefits. Increasing the generosity of pensions would please an ageing population, as would robust welfare payments, but it would leave Europe vulnerable to a rapid economic shift that reduces revenues. This scenario should not be viewed as the ideal path for Europe, only one in which some of the major issues have been addressed, with many more that may grow to take its place in the minds of policy-makers and citizens. Those include: social immobility; antibiotic resistant disease; resource depletion; Russian economic and demographic decline; and the challenges from asymmetric warfare. EPRS - Global Trends Unit 90 Scenario 3: Hollow foundations: unstable Europe in an unstable world In this scenario, European countries fail to adjust to the information economy, leading to jobs and industries lost to automation, while few European firms are able to compete with tech companies from the United States and Asia. Additionally, China and the United States are clashing over the nature of the international system and the proper role for each to play in it. 1. Ad hoc Europe As employment and wealth creation stagnate across Europe, nationalist and anti-system politicians turn their ire towards Brussels, seeking a scapegoat for the problems of globalisation and automation. In this context, there is little appetite for expanding the competencies of the EU, but the problems affecting European countries remain, in many cases, transnational. This situation leads to the development of various groupings of countries working on issues -- a multiplicity of multi-speed Europes. Migration issues are dealt with by a coalition of Mediterranean countries and recipient countries, with others preferring to avoid any involvement. Economic integration is left to those whose economies are relatively similar in makeup and business cycle. Climate policy and support for innovative industries is led mostly by informal groupings of cities, who resemble each other much more than they do the rest of their own countries. While no other members leave the EU, having seen the economic downturn in the United Kingdom following Brexit, there is a constant push among member states to repatriate powers from Brussels. Integration is effectively reversed by states promoting their own policies on issues that had previously been under the aegis of the EU. Foreign policy is one of the main areas of independent action, as European states seek foreign investment from China, India, and others, who are happy to pay European Member States against each other for international support. 2. Obsolete NATO The United States adopts a foreign policy that is more isolationist than at any time since before the Second World War. The United States remains engaged in diplomatic talks over international incidents, and participates in military ***interventions*** from time to time, especially against non-state actions. But its diplomatic efforts are most frequently as part of multilateral panels, in which the lead is taken by the largest power in the region and its military ***interventions*** are focused on special forces conducting precision raids. Yet the United States remains the world’s largest military force, with a fleet of aircraft carriers and squadrons of F-35s that cannot be matched by any single country. US military posture is, therefore, to act as an offshore balancing force in most regions of the world against territorial encroachments. This combination leads to continued disputes between the United States and other nations. While the United States wishes to preserve the existing norms of the international system, its disinterest in engagement abroad leaves openings for other countries to assert their own preferences. Regional institutions, like the Asian Infrastructure Investment Bank, proliferate and norms become major debates. The remaining global institutions see their funding stagnate. Disputes over shipping and mineral rights in the Arctic become particularly tense, as it is one of the few areas where the United States sees vital national interests at stake. Global Trends to 2035 91 In this environment, the United States views NATO as less and less relevant for its agenda. Weak European economies mean that the United States is providing a larger share of total NATO defence spending. Unstable European political systems, focused on allaying domestic anger, mean that European countries are less reliable at international settings. NATO remains in force and the United States guarantees the territorial integrity of all members, but Article V is seen not to apply to information warfare or terrorism, and the capabilities of NATO are rarely used. 3. Cyber retreat One of the consequences of a fragmented international system is that there is no agreement on the proper use of cyber warfare. Hacking and denial of service attacks become standard parts of life in Europe, much as traffic accidents became accepted as the cost of automobiles. Internet-enabled devices are repeatedly the vector through which attacks are delivered and government efforts to mandate security features often fail to match the pace of hacking developments. Infrastructure and financial systems are frequently hit by hackers, many of which are suspected to be supported by states. Elections are commonly disrupted and sometimes must be re-run, as voting systems are found to becompromised. The result is that societies move away from a reliance on technology for many purposes, or must create multiple fail safes for each critical element of infrastructures. While technology remains potent in its ability to replace the human workforce, it is less effective at delivering the societal benefits from its use in common goods. Economic growth and the quality of living is thereby less than what would be expected by extending baseline projections. 4. Tax evasion One of the smaller consequences of this scenario is that tax evasion becomes a major source of lost revenue by 2035. Because Europe has weak economic growth, firms are increasingly investing in emerging markets. This permits an even greater percentage of corporate revenue to be routed through tax havens, and the practice becomes adopted by wealthy individuals to an extent far beyond its present levels. Attempts to coordinate against tax evasion fail at the G20 and OECD as rivals to the United States and Europe begin to see tax evasion in terms of relative gains. If widespread tax evasion and avoidance reduce total government revenues, it also reduces the capacity for military expenditures. Thus, agreement even on small island tax havens become contentious issues for international forums, and serve as another source of distrust between citizens and their governments in Europe. EPRS - Global Trends Unit 92 Scenario 4: The EU as the global power: stable Europe in an unstable world In this scenario, Europe uses new technologies to increase economic growth at all wage levels and introduces policies to encourage stability in its financial system. China is aggressive in its rise, in part to distract from its own economic troubles and mouting evidence of corruption among government officials. Beijing frequently clashes with Washington in international arenas and with its neighbours over territorial disputes. India, Brazil, Nigeria, and Russia all have advocated an end to the Western-led order and greater control over their respective regions. 1. Australia in the Mediterranean One of the immediate consequences of an economically dynamic Europe is a drastic need for labour, especially to perform low-skill service, ***agricultural*** and manufacturing jobs. However, the European political establishment is still scarred from the divisions caused by the migrant crisis of 2015, which threatens to be repeated as natural disasters and political unrest make repeated appearances in its neighbourhood. The EU therefore adopts a continent-wide immigration system modelled on Australia’s. There is no acceptance of migrants who enter by sea or are caught on its land borders, and agreements are made with bordering countries to hold detained migrants in exchange for economic support. A points system and method of allocating migrants to countries with the fastest ageing population is introduced. The system is broadly accepted by centrist parties, but is a constant source of attack from left-wing parties (for neglecting humanitarian commitments) and from right-wing parties (for being too generous). 2. Faster integration A series of external crises threatens to imperil Europe’s economy and security: China declares an embargo on the sale of rare earth minerals; Saudi Arabia experiences a great depression as oil prices are persistently below the break-even price for the country’s social contract; and the transition from President Vladimir Putin to his successor sparks severe bureaucratic infighting in Russia, with some factions using foreign affairs to position themselves as the heirs to his legacy. The repeated threats ***produce*** a series of European common responses. While each response is unrelated -- for example, a common fund dedicated to the advancement of renewable energy or a counter-terrorism policy that can adapt to the large numbers of unemployed and possibly radicalised young Saudi men -- they combine to form a greater competence for European institutions. A treaty to codify and regularise these changes -- informally known as a Constitution (though it is not officially labelled as such) -- is passed. 3. Unbrexit The need for euro-denominated clearances to be in the eurozone lead to much of the UK financial system either moving to Dublin or Paris, or setting up offices there. Although the Brexit talks end with a mutually agreeable transition deal and trading arrangement with the customs union, a recession nonetheless ensue for the United Kingdom. Even though the UK government claims that a recession was possible anyway, the government’s popularity plummets and there are greater calls for independence in Scotland. Global Trends to 2035 93 Gradually, the United Kingdom signs up for more and more elements of the EU’s economic arrangements, including paying into the EU budget. Eventually, a party runs on a platform that argues against being subject to EU rules while having no say on how they are created, and pledges to re-enter the EU. A victory, largely on the backs of an electorate that is mostly made up of the previous decade’s pro-Remain generations, ensues. The re-entry talks spark dispute within Europe, as many pro-integrationists fear that UK membership would imperil the policies that have been introduced since it left and new financial centres worry that UK entry will rob them of the industry they have come to rely on. Nonetheless, with considerable US lobbying, the EU agrees to accept the United Kingdom, although without many of the opt-outs it had once held. 4. Eurasian wars Instability in Russia, which is facing severe economic pressures from a declining working age population, a drop in the value of oil and natural gas, and a transition from the presidency of Vladimir Putin, creates the space for conflicts between neighbouring states and irredentist movements. Countries seek to reincorporate Russian-backed enclaves. While some of these movements are accomplished diplomatically, miscalculation does occur, leading to armed conflict near enough to Europe to trigger the EU’s involvement. A military occupation and peacekeeping force is not deployed, for fear of antagonising Russia, but the EU High Representative is the most powerful presence in the summits that surround the disputes. 5. EU further abroad The United States remains the pre-eminent military power, but frequently meets opposition to by regional powers who wish for a free hand in events in their area. US allies increasingly demand military support for their actions, without receiving any, and US adversaries are increasingly willing to defy threats, or to seek support from antagonistic medium powers. The EU becomes the force that is considered credible by US and non-US powers, and becomes used as a diplomatic leader in disputes and as the umbrella organisation to coordinate multinational peacekeeping operations. The result is that foreign policy throughout Europe is directed through the office of the High Representative. However, that becomes one of the sources of tension within Europe, as member states see the stakes of the European consensus raised. While the move promotes greater institutional unity, it also creates greater political disagreements, with fears that the EU’s democratic deficit will be a major threat to the stability of the Union as soon as a controversial mission results in the death of a soldier from a country that vociferously opposed deployment. First missions attempt to avoid this by ensuring combat places are only given to supportive countries, but this creates further disagreements over burden-sharing. EPRS - Global Trends Unit 94 Conclusions and common themes This section was not designed to create a series of predictions or policy prescriptions, but to tell stories of what might unfold from what a workshop group considered two of the most important critical uncertainties facing Europe through 2035. Nonetheless, the exercise did ***produce*** some commonal conclusions that are relevant to any consideration of various scenarios: \_ Brexit is almost certain to hurt the UK economy -- significantly if there is no ensuing deal or if UK financial firms relocate into the eurozone. Whether or not Brexit inspires other member states to leave the EU, or whether the UK applies for membership again, is dependent not only on the immediate consequences of Brexit, but also the global environment. If globalisation is reversed or stagnant among major economies, the attractiveness of being in the single market will increase. \_ Cyberwar and hacking attacks are some of the most critical threats to European security. How this issue is addressed is also dependent on external events. A benign international environment and the support of most major powers is crucial for the construction of a set of norms. \_ Integration can be driven forward by the need for common responses to crises, especially in foreign policy. However, as with the construction of the euro, this can sow the seeds for greater political division if unified outputs are generated without democratically sound inputs. Global Trends to 2035 95 SECTION 5: POLICY OPTIONS AND CHALLENGES The trends and scenarios present a number of challenges to the EU in the next two decades. The following is not a proscriptive list of policy recommendations, but an overview of ten areas that the findings of the previous sections show are of particular importance to Europe, and some of the ways in which the challenges arising from them might be mitigated. 1. Manage tensions related to NATO NATO is likely to remain the leader in major areas of security and defence for European countries to 2035. However, European governments will need to manage or resolve a series of dilemmas surrounding the organisation in the coming years. These include:  The ***strategic*** ‘pivot’ by the United States away from Europe and towards Asia is very likely to be a multi-decade trend. It was articulated by former President Barack Obama and is arguably being reinforced by President Donald Trump. This means that US pressure for increased European expenditure on NATO is likely to remain high and even to rise further in future, not just under the Trump administration. It is almost inevitable that the United States will divert more resources to other regions of the world, notably Asia.  As Africa experiences the fastest population growth worldwide over the next two decades, the flow of migrants to Europe is likely to continue rising. Many of these may be economic migrants, as well as those fleeing political or security risks. This is generally not an issue on which NATO leads (rather, leadership is taken by EU institutions and member state governments on issues such as border security). However, more is likely to be expected from NATO in areas such as surveillance, capacity building and collaboration with local (non-NATO) security forces.  China’s growing economic and business interests in and around Europe will pose security questions for Europe. For example, China’s growing investment interests in Europe, Africa and the Middle East are likely to make China a stakeholder as the EU, its member states and NATO seek to manage migrant flows in the Mediterranean region. China’s investments in Greek ports make it a frontline stakeholder in that region of the Mediterranean.  Over the next 20 years, heightened vigilance will be required by NATO with respect to Russia. In the long-term, Russia appears to be on a path to demographic and economic decline. Yet history suggests that declining powers can seek to deflect attention from domestic problems by engaging in military action abroad. At the very least, Russia is likely to continue cyber and informational warfare targeting European institutions and individuals. In response to these cyber threats, Europe needs to move from being solely reactive, by strengthening its own institutions to make these less vulnerable. This could be accomplished by building cyber defences, but also through governance improvements, such as fighting corruption, thereby reducing the range of targets available to Russia.  Turkey’s slide towards authoritarianism poses a problem for NATO. Strategically, Turkey is too important to force out of NATO. However, NATO’s existence is based in part on the notion that it is an alliance of democracies. Keeping an authoritarian member inside the EPRS - Global Trends Unit 96 alliance will weaken NATO politically and in the view of its members’ general publics, making a Turkey-specific policy stance likely necessary. The above tensions will lead longstanding divergence within NATO to widen: Southern European countries would like to see NATO play a stronger role on issues involving Africa and the Middle East, while Eastern European countries wish to continue prioritising the security threat posed by Russia. Any policy must be considered along the lines of whether it would bridge or exacerbate that divide. 2. Enhance EU defence and security institutions The year 2035 may be too soon for a unified command structure that might rival that of a nation-state. Nonetheless, progress on defence and security integration is likely, in part due to new threats and the possibility US inattention to European issues. Specific policy challenges that the EU will need to focus on in the next 20 years include:  Reducing inefficiencies in defence procurement would create huge financial savings, which would help to free up space in defence budgets. It will be especially important for European militaries to coordinate their procurement efforts given the pace of technological change in the defence sector, and the high cost of new technological solutions. This will be especially important if unmanned vehicles become the most common weapons on the battlefield. The current proposals around the European Defence Fund (EDF) could allocate somewhat more funding to such solutions.  Using military force requires a common ***strategic*** outlook. Several steps have been taken in this regard in 2016-17, but member states often remain far apart on the question of deepening collaboration on defence and security. Many Northern and Eastern European countries are particularly sceptical, trusting the United States to be their key partner on security issues more than other European states. This may mean that it makes sense for a select group of member states to move ahead on their own.  A piecemeal approach to defence and security collaboration in the coming years is likely to be helpful, in parallel to more ***strategic*** efforts. The former would involve deeper information sharing around specific missions or deployments, for peacekeeping and stability operations, which could set precedents for later action. 3. Strengthen cybersecurity Cyber attacks will present major challenges for EU countries over the next 20 years, in large part due to their unpredictable nature. For example, most cybersecurity experts failed to foresee the apparent Russian attempts to influence the outcomes of the US election by manipulating online information and hacking key participants’ email accounts. Nonetheless, certain specific challenges appear very likely over the next 20 years:  Attempts by foreign intelligence services or related groups to influence European election outcomes are likely to become a permanent feature of elections in the EU. Such activities could extend beyond support for certain candidates. They are quite likely to involve attacks on state institutions, eg, government departments, in attempts to undermine these and generate chaos. This is an area where NATO is likely to play the leading role within Europe over the next 20 years. Global Trends to 2035 97  The Internet of Things will rapidly become a feature of European homes and workplaces, with an increasing variety of household and professional appliances connected to the Internet and controlled online. This will present a heightened risk of surveillance by governments or cybercriminals, with intruders seeing internet-enabled devices as back doors to valuable intelligence networks. Public services may increasingly become vulnerable to attack. This is likely to become a critical area of regulatory focus for the EU, with an important geopolitical dimension.  Quantum computing will progress over the next 20 years, though it is difficult to estimate exactly how far. At some point quantum computing will pose a challenge to currently-used encryption regimes -- especially public ones.  New efforts may be required in data localisation, as EU citizens’ pressure may mount to stop non-EU intelligence agencies or criminal groups from accessing their online data. This would involve physically relocating key internet functions and services within the EU.  The West needs to accelerate the establishment of principles of use, doctrines, and strategies in cyber warfare, as it has fallen behind Russia in this regard. This is primarily a task for NATO. However, a broad international effort is likely to be needed to update the principles in the United Nations Charter to make these relevant for cyber warfare, and the EU’s diplomatic capabilities would help with this effort.  National and regional governments within the EU should appoint Chief Technology Officers/Chief Information Officers or similar cabinet-level positions responsible for liaising with intelligence services on cybersecurity, as well as overseeing networked government solutions, measuring delivery and implementing best practices. Brexit will pose a challenge to the EU’s remaining members in cybersecurity (and security more generally), as the UK is a leading player in many of these areas. However, the UK’s longstanding resistance to the EU developing as a security actor will also dissipate if Brexit materialises. This could give a boost to collaboration in areas of cybersecurity among Member States. 4. Employ sustainability as a source of soft power Over the next 20 years, the EU will be challenged in areas of soft power in which it currently enjoys leadership. An important one of these is sustainable trade and investment:  The EU and its member states have developed some of the most comprehensive sustainability legislation worldwide in air quality, climate change mitigation, noise pollution, chemicals, green labelling, and water quality. About 80% of environmental law implemented by member states now comes from the EU. Stringent EU regulation on sustainability affects not only all companies operating within the EU, but also EU companies operating abroad or exporting. In the long term, this provides strong support for the reputation of both the EU and EU corporations.  This body of legislation gives the EU a platform from which to drive similar change towards sustainable trade and investment in other parts of the world. There is an EPRS - Global Trends Unit 98 important role for EU policymakers in continuing to persuade policymakers elsewhere to adopt legislation on sustainability and implement it to the standards set by the EU.  The EU faces the risk that some of its key trading partners will permit their companies to gain competitive advantage by failing to enforce best-practice sustainability regulation. Whether the EU can face down such challenges will be a key test of its soft power, and in turn will have a tremendous impact, over a 20-year period and beyond, on a world that increasingly is witnessing the impacts of climate change. As sustainability and environmental awareness becomes a greater concern to countries around the world, the EU could use its leading position to increase its power in this area, countering some of the loss in diplomatic influence that its relative economic decline would otherwise entail. 5. Regain fiscal space in an environment of ageing workforces Over the long term, the EU will need new policies to combat the impact of ageing populations. As European governments seek to enact further reforms to social ***programmes***, they will face the prospect of voting publics who will not accept the prospect of diminished living standards in their retired years. The shift of populations to being nearer, on average, retirement age, will constrain the ability of politicians to enact reforms that will take effect soon, creating an incentive to transfer wealth from the young to the old -- with the result of a potential youth backlash or migration to less redistributionist states. Over the next 20 years, policies in the EU may need to include the following:  Increases in the pension age would reduce expenditures, but are difficult to implement politically. Therefore, such adjustments need to be made far in advance, ie, with a start date several years in the future, and a gradual raising of the retirement age. An alternative measure with similar effect would be a higher age limit for compulsory employer contributions. For example, in Australia this has been raised to age 75. Or, retirement ages could be matched to life expectancy. This exists in Sweden, and in Denmark is scheduled to be introduced as of 2025.  Schemes to permit older workers to claim part of their pensions while continuing to work, as has been implemented in Sweden and Australia, may be more feasible than changing payout ***plans*** and would extend the average working life. This could also be accomplished through tax credits that incentivise later retirement, as implemented in Denmark’s 2006 Welfare Reform.  Policies could be introduced to maximise the productivity of older workers. This may include, for example, funding grants for networking organisations or training grants for specific skills most appropriate to older workers. Measures to dissuade workers from using unemployment benefit schemes as a pathway to early retirement would have a similar effect. For example, the maximum duration of unemployment benefit for older workers can be decreased, and stricter job search requirements for older workers can be introduced. In 2007, this was implemented in Germany for workers aged 58 years and older. Global Trends to 2035 99  Labour market policies can also be directed to delaying the ageing of the population, by encouraging families to have more children, through tax credits or childcare support, or by admitting more immigrants and refugees. These policies are often controversial -- as with immigration policies -- or can be economically inefficient -- as with financial incentives. Nonetheless, ageing countries will likely experiment at national and sub-national levels of government with policies to increase the working-age population, and some innovations may prove to be effective, with the challenge being to identify and communicate successful policies. 6. Harness the power of artificial intelligence Automation and artificial intelligence will accentuate several economic and public policy trends over the next 20 years. While there is a tendency to emphasise employment displacement, there is also a positive impact, as new jobs are established in R&D, ***programming*** and technology-related services. Policymakers must avoid being directed by the hyperbole (positive or negative) that surround the growth of automation, as the pace of AI adoption is still unclear. Nonetheless, some major policy challenges and potential solutions are already becoming clearer:  EU institutions can play a leading role in helping to build a social consensus around the future of automation. This should involve consultation with all the stakeholders involved, and include sector-specific dialogues. In turn, such dialogue should lead to appropriate regulatory measures. In many cases the regulatory issues may have an ethical angle (eg, when robots can be used for medical surgery), which means that experts outside of government and technology should also be consulted on the nature of regulation required.  Automation is likely to fuel further income inequality. Higher levels of automation have been accompanied by a widening disparity between productivity performance and industrial wage growth. The impact that automation will have on income levels will continue to come via the displacement of older or inappropriately skilled workers. According to the World Economic Forum, we are facing a near future of mass unemployment for some categories of low- or unskilled workers combined with a lack of skilled workers in other categories.  Industrial policy needs to be continually updated and adapted to the changing technology landscape. EU institutions and member state governments have important roles to play in encouraging the rapid adoption of relevant new technologies, particularly by small- and medium-sized companies, which are at a disadvantage in any field that requires access to large amounts of data. This is often critical to these companies remaining internationally competitive.  Automation will force poorer economies to re-assess their development models. It may become more difficult for low-wage economies to attract industrial investment, while the direct employment benefits of foreign investment in more automated manufacturing, distribution, or information technology sectors will be limited. The EU’s development policies will, instead, need to focus on upgrading workforce skills in developing countries to compete for investment and maximise local spin-off benefits. Developing countries will also need to be ***strategic*** in targeting more labour-intensive services or more specialised manufacturing industries with lower rates of automation but high value added content. EPRS - Global Trends Unit 100  The EU will in the coming years need to further consider implementing income assistance ***programmes*** for individuals displaced by technology, such as universal basic incomes. Guaranteed annual incomes, accompanied by incentives for education and entrepreneurship, could act as a buffer against job losses and help displaced workers more quickly retrain. However, it is still unclear how costly universal basic income ***programmes*** may be to governments in the long term.  Educational reforms will be critical, as automation will put a premium on the integrated technical, business, and services skills that will be required to drive new business growth in technology and services sectors.  Artificial intelligence and platform economics will lead to the rise of monopolies in many areas of technology, which will necessitate government action to ensure that fair competition is possible in resource- and data-intensive industries. 7. Combat food and water scarcity in Africa and the Middle East Between now and 2035, climate change and resource competition could increasingly make food and water scarcity in Africa and the Middle East into a geopolitical and security issue for the EU, rather than primarily a development issue. There is a chance that there will be a sharp rise in the number of climate refugees seeking to migrate to the EU. Some responses to this include:  Development aid budgets will be pressured to expand on issues such as governance, corruption, social safety nets and quality of institutions. In many cases, droughts or food shortages can be adequately addressed if a country’s institutions are functioning well and so aid organisations will push for a focus on basic governance.  Even if the most immediate challenge for EU policy regarding food and water scarcity appears to lie in Africa and the Middle East, a global perspective will be needed. Countries dependent on food imports are vulnerable to fluctuations in global grains prices. Therefore, adverse weather patterns or other disruptions in ***producing*** countries can significantly affect prices and scarcity in parts of Africa and the Middle East. The EU can play an important role in this regard, by helping to better manage global grains stocks, which can act as a hedge, preventing price spikes.  As part of an effort to create greater trust in the global food market, the EU can play a leading role in pushing for a UN resolution against using food as a weapon in geopolitical disputes or preventing governments from embargoing food. With such a resolution in place, countries that suffer water and food scarcity would have less need to keep high levels of food stocks (as currently happens in some Gulf countries).  Over the next 20 years, the EU will face heavy pressure to loosen its controls on genetically modified organism (GMO) crops. GMO crop production has the potential to reduce food scarcity, particularly in Sub-Saharan Africa, but some of these countries are reluctant to grow GMO crops for fear of losing valuable access to the EU market for their exports.  More generally, the EU should aim to position itself at the forefront of new developments in biotechnology, in areas such as drought-resistant crop technology. Breakthroughs in several areas of biotechnology relevant to ***agriculture*** are likely over the next 20 years. Global Trends to 2035 101 These have the potential to lead to a secular lowering of global food prices. They also have the potential to lower the ***agriculture*** sector’s water needs, which would have a substantial impact on water scarcity in these regions. 8. Gain from the opportunities of space exploration From its genesis at the end of the 1950s, the development of Europe’s space activities has been unique in its purely scientific origins. In the European Space Agency (ESA), it has also ***produced*** an organisation that has flourished in parallel with the EU, but with a remit that can offer membership to a wider range of countries. From the flights of ESA’s Spacelab aboard US shuttle missions from 1983, to the current ExoMars rover project that involves partnership with Russia, international collaboration beyond Europe has been a feature of ESA. ESA has two types of ***programmes***, each funded differently. Mandatory ***programmes***, which include space sciences, are funded by a contribution from all members that is assessed in relation to each country’s GDP. Other ***programmes***, including many of the most well-known ones, such as space transportation, earth observation, space-based telecommunications and navigation systems, and work associated with the International Space Station, are funded by optional contributions from members. This includes the EU as a distinct entity, which now supplies around 20% of the total ESA budget. Fiscal pressures on member countries over the next two decades may force a reassessment of contributions to ESA, leaving the EU to decide how much more it wants to invest in the space sector. Over the next twenty years, several factors are likely to feed into the development of European space policy, related not only to financing but to relevance:  Much of Europe’s success in space, both political and commercial, has come from the Ariane series of launch vehicles. The latest is version is the heavy-lift Ariane 6, which received final approval in 2016 and is scheduled to make its first flight in 2020. However, competition in the satellite launch sector is expected to intensify over the next decade as new families of launch vehicles are developed by Space X and Blue Origin in the United States, India extends its interest in the commercial sector through its Antrix marketing arm, and the market to launch small and micro satellites develops. There is likely to be some debate over whether it makes sense for Europe to remain at the forefront of this area and if there is a more profitable sector to prioritise.  Another factor, related in part to the growth in launch competition, is the extent to which space-based commercial systems are becoming commoditised. Galileo, Europe’s own satellite navigation system that was intended to avoid reliance on the US GPS system, may be of the last such large-scale projects, as the balance between costs and revenue makes them questionable in purely commercial terms. Much may depend on the development of ideological and pragmatic attitudes about the role of government support.  The development of European defence policy will feed into the space sector. If there is a need for a sophisticated independent capacity in this area, the cost of securing it may be high. Prioritising the development of reconnaissance via enhancements to ground-based analytical software would reduce some of the costs to Europe in this area.  As commercial investment in the space sector rises, governments may feel a need to concentrate non-commercial areas such as planetary exploration, a field with the benefit EPRS - Global Trends Unit 102 of creating and sustaining networks across academic institutions that help to design missions and then work on their results. However, these can be difficult to defend if budgets are under pressure. An additional factor for European policymakers is how to deploy the collaborative aspects of space to best effect. Space activities can play an important role in international relations by offering multi-year partnerships built around specific, non-military projects. The teams of scientists and engineers involved can build ties capable of surviving the short-term shifts in bilateral relations. Positioning Europe as the partner of choice over a range of space-related endeavours, because of its experience with collaborative ventures as well as its scientific expertise, may contribute not only to European cohesion, but to its soft power. 9. Create business clusters to build Europe’s leading edge Clusters of interconnected businesses and institutions can drive productivity and innovation in various fields, and often rely on government support, either directly (through the location of a government facility) or indirectly (through grants to universities). In order to compete with firms in the United States, China, and Japan, European businesses would benefit from the development and deepening of clusters. However, this may go against the political requirements of the EU, to ensure that prosperity is spread evenly across the Union, rather than concentrated in a few areas that may already be wealthy. Some ways to balance these two needs may be to:  Developing cluster-based policies to replace industry-level and firm-level policies. Harvard economist Michael Porter has argued that clusters are more efficient, minimise distortions to competition and are better aligned with the nature of competition in the modern economy. Policies based around the concept are more likely to help create them.  Encouraging more government funding of basic research at universities. This will not only provide benefits from the research conducted, but these universities will also spin out companies that translate the research into commercial activity. Because universities are spread throughout the EU, grants can help clusters form in poorer areas.  Facilitate European-level social services and pension policies, to encourage migration from across the Union to clusters.  Since clusters can originate organically -- Detroit became the automobile capital of the United States in part because it was where Henry Ford lived -- ensuring access to capital and infrastructure connections to international markets can help an innovative business find the success that leads to a cluster. 10. Adapt to new types of terrorist threat The threat from terrorism will remain a major challenge for European policymakers to 2035. In addition to seeking ways to respond to the currently known types of terrorist threat, which will remain relevant and pressing to policymakers, new types of threat will emerge over the next 20 years. These may include, but will not be limited to:  Bio-hacking, the design of new germs and viruses by hobbyists, has opened up the possibility of the low-cost, low-visibility design of biological weapons, possibly leveraging Global Trends to 2035 103 the mapping of the human genome to create designer plagues able to target certain segments of the population.  Advanced robotics, allowing precise assassination attacks or mass casualty attacks to be remotely launched by individuals and small groups.  3D printing will allow weapons systems to be downloaded and fabricated within secured areas. With the advance of encryption methods, it may be impossible for governments to prevent complicated weaponry from being present in their countries. While it is impossible to predict the causes of terrorism in 2035, the techniques used to great effect by the Islamic State -- online radicalisation and the encouragement of lone wolf attacks -- will likely persist over the coming decades, as they do not require extensive and vulnerable networks that can be disrupted by governments. EPRS - Global Trends Unit 104 BIBLIOGRAPHY Akbar, Ali. “Khyber Pakhtunkhwan inks deal worth $20bn with Chinese companies.” DAWN.COM, 2017,   [*https://www.dawn.com/news/1318237*](https://www.dawn.com/news/1318237). 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This study considers eight economic, societal, and political global trends that will shape the world to 2035, namely an ageing population, fragile globalisation, a technological revolution, climate change, shifting power relations, new areas of state competition, politics of the information age and ecological threats. It first examines how they may affect some of the fundamental assumptions of the international system. Then it considers four scenarios based on two factors: an unstable or stable Europe and world. Finally, it presents policy options for the EU to address the challenges created by these trends. This is a publication of the Global Trends Unit EPRS | European Parliamentary Research Service European Parliament This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament. PE 603.263 Print: QA-04-17-693-EN-C, ISBN 978-92-846-1493-6, DOI:10.2861/22464 PDF: QA-04-17-693-EN-N, ISBN 978-92-846-1494-3, DOI:10.2861/800293 [*www.europarl.europa.eu/thinktank*](http://www.europarl.europa.eu/thinktank) (Internet)    [*www.epthinktank.eu*](http://www.epthinktank.eu) (blog)    [*www.eprs.sso.ep.parl.union.eu*](http://www.eprs.sso.ep.parl.union.eu) (Intranet)

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Executive Summary

Global Economy and Banking Landscape

The Performance of the global economy was mixed in 2016 with as growth prospects dampened at the start of the year by geopolitical tensions and a slow burning banking crisis in Europe before gaining momentum later on. Risk in the global landscape remained heightened by geopolitical tensions as two notable events sent shock waves across markets - the outcome of the Brexit vote and the election of Donald Trump as President of the United States. However, the tensed atmosphere in the first half of 2016 has given way to reinvigorated confidence following respite in downside risks associated with the US elections, Brexit uncertainty and concerns of slower growth in China. Furthermore, underlying the renewed optimism across regions are expectations of an expansionary fiscal policy in the US, stronger commodity prices favourable to commodity exporting nations and better than expected growth and policy support in China.

(To view the original document, please click on the link below:

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At the start of 2017, global optimism was further elevated by the International Monetary Fund's (IMF) projection that global growth will rise from 3.1% in 2016 to 3.4% in 2017 and 3.6% in 2018. Despite initial scepticism on the capability of President Donald Trump to push through his pro-growth expansionary fiscal ***plan***, the IMF remains bullish on growth outlook, revising 2017 global growth forecast upwards to 3.5% at its April Spring meetings whilst leaving projection for 2018 (+3.6%) unchanged.

However, the IMF trimmed Sub-Saharan Africa's (SSA) growth projection by 20bps while stating that many of the largest non-resource-intensive countries in the region will find it increasingly difficult to sustain growth through higher public capital spending in the face of rising public debt. The region is projected to grow 2.6% in 2017 (relative to 1.4% recorded in 2016), driven by a rebound in Nigeria, South Africa and Angola - the region's largest economies - which faced a challenging 2016 due to low commodity prices. Nigeria is forecast to grow 0.8% in 2017 relative to a 1.5% contraction in 2016 while South Africa is also expected to grow 0.8%, faster than the 0.3% actual in 2016. Justifying the improved growth prospect, Nigeria and South Africa exited recession in Q2:2017 with 0.6% and 2.5% GDP growth respectively. Angola is also expected to rebound 1.3% in 2017, with the major driver being the non-oil sector.

Despite the apparent synchronised expansion in growth across regions, there still exists major downside risks such as geopolitical tension, protectionism and political populism in advanced economies and policy tightening by systemic central banks. Against this backdrop, we review developments in the global socio-political space, especially with regards to the increasing influence of political populism, prospects of sustained higher oil prices vis a vis the OPEC production cuts and finally the impact of the gradual shift in policy outlook of systemic central banks from largely dovish to a more hawkish stance on emerging markets.

In addition, we examine developments in global banking regulation and innovations across topics ranging from risk management and banking regulation in a period of increasing FinTech innovations, to discussions surrounding the possibility of the "Glass-Steagall Act" coming back into play in the U.S. as well as the role digital technologies and advanced analytics will play in creating the invisible banks of the future.

Domestic Macroeconomic Highlights

Nigeria's erstwhile predominantly positive macro story suffered a setback between 2014 and 2016 as macroeconomic indicators came under pressure and underperformed medium term trends and frontier market peers. This period could best be described as the "lean years" which perhaps has been one of the most challenging for policy makers since the return to democratic rule in 1999. As with most emerging and frontier market crises, Nigeria's economic miseries were at first triggered by a current account imbalance and widening fiscal deficits which were a direct consequence of the fall in global oil prices which began in 2014. As the tide went out on commodities, Nigeria's structural vulnerabilities - hitherto ignored by policy makers and global fund managers caught in the euphoria of the "Africa Rising" narrative - became more obvious, with the effect on the business cycle amplified by underwhelming policy responses which sapped investor confidence and led to a currency crisis.

The resumption of militancy in the oil ***producing*** Niger Delta region in February 2016 was the straw that broke the camel's back. The result was that the business cycle reached a trough when GDP shrank for the first time in more than two decades, unemployment rate peaked, inflation surged to double-digits, risk crystalized in the banking sector and asset prices fell across board.

However, compared to the economic despondency of 2016 which saw the economy slip into a recession, business and investment confidence started to garner steam in Q1:2017 as hope brightened that the business cycle had reached a trough and the economy was set to fully reverse course. Q1:2017 GDP figures and corporate earnings already signalled that the much expected recovery was afoot. Second Quarter GDP numbers further confirmed the recovery was on course with the economy exiting a 4-Quarter long recession with a mild GDP growth of 0.6%. The rebound in growth was driven by both oil and non-oil sectors.

The realities underlining the cyclical recovery displayed by the economy were shaped by three key themes:

i.    Rebound in oil exports which marked a turning point in macroeconomic stability,

ii.    Pro-market FX policy Reforms implemented by the Central Bank of Nigeria (CBN), and

iii.    New efforts by Fiscal and Monetary Authorities at tackling deep-seated structural challenges.

We extensively reviewed these themes - focusing on their sustainability and associated downside risks. On this basis, we have made projections on key macroeconomic variables including GDP growth, price level, fiscal and monetary policy as well as downside risk of polity instability as the 2019 elections approach.

Our Outlook on Growth: Low Base Push to Nudge Economy Out of Recession

Against the backdrop of a recovery in the domestic oil sector, reforms in the FX market and renewed efforts at tackling deep-seated structural bottlenecks, we are more optimistic on near term growth. We expect growth to accelerate in Q3:2017 and Q4:2017, driven by improved oil output and anticipated positive knock-on effects of higher crude exports on Non-oil GDP, following a boost in FX liquidity and fiscal spending. However, a major downside risk is the recently reported incidence of flooding in the Agrarian North Central region which is a ***strategic*** ***agricultural*** belt. Although government agencies are still taking stock of the extent of damage to farmlands and infrastructure, we have prudently taken this into consideration in our growth forecast for FY:2017. Hence, we retain our FY:2017 growth forecast at 1.2% but raise FY:2018 projection by 10bps to 2.6%.

Price Level: High Base Effect Subduing Inflation despite Renewed Pressure on Food Prices

In line with consensus expectation, high base effect kicked in from February to moderate Nigeria's headline inflation rate after it peaked in January 2017. However, the pace of moderation has been rather underwhelming, with actual monthly inflation persistently above consensus forecasts since February. The negative inflation surprises are essentially due to renewed pressure on food prices which has continued to drive food inflation higher to offset moderation in the Core Index.

With the economy already running out of base effect price level moderation, inflation numbers may start to trend northward yet again. Taking this into consideration, we have adjusted our year end inflation rate projection upward from 14.5% to 16.3%. Our outlook for 2018 also remains conservative as we expect the government to slowly begin to deregulate the pricing of petroleum products ahead of the scheduled opening of private refineries between 2019 and 2020. The Multi Year Tariff Order (MYTO) for electricity pricing may also be revisited before the election cycle starts in mid-2018 after which such unpopular policies could be difficult to implement. Thus, we forecast inflation to remain in double digits in 2018, but trending downwards to the 12.0% - 13.0% range due to the high base effect of food prices.

Polity Stability: Secessionist Agitation Fractures Polity despite Gains on Security

Nigeria enjoyed some measure of polity stability just after the 2015 elections as the military consolidated on gains in fighting the insurgency in the North East region, eventually pushing back the Boko Haram terror group from towns and localities to their redoubt in the Sambisa Forest. However, the polity has been tense since mid-2016, partly due to militants' uprising in the Niger Delta and economic hardship brought on by the recession. The latter has had more impact on polity stability as secessionist groups in the South East, led by the Indigenous People of Biafra (IPOB), have capitalized on economic conditions to ramp up calls for secession.

To further complicate the plot, the impact of climate change - which has ravaged grazing fields in Northern Nigeria - has increased incidences of trespassing in farmlands in North Central and Southern Nigeria by nomadic Fulani cattle herdsmen searching for greener pasture. This has heightened ethnic tension and driven up incidences of violent clashes between host communities and herdsmen. Hence, the stage for a potentially contentious election cycle in 2019. Thus, we highlight polity uncertainties as downside risks to watch out for.

Fiscal Policy: Expansionary Outlook despite Downside Risk of Mounting Debt Service Obligations

The Federal Government has operated three successive years of fiscal expansion since 2014 despite recurring revenue shortfalls, with policy makers already implementing another record expenditure year in 2017. To fund this high deficit, government has shifted its attention towards "cheaper" foreign sources to take advantage of the favourable external market environment and explore underutilized foreign borrowing capacity. The 2017 budget, which was signed in June-2017, estimates a 37.0% Y-o-Y increase in expenditure to N7.4tn (relative to the N5.4tn actual in 2016), with deficit projected to grow 4.3% Y-o-Y to N2.4tn. Despite the improvement in capital spending, critical questions still need to be asked: 1) Is Nigeria's low Debt to GDP ratio a realistic measure of borrowing capacity? 2) Is deficit financing sustainable in view of mounting debt service obligations? and 3) Is the high level of foreign borrowing appropriate given the likelihood of future devaluation of the naira?

Our view is that a low Debt to GDP ratio should not be the sole measure of borrowing capacity, considering Nigeria's peculiar low tax revenue to GDP ratio (6.0%). A significant portion of economic activity takes place in the informal sector which is more difficult to tax, perhaps even more so in an economic recession. Debt Service obligations present a red flag, with the debt service to revenue ratio at 47.0% in FY:2016 (one of the highest in recent times). We however expect a possible moderation in 2017 on account of the rebound in oil revenue. While foreign debt obligations are mostly long term multilateral facilities (up to 78.2%) and do not constitute short term risks, policymakers have to be watchful of taking on more external leverage without expanding revenue size given the debt service implication of any future currency devaluation.

Monetary Policy and Financial Regulatory Environment

The efficacy of monetary policy tools were put to test in 2016 as policy instruments were largely deployed in stabilising the foreign exchange market. Following the fall in global oil prices which affected FX earnings for the country, it became expedient for the monetary authority to install FX policy management that will taper the rate of depreciation of the currency, being one of the primary mandates of the CBN. As characteristic of central banks in most frontier and emerging economies in managing the exchange rate and price level (being usually susceptible to external shocks), the CBN grappled with achieving these objectives though not without consequences on economic growth prospects. Nonetheless, the CBN succeeded in introducing flexibility to the FX market after the creation of the Investors & Exporters' (I&E) FX window.

We laud the introduction of the I&E FX window and the interest it has generated, with the window becoming the preferred market for FX transactions by local and foreign portfolio investors. Data published by FMDQ OTC Securities Exchange (FMDQ) showed that US$1.1bn of transactions were executed in the first two weeks of trading at the I&E FX window. As of Sept-15, 2017, transactions in the window have topped US$9.0bn. The equities market has witnessed renewed participation from foreign portfolio investors on the back of improved access to foreign exchange. We are of the view that the greatest risk to FX stability remains the sustainability of the NAFEX rate being the only official market determined rate.

Regulatory risk remains pronounced within the Nigerian investment landscape as investors remain cautious given the volatility that has enveloped the policy environment since H2:2014. We note that the CBN will need to remain committed to policy consistency and strive to withstand pressures from other government actors in taking decisions that will aid development of monetary policy in the country. Within the financial regulatory space, we highlight developments in the regulation of the financial sector especially with regards to the adoption of the CBN's cashless policy, implementation of IFRS 9 and systemic risk inherent in the Domestic Systemically Important Banks (D-SIBs).

Nigerian Banking Sector in 2016/2017

Majority of Nigerian banks have demonstrated their resilience within the last two years amid macroeconomic challenges which weighed on credit expansion, asset quality and capital adequacy, to record largely positive performances for the year. The financial performance of the sector was principally affected by monetary policy decisions tied to the management of the FX market which had a ripple effect on earnings across the industry. This was positive for banks' non-interest income, especially Tier-1 lenders with aggregate long Net Open Positions (i.e. higher foreign currency denominated monetary assets than liabilities) which recorded massive jumps in FX revaluation gains.  Furthermore, in a bid to attract private capital flows and shore-up the Naira and external reserves, the CBN drove up policy and market interest rates, resulting in higher fixed income yields which bolstered interest income for banks.

Consequent on the higher interest and non-interest income, industry gross earnings (for the 14 banks within our coverage) rose faster at 16.4% in FY:2016 (better than 10.4% in 2015). However, the industry still faced significant cost pressures, particularly impairment charges which surged 91.8% within the period as a result of weaker asset quality and the one-off forbearance on writing off fully provisioned loans granted by the CBN in 2016. Nonetheless, profitability metrics improved as industry PBT expanded 9.8% in 2016, an improvement from a 28.4% decline recorded in the prior year, while Return on Equity (ROE) strengthened to 12.3% from 9.1% in 2015.

Similar to earnings performance, the impact of prudential guidelines and monetary policy reflected on balance sheet and capital adequacy of banks. Following the devaluation in June, capital adequacy level took a hit as FX-denominated risk weighted assets were revalued upwards while the CBN gave banks a soft landing by relaxing prudential rules. The effect of currency depreciation was also evident in the industry gross loan book which grew nominally by 23.0% Y-o-Y given that 39.5% of industry loans are foreign currency denominated. In addition, Total Deposits grew 19.3% in 2016, following a decline of 1.8% in 2015 while Total Assets and Total Liabilities expanded 20.7% and 21.8% respectively.

Given the more or less resilient earnings performance, majority of the banks maintained their dividend policy with an average pay-out ratio of about 33.0% and investors netted alpha as the banking index outperformed the market benchmark. Considering these factors, our outlook on the sector for the rest of the year and 2018 is broadly positive although we note that crystallisation of asset quality risk sill poses a threat to the sector, given that the economy is still recovering from a recession and banks loan book is heavily skilled to high risk sector - Upstream Oil & Gas, Manufacturing, General Commerce and Power sectors.

Considering the risk highlighted above, we take a look through our crystal ball and present our expectations for the performance of the banking sector below:

1. Slowdown in Pace of Asset Quality Deterioration- Despite forward guidance of banks to keep credit expansion minimal in 2017, we believe that the exposure of pre-existing loans to "high risk sectors" will continue to pressure asset quality in the year. However, we expect asset quality metrics to improve in 2017 against the backdrop of steps being taken to restructure loans to challenged sectors as well as some of the noticeable improvements in the General Commerce and Manufacturing sectors which have been buoyed by developments in the FX market.

2. Expansion in Gross Earnings - We expect Industry gross earnings to remain buoyed by higher interest income on account of the high interest rate environment as well as improved non-interest income from trading inflows as well as fees & commission.

3. Nominal Expansion in Loans - Although forward guidance from majority of the banks, indicates the reluctance to extend credit, we believe that the any moves to unify the FX market will lead to a nominal expansion in loans, given the proportion of foreign currency loans.

4. Sustained Preference for Investment Securities in Asset Allocation - As already noticed in 2016, banks are more willing to direct funds towards investment securities as opposed to credit extension given the risk environment and we believe this will continue till the end of the year and possibly H1:2018.

5. Capital Adequacy Pressures -The depreciation in the domestic currency resulted in higher Risk Weighted Assets on the books of the banks. Hence, capital adequacy ratios of some of the banks fell towards threateningly low levels. Consequently, we expect such banks to approach the market in order to raise capital to shore up capital buffers.

6. Nigerian Banks to Resume Eurobonds Issuance- The improvements in the FX market, have reignited appetite for Eurobonds issuance. As a result, a number of Tier-1 banks have raised Eurobonds in 2017; ZENITH and UBA raised US$500.0m each with both issuances oversubscribed by 3.0x and 2.4x respectively. FIDELITY and GUARANTY have Eurobonds that will be maturing in 2018 with expectation of possible refinancing through new issuances. Furthermore, FIDELITY on October 13th 2017, successfully issued $400.0m via Eurobonds at a coupon of 10.5%.

Nigeria Reopens for Business

Following from the above, we arrived at the conclusion that "Nigeria has reopened for Business" and we give our reasons below. For investors accustomed to frontier markets investing, the cyclicality of the business landscape and asset prices is unavoidable and thus better embraced. After long periods of boom typically comes a cyclical correction, but what is most important is the structural lessons policymakers take from each crisis after the rebound in short term cyclical growth prospects. Nigeria's public debt crisis in the 1990s led to an overhaul of the public debt management structure in the 2000s, just as the 2009 financial crisis offered the central bank and capital market authorities valuable lessons on prudential regulation and management of systemic risk.

Nigeria has survived a turbulent phase from 2014 when the economy began to witness an economic downturn to the emergence of green shoots since Q2:2017. Three lessons from the recent episode are obvious: (i) there is a need for a wider diversification of government revenue and exports, (ii) institutional constraints need to be speedily removed, and (iii) there is an urgent need to increase investments in infrastructure in order to boost entrepreneurship and gain more to achieve competitiveness. The government has released an Economic Recovery & Growth ***Plan*** (ERGP), a Medium Term ***Plan*** for 2017 - 2020, amongst other efforts aimed at dealing with short to long term constraints to achieving economic prosperity. We examine some of the recent fiscal and structural reforms that have been carried out.

·    The ERGP: Finally, an Economic Agenda

In our opinion, the ERGP has broadly captured all the challenging macroeconomic areas with comprehensive ***plans*** on how to address them. Nevertheless, we note that the impact of these ***plans*** in the short to medium term will be based on the extent to which implementation is carried out. For the economy to achieve sustainable growth, we believe government must be committed to monitoring and evaluating the implementation of the ***plan***. Furthermore, it is expedient that the structural changes needed to revamp the economy and place it on a sustainable growth path are continuous and proactive to build resilience against commodity price shocks.

·    Oil & Gas Sector Reform... Examining the 7-Big Wins

As part of government's efforts to restructure the oil sector and run it more efficiently and professionally, the Federal Ministry of Petroleum Resources in Q4:2016 released a short to medium term roadmap for the Nigerian Oil & Gas industry in a report titled "7 Big Wins - Short and Medium Term Priorities to grow Nigeria's Oil & Gas Industry 2015 - 2019". The ultimate goal of the "7 Big Wins" is to develop a stable and enabling Oil & Gas industry by improving transparency, cost efficiency, investments and improving security. We believe that the 7 Big Wins, if properly implemented, will set the Oil & Gas sector on a growth path and draw significant investment into the sector. Though our review of the performance of the ***plans*** indicates that major work still needs to be done in order to achieve full implementation, we believe that the roadmap provides adequate direction for the Federal Government to achieve its objectives in the Oil & Gas industry.

·    Power Sector Reforms: New Approaches to Solving the Liquidity Crisis

Nigeria's power sector remains evidently challenged despite the considerable amount of investments and attention it has attracted in the last two decades. Post privatization of power assets across the value chain, constraints are surfacing that continue to weigh heavily on the liquidity, viability and sustainability of the sector as currently structured. To resolve the challenges, the federal government launched an ambitious Power Sector Recovery ***Program*** in March 2017 with the major highlight being a CBN-funded Payment Assurance Guarantee (PAG) for two years to the tune of N701.0bn. This fund, which is expected to cover the shortfalls of Nigerian Bulk Electricity Trading Plc. (NBET), is targeted at GenCos and Gas suppliers for power generated and future power generation and in isolation will cover N300.0bn in existing liabilities.

Finally, Nigeria's medium term outlook as set out by the ERGP looks at reaching 10,000mw by 2019 from a current supply of about 4,000mw and the Power Recovery ***Plan*** seems to have captured all the essentials needed to achieve this. Yet, several deadlines for action items allocated to different stakeholders have been missed and we continue to pay close attention to the resolve of policymakers towards really achieving the stated goals. While the prospects look good based on the detailed ***plan***, the jury is still out on implementation.

·    ***Agriculture*** Sector... Enjoying a New Lease of Life

The crash in global oil prices, which resulted in significant decline in government revenue and external reserves, has necessitated and shaped recent focus on the much neglected ***agricultural*** sector. Challenges such as poor access to credit, lack of adequate supporting infrastructure, high levels of wastage, poorly developed value chain and high dependence on rain fed ***agriculture*** have limited productivity across the ***agriculture*** value chain in Nigeria. Hence, Nigeria is yet to record a quantum leap in crop production yields nor production per capita despite improvements in global farming techniques and technology which have buoyed productivity elsewhere. Nevertheless, the renewed drive to boost productivity in the sector has attracted big-ticket private-sector investments with the most prominent in recent times including the 120,000MT per annum WACOT Rice Mill commissioned in Argungu, Kebbi State in August and 750,000MT per annum OLAM Integrated Poultry Facility (consisting of Feed Mill, Hatchery and Breeder Farms) in Kaduna State. We are of the view that the reinforcement of these initiatives and policies will further revive and improve productivity in the ***agriculture*** sector and enhance food security.

Does Nigeria Inc. Matter?

Despite Nigeria's oft-repeated political and economic hailstorms - such as corruption, resource mismanagement and underutilization - that have hampered growth and development over the years, the country remains a centre of attraction to investors and organizations looking to exploit the ample opportunities that exist across frontier markets in Africa. If Africa is indeed the last frontier as often quipped, Nigeria remains its biggest prize.

With a current population of over 180 million, which is expected to double by 2050, Nigeria has a burgeoning middle class that is expected to give impetus to growth in consumption levels. The oil rich nation also plays host to a diverse wealth of natural resources that are capable of driving its economy, if properly exploited and managed towards self-sufficiency.

Beyond the obvious resource attraction, oft-ignored advantages include its teeming diaspora and locally based human capital as well as an increasingly socially conscious and upwardly mobile youthful demographic now demanding better governance and quality of life via every available social media platform. Following the success of the 2015 elections - which bore a historic landmark through the affirmation of the hopes of a better, more functional and unprejudiced government - public interest, particularly amongst the youths, in issues relating to governance and civic responsibilities has been on the rise. This has been fuelled in part by the increased recognition and reach of public advocacy organizations such as BudgIT and EIE Nigeria, as well as the emergence of new ones. This, together with technological innovations, has led to the emergence of many young entrepreneurs launching a myriad of start-ups across the country.

In addition, Nigeria's financial market remains a sweet and attractive spot for both foreign and local investors. Although performance in the past year had been hampered by FX challenges, the improvements that have been witnessed since the introduction of better FX management policies suggest that the market still has potential to attain new heights. The country may have lost some of its lustre in the past years, but in our view the glass is half full and filling up, albeit slowly!

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[***Egypt sees local production and export growth***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-74JB-00000-00&context=1516831)

Oxford Business Group: Articles

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**Body**

With a large consumer base, a skilled labour force, a ***strategic*** geographic location for trade, and a series of pro-business government efforts to streamline licensing and operations, there are a number of reasons to recommend Egypt as an industrial centre. While challenges remain, there are new local and export-focused opportunities for increased investment - particularly with the ongoing construction of the new capital - a continued focus on infrastructure development and a government-supported pivot towards sub-Saharan Africa as a market.

**Sector Performance**

Even in ancient times, Egypt served as a centre of production for commodities like papyrus and pottery. Today, the Ministry of Trade and Industry (MTI) notes in its 2016-20 Industry and Trade Development Strategy that non-petroleum manufacturing industries contributed 16% to GDP in FY 2015/16, while the Cairo-based think tank the Egyptian Centre for Economic Studies estimates that manufacturing comprised 17.1% of Egypt's total GDP in FY 2015/16, an increase on the 16.5% recorded in FY 2010/11.

The sector is also an important source of employment, with 2017 data from the World Bank indicating that 25.3% of the employed population works in industry, an increase from 25.1% in 2016. Moreover, despite the currency depreciation in November 2016, industry has maintained its growth, with manufacturing production increasing by 2.6% in April 2017 compared to the same month in 2016, as told to local press by the Ministry of ***Planning***. The Central Agency for Public Mobilisation and Statistics (CAPMAS) reported that the index of manufacturing production, excluding petroleum products, registered 137.37 points in November 2017, compared to 136.53 points in October 2017.

**Government Support**

In 2016 the MTI announced a four-year, five-pillar strategy to help transition Egypt into a major regional industrial centre and export hub. The strategy sets specific targets to support this, including increasing the annual industrial growth rate to 8%, the industrial contribution to GDP to 21% and non-oil exports by an annual rate of 10% through to 2020.

This push is embodied by the passage of a new Industrial Permits Law, designed to expedite the process for establishing new industrial projects and facilitate new investment. In August 2017 Tarek Kabil, the minister of trade and industry, announced that the government had confirmed the executive regulations for the law, reducing the waiting period to obtain industrial licences from 600 days to a maximum of 30. Through the new law, the waiting period for 80% of industries will be reduced to one week or less, while the remaining, more complex industries could require up to a month.

In addition, in September 2017 Kabil announced the near completion of an industrial investment map to help Egypt diversify and target investments across industrial sectors, noting the needs and capacities in each governorate. He explained that it will help inform the types of employment and training ***programmes*** provided, and lead to the integration of factories and decrease of imports.

**New Investment Law**

Government support for the industrial sector has also helped brighten the outlook for manufacturers with the new investment law, signed by President Abdel Fattah El Sisi in June 2017, likely to be particularly beneficial. The reform includes a so-called golden licence that will allow the prime minister to issue a single approval that includes all the required business establishment and operating licences, land allocation and building permits for ***strategic*** and national projects deemed crucial to Egypt's economic development.

"The new investment law should support the existing comparative advantages of manufacturing in Egypt, such as affordable manpower, availability of raw materials, cheap energy and growing local demand, and allow Egypt to better exploit its free trade agreements and boost exports," Walid Gad, managing director at Swiss vertical transportation company Schindler, told OBG.

**Going Local**

One result of the depreciation and high inflation witnessed throughout 2017 has been a stronger emphasis on manufacturing with local products as opposed to imported ones, when possible. For example, global confectioner and pet food manufacturer Mars has been increasingly sourcing from local packaging suppliers in Egypt since 2014. Some 70% of its packaging is now sourced locally, and the company aims to ***produce*** all packaging with Egyptian materials by 2018.

Similarly, PepsiCo announced that its local brand Chipsy hopes to limit imported potatoes to 30% by 2018, while Egyptian dairy and juice ***producer*** Juhayna Food Industries has started using only local mangoes for its products. "The depreciation of the Egyptian currency should boost inbound foreign direct investment in domestic agribusiness," Abdel Gelil Abdilhak Besher, chairman at Coca-Cola, told OBG. Meanwhile, Yasser Abdul Malak, chairman and CEO of Nestlé, pointed out that raw food processing, in particular, holds plenty of opportunities for investment. "The potential for investment in the processing of local raw food ***produce*** has been structurally under-tapped," he told OBG.

This trend is not limited to food. Dutch-UK consumer goods company Unilever has also announced that it is seeking local packaging suppliers for its production of soaps and detergent powder.

The quality of local suppliers in Egypt is seen as a comparative advantage, with nearly 60% of participants in the OBG Business Barometer: Egypt CEO Survey released in May 2017 saying they were highly or very highly satisfied with the quality of local suppliers and service providers.

**Exports**

In April 2017 international media reported that Mars was ***planning*** to invest LE750m ($49.4m) over the following 18 months to boost exports from 50-60% of its production in Egypt to 80%. The confectionery company expanded its facilities in mid-2013, when it invested LE580m ($82.7m at the time) in a new production site in Cairo.

Ashraf Bakry, managing director of Unilever Egypt, told media in April 2017 that the floatation of the pound had catalysed Unilever's ***plans*** to double its assets in Egypt and develop the country into a regional centre for exports.

In July of the same year Ayman Khattab, president and CEO of General Electric North-east Africa, shared similar sentiments. "We see large competitive potential in the Egyptian market, and we ***plan*** to turn Egypt into a hub to manufacture our products over the upcoming period," Khattab told local media. "Egypt is a large consumer market that needs businesses and expansions in all economic sectors, including health, energy and electricity."

**Small Businesses**

While mega-projects grab headlines, there is also an increasing understanding that smaller enterprises create an important link in the industrial supply chain.

The second pillar of the MTI 2016-20 development strategy is providing support for small and medium-sized enterprises (SMEs) to help increase industrial production, create more jobs and boost exports. The strategy estimates that Egypt has 2.5m micro- or SMEs, comprising 75% of the labour force, yet only 17% of these businesses undertake export activities. Creating an enabling environment for these businesses will require assistance from a number of government-driven initiatives. Accessing credit and obtaining the necessary licences remains a particular challenge for Egyptian businesses, as highlighted in the World Bank's "Doing Business 2018" report. This was also stressed in the "Global Entrepreneurship Monitor Global Report 2015-16", which focused on the country's need for simplification in licensing and permitting processes, and improved access to finance.

In addition to the new permits law, to help address these challenges, in 2016 the Central Bank of Egypt (CBE) allocated LE200bn ($13.2bn) to national banks for lending to SMEs at rates of 5-7%, depending on the size of the business, to be repaid over five to seven years in a state-led attempt to support the commerce and industry sectors. Furthermore, commercial banks have been directed by the CBE to raise lending to SMEs to 20% of their total loan portfolios by 2019 (see Banking chapter).

**New Projects**

Kabil told local press that during the FY 2016/17, 1573 factories were established across 24 governorates, resulting in the creation of 52,000 new jobs, with investments reaching a total of LE48.2bn ($3.2bn) and an anticipated annual production value of LE86.3bn ($5.7bn). The newly established factories are manufacturing a variety of consumer products, ranging from compressed wood for furniture construction, to poultry and animal feed, to plastic bags and air-conditioning units.

In July 2017 Kabil announced the completion of 15 new projects with LE3.4bn ($210.8m) of investments. Among these projects is the new Robiki Leather City, which lies to the east of Cairo. Leather exports currently bring in approximately $200m annually, and this project is intended to help increase that number to $1bn by 2020.

In September 2017 Egypt signed an agreement with Singapore to establish the first industrial city, located in the northern Fayoum governorate, stretching over an area of 33m sq metres. The city is expected to cover a range of industries, including pharmaceuticals, automobiles and textiles. The project will be jointly implemented by the Industrial Development Authority, which is responsible for the designated land area, leaving Singapore Holding in charge of managing the project. Construction is scheduled to commence in 2018.

This trend of increased manufacturing of a wide range of goods does not show signs of slowing down. "Several multinationals have realised the advantages of Egypt as a production hub and have established manufacturing facilities there, as well as increased their capacities," Karim El Din, general manager of Coca-Cola Egypt, told OBG. Multinational conglomerate General Electric also reported to local press in June 2017 that it sees Egypt as a potential manufacturing centre and has already signed off on agreements to provide 100 locomotives to the Egyptian Railway Authority by 2018 to help reach the target of transporting 25m tonnes of consumer goods via rail by 2022. Of the 100 locomotives, 50 will be assembled in Egypt in cooperation with the Arab Organisation for Industrialisation, and they are expected to be delivered in the first quarter of 2018.

The Suez Canal Economic Zone, part of the larger Suez Canal Area Development Project, also continues to grow as an industrial centre, with the establishment of 30 projects totalling $20bn in investments in 2017, including a petrochemical complex, an oil refinery, and factories that ***produce*** textiles, electrical appliances and other goods.

Among the companies that will invest in the zone are German company Siemens, for the maintenance of turbines; General Electric, for the manufacture of wind turbines; and Chinese Dayun, for the manufacture of motorcycles. China was officially named the largest investor in the Suez Canal Area Development Project, with ***plans*** to develop the three cities of Suez, Ismailia and Port Said. China has completed the first phase of development of the area, around 7.2 sq km in Ain Sokhna, attracting around 68 enterprises, and started the second phase in 2016. In early 2018 local press reported that Chinese fibreglass company Jushi occupies an area of 146,000 sq metres in Ain Sokhna, with the Egyptian branch undergoing its fourth phase of production.

**Plastics**

Since the revolution in 2011 a number of sectors, especially tourism, have slowed down, however this has not been the case with the plastics industry, which includes finished products and petrochemicals (see analysis).

Mohamed Taher, the executive director of the Egyptian Plastic Exporters and Manufacturers Association, told OBG, "The plastics industry is growing very fast in Egypt, especially in the last decade, which has witnessed more investment, export activity, manpower and factory construction.

"Plastics and petrochemicals accounted for 20% of exports in 2017, compared with 14% in 2005. This has coincided with a rise in the number of factories from 2490 to 3000 and the number of employees from 280,000 to 600,000. In 2016 we saw almost $980m in export value."

This steady growth has meant increased opportunities and investment interest. "The fastest-growing segments are plastic drainage pipes due to the growth of the construction sector," Taher added. "Egypt is also becoming increasingly advanced in the masterbatch industry, as well as in the production of household goods, outdoor furniture and packaging. I think we will also witness growth in the production of raw materials as labour costs are becoming more competitive." According to Taher, this has encouraged Indian companies to inject capital into packaging and expand the production of raw materials, and has also attracted investment interest from Saudi Arabia and the UAE, as well as early interest from some US companies.

**Processed Food**

The MTI's export strategy provvides incentives for food-processing exporters to raise the segment's competitiveness against other emerging markets. According to a 2017 US Foreign ***Agriculture*** Service report, Egypt's food-processing industry averaged a compound annual growth rate of 12% between 2012 and 2016, with the food groups milk, savoury snacks, and yoghurt and sour milk experiencing the greatest growth in this period.

The "Household Income, Expenditure and Consumption Survey 2015" carried out by the Economic Research Forum and CAPMAS indicated that only 15.4% of Egyptian households reported having a freezer in 2015, indicating that there is room for even further growth in the local market.

There are opportunities beyond the domestic market as well, particularly as the government promotes the growth of high-value ***produce*** for export (see ***Agriculture*** chapter). The Chamber of Food Industries, a non-profit organisation, reported that Egypt's food, both processed and fresh, constituted 25% of total exports in 2014, and that there are 11 firms listed on the Egyptian Stock Exchange's food and beverage index, with seven of them citing a market capitalisation of more than $75m as of July 2017.

**Steel**

According to a 2017 OECD update on the global steel market, Egyptian steel production has been declining in recent years, in line with global trends, as raw materials prices and operating costs have increased. Especially with increased fuel and electricity tariffs imposed in 2017, energy-intensive sectors like cement production (see analysis) and steel have suffered. Although production levels fluctuated throughout 2017, the total for the year stood at 6.8m tonnes, up 35% from 5m in 2016. However, local steel ***producers*** had to keep prices low in the first half of the year as the Egyptian market adjusted to sector challenges.

In a controversial move aimed at supporting the local steel industry, the government imposed a duty on imported - and often less expensive - steel for four months starting from June 2017. Egypt remains a key importer of steel, ranking 17th in the world with total imports amounting to 9.2m tonnes in 2016, according to the World Steel Association.

The fees, ranging from 10% to 27% of the Customs cost depending on the country of origin, were meant to signal a protection of local industry, but there is concern instead that the rise in steel prices will mean an increase in construction and real estate costs in the near term.

**Power Constraints**

A number of bottlenecks are being addressed as the government aims to increase manufacturing's share of GDP from 17.1% in 2016 to 21% in 2020, creating 3m jobs in the process. Power, for example, has long been a constraint to industrial output, with household demand growing and the government having to meet gas export obligations, limiting the amount it can transfer to the domestic market for power production. Manish Mehra, regional head, Middle East and Egypt, of multinational paint company Asian Paints, told OBG, "Although there are ***plans*** to expand investment in Egypt's power sector, the reduction in subsidies for electricity will put pressure on industries and increase the cost of manufacturing."

Domestic energy supply is rapidly recovering thanks to a range of newly tapped deposits and investment in existing fields; overall production is expected to increase by 50% in 2018 and double by 2020. Gas output has already risen from 4.4bn standard cu feet per day (scfd) in 2016 to 5.1bn scfd in the first half of 2017 thanks to output from BP's North Alexandria project, while the vast offshore Zohr field is expected to provide an additional 4.6bn scfd when it comes on-stream in 2019.

**Electronics**

Since many electronics and electronic parts are imported, this sector has been particularly affected by rising inflation and tighter consumer budgets. "The biggest hit after the pound's flotation was in the electronics sector," Mohanad Adly, CEO of supermarket Spinneys Egypt, told OBG. "The average ticket size for electronic items is much higher than fast-moving consumer goods to begin with, and because so much is imported, we've seen a dramatic decrease in sales."

However, 2017 saw some positive advancement as companies began tapping into competitive operational and labour costs. LG Electronics announced the addition of a new line to manufacture washing machines in 10th of Ramadan City, while Samsung announced it was considering establishing a factory for home appliances in a partnership with a local company. Samsung also expanded the capacity of its Beni Suef factory for manufacturing screens, which exports 2.8m of its products to over 36 countries across the world. In September 2017 Panasonic opened a television factory in Mostorod, Cairo. Similarly, local Helwan Company for Metallic Appliances announced ***plans*** to double its production of household appliances during 2017.

AUTOMOBILES: With more than 250 factories, Egypt's once-burgeoning automobile industry has faced challenges in recent years. Data from the International Organisation of Motor Vehicle Manufactures indicate that the country only ***produced*** 10,930 vehicles in 2016, down from 77,563 in 2008. Automobile sales also seem to have been negatively impacted by the depreciation of the pound. According to the Automotive Marketing Information Council, car sales declined by 37% between January and October 2017 compared to the same period in 2016.

However, there is longer-term potential for a revival within the industry, particularly now that the new investment law has been rolled out. "Egypt has had a car-assembly industry for the last four decades, but it was suffering from over-regulation," Mohamed Maher, vice-chairman and CEO of local investment bank Prime Holding, told OBG. "The new investment law can help this industry move forward, not only with assembly, but by supporting the main feeding industries, such as the manufacturing of electrical parts, seats and consoles. All these kinds of parts can be ***produced*** locally, especially since we already have a base on which to build."

In addition, in September 2017 Mohab Mamish, chairman of the Suez Canal Authority, announced to local press a deal with Mercedes-Benz to establish a centre for logistics distribution and redistribution in Ain Sokhna to support car manufacturing inside the industrial zone, signalling a re-engagement in the Egyptian market. Mercedes-Benz had shifted its Egypt operations to Algeria in December 2014.

**Workforce Update**

Developing a skilled labour force to support industrial growth has been a key concern of Egypt for decades, as evidenced by its long-standing government and private vocational training efforts (see Education chapter).

A lack of skilled labour has long presented challenges to economic growth; however, some industry players have seen a strong pool of local talent that can be built upon. "Egypt can dominate in the African market because the talent is here," Korkut Kulbul, managing director for the Egypt office of Norwegian paint company Jotun, told OBG. "Because of this talent and the high education level, we have already dispatched our Egyptian staff to other countries."

In 2017 the Industrial Training Council announced an increase in efforts to provide skilled labour with trainings that supported over 6000 people across the Cairo, Alexandria, Upper Egypt, Suez Canal Zone and Delta governorates. The garment segment accounted for 22% of all trainees, while the engineering sector accounted for 21% of the total.

**Outlook**

According to the IMF, as of September 2017 the economy had begun to stabilise after a challenging year. If this stability remains, as many industry players expect it will, there are opportunities to further develop Egypt's industrial sector. This applies both to exports - particularly to sub-Saharan Africa - and to the large and growing local market.

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[***End of Apartheid in South Africa? Not in Economic Terms***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PTC-JVF1-DYR7-C39R-00000-00&context=1516831)

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**Body**

**ABSTRACT**

Political liberation has yet to translate into material gains for blacks. As one woman said, "I've gone from a shack to a shack."

**FULL TEXT**

CROSSROADS, South Africa - The end of apartheid was supposed to be a beginning.

Judith Sikade envisioned escaping the townships, where the government had forced black people to live. She aimed to find work in Cape Town, trading her shack for a home with modern conveniences.

More than two decades later, Ms. Sikade, 69, lives on the garbage-strewn dirt of Crossroads township, where thousands of black families have used splintered boards and metal sheets to construct airless hovels for lack of anywhere else to live.

"I've gone from a shack to a shack," Ms. Sikade says. "I'm fighting for everything I have. You still are living in apartheid."

In the history of civil rights, South Africa lays claim to a momentous achievement - the demolition of apartheid and the construction of a democracy. But for black South Africans, who account for three-fourths of this nation of roughly 55 million people, political liberation has yet to translate into broad material gains.

Apartheid has essentially persisted in economic form.

This reality is palpable as turmoil now seizes South Africa. Enraged protesters demand the ouster of President Jacob Zuma over disclosures of corruption so high-level that it is often described as state capture, with private interests having effectively purchased the power to divert state resources in their direction. The economy keels in recession, worsening an official unemployment rate reaching nearly 28 percent.

Underlying the anger are deep-seated disparities in wealth. In the aftermath of apartheid, the government left land and other assets largely in the hands of a predominantly white elite. The government's resistance to large-scale land transfers reflected its reluctance to rattle international investors.

Today, millions of black South Africans are chronically short of capital needed to start businesses. Less than half of the working age population is officially employed.

The governing party, the African National Congress, built empires of new housing for black South Africans, but concentrated it in the townships, reinforcing the geographic strictures of apartheid. Large swaths of the black population remain hunkered down in squalor, on land they do not legally own. Those with jobs often endure commutes of an hour or more on private minibuses that extract outsize slices of their paychecks.

"We never dismantled apartheid," said Ayabonga Cawe, a former economist for Oxfam, the international anti-poverty organization, and now the host of a radio show that explores national affairs. "The patterns of enrichment and impoverishment are still the same."

South Africa began the post-apartheid era facing challenges as formidable as those confronted by Europe at the end of World War II, or the Soviet Union after communism. It had to re-engineer an economy dominated by mining and expand into modern pursuits like tourism and ***agriculture***, while overcoming a legacy of colonial exploitation, racial oppression and global isolation - the results of decades of international sanctions.

"It's a very deep structural problem," said Ian Goldin, who served as a senior economic adviser to Nelson Mandela when he was president of South Africa, and is now a professor of globalization at the University of Oxford in Britain. "The Russians had capitalism before the Soviet Union. Africans lost their rights 300 years ago. It's a much longer period of subjugation."

Even so, from 1998 to 2008, the economy expanded by roughly 3.5 percent a year, doubling the size of the black middle class. The government built millions of homes, extended the reach of clean water and electricity, and handed out cash grants to millions of poor people.

But the global financial crisis of 2008 ravaged South Africa, destroying demand for the mineral deposits at the center of its economy. It wiped out half of the roughly two million new jobs that had been created in the previous four years.

Today, South Africa is a land of astonishing contrasts.

In the Sea Point neighborhood of Cape Town, a sweep of apartments and restaurants alongside the Atlantic Ocean, women gather on the beach for an evening yoga class - some black, some white, some Asian. Children of multiple races scamper through a playground, a scene unthinkable during apartheid.

High above the city, atop the ridgeline at Table Mountain, American exchange students recount a sky diving experience while pointing smartphones at the orange sun arcing toward the ocean.

To the east, the parched land vibrates in the golden light. Judith Sikade's tin roof is down there somewhere, reflecting the last rays of the sun.

In her community, people are cooking over coal fires and breathing in fumes. Children run barefoot on paths littered with broken glass. Grown-ups exchange word of the latest armed robbery.

All the while, they keep an eye out for the police, who frequently descend bearing sledgehammers to tear down the shacks, given that they sit on private land.

"Where's the freedom?" Ms. Sikade said, anger rising in her voice. "Where are the changes?"

No Land, No Collateral

Growing up in a township near Durban, on South Africa's east coast, Siyabonga Mzulwini placed his faith in the transformative powers of education.

During apartheid, black education had been a consignment to permanent poverty. The Bantu educational system had been set up to churn out vast numbers of low-skilled, low-wage black workers to feed into mining operations.

But Mr. Mzulwini, 28, was intent on gaining marketable skills. Four years ago, he graduated from a technical university with a diploma in business management.

His flurry of job applications ***produced*** no response. So he and three partners registered their own company, hoping to get a crack at government contracts reserved for black-owned companies.

They contemplated building a car wash. But when they applied for loans, the banks turned them away. They had no collateral.

They were in crowded company. Ten percent of all South Africans - the majority white - owns more than 90 percent of national wealth, according to a 2016 research paper by Anna Orthofer, a graduate student at Stellenbosch University. Some 80 percent of the population - overwhelmingly black - owns nothing at all.

"Property rights are not at all clearly defined in black communities," said Dieter von Fintel, an economist at Stellenbosch University. "Collateral is very difficult to secure."

This was both the product of colonialism, and the negotiated price of ending apartheid absent civil war. To gain the National Party's assent to elections, the A.N.C. forswore major transfers of land from white to black control.

"The A.N.C.'s primary objective was inclusion into the existing system," said Moeletsi Mbeki, deputy chairman of the South African Institute of International Affairs and a brother of the former South African president Thabo Mbeki. "They wanted themselves to be part of the capitalist economy."

Once in power, A.N.C. officials were loath to pursue policies that might be considered radical by international investors, lest it damage South Africa's credit rating.

The new government confronted huge budget deficits along with extraordinary demands for housing and electricity. Building required loans from global investors. Land transfers risked spooking markets, jeopardizing the government's ***plans***.

"We all would have liked to do it differently," says Alec Erwin, who served as deputy finance minister in the Mandela government. "Whether we could have done it differently is another question."

"We inherited an economy that was beleaguered," he added. "Those first years, we were grappling with avoiding a major collapse."

The government satisfied international markets and set the townships buzzing with construction. Yet this approach came at a cost, one Mr. Mzulwini and his partners were effectively bearing.

As they started their business, they were operating with the same assets their families had owned during apartheid - nothing.

They purchased a pair of lawn mowers, aiming to bid on government contracts to cut the grass alongside local highways. Time and again, they came away disappointed.

One day, Mr. Mzulwini bumped into a college classmate who was working at city hall.

"He told me that unless we paid a 10,000 rand bribe (about $737), we would never get any business," Mr. Mzulwini recalled. "He said if I gave him the money to give his boss, his boss would open doors for us."

That sum was wildly beyond reach. So Mr. Mzulwini and his partners eyed another target - contracts to help build government-furnished houses within the township. They approached a construction company to seek a role as a subcontractor.

Rebuffed again, Mr. Mzulwini and his partners linked up with a federation of businesses operating under the name Delangokubonya Sa - Zulu for "We'll Believe It When We See It." The group is a platform for would-be black entrepreneurs frustrated by the A.N.C. machine.

Federation brethren descended on the township construction site and threatened to shake the scaffolding if workers did not cease. The disruption gained Mr. Mzulwini a spot in a government ***program*** training people for careers as bricklayers.

The following year, Mr. Mzulwini and his partners secured three contracts to do brick work, netting profits of 70,000 rand, about $5,150.

"Being radical and forceful is what has given me hope," Mr. Mzulwini said.

He is less optimistic for his country. "The system," he said, "doesn't work."

A Beautiful Lifestyle

The system does work, as it happens, though often for the benefit of the people running it.

People like Marcus Moloeli.

He was raised in a home without electricity, in a township south of Johannesburg, near the site of the 1960 Sharpeville massacre, where police officers trained deadly fire on anti-apartheid activists. He played cricket using piles of tin cans for wickets, and contended with racially segregated restrooms.

"I always knew as a child there was something greater," he said. "I was always curious, 'What is in there that I can't have access to?'"

At 38, Mr. Moloeli no longer needs to wonder.

He lives in a gated community set atop jungle-covered hills north of Durban, on the Indian Ocean. His two-story house boasts glistening bathrooms, a pair of garages holding two Mercedes and an Audi, plus a golf cart he drives to the country club at the center of the complex.

"It's a good environment for me to reflect," he said.

On a recent afternoon, he leaned into a sofa, gazed at his private pool and reflected on how a black man born in apartheid South Africa had landed here.

In his township school, 10 children shared a single textbook. For high school, he talked his way into a technical school reserved for Indians. After graduation, he bagged groceries, then moved into Johannesburg and took a job delivering antique furniture. He volunteered for a government-run youth league. That eventually turned into a staff position for President Zuma, overseeing youth affairs.

Two years ago, he started his own consulting business. He secures contracts from local governments, advising them on how to manage their infrastructure. Soon, he was rich.

The ranks of South Africa's black, Asian and mixed-race millionaires expanded to 17,300 from 6,200 from 2007 to 2015, according to New World Wealth, a consultant based in Johannesburg. What many of these people have in common are lucrative ties to government.

"For your business to survive and thrive, you must know a politician," Mr. Moloeli says. "If I didn't have the networks and the access to resources, I wouldn't be where I am."

Mr. Moloeli's three children attend a predominantly white private school, where they take violin and golf lessons. He speaks of retiring at 45 so he can spend more time with them.

"Government has in a way provided a space for most people to succeed," Mr. Moloeli said. "If you are hungry enough, you can make it in South Africa. You can build a very beautiful lifestyle."

Lights for Vilakazi Street

Soweto, a township outside Johannesburg, holds special resonance as a cradle of the anti-apartheid movement. It was the home of Nelson Mandela, and the site of a 1976 uprising that set off a crackdown so brutal that images were broadcast around the world.

In those days, Vilakazi Street, where Mr. Mandela lived, was a rutted dirt track lacking electricity. Today, it is a lively testament to South Africa's black middle class, which more than doubled from 2004 to 2013, reaching 4.2 million, according to estimates from the Unilever Institute for ***Strategic*** Marketing at the University of Cape Town.

On a Saturday night, the street throbs with nightclubs blasting South African house music. Black professionals in chic clothes fill tables on terraces, lifting cocktails.

Colin Amos stands at the curb greeting customers arriving at his restaurant and bar, Next Door. A black doctor with his own practice in Soweto, he opened the place last year as a sideline project, partnering with two friends. Together, they put in 1.5 million rand, more than $100,000.

Here might be an example of post-apartheid black entrepreneurialism. Yet Mr. Amos views his experience as something else - an illustration of how the economy remains tilted against black people.

The electricity frequently conks out, which forced him to purchase a costly generator. The restaurant next door gets most of the international visitors, owing to a relationship with the tourism authorities.

The gated community where he lives north of Johannesburg is full of white families who inherited their property, he said, plus a handful of black families struggling to stay current on their mortgages.

"We're sitting on a serious time bomb," said Mr. Amos's business partner, Bongi Vilakazi. "Everyone I talk to is of the mind that we need to take what is rightfully ours."

Next door to the Next Door, Mandla Majabula is irrepressibly intent on expanding the internet cafe he opened last year.

Raised in a rural area dominated by coal mining, he moved to Johannesburg in 2004, just after graduating from high school, seeking a career that was less dangerous and more lucrative. He got hooked on the ambition infusing the city.

"I like seeing people who are better than me," he said. "Here, I'm nothing. I like to see people who have more."

He borrowed a friend's computer science textbook and taught himself to write code. Soon, he was designing websites for Soweto businesses.

He rented a bare room on the ground floor of a crumbling house. He bought seven computers and opened his business.

The odds against him are long. More South African businesses are shuttering than opening, according to a report from the Global Entrepreneurship Monitor at London Business School. Only 2.5 percent of firms have been established for at least 3.5 years - the 61st lowest ratio among the 65 nations surveyed.

Mr. Majabula is undeterred. He is folding his profit into buying faster computers. He envisions waking up one morning in the suburbs.

Geographic Apartheid

Four years ago, Andile Lili, a then-37-year-old member of the Cape Town City Council, began hearing from unhappy constituents in a ragged settlement carved into a garbage dump near the airport, improbably named Barcelona.

The local authorities had constructed public toilets that emptied into giant white buckets, handing responsibility for collection to a private company. The company had supposedly cheated the workers, who were on strike. Along the dirt paths of Barcelona, human waste was forming into puddles. The stench was unbearable.

People in Barcelona were angry about many things, from a lack of jobs to the absence of public transportation, but the sewage was the final affront. Their circumstances stemmed from an economic decision made in the first years of the post-apartheid era.

Faced with the imperative to turn black political empowerment into material gains, some within the A.N.C. called for the townships to be dismantled while resettling people near cities. The townships were ghettos of isolation, full of leaky roofs and dangerous wiring. Better to build new housing connected to transportation, putting people near jobs.

But Mr. Mandela, as president, argued that South Africa could not wait for new development. He opted to upgrade existing homes while expanding the townships by purchasing land.

From 1994 to 2004, the government built close to two million new houses in townships and informal settlements.

"We basically compounded the problems of apartheid by buying up all this cheap land as far out of the city as possible," said Alan Hirsch, a senior official in the Trade and Industry Department during the Mandela government, and now director of the Graduate School of Development Policy and Practice at the University of Cape Town.

More than two decades later, people in Barcelona are absorbing the consequences.

In wealthy, traditionally white parts of Cape Town, public restrooms came stocked with toilet paper and soap. They were looked after by janitors and security guards. People in Barcelona demanded the same.

Mr. Lili, the City Council member, persuaded residents to unleash a more combative form of protest. They ferried their buckets into Cape Town, emptying their contents at the entrance to City Hall.

Mr. Lili's movement ***produced*** immediate consequences. First, the city fixed persistent sanitation problems in his own community. Then, they gave him a government-furnished house. One day in November 2014, as he was ***planning*** a march, two men arrived at his home and shot him twice - once in the arm and once in the gut.

Today in Barcelona, the contractor comes to retrieve the buckets every three days, but the crude system remains a central facet of everyday life.

As Mr. Lili visited the settlement on a recent morning, 40 residents crowded around to complain that little had changed. Among them was Nombulelo Sakwe, a 38-year-old mother of four.

As a child, Ms. Sakwe had used moonlight and candles to do her homework for lack of electricity. She had never managed to secure a full-time job, but was working two days a week as a domestic helper for a white family in Cape Town, earning 220 rand a day - about $16. Getting there and back by private bus absorbed more than half her pay.

Her three oldest girls were in high school, and she hoped their lives would turn out differently. But she strained to see signs of that amid the filth, the crime and the merciless sun on her tin roof.

"Our children are being born in the same situation I was born," she says. "We still want to see this freedom."

**Load-Date:** October 26, 2017

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[***The UK MBA programme list: Canterbury to Hatfield; Your guide to every MBA course in the UK***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PH0-3GC1-F021-60DW-00000-00&context=1516831)

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**Body**

Case study: Changing trainsSally Gillespie took the train home to Birmingham to study for an MBA at Aston Business School. Having worked in public relations in London, Gillespie, 34, was given the chance by her employer, Chiltern Railways, to increase her knowledge of business. "I hadn't had any formal business education apart from working since I graduated," said Gillespie, who read ancient history at Bristol University.

And the workload at Aston was full on. "When you have been out of university for years it takes some adjustment," Gillespie said. "If you have made that decision to do it, you expect it to be tough. It's not just a matter of pay the money and you get an MBA, it is a hard slog."

She returned to Chiltern with a promotion to head of employee engagement. "Having stepped out of the organisation for a year, I am seeing it through fresh eyes," she said. "It's a kick start that gets you thinking you can do more than you were doing before."CANTERBURYCANTERBURY CHRISTCHURCH UNIVERSITY BUSINESS SCHOOLThe school offers a full-time graduate MBA, which requires no work experience, plus two variants aimed at public sector staff in middle and senior management: leadership and management MBAs in education and in healthcare, full-time and part-time. Full-time MBALength, one year; cohort, 10-15; gender mix, 50% male, 50% female; average age, 22-28; international 50%, UK 50%; cost, £9,000/ £11,500 Executive MBALength, two years; cohort, 8-12; gender mix, 20% male, 80% female; average age, 35-45; international 10%, UK 90%; cost, £15,000The school says "We have a lot of industry experience, which we share with students. We have removed written exams from the course and put a strong emphasis on students' personal, social and enterprise skills through theory and practical learning."A student says"I enjoyed the practical side most of all. It's not all about sitting in the classroom and reading books. Another highlight was the study of intercultural communications." Chris Davies (MBA 2017)KENT BUSINESS SCHOOLKent Business School operates from two main campuses, Canterbury and Chatham. As befits an institution that brands itself "the UK's European University", Kent also boasts postgraduate centres in Rome, Paris, Brussels and Athens, which are used for study visits. The course is AMBA accredited.Full-time MBALength, one year; cohort, 23; gender mix 52% male, 48% female; average age, 36; international 65%, UK 35%; cost, £19,975Executive MBALength, one year; cohort, 12; gender mix, 58% male, 42% female; average age, 37; international 8%, UK 92%; cost, £19,975The school says"Our MBA reflects our mission to build responsible leadership and a deep knowledge of sustainable practices. At the core of it lies entrepreneurship and innovation. Our teaching staff are also practitioners."A student says"I went with one view to build my leadership role. What I hadn't anticipated was the network. I never thought that a Kent MBA would give me so much access. On the back of that, I took a career change and moved into ***strategic*** HR. I changed my career and I did not expect that." Adelle Martin (executive MBA 2013).CHESTERUNIVERSITY OF CHESTER BUSINESS SCHOOLChester offers full-time and part-time MBAs at its Queen's Park campus by the River Dee. The MBA was introduced a few years ago with a mission to ensure that students achieve professional and personal impact. The MBA is accredited by the Chartered Institute of Purchasing and Supply.Full-time MBALength, one year; cohort, 42; gender mix, 63% male, 37% female; average age, 30 plus; international 67%, UK 33%; cost, £11,375Executive MBALength, two years; cohort, 41; gender mix, 63% male, 37% female; average age, 40 plus; international 67%, UK 33%; cost, £11,375The school says"We want to unlock students' potential for leadership; encourage them to be reflective and build an attitude to learning that makes a lifelong learner; and get them to map out where they want to be in five or 10 years."A student says"The benefit was that I could share real-life business issues with the lecturer and other people in the class who had different experiences and views. You could have an open discussion with people who were highly educated and very experienced. The enthusiasm of the lecturers was infectious; they had a real passion for the subject, which allowed you to connect the theory and the models to practical use." Stephen Monaghan (executive MBA 2015).CIRENCESTERROYAL ***AGRICULTURAL*** UNIVERSITY SCHOOL OF BUSINESSThe school, situated on the edge of a Gloucestershire market town and surrounded by fields, offers two full-time MBAs: international food and agribusiness and advanced farm management. The courses contain the traditional elements of a standard MBA taught within the context of food, agribusiness and farming.Full-time MBALength, one year; cohort, 10; gender mix, 70% male, 30% female; average age, 30; international 60%, UK 40%; cost, £12,000/ £15,000The school says"We try to develop the students' ability to deal with uncertainty, and to emphasise problem-solving and thinking creatively with a focus on enterprise. The size of the cohorts means we can give a lot of one-to-one support."A student says"I already had 10 years' work experience and was changing industry, so it gave me a real opportunity to reflect with like-minded people. The best day was Friday when you go out on the farm and meet the farmers, hear about what works well, and how and why do they do it." Alastair Grizzell (MBA 2015).COLCHESTERESSEX BUSINESS SCHOOLEssex offers full-time and part-time MBAs taught together in weekly modules at its £21m carbon-neutral building, part of the university's Knowledge Gateway at the Wivenhoe campus. At least three years' business experience is required for the MBA course, with the aim of ***producing*** socially responsible entrepreneurs who can deliver sustainable businesses. Accredited by the CMI.Full-time and executive MBALength, one year; cohort, 27; gender mix 48% male, 52% female; average age, n/a; international, 37%, UK 63%; cost, £18,500The school says"They come for the diversity of the cohort and the focus on the socially responsible and sustainable business. We expect all our students to contribute to help us teach everyone else. And we want them to take away the excitement of doing innovative business."A student says"I found it challenging to balance with working full-time but it has broadened my horizons and made me think I can do anything I want to. It has a wide range of modules - from economics and HR which are essay based - to accounting and writing a business ***plan*** which are very practical. The lecturers support you much more than they can at undergrad level." April Hatcher (MBA 2018).COVENTRYCOVENTRY BUSINESS SCHOOLThe school offers MBAs with five different pathways: finance, management, international business, international sport management; and marketing. It also has an MBA in cyber-security through blended learning. Coventry University London delivers an MBA via seven different pathways; its governance is separate from Coventry Business School.Full-time MBALength, one year; cohort, 30; gender mix 66% male, 34% female; average age, 33; international 13%, UK 87%; cost, £11,044/ £15,156The school says"We have a global outlook and run field trips for the students to gain that international experience. We're not accredited but we run the MBA as if it is, with a requirement for work experience. We are good value for money."A student says"This was the right course for me as I had studied engineering as an undergraduate and it allowed me to progress from basic to an advanced level. One of the biggest positives was developing my team-working skills. Everyone came with a different perspective, which made it all the more challenging." Sameer Mody (MBA 2016).WARWICK BUSINESS SCHOOLThe Warwick MBA is delivered in a variety of ways: full-time, distance learning and executive (either at Warwick or at its campus at The Shard in London). Warwick's full-time MBA is ranked seventh in the UK and 42nd in the world in the FT's MBA ranking 2017; its executive MBA was 23rd in the world.It is accredited by AMBA, QUIS, AACSB and the CMI.Full-time MBALength, one year; cohort, 75; gender mix, 76% male, 24% female; average age, 33; international 89%, UK 11%; cost, £35,650Executive MBA (Warwick and London)Length, two to four years; cohort, 412; gender mix, 74% male, 26% female; average age, 37; international 38%, UK 62%; cost, £41,280 (Warwick); £49,000 (London)The school says"We expect the students to gain the technical skills required, understand the vocabularies, spend time reflecting and understand the application of what they have learnt. We want them to be confident and ambitious and go away with an interest in lifelong learning."A student says"What I like the most is the range of professors. On each module, we get an academic research professor and then one with more practical experience which they can use to explain how things work - or not. Every seventh week I go for a module and it takes me out of day-to-day thinking. It's like looking at the Earth from outer space. You can see the whole picture and where the problems are." Maria Bravo (executive MBA, 2018).DERBYDERBY BUSINESS SCHOOLDerby offers two MBAs in full-time and part-time modes, MBA global and the more specialist MBA global finance, at its Kedleston Road campus, with intakes in September and January. Accredited by the CMI.Full-time MBALength, 12-16 months; cohort, 57; gender mix, 65% male, 35% female; average age, n/a; international 96%, UK 4%; cost, £11,250Executive MBALength, two to three years; cohort, 67; gender mix, 63% male, 37% female; average age, n/a; international 30%; UK 70%; cost, £11,250The school says"Global is critical to the Derby MBAs. We develop in our students the skills and competences and a way of thinking to operate and manage globally. We have a concentration of highly innovative companies such as Rolls-Royce and Bombardier in Derby that are critical to the region and we have links to them. We are recognised for excellent teaching and investing in research."A student says"I was 40 when I joined the ***programme*** and my overwhelming experience was one of being welcomed and supported, and most of all, viewed as a mature professional. The experience was about learning and sharing good management practices rather than being taught. Since I completed it, I have been promoted twice. It gave me a real confidence boost." Tim Slater (Part-time MBA 2013).DURHAMDURHAM UNIVERSITY BUSINESS SCHOOLDurham delivers a full-time MBA (either 12 or 15 months, including an internship), an executive MBA over 18 months with the European Business School in Germany, and an online MBA, part-time over two years. The school enjoys trip accreditation from AMBA, EQUIS and AACSB.Full-time MBALength, 12 or 15 months; cohort, 57; gender mix 60% male, 40% female; average age, 31; international 93%, UK 7%; cost, £28,000Online MBALength, two years part-time; cohort, 83; gender mix, 71% male, 29% female; average age, 36; international 52%, UK 48%; cost, £21,000The school says"Students are attracted by our international perspective, which involves spending time overseas. We have a diverse cohort recruited globally. We have a strong connection to industry. We look for students who bring experience, have the energy and motivation to commit to the MBA and engage in the learning. We hope they take away increased confidence, enhanced knowledge and an enlarged network."A student says"Before you have done an MBA, you might think there is some holy grail or some secret club you don't know the handshake to get into, and then you do an MBA and you realise there is knowledge out there, but a lot of it is just having the generalist understanding and the confidence to interpret new problems and know where to go to find the answers. The MBA really served me well with that." Tara Case (MBA 2013).EXETERUNIVERSITY OF EXETER BUSINESS SCHOOLIn 2018 the business school will introduce the Exeter MBA, building on its reputation for promoting sustainability and the circular economy that came with the One Planet MBA over the past seven years. It is accredited by AMBA, EQUIS, the AACSB and the CMI.Full-time MBALength, one year; cohort, 30; gender mix, 60% male, 40% female; average age, 32; international 63%, UK 37%; cost, £30,000 (2018 entry)Executive MBALength, two to three years; cohort, 30; gender mix, 77% male, 23% female; average age, 38; UK 100%; cost, £30,000 (2018 entry)The school says"We expect that our students will get a broader perspective - an idea what good business is. It's about social responsibility, the environment, using resources effectively, which we think are critically important themes: looking forward, not looking back."A student says"I won a corporate scholarship from IBM for my consultancy and I got to dive deep into artificial intelligence. I worked with Barclays on a blockchain project. So I got to work with some of the largest companies in the world but also NGOs and start-ups - a real variety. And with 17 nationalities in our cohort, I got a really good view about how business operates around the world." Stephanie Lindan (MBA 2016).GLOUCESTERUNIVERSITY OF GLOUCESTERSHIRE SCHOOL OF BUSINESS AND MANAGEMENTThe business school will move from regency Cheltenham to new purpose-built premises on the Oxstalls campus in Gloucester next year. The school offers a full-time and a part-time MBA, although the executive option demands at least two years in a leadership role from applicants. Accredited by the CMI.Full-time MBALength, one year; cohort, 25-35; gender mix 60% male, 40% female; average age, 33; international 40%, UK 60%; cost, £8,800/ £14,000Executive MBALength, two to five years; cohort, 30; gender mix 60% male, 40% female; average age, 37; international 20%, UK 80%; cost, £8,800/ £14,000The school says"Students will leave here with real-life examples of how to move their businesses from where they are to where they need to be. They will be leaders delivering productivity by using innovation. They will gain a holistic view of business and the key success factors that make businesses grow."A student says"It has changed my approach to business; I have learnt to focus on what is important. To go from being told at 14 I wouldn't go to university to getting an MBA with distinction at 41 has been great." Daniel Bridges (MBA 2017).GUILDFORDSURREY BUSINESS SCHOOLSurrey offers a full-time and an executive MBA, which are accredited by AMBA and AACSB. The school identifies its strength as part of the seam of innovation running across the whole university, whether in telecommunications or satellite technology. Also accredited by CMI.Full-time MBALength, one year; cohort, 30; gender mix 53% male, 47% female; average age, 32; international 16%, UK 84%; cost, £24,000Executive MBALength, two; cohort, 73; gender mix, 72% male, 28% female; average age, 35; international 14%, UK 86%; cost, £24,000The school says"Our clear focus on the digital economy is unique. The Surrey MBA is highly practical. Our students learn by doing - designing a digital platform or crowdfunding a business idea. An MBA is frequently a push to do something great. The intellectual tools acquired provide the basis, but enhanced self-confidence and stronger networks seal the deal."A student says"It's a big commitment to do an MBA when you are working as well, but at the same time you gain huge knowledge in areas such as operations, strategy, project management and entrepreneurship. It gave me the confidence to set up a new organisation, It's A Penalty, to help vulnerable children and communities around big sporting events and to take that work around the world." Sarah de Carvalho (executive MBA 2014).HATFIELDHERTFORDSHIRE BUSINESS SCHOOLThe school has offered the AMBA-accredited executive MBA for 30 years, running from September to May over 2 ½ years and delivered from Friday to Sunday over 10 weekends, with entry in September and January. Endorsed by the NHS and accredited by the CMI.Executive MBALength, two to five years; cohort, 30; gender mix, 68% male, 32% female; average age, 37; international/UK, n/a; cost, £17,520The school says"Students recognise our expertise in leadership, developing soft skills and entrepreneurship. Innovative thinking and being adaptable, flexible and creative are the skills sets demanded in work. They learn about becoming reflective practitioners, learning how to operate as leaders and followers, enabling them to become more efficient. This module really does change people.A student says"I wanted to progress my career in medical management and I had a great experience. It involved subjects not familiar to me. But the tutors and the course enabled me to bridge that gap and make all the learning relevant as a consultant and director in the NHS. The module on finance has helped with my budget." Jo Farrow (executive MBA 2010).

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[***Is globalisation finished?***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RF1-VC01-JDG9-Y1BJ-00000-00&context=1516831)

Impact News Service

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**Body**

Woodstock: International Labour Research and Information Group has issued the following press release:

The election of Donald Trump as president of the United States crystallised fears among sections of the financial elite that the world economy was beginning to spin towards a new era of protectionism. During his campaign Trump used rhetoric that echoed right-wing populist parties elsewhere in the developed world. In its most virulent form, trade protectionism was conjoined with anti-immigrant discourse aimed at Mexicans and other Latinos “south of the border”. The message was designed to appeal to workers disaffected and distanced from the neoliberal elite whose free trade policies had supposedly caused job losses as employers sought cheaper labour abroad. The message worked for Trump, as the Democrats had no place to hide from the suggestion that they were to blame.

Since he took office, Trump’s tilt towards protectionism has caused a row within Washington. He has withdrawn the US from the Trans-Pacific Partnership (aimed at competition with China) and ***plans*** to renegotiate the North American Free Trade Agreement (NAFTA) and to drop the Transatlantic Trade and Investment Partnership (TTIP) between the US and the European Union. According to one source the disagreements are akin to “a civil war…within the White House over trade, leading to what one official called ‘a fiery meeting’ in the Oval Office pitting economic nationalists close to Donald Trump against pro-trade moderates from Wall Street”.1 Writing in the Financial Times in May 2017 Martin Wolf states that Trump “appears to be intent on replacing multilateralism with bilateralism, liberalism with protection and predictability with unpredictability”.2

These divisions over strategy will not go away soon. One of Trump’s first moves as president was to establish a White House National Trade Council under the directorship of Peter Navarro, the author of the book Death By China, which takes aim at US-China trade policies. The substance of the new policy is “repatriation” of international supply chains (especially those involving China) and the construction of alternative “domestic” supply chains within the US.3 Trump’s decision on 2 June 2017 to pull out of the Paris Climate Agreement was also dressed up by him as a defence of “Pittsburgh” rather than Paris, suggesting a deepening of a long strand of Republican “isolationism” cloaked with economic nationalism.4 Parallel to these moves Trump has raised possibilities of new trade deals with the EU (outside TTIP), and indeed with China. This ambivalence and ambiguity in Trump’s agenda suggests that, rather than pure destruction and retreat into protectionism, a re-ordering of trade arrangements is under way.

The new vogue of trade protectionism, which lies like a shadow over Trump’s policies, also reflects those of right-wing populists and fascists in Europe such as France’s Front National. The protectionist mindset sits side-by-side with the proposition that we have now entered a period where globalisation as we know it is at an end. Indeed, suggestions of globalisation’s demise began more than a decade ago, after 9/11, identified by some commentators as the end of the new liberal world order promised by Francis Fukuyama in his 1989 essay “The End of History?”.5 The “end of globalisation” thesis thus runs as a follow-up to the “end of history” nirvana promised by the Fukuyamists.

The conservative historian Niall Ferguson has been prominent in the debate.6 Ferguson equates contemporary political developments with that of the period at the beginning of the 20th century, when an earlier period of “globalisation” collapsed into war and economic nationalism. His approach is affirmed by the work of John Ralston Saul, who has suggested that after 1995 (his considered “high-point” of globalisation) nationalism and ethnic and religious fundamentalism have all but destroyed the dream of a liberal world order and accentuated division in the political and economic spheres.7

Outside this essentially conservative political assessment has been a more measured economic critique, most notably by Paul Hirst and Grahame Thompson in their 1999 book Globalization in Question.8 The book articulated doubts about the “hyperglobalisation” thesis predicting the end of the nation state, by pointing out that the overwhelming majority of foreign direct investment (FDI) was not between Global North and South but was exchanged between the rich nations, and more often than not within the same corporations over national boundaries. However, what we are seeing now is a new period of doubt and caveat on the efficacy of globalisation, spurred by economic data showing a reversal of trends from previous decades.

Indeed, doubts about globalisation now also come from the left, including people such as James Meadway, consulting economic advisor to the UK’s shadow chancellor John McDonnell, who has called for a ***programme*** of state-led infrastructure investment to offset the end of globalisation.9 Others on the left, such as Wolfgang Streeck, write from a perspective of despair about the rise of “Trumpism” and its national/populist European equivalents as a consequence of the collapse of the “centre-left” project of market-based global internationalism. Streeck writes:

In the 1990s, the centre-left placed its hopes for restoring growth and consolidating public finance on liberalised international markets. A worldwide effort at industrial and social restructuring followed. International competition put pressure on national economies to become more efficient… The bitter medicine did not work; nor was the centre-left granted political immunity. In all countries of the developed capitalist world, the number of losers increased until political entrepreneurs sensed their opportunity and entered the public scene.10

So what is the balance sheet of trends in globalisation? To answer this question we look first at some statistical trends and then trace the political economy of globalisation past and present.

Trends in globalisation

In purely structural and economic terms (rather than cultural or political) we can suggest that the world economy is in a phase of “globalisation” when the rate of growth of world trade is greater than the rate of growth of world production of goods and services. Such a positive ratio would indicate that the world economy is becoming more integrated, as cross-border trade and foreign direct investment increasingly replaces or substitutes for production of goods and services for the home market. When the trend reverses, it generally indicates a period of protectionism and import substitution. This was the case in the inter-war years, when tariffs were raised and exchange controls were imposed in a period of economic nationalism that began in 1914 as geopolitical tensions between the Great Powers accelerated. It took a practical form not only in the Great War but also in its aftermath. Between 1913 and 1950, world trade grew at only half the pace of world output of goods and services, indicating the severity of the retrenchment that fed the Great Depression and then the Second World War.11

However, after 1945 we see a change in the world economy towards more integration. From 1949 until the financial crash of 2008 global trade grew on average at 10 percent per year, outstripping growth of world production by about twofold.12 The reversal in fortunes in the immediate post-war period was clearly a response to US political and economic strategy to reconstruct the capitalist order outside of the Soviet bloc. It was the political engine of war and then the Cold War from which emerged first the Bretton Woods agreement to create a world financial system conducive to open trade and investment and then the Marshall ***Plan*** to reconstruct (Western) Europe. The variations and developments of the ensuing “peak” globalisation are discussed later but generally the world economy expanded in parallel with the globalisation of goods and service production and trade.

One feature of increasing importance to the debate is the gathering convergence in incomes and wealth of many far eastern economies with those of the “West”. This convergence began in the 1980s with the rise of Japan, and has since been followed by the growth of South Korea, Taiwan, Singapore and now China. As Martin Wolf again reports,

The most important transformation of recent decades has been the declining weight of the high-income countries in global economic activity. The “great divergence” of the 19th and early 20th centuries, when today’s high-income economies leapt ahead of the rest of the world in terms of wealth and power, has gone into remarkably rapid reverse. Where once there was divergence, we now see a “great convergence”. Yet it is also a limited convergence. The change is all about the rise of Asia and, most importantly, of China.13

It is this “threat from the east” that appears to have spurred not only a revision of perspective of the nature of contemporary globalisation, but also a retrenchment of sections of the US elite into a protectionist stance.

Since 2008, however, the process of expansion appears to have been reversed. There was an upturn in world trade in 2010 as the world economy began to recover but since then trade growth has again slowed down massively and settled to around 2.5 percent per year. World production figures, measured in GDP, have also slowed down since the crash and are also now stabilising with growth rates well under 3 percent by 2015,14 less than 2 percent in the developed economies.15 More significantly, the data indicates a levelling off and then sporadic fall of both global trade and overseas financial assets (of major economies) as a proportion of aggregate world GDP since 2008.16 This retrenchment appears to have been triggered not only by the financial crash of 2008, which has made investors more risk averse, but also by the slowing down of economic growth in East Asia, particularly China, which had acted as an engine of both imports and exports within the wider world economy.

In fact the crash exposed major weaknesses in the neoliberal global business model. Declining rates of profit on investment had stemmed world economic growth, while money shifted into financial speculation eventually burst its own bubble. Since the crash new data have cast doubt on the continuing efficacy of globalisation as an irresistible phenomenon. Free trade, low or non-existent tariffs, and liberal market rules are all part of what we understand as modern-day globalisation. If the tide of economic growth were to be reversed we would expect over four decades of “globalisation” also to peter out. This indeed is the view of the authors of a very influential article in March 2017 in the Wall Street Journal entitled “Whatever Happened to Free Trade?”. The article followed fashion and linked a decade of economic retrenchment to an upsurge in populism. The authors point to the slowdown both in world trade volumes and foreign direct investment (FDI) since the 2008 financial crash, and refer also to the 7,000-plus protectionist measures that have been enacted within the world economy since 2009, “half of them aimed at China”. Capital controls across borders had also become more severe:

In all, 31 out of 108 countries tracked by economists Menzie Chinn and Hiro Ito became less open to global capital flows between 2008 and 2014, while 13 became more open. That’s a sharp reversal from the five-year pre-crisis period, when 40 countries became more open to global capital flows and 12 became less open.17

Similar patterns can be observed with flows of finance capital across borders. The rate of growth of “financial globalisation” has certainly proceeded at a greater rate than trade growth in recent decades, but as the United Nations Conference on Trade and Development (UNCTAD) reported in 2012:

After having surged to unprecedented levels in 2007 and until mid-2008, private capital flows towards developing countries came to a sudden stop or even reversed direction as the system went into cardiac arrest, fleeing back towards the core countries of global finance that were the epicentre of the crisis.18

A recovery in flows was evident for a short period in 2009, but this again stalled as concerns spread about the volatility and security of the euro within the EU’s debt crisis.

We can point to other indicators. For example, the post Second World War period of “peak” globalisation has also been associated with an expansion of production networks and supply chains as enterprises in the Global North sought cheaper labour areas to exploit in the South. However, there is emerging evidence that the rush in the last few decades to expand global supply chains and to outsource production across world networks has also slowed down and in some cases gone into reverse. Some large corporations, such as US clothing firm American Apparel and Spanish retailer Zara, have focused on domestically based product hubs rather than global supply chains, a model which is now being adopted by others such as IBM in computers and Caterpillar in ***agricultural*** machinery. These latter companies used to spread production across the world and are now switching back to a system of production based on “vertical integration”.19 This assumes a much closer geographical link between research and development (R&D) and production facilities whereby consumer market trends can be more quickly and easily accommodated. Companies switching to this business practice are now reshoring production, often alongside changes in labour practices that may include a new phase of automation.

Trends towards reshoring, however marginal, have also been matched with a decline in world totals of FDI. According to the latest OECD reports, FDI flows decreased by 7 percent in 2016, dropping to 2.2 percent of global Gross Domestic Product (GDP),20 a drop to half the rate during the decades of “peak globalisation”. Some of this decline is undoubtedly due to economic caution among investors following the financial crash, but the OECD also point to evidence of nation states citing security concerns as a reason for adding more restrictive measures on both outward and inward FDI. An OECD background note in March 2017 reported that:

Governments are increasingly concerned about the potentially non-commercial objectives of investments by state-owned enterprises or sovereign wealth funds and about the lack of potential reciprocity in terms of the market for corporate control in the country of the investor. Multinational enterprises may also face a resurgence of restrictions on outward investment from their home country.21

Such sentiments would seem to match the desire of Trump and others for a new period of economic nationalism, triggered in part by wider geopolitical concerns of competition from China, which is now a net exporter of FDI.

All this indicates that globalisation may have already had its day in the sun. But if this is the case, how sustainable is the trend away from globalisation? And what are the underlying causes and changes in political economy that have driven these changes? It would be a mistake to view globalisation and its future purely through a statistical lens. Deeper political and economic forces underlie the surface changes found in the statistics, and it is to these deeper forces that we need to turn to develop our understanding. Before doing so, however, we need to consider the history of “industrialised” globalisation, and to learn from its pattern of behaviour.

Globalisation past

The colonial system ripened trade and navigation as in a hot-house. The “companies called Monopolia” (Luther) were powerful levers for the concentration of capital. The colonies provided a market for the budding manufactures, and a vast increase in accumulation which was guaranteed by the mother country’s monopoly of the market. The treasures captured outside Europe by undisguised looting, enslavement and murder flowed back to the mother-country and were turned into capital there.22

In this passage Karl Marx highlights the developing relationship between the forces of empire and trade and capitalism’s need to appropriate funds for further expansion.23 He was writing as Britain had created its empire from the primitive accumulation of capital based on slavery and plunder of its colonial “possessions”. The competitive advantage that Britain and other European powers enjoyed (together with the US after the Great Depression of 1870-80) was utilised to its maximum to fund the coffers of corporations and the state. Technological advances, with the introduction of the telegraph and steamships aided the process. The system of colonial dispossession was based on trade advantage that, although presented as “free” by its apologists, was an expression of economic power backed by military boots on the ground and the Royal Navy at sea. As Friedrich Engels observed of the contemporary scene: “Political economy came into being as a natural result of the expansion of trade, and with its appearance elementary, unscientific huckstering was replaced by a developed system of licensed fraud, an entire science of enrichment”.24 Indeed, as John Newsinger describes in his book The Blood Never Dried, during the opium wars in China “the British Empire was the largest drug pusher the world has ever seen”.25

While trade was the driving force of this earlier period of industrial “globalisation” it was not conducted on a basis that would boost the industrial economy of the colonies. The world’s industrial working class remained firmly rooted in the advanced nations. Slavery was utilised for purposes of primitive accumulation, and the colonies were exploited for their country specific commodities (tea, cotton, sugar cane, etc) and raw materials (such as rubber) rather than their industrial labour power as in our modern period of “peak globalisation”. The search for raw materials and commodities threatened to cause inflation as supplies were finite, and so plunder, extortion and theft became the normal behaviour of the richer colonialists while the living standards of the dispossessed were deliberately suppressed. The financial surpluses extracted through colonialism aided and abetted capital accumulation through the extraction of ever more surplus value from waged workers in new and existing factories in the homeland. The imperialist projects of the Great Powers were thus a fusion of capitalist expansion and territorial gain. The colonies were simply left behind and sometimes pushed back in the process. Indeed, just taking the case of India, as Mike Davis observes, “there was no increase in India’s per capita income from 1757 to 1947”.26

More generally, what we see is that the industrialised world of western Europe and the US leapt ahead in terms of production and GDP per head during this time, leaving the colonised world behind. In 1750 the southern and eastern continents had accounted for 73 percent of world manufacturing production, its share fell to 50 percent by 1830 and by 1913, at the end of the first wave of globalisation, its share stood at just 7.5 percent.27 This is important to note. Liberal historians and conservatives like Ferguson will persist in portraying empire as benign and benevolent, when, as Davis has portrayed in Late Victorian Holocausts, the British, Japanese and US empires left a legacy of dreadful famine and poverty akin to “cultural genocide”. The violence of the period is its key feature, and was made necessary to defend the empire from revolt and insurgency. Britain, of course, was not alone in committing imperialist atrocities and expanding its territory. As Eric Hobsbawm has written, the “Age of Empire…was essentially an age of state rivalry”.28 Within this rivalry the plunder was absolute. In the scramble for Africa over a 30-year period between 1880 and 1910, 110 million Africans became subjects of five European empires, that of Britain, France, Germany, Italy and Portugal plus the Belgian monarch. By the turn of the 19th century British dominance had begun to fade and by 1913 the four chief economies were the US (providing 46 percent share of industrial and mining production, including construction), Germany (23.5 percent), Britain (19.5 percent), and France (11 percent).29 Hobsbawm described this emerging variegation in power as a period of “growing pluralism” of the world economy that began to gather pace at the turn of the century. Britain’s share of all exports from Africa, Asia and Latin America fell from one half in 1860 to one quarter by 1900, creating a world that was no longer “monocentric”.30 But then, as today, Britain did not suffer too much from its relative decline in world trade share, as it found a new role as the world economy’s banker and insurance broker in the City of London. Its previous position of domination had left it with considerable overseas assets and in 1914 Britain still held 44 percent of all world overseas investments.31 But the resulting geopolitical tensions caused by the scramble for Africa and other parts of the world became like a pressure cooker of geopolitical tension. The quarrels between the Great Powers culminated in retrenchment into protectionism followed by the Great War and then two decades of economic turmoil.

From this overview we can distinguish three pertinent features that have shaped globalisation in the past, and which may offer us insights into its present dilemmas and the future. The period of Pax Britannica crystallised after the industrial revolution and in the aftermath of Britain’s victory in the Napoleonic Wars. Britain was subsequently placed as the monocentric hegemonic power throughout the 18th and 19th centuries. However, this power became threatened by new entrants to the game, as state rivalry and polycentric tendencies emerged. The political state rivalry, the pursuit of economics by other means, eventually led to a breakdown of the world system, war and recession. Second, we must note that far from being consensual, or benign, or benevolent, the process of globalisation was violent, entailing famine, murder, torture and the use of state military power to guard against revolt and rebellion. Third, we can note from Marx’s and Engels’s writings on the first wave of “globalisation” that the process of trade expansion and colonisation was integral to the structural development of capitalism at the time. Their description of “Political Economy” flowed from their analysis of why capital needed to plunder outside its industrial heartlands to accumulate.

Our task is now to determine if these three key features of the earlier period of globalisation can aid our understanding of the stability or fragility of the neoliberal order and its own particularised project of globalisation. Most importantly, as capitalism continues to falter with a crisis of profitability and in the aftermath of financial turmoil, is Pax Americana waning to such an extent that it is now being replaced by a new order of polycentrism? If this is the case has globalisation peaked, or is it simply morphing into some other form?

Globalisation reborn

The shift to Pax Americana implies a hegemonic dominance of the US over world affairs acting both as economic superpower and “world policeman”. Indeed, the view that globalisation is a primary product and objective of a singular state power has pervaded much of the literature on our period of post-war “peak” globalisation. The Marxist writers Leo Panitch and Sam Gindin, for example, appear to reduce the explanation for “peak globalisation” to American hegemony and its ability to “disarticulate” domestic capital in other nation states which, as a result, are “no longer represented by a coherent and independent national bourgeoisie”.32 However, as Alex Callinicos has shown in this journal, this position is in many respects an overstatement of the importance of the US’s ability and willingness to direct its economic and military power in the post-war era.33 In reality, the development of globalisation in the post-war period has been a much more complex affair, involving different stages and backgrounded not so much by an overwhelming US hegemony, but rather by a set of ***strategic*** position games of which the US has played the major, but not all-consuming, role.

We can discern a first phase, often defined as the “Golden Age” of western capitalism leading up to the economic crisis of the 1970s. This was the period of post-war reconstruction, marked by state ***intervention*** translated as social democracy and Keynesianism in Western Europe, the New Deal in the US and state capitalism in the east and parts of the developing world. The economic crises of the 1970s ushered in a more “leaden age” of slower growth punctuated by oil crises (and related wars) and the collapse of the Soviet bloc. By 1995 “peak” globalisation appeared to have been reached. Global trade integration reached its apogee and FDI began to surge forward. The 2008 financial crisis appears to mark a third stage of relative retreat within which the debate over the “end of globalisation” can be located.

As we have already noted a significant feature of post-war globalisation generally is that there has been an expansion of industrialisation in new regions of the globe. This marks a different pattern from our earlier period of “colonial” globalisation. The expansion has been encouraged by sources of cheap labour costs in the Global South and elsewhere which have been utilised for manufacturing production. The process has been uneven, marked by such developments as the industrialisation of China and “enterprise zones” such as the maquiladoras on the Mexican/US border, alongside longer-term processes of partial deindustrialisation in sub-Saharan Africa.34 By 2005, as Guillermo de la Dehesa records: “60 percent of Northern exports to the South are manufactures, as are 60 percent of Southern exports to the North (author’s emphasis). In general, the manufactures exported by the North are capital and technology intensive, while those exported by the South are labour intensive”.35 The industrial expansion has ***produced*** a degree of multi-polarity that has made “policing” the world system of nations more difficult.

The stages of development of post-war globalisation also need to be analysed in a little more detail to reinforce our assessment of the limits of US hegemony. To do this it is useful to assess the history of both US ***intervention*** and the international financial institutions (IFIs) as agents of dominance. The process of restructuring the world economy began as the Allies sensed victory towards the end of the war. The Bretton Woods Agreement was signed in 1944. The participants at the three-week long meeting in a New Hampshire hotel included representatives of all 44 of the Allied Powers including the USSR and the emergent new state of Yugoslavia. New supranational institutions, the International Monetary Fund (IMF) and the World Bank, were created after the meeting to stabilise the world financial system, essentially by fixing exchange rates to the dollar (which in turn was fixed to gold). Money would be transferred through the institutions from those states with surplus funds (creditors) to those in deficit (debtors) to preserve the stability of exchange rates and to help boost world trade. Loans would be repaid with interest determined by the IMF/World Bank. US leadership was assured. Both institutions were to be based in the US, where two thirds of the world’s gold was held, with governing and decision-making bodies dominated by creditors. The final agreement was not ratified by the USSR, which claimed that the institutions were “branches of Wall Street”.36

The political effect of Bretton Woods was to tie the Western powers into a shared economic project of financial and economic reconstruction, albeit under US leadership. To a large extent it marked a departure from earlier periods of imperialism under the British and others in that the US sought to consolidate its power and influence through economic pressure rather than through a more brutal territorial expansion. This new strategy stood in contrast to the failures of the inter-war years, which had seen a retreat into economic nationalism, and then depression and reinvigoration of the drumbeat of war. A secondary development was the creation in 1947 of the General Agreement on Tariffs and Trade (GATT), designed to complete multilateral agreements on tariff reductions, to regulate tariffs and boost world trade. GATT morphed into the World Trade Organisation (WTO) in 1995 and the last round of deals under the process of liberalisation was struck as part of the Doha Round in 2001. Doha marked a notable shift in WTO objectives, in that there was a specific focus on the ***agriculture*** and service sectors outside of manufacturing.37

On the geopolitical front the Korean War heralded the consolidation of the Cold War, by justifying high levels of military spending and committing the US to maintaining a military presence in Western Europe. The US buttressed its European allies through Marshall Aid in 1948, which amounted to a total of $17 billion granted in aid in return for purchase of US commodities such as food, fertilisers, machinery and fuel. The ***plan*** also had an ideological edge, advancing the cause of institutions that allowed labour representation to promote a social democrat alternative to Western Europe’s still large Communist Parties.38 While the Soviet Union and its satellites were offered Marshall Aid, the offers were blocked by Stalin, who in turn developed an alternative “Molotov ***Plan***” in Moscow’s own sphere of influence. Similar ***programmes*** were established by the US for Asian countries fulfilling the “Truman Doctrine” of 1947 which detailed a US mission to create a physical barrier to the territorial spread of “Communism”. A need for finances to reinforce the doctrine was engendered by the UK’s post-war admission that it could no longer fund the suppression of the Communists in the borderland region between East and West that was Greece. The net effect of these US-led political and economic initiatives was that a new era of military power was established both in the North Atlantic (the Washington Treaty establishing NATO was signed in 1949), and in the Pacific.

The borders of this new globalised world were drawn in Cold War terms, relatively fixed in Europe, but less specific in the Far East (until after the Vietnam War), and more fluid in Africa and South and Central America. By accepting US “leadership”, smaller nation states could be guaranteed a share, however small, in an advancing world economy within what Giovanni Arrighi has described as a distinct “regime of accumulation on a world scale” associated with a particular hegemonic state (ie the US).39 This new regime provided the necessary political stability and ushered in a “Golden Age” of Western capitalism in the immediate post-war years as the economy expanded alongside rising real incomes and the mass purchase and production of consumer goods. Behind the golden age, however, were materials of a darker hue—coal and oil. Fossil fuels steamed ahead to shape a world economy in which the mass production of the motor car allowed for further expansion of the cities into the suburbs leading to what Ian Angus has called the “great acceleration” in carbon emissions.40 It frameworked the political economy of US and other smaller imperialisms in chasing oil and subjugating oil-rich states to their will.

While the new “regime of accumulation on a world scale” was successful in many of its aims (at least from the perspective of the American ruling class) it was not without its problems. Neither US nor indeed Soviet “hegemony” was accepted automatically by nation states in the less developed world. Newly independent states (NIS) such as India and Pakistan and many African and Latin American states, as well as the Titoist regime in Yugoslavia were keen to distance themselves both politically and economically from the major powers. At an inter-state level the desire for independence from both Washington and Moscow took its effect in the establishment of the non-aligned movement following the Bandung Conference in Indonesia in 1955. The main movers of the Conference were the states of Indonesia, Pakistan, India, Burma and Ceylon (Sri Lanka). The People’s Republic of China was represented at the conference (just six years after the Mao revolution) fuelling US fears of an alternative source of Communist influence.

US post-war foreign policy had sought to court anti-colonial elements in the Global South, but this brushed against a parallel objective of drawing closer to those very countries (France, Britain, Spain, etc.) who had been culprits in colonial misdeeds. This presented US hegemonic intentions with a dilemma, so too did the “human rights” approach of Bandung when framed against the racist Jim Crow laws in the south of the US. The dilemma was partly solved by a change in the policy of the majority of the European colonial powers towards their colonies. Rebellion from below had first been met with repression, shootings and concentration camps, just like in the old days. But this strategy gave way in the face of continued resistance to one whereby local elites were cultivated to rule their countries, but within the continued remit of the interests of the former colonial masters. In the British case, as Chris Harman records:

Even where Britain did try to stand firm against making concessions to the “natives”—as in Kenya, where it bombed villages and herded people into concentration camps where many died, and in Cyprus, where troops used torture—it ended up negotiating a “peaceful” transfer of power to political leaders (Jomo Kenyatta and Archbishop Makarios) whom it had previously imprisoned or exiled.41

In political terms US hegemony survived the strains of the break-up of the colonies albeit by seeking accommodation with the elites of the newly independent states. The Soviet response was to parallel that of the West, by constructing its own trading bloc (Comecon) and by courting willing leaders of states not engaged by the West.42 Flare-ups were inevitable, most notably in the Berlin Blockade of 1948-9 and the Cuban missile crisis in 1962, but the Cold War remained cold. Western capitalism was allowed to expand across the majority of the globe unhindered and policed by growing US imperialism which sought to glue together the pillars of political, economic and territorial power.

But the “independence” of the NIS posed another problem for the US rulers’ intentions to expand global capitalism under its influence. Efforts were made by many of the NIS to develop their own economies through ***programmes*** of import substitution industrialisation (ISI), whereby state-promoted home-grown manufacturing would make up for the deficiencies in domestic industry that had accumulated under centuries of colonialism. Import substitution would act to encourage “nation building” by making the countries less dependent on the outside world. But it could only be achieved if tariffs on imports were raised and not lowered as required by the Bretton Woods/Washington mantra, and if tight exchange controls were imposed outside of the US dollar zone. The ISI approach was particularly popular in South and Central America, most notably in Mexico and Brazil and in Argentina under the 1950s Peronist regime. Currency exchange rates against the dollar and sterling were kept deliberately low to encourage exports and to make imports more expensive, while manufacturing was subsidised or nationalised through the state. Such a “state capitalist” approach was adopted by third world regimes where “young Turks” had assumed power by rebellion against the old order, such as Egypt, Libya and Cuba.

The development of a local auto industry was a key feature of the ISI ***programmes***, partly because of the developing demand for vehicles in the age of oil, and partly because of a sense that an emerging nation state should have its own car brand (alongside a state airline and state railway). In India, for example, the old UK manufactured Morris Oxford was relaunched in 1957 and built within the country as the Morris Ambassador. For the following 30 years it was viewed as the “Indian” car. Some success can be claimed for ISI policies, as the growth rates of those countries pursuing it may testify. One study highlights that:

By the early 1960s, domestic industry supplied 95 percent of Mexico’s and 98 percent of Brazil’s consumer goods. Between 1950 and 1980, Latin America’s industrial output went up six times, keeping well ahead of population growth. Infant mortality fell from 107 per 1,000 live births in 1960 to 69 per 1,000 in 1980, [and] life expectancy rose from 52 to 64 years. In the mid-1950s, Latin America’s economies were growing faster than those of the industrialised West.43

ISI was grounded in critical trade theory, taking its cue from debates over “dependency” as it related to a post-colonial world. The associated Prebisch-Singer thesis, developed in 1949 by Argentinian economist Raúl Prebisch and Hans Singer (a UN economist), suggested that countries such as the UK went through an early stage of ISI as part of their own development.44 Indeed, ISI is presumed to work better in a developmental stage as the income elasticity of demand for manufactured goods is greater than that for primary goods such as food. This would mean that as incomes rise, while the demand for food stays roughly the same (assuming no one is starving), the demand for consumer manufactured products rises at a faster rate. If such manufactured goods are ***produced*** within the nation state, then a positive cycle of growth ensues. Without ISI, it is suggested, structural inequality would develop between the richer nations and the poorer, or the “core” and the “periphery”. This view has been put forward by dependency theorists as well as neo-Marxists such as Immanuel Wallerstein in his presentation of world systems theory.45 While this model seems to have had some success, it remains limited by its own contradictions, which are discussed later in this article.

By the 1970s the new rulers of the world, crystallised in the alumni of Harvard Business School and the Washington/Treasury nexus, had begun to challenge ISI in a global push for market liberalisation known more ­colloquially as neoliberal capitalism. However, it was not just the challenge of ISI that ***produced*** neoliberal mantras. More importantly, the economies of the advanced industrial nations entered their first crisis during the early part of the decade as growth rates faltered, debts accrued and inflation soared. Prior to 1973 the expansion of the system was almost unprecedented. As Michael Kidron observed in 1970: “High employment, fast economic growth and stability are now considered normal in western capitalism”, while the system as a whole had been working “twice as fast between 1950 and 1964 as between 1913 and 1950”.46 The underlying reasons for the onset of the economic reversal from “golden” to “leaden” age have been well rehearsed by authors familiar to this journal over decades.47 Evidence of a decline in the rate of profits from investment in western corporations from the late 1960s conjoined with the faltering of the “permanent arms economy” as the West German and Japanese growth spurt tailed off and US spending on arms became an increasing burden.48 The consequences of the slowdown alerted the ruling classes of western nations to the fact that a new way would have to be found to restore profitability, and the forces of the market were to be utilised as a result.

Enter the market, enter the dragon

We can date the beginning of the new wave of economic globalisation from the late 1960s onwards. The process was driven by a desire of the Western-based financial and industrial elites, increasingly stifled by saturated markets and declining profits on investment, to create new areas for production. This could restore profitability by reducing unit labour costs for certain types of batch and low technology production. The low-tech and assembly-based nature of production was to be facilitated by tapping into huge new reserves of labour in the Global South, drawn often from the peasantry or the urban dispossessed as well as child labour, at skill and wage levels which would be low enough to overcome increased transport to western markets and other infrastructure costs.

In Marxist terms it would then be possible for capital to undercut the socially necessary labour time required for many manufactured items previously made in the advanced industrial nations. A spin-off from the process would be to create new markets in the rapidly urbanising South for manufactured goods ***produced*** by Western multinational enterprises. An expansion in information technology capability engendered by the silicon chip (from the late 1960s) allowed for a leap forward in logistics capabilities, as did the construction of ships suited to the use of modular containerisation (the first dedicated container ship left Newark, New Jersey, in 1956).

The resultant upturn in levels of FDI in the three decades after 1970, and the expansion of the volume of world trade over and beyond that of world production of goods and services that we have alluded to earlier in this article, then gathered pace. Growth in FDI was particularly strong in the late 1990s, including new cash flows into the post-Communist “transition” countries, before falling back in striking fashion after the 2008 crash. Much of the immediate pre-crash growth took place in the primary sector (***agriculture*** and mining) and services, reinforcing the process encouraged by the WTO.49

Figure 1: World Foreign Direct Investment (FDI) trends (inflows in $ billions)

Source: UNCTAD, 2002, in Gallagher and Zarsky, 2006

However, this seeming juggernaut had to be accompanied by a process of bullying and coercion of the NIS within the Global South to open up the necessary markets to Western capital. Strategies of ISI would need to be abandoned, import tariffs reduced or abolished, exchange rate controls dismantled, and the state subsidisation of domestic industry end if the “market” was to rule supreme. This became the new neoliberal stage of capital accumulation strategy. As part of this strategy the institutions of Bretton Woods, the World Bank and IMF, began to work with local interlocutors in the process of coerced globalisation, by bribing and cajoling the political elites in the NIS to accept the pensée unique (single thought) of neoliberalism in return for a taste of honey in the new globalised economy. As Ngaire Woods has written in her book The Globalizers:

The [new] mission of the IMF and World Bank is not just to define economic ***programmes***… Each institution deploys a mixture of technical advice and coercive power in bargaining with borrowing governments, lending or withholding resources, disbursing or suspending payments, and imposing various forms of conditions. Yet the institutions can successfully deploy this power only where they find and work with sympathetic interlocutors who are both willing and able to embrace the policies preferred by the institutions.50

This was sometimes a violent process, drawing parallels with our earlier period of globalisation. The first two Indochina wars had led to defeat for French and US imperialism leaving Indonesia as a key state from which Western imperialism could construct a defensive reaction. In the ensuing period Indonesia under General Suharto was courted and touted as the World Bank’s “model pupil”, but a million died in a purge against communists in 1965 as the regime imposed its will to allow full access for Western capital. The radical journalist John Pilger outlines in his book The New Rulers of the World that “within a year of the bloodbath, Indonesia’s economy was effectively redesigned in America, giving the West access to vast mineral wealth, markets and cheap labour—what President Nixon called the greatest prize in Asia”.51 With the collapse of the Soviet Union and Comecon in 1991, the forces of global market dominance were boosted once more. The state capitalist model had become increasingly entrapped by its own contradictions. State subsidies had isolated domestic industry from the full rigour of competition with Western capital. Increased trade between the Communist bloc and the West during the 1980s had only served to expose the differences and by the late 1980s sections of the nomenklatura, most notably with Mikhail Gorbachev’s ***programme*** of perestroika (restructuring), had grasped this and begun to look for ways to escape from a state capitalist to a full market model.

The following period of “peak” globalisation was thus backgrounded by a seeming victory of market capitalism over the state capitalism of the Eastern bloc. This all took place under the presidency in the US of Ronald Reagan, who together with Margaret Thatcher placed an immutable seal of approval on the mantra of capital accumulation over that of state direction, consolidating the ideological aspects of neoliberalism in the process. Indeed, the unrestrained entry of the market carried with it a re-regulation of pre-existing social settlements, especially in the field of labour protection and state benefits for the old or unemployed, whose social support structures were stripped to their bone on the basis that they were obstacles to free trade and unfettered competition.52 This is not to say that the “state” was abandoned by political and financial elites as an agent of capital accumulation. As Alex Callinicos reminds us, “Reagan’s combination of cutting taxes and boosting military spending hugely increased government borrowing, representing, according to Robert Brenner, ‘the greatest experiment in Keynesianism in the history of the world’”.53 Rather, the state was used as an agency to re-regulate the system in the interests of a new regime of capital accumulation.

But did these new trends represent a monocentric or polycentric distribution of power? The new era of globalisation came with its complexities. While the motor was the spread of Western capital across boundaries, including a leap forward in the number of cross-border mergers and acquisitions, there remained a need for state support. As Chris Harman wrote in this journal in 1991:

Capitalism needs states—to maintain the local monopolies of armed forces that prevent some capitals using direct, Mafia style violence against others, to impose regulations that prevent some capitalists defrauding others, to organise labour markets and to prevent recession turning into economic collapse. The greater the threat of crisis, the greater the need for the state. And yet the international scale of capitalist operations means they continually escape from any possibility of control by states.54

One way of attempting to ensure such security across state boundaries was the creation of economic blocs on a geopolitical basis, such as that of the European Economic Community/EU. NAFTA under US leadership, ASEAN and so on. Most certainly the leading player was and continues to be the US, but the first signs of an alternative axis of power began to appear with the consolidation of the EEC/EU across the Atlantic in the 1970s and then with the rise of Japan in the 1980s. Indeed, Japan’s rise as an industrial powerhouse and an alternative locus of power in the Pacific with its new manufacturing methods prompted a state initiative in the US to study Japanese work organisation and to launch the “lean production” model across Western enterprise.

The resultant book in 1990 by James Womack and colleagues, The Machine That Changed the World, became the new mantra of business school education not only in the US but across most of the West, challenging traditional Taylorist methods with new forms of team-working, continuous improvement and lean production.55 Japan’s new prominence in industrial manufacturing also prompted shifts in global supply chains as the lean production model combined with global economic trade networking in an effort to create value-added on a worldwide “just in time” basis. Auto manufacture, for example, was spread across many countries in the supply chain, and at the final “screwdriver” factory, auto parts from a dozen or more countries were added to the chassis.

But in more recent years it has been the rise of China that has worried American strategists even more and created further possibilities for polycentrism. The US’s position as leader in world trade in merchandise was eclipsed by China in 2012, following years of Chinese economic expansion. According to the WTO, China’s share of world export trade by 2014 was 12.4 percent, followed by the US at 8.6 percent and Germany at 8 percent. The UK (at 2.4 percent) was the ninth largest trader.56 Interestingly, the total share of the EU’s major exporting countries was well over 20 percent, making the EU in aggregate the major player in world trade. At the time of China’s entry into the WTO in 2001 its share of world trade was only one fifth that of the US, so the growth has been spectacular and, of course, accompanied by suspicions of Chinese military ambitions in the Pacific. Since 2000 the growth of China within the world economy has been paralleled by a shrinkage in the importance of the US. US imports have fallen from 17 percent of the world total to 12 percent over this recent period, while its percentage share of exports has fallen from 12 percent to 8 percent.57

Figure 2: Chinese merchandise trade as percentage of US

Source: Thomson Reuters datastream

The relative collapse of US trade hegemony—mainly at the hands of China, but to a lesser extent the EU under the powerhouse of Germany—has been accompanied by a rapid increase in Chinese investment overseas, including grants and loans to less developed states made without the stringent neoliberal strings that come attached to similar cash sums from the IMF or World Bank. The majority of Chinese FDI is geared towards natural resource extraction activities in Africa, Australia, Canada and Latin America. But as part of Beijing’s “Going Global” strategy, investment in high tech industries is increasing as the Chinese Communist Party (CCP) seeks to drive the economy to a higher end of the world’s markets in manufacturing production. In Australia, a major recipient of Chinese investment, for example, FDI has in the past been focused on mining. But more recent investment has shifted towards healthcare and agribusiness.58

The threat of commodity monopolisation from China is perhaps of greater concern to the US elites than China’s growing domestic economy. As fossil fuels are challenged by potential climate change regulation, and rare earth metals are purloined by China, then the US business model, historically based on cheap oil and coal, becomes threatened. Peak globalisation corresponded with a period of peak oil and, as James Howard Kunstler has argued in The Long Emergency, as the peak has passed, countries heavily dependent on cheap oil, such as the US with its car-oriented cities and long inter-state transportation distances, may be “sleepwalking into the future”.59 Trump’s appeal for “Pittsburgh not Paris” over an international climate agreement is a real sign of the times.

Chinese multinationals may also become larger players in hoovering up privatised public services at the expense of the US. So a second sign of the times is the threatened post-Brexit trade deal between the US and the UK which may well involve granting US multinationals access to Britain’s health service.60 Indeed, the British state enters its Brexit negotiations at a time of increasing uncertainty over the future of existing tariff regimes among old and newly emerging power blocs. Britain is very much a “middle power” within the world of trade agreements and new country by country agreements.61 Negotiating a way through such uncertainty will clearly expose tensions among financial and political elites not just in Britain and the EU but across a wider range of potential trade partners. For the left, however, as Guardian journalist Larry Elliott reminds us, opportunities arise with Brexit to create an argument for retreat from the mantras of the free market. Brexit, he argues could “provide for public ownership, lower rates of VAT to help those on the lowest incomes, state aid to support sunrise industries, and fair trade agreements with developing countries”.62

What next?

We are undoubtedly witnessing a reordering of the locus of power within the world economy, as US hegemony is challenged and visions of a more polycentric world continue to proliferate. Trump and “Trumpism”, broadly defined as a nationalist form of populism focused on economic protectionism and more restricted immigration, appears as a reaction from the right dressed up to appeal to disaffected workers isolated from the alleged benefits of a globalised economy. Such alleged benefits were sold to workers on both sides of the Atlantic by Democrats from Clinton to Obama to Clinton and their Blairite equivalents in “social democratic” Europe as an antidote to economic uncertainty. The consequent “social liberalism” meant lower real wages, increased inequality and savage attacks on public services as market forces were let loose. However, it is not the end of globalisation that we are witnessing, but rather a reshaping which involves a fragmentation of existing trade relationships as new ones are formed in a new world regime of capital accumulation. Britain’s Brexit and post-Brexit negotiations for new trade deals are part of this process, with new deals proposed not just with the US but with China and India as well as the rest of the EU. However, the whiff of economic nationalism and protectionism remains in the air, driven still by electoral ambitions to appeal to a working class pacified by anti-import and “nothing can be done about ­globalisation” rhetoric from trade union leaders and others.

But, far from such economic nationalism being a new idea, it has in fact a deeper and longer history within the Republican Party and with Trump himself. Trump’s critique of US trade policy goes as far back as the 1980s, in response to the “threat” from Japan as the new pacemaker in automobile and consumer goods manufacture.63 As Adam Tooze suggests, Trump has since successfully convinced a large enough section of the Republican Party of his views to make economic nationalism and protectionism live issues.64 Such a redefining of the US “business model” is possible within the confines of a global political economy. Indeed, in real terms a shift towards a more protectionist world would harm the US economy a lot less than those of its rivals. In the US economy trade (imports and exports) measured about 30 percent of all GDP in 2014. This is compared to shares of 59 percent in the UK, 42 percent in China, 85 percent in Germany and up to 167 percent in smaller industrialised countries such as Belgium.65 This makes any protectionist turn less harmful to the US in aggregate than to its competitors, giving Washington continued asymmetrical bargaining power in negotiations over trade deals. This economic power will continue to be used by the US, most likely with the objective of restricting the lineage of global supply chains by shifting a higher proportion of production towards home based manufacture. However, the strategy is a huge gamble, particularly as China waits in the wings ready to scoop up the remnants of a new US economic isolationism.

Such a strategy, if continually pursued by Trump, would also necessarily involve a parallel redefining of inter-state relations, most notably with China and to a lesser extent with the emergent power ambitions of the Gulf States. The internecine wars within the Trump administration, especially with his reliance on the military within his cabinet, are testament to the tensions that will no doubt ensue. The EU, under the motor of Germany, also remains a major player within world trade, and its political elites will seek to resist pressures for isolationism and protectionism as a result. The future of globalisation is thus a contingent one dependent on the outcomes of such tensions both on a world scale and also within the US political and financial elite. Let us not also forget that after four decades of an increasingly globalised economy the world is more unequal in terms of wealth distribution than at any time since the early part of the 20th century. When coupled with a decade of austerity since the financial crash, neoliberal capitalism has awarded its working class with a steady succession of accumulated grievances in the core industrial countries. This is a heady cocktail, the outcome of which is unpredictable.

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Alan James Giles, Non-Exec director Competition and Markets Auth, for services to UK Business and the Economy. Dr John Harry Godber, Writer and director, for services to the Arts. Jonathan Philip Pryce Goodwin, Entrepreneur and Co-founder Lepe Partners and the Founders Forum, for services to the Economy. Prof Ian Michael Goodyer, Prof of Child and Adolescent Psychiatry. Univ of Cambridge, for services to Psychiatry Research. Ms Ellvena Graham, Chair Northern Ireland Econ Advisory Group, for services to the Economy and the Advancement of Women in Business. Dr Giles Andrew Graham, Technical Sponsor Atomic Weapons Establishment, for services to Nat Sec and Counter Terrorism. Prof Hilary Joyce Grainger, Dean, Academic Dev and Quality Assurance, London College of Fashion, Univ of the Arts London, for services to Higher Education. David Greensmith, Justices Clerk HM Courts and Tribunals Service, for services to the Admin of Justice and to the UK Scout Movement. Prof Christopher Ernest Maitland Griffiths, Foundation Prof of Dermatology. Faculty of Biology. Medicine and Health Univ of Manchester, for services to Dermatology. Mrs Revel Sarah Guest Albert, Chair, Hay Festival, for services to Literature. Philip Hamilton, CEO and Founding Trustee Community Academies Trust, for services to Education. Mrs Willimina Ann Beauchamp (Annie) Hampson, Ch ***Planning*** Offr and Dev director, City of London Corp, for services to ***Planning*** in London. Dr Shabana Rounak Haque, Head Government Science and Eng Profession Team, Government Office for Science, for services to Civil Service Science and the Eng Profession. Edward Mortimer Harley, for services to Heritage. Dennis Harvey, Leader Nuneaton and Bedworth BC, for political service in Warwickshire. Mrs Frances Anne Hawkes, Headteacher, the Fed of St Elpheges and Regina Coeli Catholic Schools, for services to Education. Mrs Judith Ann Hay, Asst director for Children and Families, N Yorks CC, for services to Child Protection in N Yorks. Paul Leslie Hayden, QFSM, Chair, Anglian Eastern Reg Flood and Coastal Cttee, for services to Flood Risk Management and Disaster Response. Ms Francesca Elizabeth Hegyi, Exec director Hull City of Culture 2017, for services to Culture in Hull. Ms Jeannine Hendrick, Gov HM Prison Exeter and Violence Reduction Project manager, for services to Prison Safety and Governance. Robert Herman-Smith, for services to the Global Aerospace Sector. Ms Jacqueline Hewitt-Main, CEO Cascade Foundation, for services to Prisoners. Dr Stanley Derek Higgins, Formerly chief executive NE Process Industry Cluster, for services to the Chemical Process Industry. Dr Graham Russell Hoare, Dir of Global Product Verification Eng Operations, Ford Motor Company, for services to the Automotive Industry. Mrs Barbara Jane Holm, Principal, Westminster AE Service and Founder, Nat Adult Community Learning Support and Dev Network, for services to AE. Eamonn Holmes, for services to Broadcasting. Joseph Holness, QPM, Formerly Inspector, Kent Police, for services to Policing and the Nat Police Memorial Day. Ralph Christopher Hoult, for services to the community in Ramsgate Kent. Prof Margaret Ann House, Vice-Chancellor, Leeds Trinity Univ, for services to Higher Education. Mrs Nora Helen Houston, Sen Delivery manager, HM Revenue and Customs, for services to Taxpayers. John Hudson, for political and public service. Ms Joan Ingram, for vol service to Healthcare, particularly Type 1 Diabetes Treatment. Rilesh Kumar Jadeja, Nat Access to Work Delivery manager Dept for Work and Pensions, for services to People with Disabilities. Mrs Poppy Jaman, Ch executive Mental Health First Aid England, for services to People with Mental Health Issues. Mrs Clare James, MoD, for services to Defence. Richard James, Tailor, for services to Mens Fashion. David Johnston, Ch executive Soc Mobility Foundation, for services to Soc Mobility and Education. Harry Johnston, for services to charity and the community in Manchester. Philip James Kevin Jones, Defence Adv to the Ukrainian MoD, for services to Intl Defence Relations. Rohinton Minoo Kalifa, Vice Chmn Worldpay, for services to Financial Services and Tech. Ms Stephanie Jane Karpetas, Founder and director Sustainability Connections CIC and director, Orchard Community Energy, for services to the community in East Kent. Martin Kelly, Head of Resources Children and Young Peoples Services, N Yorks CC, for services to Children and Young People in N Yorks. Ms Aina Khan, for services to the Protection of Women and Children in Unregistered Marriages. Ms Rosamund Ann Kidman Cox, Wildlife Editor and Writer, for services to Wildlife Conservation through Photography. William Stanyer Kilby, Dep head Afghanistan, Dept for Intl Dev for services to Intl Dev. Miss Heather Clare Knight, Capt England Women's Cricket Team, for services to Cricket. Ms Emma Shevvan Knights, Ch executive Nat Governance Assn, for services to Education. Mrs Paromita Konar-Thakkar, Dep director, Energy Economics and Analysis, Dept for Business, Energy and Industrial Strategy, for services to Energy Analysis. Prof Elizabeth Alice Kuipers, Prof of Clinical Psychology. Kings College London, for services to Clinical Research, Treatment and Support for People with Psychosis. Ms Deborah Lamb, Dep chief executive Historic England, for services to Heritage. Stephen Alan Lamb, Formerly director Returns Preparation, Immigration Enforcement, Home Office, for services to Improving Immigration Systems. Mrs Susan Lancioni, Customer Insight and Analysis Lead, HM Revenue and Customs, for services to UK and Global Nuclear Security. 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Ms Naomi Marek, Ch executive Sky Badger, for services to Special Educational Needs. Miss Jane Marjorie Marriott, Cabinet Office, for services to Public Admin and Finance. Mrs Wendy Matthews, Dir of Midwifery and Dep chief Nurse Barking, Havering, and Redbridge Univ Hospitals NHS Trust, for services to Midwifery. Mrs Olive Mary Maybin, Formerly ***Strategic*** Policy Adv to head of the Northern Ireland Civil Service, for public service. Ms Geraldine McAndrew, Ch executive Buttle UK and Chair, Grant Management Panel, Consortium of Voluntary Adoption Agencies, for services to the Voluntary Sector. Mrs Bernice Alda McCabe, Headmistress, North London Collegiate School, for services to Education. Dr Elizabeth Angela McDonnell, Formerly head Biomass Electricity Policy. Dept for Business, Energy and Industrial Strategy, for services to Bioenergy Policy. John McGregor, Founder Contamac, for services to Intl Trade and Innovation in Polymer Tech. John Ian McLauchlan, for services to Rugby and charity. Dr Clive Julian Meux, Conslt Forensic Psychiatrist Oxford Health NHS Foundation Trust, for services to People with Mental Ill Health. Ms Rosemary Harriet Millard, Chair Hull City of Culture 2017, for services to Culture in Hull. Richard Mintz, for services to Philanthropy. Mrs Victoria Marion Miro, Gallery Owner, for services to Art. Ms Deborah Moggach, for services to Literature and Drama. Dr Patricia Anne Moore, Reg Chmn SW of England, Conservative Party, for vol political service. Jonathan Howell Morgan, for services to Disability Sport in Wales. Colin Morrison, for charitable services to Vulnerable Young People. Edward Francis Morrison, for services to Rugby Union. Ms Elma Murray, Ch executive North Ayrshire Cncl, for services to Local Government, Education and the Economy. Ms Vinodka (Vin) Murria, for services to the UK Digital Economy and Advancing Women in the Software Sector. Robert Anthony Neil, Head Project Race, Ministry of Justice, for services to Race Equality in the Workplace and the community. Mrs Grace Foster Nesbitt, Head, Pensions Div, Dept of Finance, Northern Ireland Exec, for services to Government in Northern Ireland and for vol and charitable services. Dr Trevor Leo Ogden, for services to Occupational Hygiene and Workplace Air Quality. Anthony O'Hear, Prof of Philosophy and lately head DoEducation, Univ of Buckingham, for services to Education. Gavin David Redvers Oldham, for services to Children and Young People through Share Foundation. Ms Sarah Louise Parkinson, (Lou Cordwell) chief executive Officer, Magnetic North, for services to the Creative and Digital Economy. Kevin Allen Huw Parry, Chmn Royal Nat Children's Springboard Foundation, for services to Vulnerable Children. Norman Nathaniel Pascal, Formerly chief inspector Operations Avon and Somerset Const, for services to Diversity in the community in Avon and Somerset. 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Ms Annika Elisabeth Small, Soc Entrepreneur and Co-founder Centre for Acceleration of Soc Tech, for services to Soc Innovation and Digital Tech. Bartholomew Evan Eric Smith, Founder Amber Foundation, for services to Young People. Colin Stuart Squire, for services to the Horticultural Industry and to charity. Emeritus Prof Nicholas David Stafford, Prof of Otolaryngology. head and Neck Surgery. Univ of Hull, for services to Med Research and Healthcare. Peter Graham Stebbings, Formerly Reg Chmn East of England, Conservative Party, for vol political service in the East of England. Prof Mary (Maria) Josephine Stokes, Prof of Musculoskeletal Rehabilitation Univ of Southampton, for services to Physiotherapy Research. Ms Lynne Marie Swift, Dir of People and Organisational Dev Buckinghamshire Fire and Rescue Service, for services to the Fire and Rescue Service. Paul Taiano, Chair of Govs Central School of Speech and Drama, for services to Drama Training and Horse Racing Welfare. 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Dr James Patrick Vestey, Formerly consultant Dermatologist and head of Service NHS Highland, for services to Dermatology. Marc Ferdinand Vlessing, CEO Pocket Living, for services to Housing Delivery. Dr Joanne Wade, Ch executive Assn for the Conservation of Energy, for services to Energy Efficiency. Paul Walker, Grade 6 Dept for Environment, Food and Rural Affairs, for services to Eng, Bio-Containment and UK Animal, Plant and Food Science. Sam Kennedy-Warburton, for services to Rugby Union. William Ward, CEO and Co-founder Clipper Round the World Yacht Race, for services to the Economy and the GREAT Campaign. David Arwyn Watkins, Managing director Cambrian Training Company, for services to Education and Training in Wales. Prof Kathryn Anne Whaler, Chair of Geophysics Univ of Edinburgh, for services to Geophysics. Nicholas Charles Tyrwhitt Wheeler, Founder and managing director Charles Tyrwhitt Shirts, for services to Retail. Mrs Joyce Helen White, Ch executive, West Dunbartonshire Cncl, for services to Local Government, FE and Girlguiding. Miss Linda Teresa Willson, Formerly head Maritime Commerce and Infrastructure, Dept for Transport, for services to Transport. Richard Wilson, Head Office of the Chmn and chief executive, Maritime and Coastguard Agency, for services to Transport. Dr Richard Christopher Wilson, CEO Independent Game Developers Assn, for services to the Video Game Industry. Miss Diane Winder, Neighbourhood Watch Coordinator W Yorks Police, for services to Community Safety. Ms Elizabeth Wolverson, Ch executive London Diocesan Brd for Schools Academies Trust, for services to Education. John Nicholas Woolf, Co-founder Charities Leadership ***Programme***, for services to the Charitable Sector in the UK and Abroad. Mrs Marion Wynn, for services to Girlguiding in the UK and Abroad. MBE Mrs Charmian Jacqueline (Jackie) Adams-Bonitto, Head of Training Assurance, London Fire Brigade, for services to the Fire and Rescue Service and to Equality and Diversity. Ms Joyce Adeluwoye-Adams, Formerly head of Diversity. PACT, for services to Diversity in the Media. Ms Philipa Ann Ailion, Casting director, for services to Theatre and Diversity in the Arts. Adetunji Adeboyejo Akintokun, Dir of CISCO Systems and Co-director Your Future, Your Ambition, for services to Young People from Minority Ethnic Backgrounds in Science and Tech. Dr Anwara Ali, Gen Prac Spitalfields Practice, East London, for services to Community Healthcare. Mrs Daphne Claire Amlot, for vol service to the community in Wirral, Merseyside. Peter Robert Andrew, Dep Chmn House Builders Fed, for services to the Construction Industry. Mrs Maria Emilia Angel, for services to the community in Normandy in Surrey. Ms Susan Jane Anstiss, for services to Grassroots and Women's Sport. Afrasiab Anwar, for services to Community Cohesion in Burnley. Mrs Ethel Armstrong, Chair, NHS Retirement Fellowship, for services to the NHS Workforce and Retired People. Mrs Janet Mary Armstrong, for services to the community in Oakworth W Yorks. Ms Sally Arnison, Pharmacist and director Barnton Pharmacy and Travel Clinic, for services to Healthcare and the community in Edinburgh. Dr Elaine Louise Atkins, ***Programme*** Leader Soc of Musculoskeletal Medicine, for services to Physiotherapy. Mrs Elizabeth Rachel Atkinson, Cancer Specialist Nurse, Cancer Focus Northern Ireland, for services to Cancer Patients and their Families. Robert Henry Bagley, for services to Disadvantaged Children and the community in Canterbury. Mrs Lisa Anne Baldock, Admin Officer, Human Resources, Dept for Work and Pensions, for services to People with Disabilities in Public Service. Iain Godfrey Ball, for services to Cathedral Choral Music and to Young People. Mrs Joan Bamber, Gov, Dame Evelyn Fox and Newfield schools, for services to Education. Mrs Comfort Louise Anna Banahene, Head of Educational Engagement, Univ of Leeds, for services to Higher Education. Mrs Isabella Bell Banks, Sec.Lightburn Elderly Assn Project, for services to Older People in South Lanarkshire. Norman Leslie Banner, for public and charitable services. Mrs Anne Ellen (Annie) Barr, Founder, Annie Barr Associates, for services to Exports in Healthcare. Michael John Barratt, Dir of Road Space Management Surface Transport, for services to Transport. Mrs Claire Elizabeth Batt, Welfare Officer, Defence Police Fed, for services to the MoD Police. Philip Andrew Batt, for services to Community Safety in Northern Ireland. Mrs Jean Barbara Beauchamp, for services to Young People in Lockerley in Hampshire. Miss Tamsin Tilley Beaumont, for services to Cricket. Mrs Sara Catherine Beauregard, Co-founder, Youth Vision, for services to Special Needs Education in Edinburgh. William Alexander Beckett, for services to the vol sector and to Sport. Ms Cindy Bonita Beckford, Principal ***Programme*** Controls manager Network Rail, Network Operations, High Speed Rail Phase One Team, for services to the Railway Industry. Michael Bell, for services to the CardiffPhilharmonic Orchestra. Paul Nicholas Berman, Chair of Trustees Wargrave House School, for services to Children with Special Educational Needs and Disabilities. Onkardeep Singh Bhatia, for services to the community particularly Young People. Dc Timothy John Bird, North Wales Police, for services to Policing and the community in North Wales. Robert George Black, Northern Ireland District Chmn Ryl Brit Leg, for services to ex-Service Personnel and their Families. Mrs Rosamund Anne Blair, Cnty vice-president, Girlguiding Dunbartonshire and Instructor, Riding for the Disabled, for services to Children and People with Disabilities. Mrs Lorraine Bliss, for services to Disadvantaged Young People in Norfolk and Suffolk. Neil David Bohanna, Head of Operations Royal Northern College of Music, for services to Higher Education. Donovan Bolessa, Head of Intl Visits Dept for Intl Trade, for services to Intl Trade. Mrs Leanne Jayne Bonner-Cooke, Managing director, Evolve-IT Consultingfor services to Women in Business. Mrs Barbara Bower, Foster Carer, West Sussex CC, for services to Children and Families. Ms Christine Ann Bower, Athletes Services Coordinator British Olympic Assn, for services to British Olympic Sport. John Edwards Bowers, Chair of Govs Dixons Kings Academy, for services to Education. Mrs Patricia Edith Boyd, for services to Religious and Moral Education in Scotland. Douglas Bradbury, Master Farrier and Fellow Worshipful Co of Farriers, for services to the Farrier Profession and the community in the East Midlands. Ms Jayne Brady, for services to Econ Dev in Northern Ireland. Ian James Brailey, JP, for services to the Magistracy and the community in Bristol. Mrs Lucille de Zalduondo Briance, Founder, London Children's Ballet, for services to Dance. Morris Bright, Leader Hertsmere BC, for services to Local Government. John Ross Brodie, Ch executive Scottish Midland Co-operative Society, for services to Business and the Voluntary Sector in Scotland. Mrs Joanna Caroline Jane Brotherstone, Gov, Greenmead School, Wandsworth, London and Co-founder, Small Steps Charity, for services to Children with Special Educational Needs and Disabilities. Christopher Malcolm Brown, Gov Sir Tom Finney Community High School, Preston, for services to Children with Special Educational Needs and Disabilities. James (Jim) Brown, Policy Offr Secure Children's Homes, DFE, for services to Education. Miss Carol Leslie Browne, Coordinator 16 Air Assault Brigade, MoD, for services to Army Personnel. Mrs Deborah Louise Brownson, for services to Autism Awareness. Dr Jane Bruce, Formerly Clinical director Out of Hours Service, NHS Tayside, for services to Gen Practice and Primary Care Services in Tayside. Colin George Bryant, for services to Young People. Adrian James Bull, Dir of External Relations Nat Nuclear Laboratory, for services to the Dev of Public Understanding in Nuclear Research. Michael Burgess, for services to Disadvantaged Young People in North Tyneside. David Richard Beveridge Burn, for services to the Magistracy and the community in Hexham Northumberland. Mrs Margaret Rose Burn, for services to the Salvation Army and Vulnerable People. Mrs Kathleen Nancy Burns, for services to Post 16 Education and Skills in Wales. Ms Jessica Rose Butcher, Co-Founder and director, Blippar, for services to Digital Tech and Entrepreneurship. Mrs Sarah Butcher, Dir of Care, Priors Court School, Berkshire, for services to Children with Special Educational Needs and Disabilities. Charles Richard Butler, Asst Headteacher (Community) and head of Performing Arts Ulverston Victoria High School, Cumbria, for services to Music Education. Darrell George Buttery, for services to Heritage in York. Philip Peter Buxton, for services to Mountain Rescue and the community in Cumbria. Mrs Rosemary Jayne Cadbury, for services to Philanthropy and the community in Bournville, West Midlands. Donald Delachevois Campbell, Formerly Chmn East Devon Area of Outstanding Natural Beauty, for services to Nature Conservation. Mrs Hilary Cantle, for services to the Older People and to charity in Bedfordshire and Hertfordshire. Ian David Carnell, for services to Young People in Solihull. Mrs Monica Catherine Carroll, for services to the community in S Yorks. Craig Carscadden, for services to Athletes with Disabilities and to the Paralympics. David Carter, for services to the community in Teesside. Richard Alan Carter, Gov West Suffolk College, for services to Education. John Millar Caskie, for services to the community in Dumfries. Balwant Singh Chadha, Formerly Cllr North Lanarkshire Cncl, for services to Local Government and Community Cohesion in the West of Scotland. Prof David Hugh Gray Cheape, for services to Scottish Cultural Education and Traditional Music. Mrs Cynthia Louise Hart Cherry, JP, for services to the community and Charitable Fundraising in Northern Ireland. Mrs Claire Marie Chippington, Dep director, Border Force, Home Office, for services to Border Security. Mrs Elinor Chohan, Chair, NW Reg Board, Remembering Srebrenica, for services to Interfaith and Community Cohesion. Mrs Nicola Clark, Tax Profnl manager, HM Revenue and Customs, for services to Business and the community in the NE. Derek Kenneth Clarke, Duke of Edinburghs Award Coordinator Broxbourne and Richard Hale Schools, for services to Young People in Hertfordshire. 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Alec George Collyer, Chmn Dartmoor Search and Rescue Group, for services to Search and Rescue in Dartmoor. Christopher Constantine, MoD, for services to Defence. Martin James Paul Cooke, for services to the Arts and the community in Chester and Tattenhall and North Cornwall. Mrs Wendy Coombey, Community Partnership and Funding Offr Hereford Diocese, for services to Churches in Herefordshire. Dr Tracey Cooper, Head of Midwifery at Warrington and Halton Hospitals NHS Foundation Trust, for services to Midwifery. James Cosmo Copeland, for services to Drama. Royston Vincent Court, for services to Inclusive Judo. Richard Cowie, Musician, for services to Music. Mrs Gail Crouchman, Sen Officer, Border Force, Home Office, for services to Border Sec and Prevention of Modern Slavery. Brian Albert Leopold Davies, Sen Exec Offr Eng Auth.MoD, for services to Military Aviation. Dr Ian Morris Davies, ***Programme*** manager Renewables and Energy at Marine Scotland Science, for services to Marine Science and vol service in the UK and Abroad. Alan Davis, Coach Maindy Flyers, Cardiffand Newport, for services to Youth Cycling and Diversity Inclusion in South Wales. Bobby Gurbhej Singh Dev, for services to Young People in Sheffield S Yorks. Albert George Dicken, for charitable services. Mrs Gillian Dillon, Sen Exec Officer, District Employer and Partnership manager, Dept for Work and Pensions, for services to Employment and Skills in the Humber. Ms Nora Dillon, for services to Affordable Housing Credit Management and the community in Rutherglen and Cambuslang, South Lanarkshire. Mrs Julie Dixon, for services to the community in Northumberland. Nicholas Dobrik, Vol Thalidomide Trust, for services to People affected by Thalidomide. Michael John Doherty, for services to Community Cohesion in Northern Ireland. 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Miss Susan Mary Fazackerley, for services to the community in Lytham St. Annes Lancashire. James William Ferguson, for services to Mental Health Awareness in Devon. Paul Hugh Paterson Ferguson, for services to Carving Gilding and Conservation. Shimon Fhima, ***Programme*** director HM Revenue and Customs, for services to Taxpayers. Norman Finlay, for services to UK Shipbuilding. Michael William Finney, Dir of Advice Admissions and Marketing, South Cheshire College, for services to Education. Mrs Louise Fitzroy-Stone, Exec director of Sport, Guildford High School, for services to Education. Mrs Sara Lee Fitzsimmons, Exec Charity director, SiMBA, for services to Bereaved Families. William David Fleetwood, for services to the community in the NE of England. Charlie Fogarty, for services to Young People in Solihull West Midlands. Lawrence Forshaw, Life president Governing Body.Alder Grange School, Rossendale, Lancashire, for services to Education. Ms Rebecca Jane Foster, Course Leader for Physical Education and Sen Lecturer in Adapted Physical Education Univ of Worcester, for services to Inclusive Sport and Young People. Dr Rosemary Fox, Nat director for Screening ***Programmes*** Public Health Wales, for services to Healthcare in Wales. Arthur Frost, Foster Carer East Cheshire Cncl, for services to Children and Families. Mrs Dorothy Ann Frost, Foster Carer, East Cheshire Cncl, for services to Children and Families. Ms Patricia Veronica Fuller, for services to the community in Norwich. Dr Nicholas Pearson Gair, for services to ex-Service Personnel and Young People in London. Sgt Scott John Gallagher, North Wales Police, for services to Policing and the Nat Police Air Service. Pc James David Gallienne, Devon and Cornwall Police, for services to Policing and Search and Rescue. Miss Angela Gannon, Training Standards Verifier London and South Region, St John Ambulance, for vol service to First Aid. 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Michael William Graham, Formerly Pc Police Service of Northern Ireland, for services to Policing and the community in Northern Ireland. Ms Ruth Graham, for services to Disabled and Bereaved Children in Northern Ireland. Mrs Evelyn Joan Grieve, Speaker, Children's Hospice Assn Scotland, for vol service in Perthshire. Malcolm Grindrod, for services to Mountain Rescue in Cumbria. Mrs Anita Rosina Grodkiewicz, Manager, the Rosmini Centre, for services to the community in Wisbech, Cambridgeshire. Howard Groves, Member Sen Mathematical Challenge Problems Grp and Mbr, UK Mathematics Trust Challenges Sub Trust, for services to Education. Mrs Catherine Diane Gullen, for services to Children. Mrs Rosemary Hadfield, Member Clement Danes Trust Brd and Associate Gov, Westfield Academy in Hertfordshire, for services to Education. Mrs Susan Morgan Hallam, Managing director, Hallam Internetfor services to Entrepreneurship and Innovation. Sacha Ian Harber-Kelly, Case Cont Serious Fraud Office, for services to Investigating and Prosecution of Fraud, Bribery and Corruption. David Lawrence Harcourt, for services to the community in Stourbridge. Mrs Jill Hardy, for vol service to the Arts in Dumfries and Galloway. Ms Jane Harley, Team Leader Teacher Strategy and Practice Unit, DFE, for services to Education and to the community in Sheffield. Mrs Florence Harper, for services to Cardiology in Co Tyrone. Ian David Harrabin, for services to Heritage and Regeneration in Coventry. Ian Michael Harris, Ch executive Wine and Spirit Education Trust, for services to the Wine and Spirit Industry. Ian Richard Harris, Hon Trustee Citizens Advice Bureau, for services to the Citizens Advice Bureau in Newcastle upon Tyne. Eric George Harrison, Formerly Youth Team Coach Manchester United Football Club, for services to Football. Prof Matthew Harrison, Trustee STEMNET, for services to Eng and Education. Mrs Margaret Ann Harvey, Vice Chair, Camden Assn of Foster Carers, for services to Children. Mrs Deborah Maria Heald, Managing director, Healdfor services to Exports and Promotion of STEM Careers for Women. Peter John Heald, Dir, Lunds of Otley, for services to Business and the community in W Yorks. Roderick John Heather, for services to Flood Risk Management. Christopher Charles Hebden, Chair, Southend MENCAP, for services to People with Disabilities in Essex. Dr Jonathan Heggarty, Dir of Curriculum, Belfast Met College, for services to FE in Northern Ireland. Mrs Margaret Dorothy Heller, for services to the Magistracy and to Vulnerable Families in the community in Southampton. Miss Jennifer Henderson, for parliamentary and vol service. Mrs Anne Hendy, Teacher, Hitchin Girls School, for services to Education. Mrs Inez May Henriques, for services to the West Midlands Caribbean Parents and Friends Assn. Matt Henry, Actor and Singer, for services to Musical Theatre. Mrs Maureen Constance Hercules, Founder and Headteacher, Dallington School, London, for services to Education. Hedley George Heron, for services to charity and the community in Northumberland. Kenneth Malcolm Hewitt, for services to Cross Community Relations in Londonderry. Mrs Beverley Elizabeth Hickey, Admin Officer, for services to Defence. Mrs Patricia Hiley, for services to Adoption. Ms Rachael Maria Hill, Nat Flood and Coastal Risk manager, Environment Agency, for services to Flood Risk Management and Flood Recovery. Mrs Michele Hodgson, Formerly Chair, Co Durham and Darlington Fire and Rescue Auth, for services to Fire and Rescue. Mrs Margaret Helen (Maggie) Hollingsworth, Formerly Trustee, Inspiration Trust, for services to Education. Mrs Susan Yvonne Hollister, Headteacher, Cefn Hengoed Community School, Swansea, for services to Education in Swansea. Mrs Carol Holt, Flood Incident manager, Environment Agency, for services to Flood Risk Management and the Environment. Colin Roy Hopkins, School Gov and Chair of Trustees Church of England Central Education Trust, for services to Education. William Thomas Hopkins, for services to the community, particularly Children and Maritime Safety, in South Wales. Mrs Pearline Evadney Howard, Foster Carer, Wandsworth BC, for services to Children and Families. Christopher Paul Hudson, Founder and Owner of Chimo Sheffield (Manufacturing)for services to Exports and Investment in Sheffield. Alan Thomas Hughes, Area Convener, Glasgow Children's Panel, for services to the Children's Hearings System in Scotland. Mrs Glenys Irene Hughes, for services to Music in Orkney and Charity in Malawi. John Martin Hughes, Managing director, Ryobi Aluminium Castings (UK), for services to Econ Dev in Northern Ireland. Christopher Robin Hyson, for services to the Magistracy and the community in Hampshire. Anthony Impey, Founder and chief executive officer, Optimity, for services to Apprenticeships, Small Businesses and Broadband Connectivity. Mrs Lindsey Ann Isaacs, Formerly head of Prevention, Dorset Fire and Rescue Service, for services to Fire Prevention and Community Safety in Dorset. Adrian Antony Jackson, Artistic director and chief executive officer, Cardboard Citizens, for services to the Arts. Dr Sarah Caroline Jarvis, Gen Prac in Shepherds Bush, London, for services to Gen Practice and Public Understanding of Health. Mark Richard Jefferson, Formerly Higher Officer, Nat Deep Rummage Team Immingham, Border Force North Region, Home Office, for public service. Ms Christine Ann Jeffery, Chair, Skills Grp UKfor services to Skills Training and charity. David Ellis Jenkins, for services to Maritime Safety. Mrs Philippa Helen Dodds John, for services to Young People and Culture in London. Ms Sian Bassett John, Formerly chief security strategist, Symantec Corp, for services to Cyber Security. Anthony Colin Johnson, Chair of Govs at Oaklands Primary, Yeovil, Somerset, for services to Education. Mrs Shahina Baloch Johnson, for services for the Arts and Creative Ind in Swindon and Wiltshire. Mrs Elizabeth Anne Johnston, for vol service to the community in Donaghadee, Co Down. Miss Carly Jayne Jones, for services to People with Autism. Mrs Karen Jones, for services to Children with Life Limiting Illnesses in the NW and North Wales. Peter Jones, Nat account manager, Nat Employer and Partnership Team, Dept for Work and Pensions, for services to Unemployed People. Mrs Rowena Wendy Jones, Paediatric Oncology Outreach Specialist Nurse, Hywel Dda Univ Health Board, for services to Sick and Disabled Children and End of Life Care. Trevor John Jones, for services to the community in Stoke-on-Trent Staffordshire. Mohammad Yaqub Joya, for services to the Army and the Muslim community in Northern Ireland. Mrs Shirley Kankowski, Project manager HM Revenue and Customs, for services to State Pension Reform. Andrew Charles Kaufman, for services to Holocaust Education. Mrs Dorothy Harriet Keane, Clinical Lead, E-Learning for Healthcare Image Interpretation Project, Soc of Radiographers, for services to Radiography. Mrs Kathleen Keillor, Gov, Caroline Haslett Primary, for services to Education. Mrs Susan Stephen Kennedy, Formerly Nat Co-ordinator, Gen Practice Nursing in NHS Education Scotland, for services to Gen Practice Nurse Education. Alexander Khan, CEO, Lifetime Training, for services to Apprenticeships. Ms Sadi (Mehmood Sajdah) Khan, for services to Cultural/Religious Awareness Training and vol service to Vulnerable Women. Ronald George Knight, Co-Founder, Knight Farm Machineryand Harvesting Machinery Historian, for services to ***Agric*** Eng Entrepreneurship and Charitable Fundraising. Geoffrey Arthur Knights, for services to the community in High Kelling in Norfolk. Reverend Bernd Koschland, for services to Holocaust Education. Dr Susan Elizabeth Kruse, for services to Community Archaeology in the Highlands of Scotland. Ms Grace Ladoja, for services to Music. Mrs Gillian Lane, Formerly vice-Chair of Govs, Central College Nottingham and Gov, Acorn Primary Fed, for services to Education. Mark Ralph Langshaw, Managing director, Continental Tevesfor services to the Economy and community in Blaenau Gwent. Ganiyu Laniyan, Managing director of Shian, for services to the community in London. John Larke, TD, for services to Music in Cornwall. Mrs Susan Florence Moyes Law, Chair, Muirfield Riding Therapy, for services to Riding for the Disabled. Ms Rosemary Leach, Principal Lecturer in Sport Dev, Sheffield Hallam Univ, for services to Education. Ms Ivy Agnes Lee, for services to Girlguiding in Northern Ireland. Mrs Michele Ganley Lee, Chair, Dyspraxia Foundation Charity, for services to Improving the Diagnosis and Treatment of Children with Dyspraxia. Prof Michael Levin, Prof of Paediatrics and Intl Child Health, Imperial College London and St Marys Hospital, for services to Infectious Disease Critical Care and Research. Mrs Alison Lewis, Site Lead, HM Revenue and Customs, for public service. Christopher David Lewis, Lifeguard RNLI, for services to Maritime Safety. Mrs Hannah Lewis, for services to Holocaust Education. Mrs Leonie Rachelle Lewis, for services to the Jewish community in London. Robert Joseph Stanley Long, for services to the community in Maldon Essex. Christopher Charles Loveday, for services to Children to People with Mental Health Issues and the community in Swindon. Mrs Elizabeth Ann Lovesey, for services to Education and the community in Great Barford, Bedfordshire. Mrs Deborah Karen Lovett, Dir of Export and Trade Finance, Credit Agricole Corporate and Investment Bank, for services to Exports. Timothy James Lovett, Dir of Public Affairs, British Beekeepers Assn, for services to the Beekeeping Industry. Carol Lukins, for services to HM Coastguard and the Prison Service. Ms Margaret Ann Lynch, for political service. Ms Inez Therese Philomena Alice Lynn, for services to Literature and Libraries in London. James Jamieson Lyon, Forest Management director, Forestry Commission, for services to Forestry and to Conservation in the NE. Mrs Katherine Mary (Kay) MacKay, Chair, Isle of Lewis Local Cttee, Cancer Research UK, for services to Charitable Fundraising. Miss Sine Cameron MacVicar, Formerly Headteacher of Dunbeg Primary, for services to Education and the community in Dunbeg, Argyll. Ms Roisin Maguire, Formerly Principal of St Josephs College, Stoke-on-Trent, for services to Education. Mrs Sajda Majeed, for services to the community in Burnley. Mrs Suzanne Marie Marklew, Sen Exec Officer, Foreign Liaison Staff(Army), MoD, for services to Defence Engagement. Ian George Marks, for services to the community in Warrington. Ms Lucy Marks, CEO and clinical psychologist, Compass Wellbeing, for services to Children's Mental Health and Primary Care. Mrs Margaret Patricia Martin, for vol service to Road Safety in Northern Ireland. Anthony Marwood, Violinist, for services to Classical Music. Ms Margaret Mather, Founder of Dundee Jun Showtime Youth Theatre, for services to the Arts and community in Dundee. John Bernard Roger Matthews, Trustee, Heart Your Smile, for services to Dentistry. Ms Linda Jane McAuley, Presenter BBC Radio Ulster, for services to consumers in Northern Ireland. Thomas Adrian McAuley, for services to First Aid and Healthcare in Northern Ireland. Thomas Celestine McBride, Head of Dept for Business Services, SW College, for services to FE in Northern Ireland. Mrs Margaret Lynne McCabe, Head, Welsh Tribunals Unit, for services to Admin Justice in Wales. Daniel McCallum, Co-founder and managing director of Awel Aman Tawe, for services to Community Energy in Wales. Mrs Hazel Roberta McCready, for services to Disabled ex-Police Officers in Northern Ireland. Angus James McIntosh, Managing director of Lecht Ski Centre, for services to Skiing and Tourism in NE Scotland. John Stuart McLester, for services to Education and the community in Monmouth. Mrs Stefa Janita McManners, for services to the community in Co Durham. Robert Duncan McPhail, for services to the community in Tarbert. Donald Wallace McPhie, Nat Trustee and Reg Representative for the West Midlands, SSAFA, for vol service to ex-Service Personnel. Mrs Carolyn Anne McVittie, Managing director, Stepahead, for services to Children and Families. Bazil Leonard Duncan Meade, London Community Gospel Choir, for services to the development of British Gospel Music. Mrs Jennifer Meakin, for services to Children with Disabilities, particularly through Sport. Thomas Frederic Metcalfe, for services to bell ringing in Cumbria. Dc Garry Millar, Police Service of Northern Ireland, for services to Policing and the community in Northern Ireland. Prof Mark Andrew Miodownik, Prof of Materials Science, Univ College London, for services to Science, Eng and Broadcasting. Ms Christine Valerie Mitchell, Account manager, Dept for Intl Trade, for services to Intl Trade. Ms Gillian Moglione, for services to the community in Liverpool. Mrs Moira Anne Monaghan, Formerly head teacher, Bushes Primary, Paisley, for services to Education in Renfrewshire. Mrs Margaret Gilmour Wilson Moodie, Formerly volunteer, St Columbas, for services to People with Life Limiting Illnesses and to Deaf People in Scotland. Henry Joseph Moore, TD, for services in support of the Northern Ireland peace process. Mrs Sandra Moore, CEO, Welcome Organisation, for services to Tackling Homelessness. Mrs Rachel Duncan Morgan, for services to UK Antarctic Heritage and Conservation. Pc Richard Hugh Morgan, South Wales Police, for charitable services to Armed Forces Veterans. Mrs Elizabeth Julie Morris, Headteacher, Severn Primary, Cardiff, for services to Education. Mrs Margaret Anne Morris, for services to Health and Wellbeing in Salford. Richard Morris, Formerly senior head of service, Children and Family Courts Advisory and Support Service, for services to Children in England. Mrs Karen Vivienne Morrison, for services to the Children's Hearings System in Scotland and the community in North Lanarkshire. Michael Cecil Moss, for services to golf tourism and charity in Northern Ireland. Ms Alison Moth, for services to education in Northern Ireland. Mrs Sylvia Doreen Moys, Mbr, Court of Common Cncl, for services to the City of London Corp and education in Croydon. Ms Ann Stewart Muir, Vol, Macmillan Cancer Voice, for services to people affected by cancer in Scotland. Eric Eugene Murangwa, for services to raising awareness of the Rwandan genocide. Kenneth John Nelson, CEO, LEDCOM, for services to economic development and the vol sector. Edward Augustus Nestor, for services to radio and to charity. Mrs Moira Newton, for services to the Jewish community in north London. Peter John Wellesley Noble, for services to photography and to charity. Mrs Alison Elizabeth North, Teacher and choir leader, Lindley Jun School, Huddersfield, for services to Education. Mrs Josephine Maria O'Farrell, for services to the community in Crowthorne and Bridport, Dorset. David George Openshaw, for services to Music in Northern Ireland. Prof Gerard Patrick Parr, for services to developing telecoms infrastructure in Northern Ireland. Miss Janet Elizabeth Parrott, for vol political service. Dr Bernard Neil Parsons, Co-founder and chief executive officer, Becrypt, for services to Digital Tech. Atulkumar Bhogilal Patel, for services to heritage and the community in the East Midlands. Mubeen Yunus Patel, Admin officer, Personal Tax Operations, HM Revenue and Customs, for services to Public Sector Digital Transformation ***Programme***. Robert Ian Paterson, for services to Paralympic Sport. Desmond George Arthur Payne, Master distiller at Beefeater London Dry Gin, for services to the British Gin Industry. Ms Bernadette Peers, Compliance manager at ***Strategic*** Shippingfor services to Export Control. Maj (retired) Donald Peploe, Staffofficer, Army Equipment Support, MoD, for services to Military Capability. Clifford Edward Perry, Business coordinator, Railway Div, Institution of Mech Engs, for services to Railways. Mrs Janice Pettit, for services to youth work and the community in the London Borough of Waltham Forest. Ms Marcella Eileen Phelan, for services to young people in Ealing London. Ms Helen Margaret Phillips, for services to Welsh gymnastics and the Commonwealth Games Cncl for Wales. Martin Graham Highmore Phipps, Harbourmaster, for services to UK exports. David Pickering, Education administrator and teacher, Royal Ballet, for services to the Arts and Education. Michael John Pipes, Formerly school governor, for services to Education. Mrs Susan Platten, Bedfordshire and Hertfordshire Business and Partnership manager, Dept for Work and Pensions, for services to Young People. Timothy Michael Staden Pocock, for services to education and charity. Mrs Kathryn Podmore, Formerly principal, Birkenhead Sixth Form College, for services to Education. Mrs Diana Lois Porter, Founder, Fresh Start-New Beginnings, for services to sexually abused children, young people and their families. Stephen Philip Prenter, for services to arts, business and education. Michael Julian Prior, Commercial officer, Military Flying Training System ***Programme***, MoD, for services to Military Training Provision. Adrian John Prior-Sankey, for services to the community in Taunton. Capt (retired) Santa Pun, Staffofficer, Army Div, Defence Academy, for services to Defence. Naeem Rabbani Qureshi, for services to the community in Sparkbrook. Dr Robert Ramdhanie, for services to dance. Dr Michael John Rance, for services to the community in Macclesfield. Mrs Dorothy Anne Rand, for services to local government and the community in Durham. Gurmit Singh Randhawa, for services to community cohesion in the Vale of Glamorgan. Mrs Linda Mary Ransom, for services to the community in east London and Essex. Andrew Rowland Ready, Sen surgeon, Renal Transplant ***Programmes***, Univ Hosp Birmingham, for services to Renal Transplantation. Alan Regin, for services to campanology and its heritage. Allan Martin Russell Reid, for services to the community in Winchester. Mrs Ann Lorraine Reid, Cllr, City of York Cncl, for services to local government. Mrs Patricia Ann Reid, Sec, Dunfermline Tennis Club, for services to tennis and lacrosse in Scotland. Mrs Stefanie McLeod Reid, for services to Paralympic Sport. Mrs Janet Elizabeth Riches, for political and public service. Christine Elizabeth Robson, Watch manager, Co Durham and Darlington Fire and Rescue Service, for services to the Fire and Rescue Service and the community in Co Durham. Dr James Peter Robson, Doctor, Scotland Nat Rugby Team and head of Med Services, Scottish Rugby Union, for services to Rugby. Mrs Louise Mary Rooney, Sen nurse and head of prison healthcare, HM Prison Usk, for services to nursing and prison healthcare in Monmouthshire. Mrs Paula Roots, Grp manager, Early Years and Early ***Intervention***, West Lothian Cncl, for services to the community in West Lothian. Ms Carolyn Ann Roseberry-Sparkes, Dep director, Border Force, Home Office, for services to Border Security. Dr Nicholas Andrew Nesbitt Rowe, Dir of Converge, York St John Univ, for services to people with mental ill-health in Yorkshire and the NE. Mrs Linda Ruth Rowles, Personal assistant to directors for higher education reform, DFE, for services to education and to the community in Bromley. Prof Helen Elizabeth Roy, Grp leader, population ecology. Centre for Ecology and Hydrology, for services to Biodiversity Research, Science Communication and Citizen Science. Miss Leslie Ann Roy, for services to Athletics in Scotland. Sean Edward Ryan, Vol, St Monica's Flixton Parish, Manchester, for services to refugee resettlement. Simon Charles Ryder, Watch Manager, Gt Manchester Fire and Rescue Service, for vol service to the Manchester Children's Burns Camp and Northern Burns Care Network. Ms Joan Salter, for services to Holocaust Education. Mrs Joan Mary Sanger, for services to charity and the community in Beckingham S Yorks. Dr Mehool Harshadray Sanghrajka, for services to the Jain Faith and Education. Jeffrey Scorah, MoD, for services to Defence. Neil Duncan Scott, Project support officer, Dept for Business, Energy and Industrial Strategy, for public service. Dr Martin Pengton Seah, Emeritus Sen Fellow in Surface and Nanoanalysis, Nat Physical Laboratory, for services to Measurement Science. Keith Dennis Sears, Formerly inspector, Sports Ground Safety Auth, for services to Sport. Mrs Diana Joyce Seeney, for services to the Girls Brigade. Shyamal Kanti Sengupta, for services to Interfaith Relations in Renfrewshire. William Robert Sergeant, QPM, Cnty vice-Chmn, Merseyside and West Lancashire, Ryl Brit Leg, for vol service to ex-Service Personnel and to First World War Remembrance. Prof Vikas Sagar Shah, Mbr, Industrial Dev Advisory Brd and chief executive officer, Swiscot Group, for services to Business and the Economy. Ms Summera Naheed Shaheen, Owner, Diamond Studio, for services to Business and the community in Glasgow. Dr Rohit Shankar, Conslt in Adult Deval Psychiatry, Cornwall Partnership NHS Foundation Trust, for services to People with Learning Disabilities in Cornwall. Ms Anne Florence May Shaw, Foster carer, Sheffield City Cncl, for services to Children and Families. Mrs Margaret Ann Shields, Admin assistant, MoD, for services to Defence. Mrs Patricia Anne Shore, for services to the community in Harrogate. Dr Sanjiv Kumar Shridhar, Gen Prac in Nantwich, Cheshire, for services to Primary Care. Miss Anya Shrubsole, for services to Cricket. Ms Hazel Marie Simmons, for services to Local Government in Luton. Colin Ian Angus Skeath, Formerly neighbourhood inspector, W Yorks Police, for services to Policing and the community in Halifax. Mrs Frances Jane Sloan, Chair, Aldouran Wetland Garden, for vol service in Leswalt, Wigtownshire. Mrs Emma Louise Smith, Head of operations, Nat Crime Agency, for services to Tackling Econ Crime. Jeffrey Douglas Reginald Smith, Founder, Ards Peninsula First Responders Group, for services to Health in Northern Ireland. Raymond John Smith, Ceremonial Technical Officer, House of Commons, for services to Parliament. Mrs Susan Smith, jt chief executive, South Northamptonshire and Cherwell district councils, for services to Local Government. Ms Wendy Jane Smith, Community Engagement ***Strategic*** Lead, Peninsula School of Dentistry, for services to Oral Healthcare and Dental Education in the SW. Jonathan William Spencer, Head of ***Planning*** and Environment, Forest Enterprise England, for services to Woodlands, Nature Conservation and the Environment. Peter Stewart Spencer, Adviser, Environment Agency, for services to Flood Hydrology and the Economy. Dr Andrew Spiers, Dir of Science and Tech, Ardingly College, for services to Education. Michael George Squire, Foster carer, Wiltshire Cncl, for services to Children and Families. Mrs Rachel Denise Squire, Foster carer, Wiltshire Cncl, for services to Children and Families. Dr Seema Srivastava, Safety ***Programme*** and Falls Lead, North Bristol NHS Trust, for services to Improving Quality and Patient Safety. David Leonardus Steenvoorden, Supt Coxswain, Humber Lifeboat Station, RNLI, for services to Maritime Safety. Prof William Stephens, Univ secretary and head executive office, Cranfield Univ, for services to Higher Education. Dr Martin Adam Stern, for services to Holocaust Education. Mrs Alison Rosemary Stewart, for services to Libraries in Suffolk. David Arthur Stone, for services to Young People and the community in Wolverton Warwickshire. Mrs Freda Streeter, for services to Open Water Swimming. Paul Anthony Strothers, Formerly chief executive officer, Zodiac Seats (UK)for services to the Dev of Aerospace Manufacturing in the UK. Ms Deborah Alison Sugg, for political and public service. Madeleine Sumption, Dir, Migration Observatory. Univ of Oxford, for services to Soc Science. Bryan James Sutherland, Eng, Loganair, for services to the Orkney Air Service. Mrs Claudette Joyce Sutton, Formerly chief executive officer, Minority Ethnic Talent Assn, for services to Diversity in the Civil Service. Mrs Rosamund Anne Sweet, Police Community Support Officer, City of London Police, for services to Policing and the community in the City of London. Dr Melinda Tan, Rector, Univ of Central Lancashire Cyprus Branch Campus, for services to British Higher Education Overseas and the Promotion of Bi-communal Relations in Cyprus. Ms Elizabeth Tappenden, Owner and founder In to Bizfor services to Small Business Start-ups and Women in Business on the Isle of Wight. Angela Tate, Probation officer, HM Prison Isle of Wight, for services to Probationers and vol work to the community on the Isle of Wight. Patrick Francis Benjamin (Ben) Tatham, for services to the community in the Mole Valley. Mrs Suzanne Jane Taylor, for services to Education. David Anthony Temple, Musical director, Crouch End Festival Chorus, for services to Music. Gerald Robert Tessier, Review manager, Boundary Commission for England, Cabinet Office, for services to Democracy. David Thomas, for services to Soc Work Education and People with Disabilities. Mrs Elizabeth Ann Patricia Thomas, Grp Leader, Bereavement Service, Gloucestershire, for services to Supporting People Bereaved by Suicide in Gloucestershire. Michael Everard Thornhill, for services to the community in Leominster. Robert Telford Tinlin, Formerly chief executive, Southend on Sea BC, for services to Local Government in Essex. Prof Michael John Tipton, Prof of Human and Applied Physiology, Univ of Portsmouth, for services to Physiological Research in Extreme Environments. Mrs Stella Gladys Tomkinson, for services to Foster Care in Warwickshire. Adrian Treharne, Grade 7 Capabilities and Resources, Home Office, for services to People with Disabilities in the Public and Charitable Sectors. Kevin Trickett, for services to the community in Wakefield W Yorks. Ian Nigel Tully, for services to Music. Prof Lynne Frances Turner-Stokes, Conslt in Rehabilitation Medicine, Northwick Park NHS Trust, and Herbert Dunhill Prof of Rehabilitation, Kings College, Univ of London, for services to Rehabilitation Medicine. Prof Philippa Jane Tyrell, Prof and consultant, Stroke Medicine, Salford Royal NHS Foundation Trust and Univ of Manchester, for services to Stroke Medicine and Care. Mrs Frances Margaret Veal, for services to the community in Bridgnorth, Shropshire. Dr Tracey Jayne Vell, Gen Prac, Surrey Lodge Grp Practice, Gt Manchester, for services to Primary Care. John Victor Frederick Voss, for services to Rugby. Dr Joanna Margaret Walker, Conslt Paediatrician, Portsmouth Hospitals NHS Trust, for services to Children, Young People and Families in Hampshire and West Sussex. Ms Anne Amelia Manson Wallace, Sen personal secretary, Dept for Communities Northern Ireland Exec, for services to the Northern Ireland Civil Service. Miss Verena Lesley Wallace, Midwife, for services to Midwifery in Northern Ireland. David Walsh, MoD, for services to Defence. Dr Jennifer Mary Walsh, Independent Research and Dev manager, for services to Transmissions Research and Dev. Ms Hayley Walters, Welfare and Anaesthesia Vet Nurse, Univ of Edinburgh, for services to Vet Education and Animal Welfare. Stephen James (Steve) Waltho, Formerly Mayor of Dudley, for services to Local Government and the community in Dudley. Cleveland Alexander Watkiss, Jazz vocalist, actor and composer, for services to Music. Mrs Alison Jayne Watson, CEO, Class of Your Own, for services to Education. Andrew Paul Watson, Leader, Geese Theatre Company, for services to the Arts in the Criminal Justice System. William John Allen Watson, for services to Cycling. William Duncan Watt, Chmn, Wick Harbour Auth, for services to the community in Wick and Caithness. Edward John Watts, for services to the Scouting Movement, Mission to Seafarers and Community Cohesion in South Wales. Derek Weaver, Curator, Marine Eng Museum, HMS Sultan, for vol service to Naval Heritage. James Lewis West, Formerly head, Product Assurance, AWE Aldermaston, for services to Nuclear Safety. Christopher John Whiteside, for political and public service. Derrick John Willer, Schools Liaison Officer, Institution of Eng and Tech, for services to Education. Mrs Cheryl Barbara Williams, Dir, Yorkshire Wildlife Park, and chief executive, Yorkshire Wildlife Park Foundation, for services to Business and Conservation. James Hugh Alexander Williams, for services to the Shrievalty and the community in Hertfordshire. Mark Williams, Manager, Investigations, Specialist Operations, Nat Crime Agency, for services to Law Enforcement. Martin Williams, Foster carer, Croydon BC, and Chair, Croydon Foster Carer Assn, for services to Children and Families. Ms Jacqueline Frances Williamson, Founder, Kinship Care Northern Ireland, for services to Carers and Children in Northern Ireland. Robert Clive Wilson, Dir of Estates and Facilities, Univ of Bradford, for services to Higher Education and Sustainability. Dr John Albert Wood, Gen Prac, St Elizabeths Med Centre, for services to Gen Practice in Leicester. Mrs Janet Sarah Woodroffe, for vol and charitable services in Wistanstow, South Shropshire. Mrs Barbara Ann Woodward-Carlton, Chair, Univ of Bradford Panel for Dementia Research, for services to Patient and Public Involvement in Furthering Dementia Research. BRITISH EMPIRE MEDAL BEM David John Allen, for services to the community in Barnsley. Thomas Allen, for services to the community in Donemana Co Tyrone. Ms Yasmin Jade Allen, Clinical Fellow, NHS, for services to Oral Health. Michael Anthony Amies, Formerly Chair, Organ Donation Cttee, Worcestershire Acute Hospitals NHS Trust, for services to Healthcare. Anthony Robin Ardron, for services to People with Learning Difficulties in Cumbria. Antony Robin Brian Ashburner, for services to the community in Exford, Somerset. Mrs Violet Atkinson, Road Safety Vol, Northumbria Police, for services to Road Safety Awareness and Education in Northumberland. Mrs Sarah Avery, Team manager, Child Protection and Court Team, Bath and NE Somerset Cncl, for services to Children. Mrs Gertrude Ayer, for services to the community in Annfield Plain, Co Durham. Peter Baillie, Sen Exec Offr MoD, for services to Defence and the Veterans. Ramon Lionel (Ray) Banks, for services to the community in Tiptree Essex. Reginald Robert Barry, for services to the community on the Isle of Wight. 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Mrs Margaret Cahoon, Learning Support assistant, Knockloughrim Primary, Magherafelt, for services to Education in Northern Ireland. Mrs Gayle Luett Carson, Administrator, Northern Ireland Custody Visitor Scheme, for services to Prisoner Welfare and charity in Northern Ireland. Samuel Frederick Erskine (Ricky) Caruth, for services to Rowing in Northern Ireland. Colin Russell Case, for vol and charitable services to the community in Ruyton XI Towns Shropshire. Mrs Anita Itallina Castellina, for services to the community in Cannock. Stephen Chapman, for services to Music in Northern Ireland. Paul Clabburn, Member London Veterans Advisory and Pensions Cttee, for services to Veterans and to Awareness of Cardiac Risk. Mrs Susan Clarey, Office manager, St. Annes Church of England Primary, Bishop Auckland, for services to Education. Mrs Mary Clarke, for services to Flood Defence and the community in Cardiff. Mrs Jacqueline Clark-Basten, for services to the community in Sipson, Middlesex. Mrs Jean Clarkson, for services to Riding for the Disabled in Dumfries and Galloway. Mrs Gayle Denise Clay, Team manager, Homeless Healthcare Team, Gloucestershire Care Services NHS Trust, for services to Community Health for Homeless and Vulnerable People. Richard Cleaves, for services to the community in Ewhurst Surrey. Jonathan Victor Cooke, for services to Cross Community Relations through Sport in Northern Ireland. John Mervyn Cornish, for services to the community in Stewkley. Buckinghamshire. Lee Coulson, for services to Disability Basketball. John Charles Cox, for services to Scouting and to Holy Trinity Church Bradford on Avon. Mrs Patricia Anne Cox, for vol and charitable services. Michael Credland, for services to First World War Heritage and Remembrance. Mrs June Mary Crew, for vol service to Natural History and the community in Broxbourne Hertfordshire. Tom Crosby, Vol Network Rail Community Safety ***Programme***, for services to Railway Safety. Mrs Diane Gail Curtis, Manager, Bowel Screening Wales, for services to Cancer Patients. Mrs Nadine Samantha Daniel, for services to Interfaith and Community Relations in Merseyside. Mrs Jacqueline Rhys Davies, for services to Young People in Cheshire. Mrs Dawn Ruth Davis, Northern Ireland Environment Agency, for vol services through the Samaritans. Ms Wendy Elizabeth Daws, for vol service to Visually Impaired People in North Kent. Hamish Dean, Pipe Major Huntly and District Pipe Band, for services to Piping and the community in Aberdeenshire. Mrs Elizabeth Gabrielle Deans, for vol service to the Western Health and Soc Care Trust, Northern Ireland. Mrs Sheila Delahoy, for services to Cancer and Cystic Fibrosis charities in Flintshire. Mrs Louise Gail Dembny, Exec Officer, Dept for Work and Pensions, for public and charitable services. Leslie David Dennison, DL, for services to charity. Watch Cdr David Denvir, Northern Ireland Fire and Rescue Service, for services to Fire Safety in Northern Ireland. Mrs Rosalind Jane Dolding, for services to the community in Edington and Polden Hill, Somerset. Mrs Theresa Mary Douglas, Police StaffPolice Service of Northern Ireland, for services to Policing and the community in Northern Ireland. Mrs Rosemary Enid Dowie, for services to the community in Weston-Super-Mare, Somerset. Ms Mary Dowson, for services to Community Radio. Gregory Matthew Drozdz, for services to the community in Hinckley. Leicestershire. Mrs Hazel Valerie Drummond, for services to Music in Northern Ireland. Mrs Frances Edwards, for services to the community in Bishopsteignton, Devon. Thomas Wallace Elder, for services to the community in Ahoghill Co Antrim. James Andrew Emery, for vol service to the Boys Brigade and the community in Co Tyrone. Miss Alison Lesley Evans, for services to the community in Suffolk. Gareth Evans, Dep Local Policing Insp South Wales Police, for services to Community Cohesion and Engagement. Gordon Malcolm Evans, Chmn Stafford Town Football Club, for services to Football in Stafford. Ms Efe Elizabeth Ezekiel, for services to Young People in London. Special Pc Lloyd Bartle Fairey, Northamptonshire Police, for services to Policing and the community in Wootton Fields Northampton. Adrian Kenneth Farmer, for services to the community in Belper and Derwent Valley. Derbyshire. Mrs Gay Sandra Fifield, for services to Older People in South Wales. Miss Susan Ann Fifield, for services to the community in Farringdon Hampshire. Robert Fisher, for services to the Northern Ireland Prison Service Pipes and Drums Band. William James Keith Fleming, for services to Young People through the Church Lads and Church Girls Brigades and Duke of Edinburghs Award Scheme. Mrs Joan Marie Flynn, Formerly Sen Receptionist, Med Research Cncl, for services to the Med Research Cncl. Mrs Anne Danson Forbes, Refugee Resettlement Co-ordinator, Ashford BC, for services to the Resettlement of Syrian Refugees in the UK. Mrs Hilary Cynthia Ford, School volunteer, Herringthorpe Jun School, Rotherham, for services to Education. Edwin Ian Fowles, Trumpeter Bunbury Branch, Ryl Brit Leg, for vol service to ex-Service Personnel. Gregory Francis, Sen Offr Nat Cyber Crime Unit, Nat Crime Agency, for services to Law Enforcement and Protecting Vulnerable People. Ms Sabrina Alicia Francis, Soc Media Offr City. Univ of London, for services to the Univ of London. Mrs Margaret Louise Frost, for services to charity and the community in Bude, Cornwall. Stuart Alan Frost, for services to the community in Harrogate N Yorks. Alan Futter, for services to People with Visual Impairments. Mathew Fyfe, Poppy Convener Ryl Brit Leg, for services to Veterans in Aberdeenshire. Patrick James Gaul, for vol service in TurriffAberdeenshire. Bernard Oswyn George, for services to Withybush Hosp Chemotherapy Day Unit Pembrokeshire. Mrs Patricia Elizabeth George, for services to Withybush Hosp Chemotherapy Day Unit, Pembrokeshire. Mrs Teifwen Mary George, for services to Equality. Young People charity and the community in Merthyr Tydfil. Mrs Mary Bernadette Glass, for services to Nursing and the community in the Causeway Area, Northern Ireland. Mrs Mary Sydney Grace, for services to the community in Crawley. West Sussex. Aonghas William Grant, for services to Fiddling and Music Tuition in the Highlands. David Edward Gravell, for services to charity. Sport and Education in Wales. Mrs Jenny Griffiths, for services to Wrexham Maelor Hosp North Wales. Ms Lesley Ann Hall, for services to Education. Mrs Isabella Turnbull Halliday, Fundraiser, Children's Hospices Across Scotland, for services to charity. Benjamin David Hammond, for services to Dance and charity. Peter George Thomson Hardie, Badminton and Tennis Coach, for services to Sport and Young People in the Scottish Borders. Mrs Celia Hargrave, for services to charity and the community in Sheepscombe, Gloucestershire. Mrs Roberta June Harrington, Education Officer, Chelmsford Cathedral, Essex, for services to Education. Mrs Margaret Mary Harvie, for services to Music in Dumfries and Galloway. Mrs Judith Haycocks, Healthcare assistant, Whitchurch Community Hospital, Shropshire Community Health NHS Trust, for services to Care of Older People. Mrs Kathryn Jane Heyworth, for services to the community in Burnley. Mrs Emmelence Irivuzimana Higgins, Manager, Barlochan Care Home, for services to Older People in Castle Douglas, Dumfries and Galloway. Henry Arnold Hill, Tailor to the RN and RM, for services to Naval Personnel. Dr Norman Wesley Francis Berkeley Hill, for services to Music in Kent. Ms Roselyn Hirst, Sen chief Cardiac Physiologist Manchester Royal Infirmary, for services to the NHS. 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Mrs Jennifer Kay McIntosh, Offr in Charge, Anchor Boys, 1st Buckie Company, for services to the Boys Brigade. Mrs Barbara McKinley, Co secretary, Ulster Orchestra, for services to Culture in Northern Ireland. Mrs Selma Anne McMullan, for services to Young People through the Girls Brigade in Ballycastle, Co Antrim. Mrs Jeanette McMurray, Police Staff, Police Service of Northern Ireland, for services to Policing and the community in Northern Ireland. Mrs Sarah Reeman McNamara, for services to the community in Terling, Essex. Mrs Iris Phoebe McSwigin, for services to charity and Community Relations in Fivemiletown, Co Tyrone. Ms Heather Mealing, for services to People with Disabilities and their Carers in Leeds and East Sussex. Miss Lucia Quinney Mee, for services to Promoting Public Awareness about Organ Donation. Andrew Menmuir, Grp Scout Leader, Tannadice Scout Group, for services to the Scouting Movement in Angus. 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Ernest O'Hara, for services to ***Agric*** and the community in Northern Ireland. Alex Peter Oliver, for services to charity and the community in Durham. Dr Chaim Olmer, for services to Holocaust Education. Mrs Rebekah Mary Olphert, Founder and Artistic director, Ballymena Chamber Orchestra, for services to Music. Francis Peter George Osborn, Civilian Instructor, Bexley and Lewisham Sea Cadets, for vol service to Young People. Ms Jane Claire Owen, Train Running Cont, Network Rail, for services to the LGBT community. Mrs Melanie Jane Petrina Parker, for services to Girlguiding and the Ryl Brit Leg. Martin Richard Parry, for services to Film, Media and Music. Mrs Ann Marjorie Francescia Pembroke, for services to the Cultural History of the City of London. Josef Perl, for services to Holocaust Education. Hugh Raymond Phillips, for services to Gymnastics. 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Dominick John Chilcott, CMG, Former HM Ambassador, Dublin, Ireland, for services to British foreign policy. Paul John Mahoney, UK Judge of the European Court of Human Rights in Strasbourg, for services to international justice. Mark Sedwill, CMG, Nat Sec Adv and former permanent secretary at the Home Office, for services to UK national security. CMG Duncan Brierton Allan, MBE, Research Analyst, Eastern Europe and Central Asia Directorate, Foreign and Commonwealth Office, for services to supporting and informing British government policy towards Russia. Francis Raymond Baker, OBE, Formerly HM Ambassador, Baghdad, Iraq, for services to British foreign policy and UK/Iraq relations. Ms Alison Mary Blake, High commissioner Dhaka, Bangladesh, for services to British foreign and security policy. Prof Terence Vincent Callaghan, Prof of Arctic Ecology and director Univ of Sheffield, for services to advancing knowledge and international collaboration in Arctic science. Ms Diana June Nelson, OBE, Head of Health and Welfare Intl, Human Resources Directorate, Foreign and Commonwealth Office, for services to the welfare of staffand families working for the British Government overseas. Quentin James Kitson Phillips, Dir Foreign and Commonwealth Office, for services to British foreign policy. Dr William George Stirling, Formerly director gen European Synchrontron Radiation Facility and lately director Institut Laue-Langevin, Grenoble, France, for services to British science and international science collaboration. ORDER OF THE BRITISH EMPIRE OBE Mrs Margaret Therese Al-Sayer, Founding director, Kuwait Assn for the Care of Children in Hosp and the Bayt Abdullah Children's Hospice, Kuwait, for services to child health and hospice provision in Kuwait. Mrs Susanna Gisela Berry, Dep director, Foreign and Commonwealth Office, for services to national security. 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Mrs Marrena Ruby Bradshaw, Ch of Staffto the director, Middle East and North Africa Directorate, Foreign and Commonwealth Office, for services to British foreign policy. Paul Broom, Political Officer, British High Commission, Singapore, for services to UK/Singapore relations. Jeremy Chivers, Former Stabilisation Advisor, British Embassy Beirut, for services to UK/Lebanon relations. Mrs Patricia Coelho, First secretary Political, British Embassy. Tunisia, for services to British foreign policy. Mrs Lesley Anne Hanson De Moura, Formerly Hon Consul for Bahia and Sergipe, Brazil, for services to the British community in Bahia and Sergipe states in Brazil. Philip Oscar Dexter, Global Teacher Dev Adviser, English and Exams, British Cncl, for services to special educational needs, equality. diversity and inclusion. Paul David Hamilton, Reg Sec Advisor, Foreign and Commonwealth Office, for services to overseas security. 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**Graphic**

The Duchess of Cornwall chats to Susan Hampshire, a patron of the National Osteoporosis Society. The three-time Emmy award-winning Forsyte Saga actress, 80, who has been made an CBE for her services to drama and charity, is also patron of the British Homeopathic Association, Body Positive Dorset, the HIV charity, Dignity in Dying and Population Matters, the population concern charity.CHRIS JACKSON/ GETTY IMAGES

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**Body**

Brussels: Public Register European Parliament has issued the following document:

Briefing September 2017 EPRS | European Parliamentary Research Service Author: Enrico D'Ambrogio Members' Research Service PE 608.679 EN India and prospects for closer EU ties SUMMARY The EU and India – two multicultural democracies with a constitutional structure containing elements of federalism – potentially have much in common. However, they face different geopolitical concerns; the fact that each party's attention is focused on its own neighbours (in the case of New Delhi, this translates into a 'Chinese obsession'), has prevented them from developing the ***strategic*** partnership they had agreed upon in 2004. The stalemate in negotiations for a free trade agreement, which started in 2007 and reached deadlock in 2013, has also hindered progress towards closer relations. In India, although the EU does not get much media coverage, it is generally viewed positively. Both the Indian leadership and the general public have a stronger perception of individual Member States than of the EU as an entity, whereas the Indian elite is more aware of the European Union. Several Indian observers regret the EU's attitude of 'preaching and finger pointing'. Even though the latest EU-India Summit held in 2016 did not succeed in making a breakthrough in the negotiations for a free trade agreement, it endorsed the EU-India Agenda for Action 2020 as a common roadmap aimed at reviving the ***strategic*** partnership between the two parties.

While waiting for economic relations to develop further, the two could focus on other possible areas of cooperation such as maritime security and coordination of activities in the Middle East and Afghanistan. In this briefing:  India's perceptions of the EU  Priorities of India's foreign and domestic policy  EU-India relations  Developing ties between the EU and India EPRS India and prospects for closer EU ties Members' Research Service Page 2 of 8 India's perceptions of the EU According to a study requested by the European Commission, the EU has limited coverage in the Indian media, which tend to provide news about Europe as a whole instead. The EU has more visibility than other international bodies (except the World Bank), but less than individual countries such as the USA and Japan. News reports on the EU are mostly focused on political and economic affairs; despite there being a strong scientific cooperation between the EU and India, it is hardly ever mentioned. The EU is generally viewed positively, though less so when the reports are dealing with the EU-India Bilateral Trade and Investment Agreement (BTIA) talks or anti-trust cases. Nevertheless, according to analyst Florian Britsch, 'general perceptions and public opinion have been influenced by US and British media, which often portray a rather Eurosceptic view'. Ordinary Indians tend to be more aware of the EU Member States — considered primarily as an attractive holiday destination — than of the EU as a political entity. The European Parliament and the European Central Bank are the most frequently mentioned EU institutions and the euro is the image most closely associated with the EU. Public opinion does not perceive environmental protection and the fight against climate change as domains where the EU is prominent enough to be mentioned. The elite, on the contrary, is quite familiar with the EU, though less so with its supranational system or the way it shares competences with its Member States. Some members of the elite are acquainted with the EU in its capacity of a normative power. While the elite knows about the EU's educational ***programmes*** (for instance, Erasmus Mundus), most ordinary Indians do not. That said, they are aware that Europeans have a high level of education as a whole. Several Indian observers regret the EU's 'preaching and finger pointing'; this, together with the perception of Brussels' decision-making process as being slow and the EU as having limited relevance to India with regard to many issues, makes the Indian leadership quite eager to pursue bilateral relations with individual EU Member States that are key to New Delhi instead. This is the case of France, a major Indian partner in defence, space and nuclear energy, as shown for instance by the purchase in September 2016 of 36 Rafale fighter jets ***produced*** by the French company Dassault Aviation, following a long negotiation process. Paris has a clear stake in the Indian Ocean, where besides its military presence, 1 million French citizens inhabit its overseas territory islands, Réunion and Mayotte. Germany is New Delhi's top EU trade partner, and the two countries conduct biennial intergovernmental consultations on trade, investment and ***strategic*** relations. The United Kingdom ─ home to a major Indian diaspora ─ has a historical relationship with India and some media are already speculating on a possible post-Brexit bilateral trade agreement. Figure 1 – Indians' views of other countries or bodies Source: PEW Research Center, 2014. 0 10 20 30 40 50 60 70 80 USA Japan Russia United Nations China EU Pakistan Favorable Unfavorable EPRS India and prospects for closer EU ties Members' Research Service Page 3 of 8 Priorities of India's foreign and domestic policy Narendra Modi and India's increased presence in the global arena India is a nuclear power with a traditional 'No First Use' policy. In 2010, it announced that this policy had evolved towards the concept of 'Credible Minimum Deterrence', targeted exclusively at nuclear powers, and that 'No First Use' was from now on to target all the rest. India is not a member of the Nuclear Suppliers Group (NSG) on trade in civil nuclear technology, following China's opposition to its admission. In previous decades, India had been leader of the Non-Aligned Movement. Its foreign policy had been guided by an idealistic attitude (including active participation in the movement for disarmament and decolonisation) and the principle of non-interference. It had never entered into formal alliances since its independence in 1947. However, a transition towards a more pragmatic stance has been brought to completion under Narendra Modi, prime minister since May 2014. Committed to making India a global power, he has increased its presence in the global arena, travelled frequently abroad and succeeded in getting major powers to renew their interest in India. Through the 'Neighbourhood First' policy he has highlighted the need to revitalise relations with the countries in closest proximity to India. He has rebranded India's policy towards its south-eastern partners as 'Act East', engaged in regional groupings (for instance, BIMSTEC) and made India a reliable partner to ASEAN). New Delhi has put new emphasis on its maritime policy and the Indo-Pacific region: today, India conducts about 90 % (by volume) and 77 % (by value) of its international trade by sea. India's two main concerns: China and Pakistan India's main foreign policy concern is its complex, often antagonistic relationship with its two biggest neighbours, Pakistan and China. Both are nuclear powers and their extensive shared borders with India are a source of long-standing disputes with it. India and Pakistan began to quarrel with each other from the moment they obtained independence from British rule. At the heart of their dispute lies the issue of control over the northwestern Kashmir region ─ called 'Jammu and Kashmir' by India ─ which has prevented the development of closer ties in south Asia and provoked the SAARC (South Asia Association for Regional Cooperation) stalemate. Islamabad has nurtured ambiguous relations with terrorist groups that are based in its territory and seek to strike Indian targets; New Delhi has hinted at offering possible support to the rebels in the Pakistani region of Baluchistan. Indians perceive Pakistan as the biggest threat to their country. However, the main issue confronting the Indian leadership today is Beijing's rising profile in south Asia and the Indian Ocean region, threatening New Delhi's traditional supremacy there. China's massive 'Belt and Road' connectivity and cooperation initiative, its military activity in the Indian Ocean, its assertiveness in the Himalayan region (including its involvement in the dispute regarding Bhutan's Doklam Plateau from June 2017) and its growing ties with India's land and sea neighbours (especially with Pakistan, mainly in connection with the construction of the China-Pakistan Economic Corridor, CPEC, across Kashmir) have given New Delhi a sense of 'encirclement'. Yet, despite this rivalry, trade relations are solid: China is India's second-largest trading partner after the EU. China also supported India's membership (along with Pakistan's) of the Shanghai Cooperation Organisation (SCO) as of June 2017. Furthermore, India is the second-largest shareholder (7.5 %) of the Beijing-guided Asian Infrastructure Investment Bank (AIIB). Forging relations with the USA and Japan, while keeping ties with Russia Sharing similar concerns about China's global ascent and its territorial ambitions, India and Japan have elevated their relationship to a 'Special ***Strategic*** and Global Partnership', EPRS India and prospects for closer EU ties Members' Research Service Page 4 of 8 covering economic and security cooperation. This partnership is welcomed by the USA; consequently, in 2016 India expanded its annual Malabar bilateral naval exercise to include Japan.1 Tokyo's economic assistance allows for ambitious projects, providing a competitive alternative to China on critical Indian infrastructure projects. Prime Minister Modi envisages developing ties with the USA to counter China. When then US President Barack Obama visited New Delhi in January 2015 to attend the Republic Day ceremonies as chief guest, the partners signed a 'US-India Joint ***Strategic*** Vision for the Asia-Pacific and Indian Ocean Region', followed in June 2015 by a 10-year Defence Framework Agreement. The summit between Prime Minister Modi and US President Donald Trump in June 2017 confirmed the principles established in 2015, and added a clear reference to terrorism originating in Pakistan. According to subsequent statements by the US President in August 2017, it is issues related to terrorism that have pushed China to overtly defend its ally, Pakistan. Meanwhile, India – the world's largest arms importer since 2010 – keeps good relations with Russia, its long-time key supplier of military equipment. In 2014, after the West isolated Moscow following its annexation of Crimea, New Delhi clearly declared its intention not to apply sanctions. In December 2014, the two countries signed an agreement, under which Russian nuclear company Rosatom would build 12 nuclear reactors in India over the next two decades. In June 2017, the Ministries of Defence signed a protocol on military-technical cooperation. India's multilateral relations India maintains relationships in different configurations with a variety of countries for different purposes. It has long lobbied for a permanent seat in the UN Security Council (it is a member of the G4 together with Germany, Japan and Brazil) and maintains a pragmatic approach when voting in the UN General Assembly. It is also the secondbiggest contributor to UN peacekeeping missions in terms of personnel. It is a member of the BRICS bloc (alongside Brazil, Russia, China and South Africa), and the eighth BRICS Summit took place in Goa, India, on October 2016. India and human rights India is the biggest democracy in the world. However, concerns have recently arisen about a number of issues, among them religious tolerance. While India is traditionally a secular country, Narendra Modi's ascent to power has galvanised the base of his party – the Bharatiya Janata Party (BJP) ─ around the idea of making Hinduism the core of Indian statehood. Mob violence against Muslims ─ who eat, slaughter and trade in beef ─ is on the rise. Although Modi has condemned the attacks, he has been criticised for not being vocal enough about the issue. It is worth mentioning that Muslims represent 14 % of the Indian population and the country is set to have the world's largest Muslim community by 2050 (310 million, accounting for 18 % of Indians). Besides rising concerns about freedom of expression, multiple human rights abuses remain a fact of life in many parts of India, targeting among others members of the lower castes, women and LGBT people. Amnesty International has accused the authorities in Jammu and Kashmir of committing abuses against the population. Human Rights Watch has expressed dissatisfaction with India's voting record on rights issues at the United Nations. India still enforces the death penalty: while there were no executions in 2016, the number of death sentences increased from 70 in 2015 to 136 in 2016. India and global trade India's share in world merchandise exports was a mere 1.6 % in 2015, while its share in world service exports amounted to 3.3 %. India has a reputation of being a difficult, if not EPRS India and prospects for closer EU ties Members' Research Service Page 5 of 8 an obstructionist country, when it comes to multilateral trade negotiations. Its resort to the World Trade Organization (WTO) dispute settlement process, mainly through antidumping actions against imports, has more than doubled between 2013 and 2016.2 India has concluded a number of trade agreements, primarily with Asian countries, and while it is actively negotiating with other countries mostly from Asia and South America, its negotiations with the EU are in deadlock. New Delhi is also negotiating a Regional Economic Comprehensive Partnership (RCEP), which includes the ten ASEAN members plus China, South Korea, Japan, Australia and New Zealand. A case has been filed against India in connection with its practice, sanctioned by its 2013 National Food Security Act, of distributing subsidised food grain to poor people in order to address malnutrition, as it put India at risk of violating its WTO obligations in ***agriculture***. India and environmental policies India is the world's third-largest emitter of greenhouse gases (4.5 % of global emissions, but it comes 128th in terms of per capita emissions). After initial reluctance, it formally joined the Paris Agreement on climate change from 2 October 2016, thus speeding up its entry into force a month later. The Paris Agreement granted India permission to double its coal production by 2020, prompting harsh criticism from Donald Trump, who later announced that his country would withdraw from the agreement. In May 2017, during his meeting with German Chancellor Angela Merkel in Berlin, Narendra Modi said that it would be an 'immoral and criminal act' to spoil the environment for future generations. In Paris, Modi's government had committed to increasing the share of electricity3 generated from non-fossil sources from 15 % at present to at least 40 % by 2030, which it raised to a more ambitious target of 57 % in December 2016. In 2017, wholesale solar power prices reached a record low, increasing the likelihood of India meeting its renewable energy targets. Climate change tops Indians' international concerns more than the economy, terrorism and territorial disputes with neighbours. EU-India relations ***Strategic*** partnership India has been one of the EU's ten ***Strategic*** Partnership countries since 2004. The partnership is based on four pillars: international cooperation through multilateralism; enhanced commercial and economic interaction; cooperation on sustainable development; and mutual understanding. A Joint Action ***Plan*** (JAP), revised in 2008, has been adopted. In 2007, negotiations began for an EU-India free trade agreement. Nevertheless, the ***strategic*** partnership has lost momentum, as relations are economybased and India prefers to maintain bilateral relations with EU Member States. The 2012 Enrica Lexie international lawsuit involving the arrest of two Italian marines over an incident related to the killing of two Indian fishermen, has also contributed to the deadlock in bilateral relations. EU-India summits are supposed to take place annually, but this has not been the case since 2012. The EU-India Summit of March 2016 The 13th EU-India Summit – the first in four years and the first to be attended by Narendra Modi – took place on 30 March 2016 in Brussels. While no breakthrough was achieved on the negotiations for a free trade agreement, the partners endorsed the EUIndia Agenda for Action 2020 as a common roadmap aimed at reviving their ***strategic*** partnership. The agenda covers numerous areas of cooperation: foreign policy; security; human rights; trade and investments, business and economy; climate change; energy; environment; 2030 Agenda for Sustainable Development; urban development; research and innovation; information and communications technology (ICT); transport; space; EPRS India and prospects for closer EU ties Members' Research Service Page 6 of 8 migration and mobility; skills, employment, social policy; education and culture; parliaments, civil society and local/decentralised authorities; and institutional architecture of the EU-India ***strategic*** partnership. The summit saw the adoption of several joint declarations: on the fight against terrorism, on a clean energy and climate partnership, on an India-EU water partnership and on a common agenda on migration and mobility. EU-India Bilateral Trade and Investment Agreement (BTIA) The EU is both India's biggest trading partner and its main foreign investor (€51.2 billion in 2015); India was the EU's ninth trading partner in 2016. Total EU-India trade in 2016 was €78.4 billion: the EU imported €39.2 billion and exported €37.7 billion. Even though EU-India trade is on the rise, its volume within total Indian trade has been decreasing constantly. Trade in services amounted to €28.1 billion in 2015. In 2007, the EU and India began talks on a bilateral trade and investment agreement (BTIA). Arguably, such an agreement would boost the EU's GDP by 0.14 %, or €21 billion a year (though unevenly distributed among Member States), and India's GDP by 1.3 %, or €25.6 billion a year. However, negotiations have progressed slowly, due to several controversial issues. Discussions on deregulating the insurance and public procurement sectors have been particularly complex. The EU would like India to reduce its taxes on alcohol and dairy products, and the duty on automobiles. It has also asked New Delhi to liberalise its professional services sector, specifically accountancy and legal services. The inclusion of clauses on human rights, International Labour Organization core labour standards and sustainability is still under discussion. The EU also seeks to strengthen India's intellectual property rights regime, for instance, with regard to pharmaceuticals. Indian legislation bans both the 'evergreening' of patents (extending the time coverage of patents just before they expire, through minor changes to the product) and the exclusivity of test data (protection of clinical trial data), saying they jeopardise the sale of low-priced generic drugs and chemicals in its territory. India is interested in liberalising the services trade, including the IT sector, and in obtaining a more liberal visa regime for its professionals. A major issue for India is to get recognised as a data-secure country by the EU; without such recognition, the flow of sensitive data can be hindered, thus increasing operating costs for Indian businesses operating in the EU. Meanwhile, following several liberalisations (August 2014, November 2015 and June 2016), India has eliminated or lowered some restrictions, such as the requirement to obtain the government's approval for foreign direct investment in several sectors: defence, civil aviation, railways infrastructure, private security agencies, pharmaceuticals, single brand retail trading, food retail and animal husbandry.4 In 2014, the EU banned the import of mango, aubergine, taro plant, bitter and snake gourd. Mango imports were readmitted to the EU market in February 2015 and imports of the other vegetables in January 2017. In May 2015, the EU followed a European Medicines Agency (EMA) recommendation to suspend the marketing of around 700 generic medicines over the alleged manipulation of clinical trials conducted by the Indian pharmaceutical research company GVK Biosciences. In March 2017, the EMA recommended suspending a number of nationally approved medicines for which bioequivalence studies had been conducted by Micro Therapeutic Research Labs at two sites in India. These issues have affected prospects of enhancing economic cooperation. EPRS India and prospects for closer EU ties Members' Research Service Page 7 of 8 Developing ties between the EU and India Ongoing EU-India cooperation India is ineligible for bilateral assistance from the EU's Development Cooperation Instrument (DCI) since 2014, after becoming a middle-income country. It can, however, still benefit from DCI-funded thematic and regional ***programmes*** for Asia. As of October 2016, the EU was managing 130 contracts in India, with an overall value of over €400 million, focussing on business opportunities, energy security, research and innovation, higher education and skills development, and a range of thematic projects with civil society organisations. Cooperation in research and innovation (R&I) is an area where EU-India collaboration has expanded significantly since 2002, when an Agreement on scientific and technological cooperation was signed – it was renewed in 2007 and 2016. Moreover, an Agreement between the European Atomic Energy Community (Euratom) and India in the field of fusion energy research was signed in 2009. Euratom and India also cooperate in the construction of the International Thermonuclear Experimental Reactor (ITER). In 2012, the European Commission and the Indian government signed a Joint Declaration on Research and Innovation Cooperation. They have also been cooperating on customs matters since 2004, when an Agreement on customs cooperation and mutual administrative assistance in customs matters was signed. EU and India: untapped potential India and the EU have many common values (democracy, multiculturalism, the promotion of values through foreign policy). Yet, their geopolitical concerns are not the same, and they have not been able to make much progress in liberalising trade; therefore, progress towards closer relations has been slow. For this reason, they have put emphasis on economic issues, more particularly on the resumption of negotiations for the BTIA, in deadlock since 2013. Once concluded, this would become one of the most significant trade agreements worldwide, touching the lives of 1.7 billion people. The EU would strengthen its role in global trade governance, having as a partner a country with a population of 1.3 billion and an economy that is outpacing China's. This is quite positive, despite some vulnerabilities experienced by India and difficulties of doing business in it (it occupies 130th place in the World Bank's 'Doing Business 2017' report and is home to around 270 million extremely poor people). The BTIA could give a boost to the 'Make in India' policy, aimed at turning India into a global manufacturing hub, and help the country attract more investment. However, the BTIA should not monopolise relations between the two partners, as has been acknowledged to some extent during the 2016 EU-India Summit. Maritime cooperation One of the most promising fields of cooperation is security, particularly in the maritime domain. The EU has had a maritime security strategy and an action ***plan*** since 2014; their importance was reaffirmed in its 2016 global strategy on foreign and security policy. The EU has been active in the western Indian Ocean since 2008 through Operation Atalanta (EU NAVFOR Somalia) aimed at countering piracy and protecting a key EU Sea Line of Communication (SLoC). France and the United Kingdom both have military installations in the central and western Indian Ocean. According to experts, the EU and India may jointly develop maritime cooperation in various ways: developing the EU-India high-level dialogue on maritime cooperation, following the example of the EU-ASEAN high-level dialogue; agreeing on a declaration of intent on maritime security, similar to the 2015 USA-India joint ***strategic*** vision for the Asia-Pacific and Indian Ocean Region; increasing EPRS India and prospects for closer EU ties Members' Research Service Page 8 of 8 coordination between EU NAVFOR and the Indian Navy and starting regular EU-India naval exercises; promoting cooperation under the framework of the Indian Ocean Rim Association (IORA); collaborating on capacity-building in the Indian Ocean region, and concentrating on issues such as disaster management, early warning systems, maritime tourism and the 'blue' economy. The Middle East and Afghanistan The Middle East is an area of interest to both the EU and India: 7 million Indians live and work in the six Gulf Cooperation Council (GCC) countries and almost two thirds of India's total oil imports are from the Gulf region. New Delhi maintains good relations with both the Arab countries and Israel (a major arms supplier). On May 2016, India signed a trilateral deal with Iran and Afghanistan in order to develop the port of Chabahar in Iran and to build a transport-and-trade corridor through Afghanistan that could diminish the time and cost of trading with central Asia and Europe. Analysts have urged the EU and India to step up their trilateral coordination with Afghanistan so as to maximise their security, military, political and development efforts there, which would also help promote the region's stability and prevent terrorism threats and refugee inflows. The European Parliament on EU political relations with India A report on 'EU political relations with India' (rapporteur: Cristian Dan Preda, EPP, Romania) will be submitted for adoption by the Parliament at its plenary session on 12 September 2017. Adopted by the Committee on Foreign Affairs (AFET), the report highlights that the partnership between the EU and India has not yet reached its full potential, and that stronger political engagement is needed on both sides to make the relationship more dynamic and valuable. The report expresses full support for a stronger and deeper partnership between the EU and India, which could contribute positively to fostering regional and international cooperation on global challenges. It also reiterates MEPs support for a free trade agreement between the EU and India. It underlines the importance of interparliamentary structured dialogue for the functioning of the ***strategic*** partnership, and asks the Speaker of the Indian Parliament to create an India-Europe Friendship Group, acting as a counterpart to the EP's Delegation for Relations with India (D-IN). Endnotes 1 Australia and Japan participated in the Malabar exercise in 2007, provoking Beijing's anger. Canberra asked New Delhi to participate again, but it refused, fearing another Chinese reaction. In 2015, the Indian and Australian navies started an annual exercise called AUSINDEX. An exercise including the above three countries and the USA would have been interpreted by Beijing as a ***strategic*** move, a 'democratic quad', aimed at constraining its growing power. 2 India has brought seven cases against the EU, one against the Netherlands and one against Poland. The EU has brought 10 cases against India. Source: WTO. 3 300 million Indians do not have access to electricity. Source: Draft National Energy Policy, 27 June 2017. 4 FDI in India is prohibited in lottery, gambling, atomic energy, real estate investment trusts and railway operations. Disclaimer and Copyright The content of this document is the sole responsibility of the author and any opinions expressed therein do not necessarily represent the official position of the European Parliament. It is addressed to the Members and staff of the EP for their parliamentary work. Reproduction and translation for noncommercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2017. Photo credits: © mrallen / Fotolia. [*eprs@ep.europa.eu*](mailto:eprs@ep.europa.eu) [*http://www.eprs.ep.parl.union.eu*](http://www.eprs.ep.parl.union.eu) (intranet)   [*http://www.europarl.europa.eu/thinktank*](http://www.europarl.europa.eu/thinktank) (internet)   [*http://epthinktank.eu*](http://epthinktank.eu) (blog)

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[***Amazon tribe saves plant lore with 'healing forests' and encyclopedia; In a bid to safeguard knowledge the Matsés in Peru have been planting "medicinal agroforestry" plots and written a 1,044-page two-volume book.***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R1H-T0J1-F021-62S6-00000-00&context=1516831)

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**Body**

The seven indigenous Matsés elders were slowly meandering through the forest. They were explaining how different trees and plants are used for medicinal purposes, exchanging stories about how they had acquired their extraordinary knowledge and put it to good use. There were memories of an encounter with a jaguar and someone's father struck by some kind of pain in the eye - " not conjunctivitis!" - while claims were made for successfully treating women haemorrhaging, snake-bite, a swollen leg and constipation.

The forest we were in was actually more of a garden - or "healing forest" or "medicinal agroforestry" plot - planted late last year by six young Matsés men under the expert guidance of elder Arturo Tumi Nëcca Potsad. "There are all types [of trees and plants] here," Arturo told the Guardian, holding a spear made of peach palm and looking about him. "About 100 types, 3,000 plants."

Segundo Shabac Reyna Pérez, a younger man who coordinated the planting, agreed with Arturo. "2,000, no, 3,000, over about half a hectare," he said.

Where were we all? This was a 30-40 minute walk from Buenas Lomas Nueva village on the River Chobayacu in Matsés territory in one of the remotest, most inaccessible parts of the Peruvian Amazon, close to the border with Brazil. It is one of seven "healing forests" that have recently been planted across Matsés territory. To date, it is estimated that 1,000s of trees and plants of 100s of different species have gone into the ground, with each site overseen by an elder and traditional healer, or "maestro", like Arturo.

The "healing forests" are just one result of the Matsés partnering with Acaté Amazon Conservation, a Peru- and US-based non-profit legally incorporated in 2012. Its publicly-stated aims are to work with the Matsés and implement "***strategic*** ***programs***" that "maintain their self-sufficiency and independence as they adapt to the outside world", and that "provide much needed revenue without destroying their land and chosen way of life." Another way of saying that: to develop long-term, sustainable economic opportunities for the Matsés that don't involve cutting down the forest in what is one of the world's most biodiverse regions, that respect and nurture their knowledge and culture, that improve their food security, and that respond to some of their most urgent needs, including better healthcare and education.

Founded by two Americans, Bill Park and Christopher Herndon, Acaté currently has three full-time Matsés staff, one American field coordinator, and an office manager, Carla Noain, a Peruvian and Park's wife. In addition, it coordinates with an Indigenous Advisory Board composed of seven Matsés, and so far has employed on a temporary basis approximately 200 men and women. Operating on a shoe-string budget, it is funded by family foundations, individual donations from the public, Lush's Charity Pot, and sometimes their own personal contributions.

Herndon - Acaté's president and a US-based medical doctor - says there is "a desperate lack of jobs" in Matsés territory. Partly that is why so many, particularly the younger generations, have been migrating to the nearest city, Iquitos, or elsewhere.

"How many people work in timber? How much trickle-down is there? What about next year?" Herndon asks. "That's why we're trying to bring economic opportunities. That's why diversity is so important. There's no one solution."

Several 100 metres back down the track leading towards the village stands a large white sign, marking the entrance to the "healing forest." In green capitals it states: "Medicinal plants project for Buenas Lomas Nueva with the NGO Acaté Amazon Conservation directed by maestro Arturo Tumi and Acaté's legal representative Mr Wilian T. Pacck."

Acaté supported the maestros and assistants with a daily stipend to do the planting. The sites were all chosen according to the same criteria - along a well-trodden path or an area of primary or secondary forest that the villages agreed to be set aside from hunting or swidden ***agriculture*** - but each garden has been laid out differently.

"Each maestro was his own designer," says Park, Acaté's director, who also runs a Peru-based company, Eco Ola, exporting "Amazonian superfoods", and has become a friend of mine over the last three years. "The maestros are the undisputed designers."

Each tree or plant was transplanted from elsewhere in the forest: some as seeds, some seedlings, some cuttings, some saplings, and others as epiphytes grafted onto standing trees. Examples - in the Matsés language - include nad iesho issun bedtequid nec, nadec caniquid nee, and nisin sh?ta dau?.

Park is keen to emphasise that the "healing forests" aren't necessarily new to the Matsés. According to him, one can still be found today near Nuevo San Juan village that was established decades ago by "one of the finest ever Matsés healers", Jorge Tumi. This was before sustained, peaceful contact with the "outside world" in the late 1960s, effectively encouraged by US evangelical missionaries. Before that, contact with non-Matsés had been marked by decades of conflict.

"This is not a new concept," Park says. "This is a restoration. This is how they did it before the missionaries."

The aims are numerous. Regenerating the forest is one and providing the maestros with a source of income is another, but more important is improving the latter's capacity to administer cures and remedies by bringing as many of the healing plants as possible into one comparatively accessible place. Many of the fungi and vines with healing properties won't grow in the Matses's swidden plots, which are almost always exposed to the sun.

Perhaps most importantly, though, the "healing forests" aim to safeguard the maestros' extraordinary plant knowledge - either by promoting interest in it among the younger Matsés or, even better, encouraging them to become maestros themselves. Plant knowledge among the younger Matsés is, in general, low. If the maestros - most of them estimated to be over 60 years old - pass away without training successors, their knowledge will be lost forever.

"Who knows? I could die at any moment," said Alberto Bai, a maestro from Puerto Alegre village, standing in the "healing forest" near Buenas Lomas. "I'd like to leave behind all I've learnt about the plants to the young people - my students, my children - so they can replace me when I die."

Alberto had expressed the same concern the day before during a series of annual meetings with Acaté - held in May this year - when delegates from 14 Matsés villages congregated in Buenas Lomas to discuss the "healing forests" and other projects, which include a two-volume 1,044-page encyclopedia of Matsés plant knowledge, mapping, sustainable commerce, sustainable ***agriculture*** and now a pilot herpetological inventory. "I'm an old man now," he told the audience, roughly 100 people. "All the elders are dying and getting ready to go, but if any young men come to Alegre we'll be happy to teach them."

Mariano Lopez Rengifo, 38 years old, did just that. He took the opportunity to start learning under Alberto when he was invited to Buen Perú village, where there is no resident maestro. Subsequently, Mariano travelled to Puerto Alegre, on the River Yaquerana, to continue studying with him there.

To date, Mariano has spent 50 days with Alberto and reckons he has taken notes on roughly 120 plants. Why does he want to learn?

"Because the elders are dying, because there are fewer and fewer," he told the Guardian. "There are many young people among the Matsés, but the majority don't want to know. Only a few do. This is very important. The elders are dying and if I get ill, or my wife gets ill, I don't want to have to go to [Colonia] Angamos [the nearest town and main gateway into Matsés territory]."

Mariano has said he wants to be his village's resident healer, but acknowledges it takes a long time to learn. "'My university is the jungle," he told Herndon last year.

But why are so few young people interested? "I can't tell you that," Mariano says. "I don't know. Some of them want to live like the mestizos."

Mariano, who in recent months coordinated the planting of a new "healing forest" in San Ramón village, says that previously he knew nothing about medicinal plants. "I congratulate - I thank - this NGO, Acaté. And I thank the maestros too... Alberto Bai. He has taught me well. Not everything, obviously. You can't learn all the medicinal plants in a month. There are so many. Maybe in a year, yes. If William [Park] asks me "Do you want to continue?" I'm going to say yes."

A sense of importance - and urgency - is patent among many Matsés, particularly those directly involved with the planting. This has been heightened by Jorge Tumi's death in 2011, and then, on the very same day last year, just before the annual meetings with Acaté, both Arturo and Roberto Tumi Nëcca Unan, a maestro from Remoyacu village, were bitten and seriously wounded by fer-de-lance and bushmaster snakes.

One Matsés man who has played a key role in establishing all seven new "healing forests" is Segundo, now on Acaté's full-time staff. He emphasises the lack of jobs in Matsés territory and the potentially tragic loss if the maestros pass away before transmitting their knowledge to younger generations.

"Our elders, our grandfathers and our fathers are dying now and taking their medicinal plants knowledge with them. Who is going to replace them?" Segundo asks.

The idea to plant the "healing forests" emerged organically out of two other Matsés projects with Acaté: the 1,044-page encyclopedia and a sustainable ***agriculture*** initiative in Estirón village. The encyclopedia is written only in Matsés, in order to prevent bio-prospectors from ever understanding it. Entries are categorised by disease name followed by an explanation of symptoms, cause and the plants to cure it. A photo of each plant - numbering roughly 800 in total - accompanies each entry, but no scientific names are included, nor photos of flowers or other readily identifiable features. On the back of the first volume are two sentences in Matsés, roughly translating as "This isn't a book for non-Matsés to see. Don't let non-indigenous people see it."

Park calls the encyclopedia, which has taken five years to write, "almost like an emergency insurance policy." An interview with Herndon about it - or rather, what at the time was just the first volume, coming to 511 pages - became Mongabay's "most shared and most read article" of 2015.

Herndon calls it the "first encyclopedia of indigenous knowledge written by Amazonian tribal shamans ever ***produced***", and believes the methodology developed by the Matsés can be a "template for other indigenous cultures" around the world.

Different chapters were overseen by different maestros, each supported by an assistant. Paid by Acaté, the maestros and assistants headed out into Matsés territory together, with the maestro identifying each plant and the assistant photographing it and recording what the maestro said about it. The final editing was done by a man from Estirón, Alejandro Jiménez, before being printed in Iquitos and then distributed back among the Matsés.

"Literally the entire encyclopedia was written and edited by the Matsés in their territory and brought out in a pdf," Herndon told the Guardian.

The methodology developed through both the "healing forests" and encyclopedia has been applied to another Matsés project with Acaté: mapping the estimated 1.2 million hectares of their ancestral territory in Peru. Again, this has involved elders and assistants heading out into the forest, with the elder identifying important social, cultural, economic, historical and spiritual sites, and the assistant recording the names and information in a notebook and the locations in a handheld GPS unit. Both are overseen by one of Acaté's full-time staff, providing logistical support and on-site GPS instruction for the assistants.

The staff themselves have only recently been trained in basic computer literacy and geographic information systems (GIS), in Iquitos, by Acaté. Neither Segundo nor his colleague Felipe Ëpë Bai Una had known how to use the GPS before their classes, while Mariano Lopez Rengifo, now an employee, hadn't ever used a computer before. Even more difficult, the GIS software is in English, so everything has to be learned by rote.

For Felipe, a father of four from Santa Rosa village, the mapping has given him an opportunity to see the most remote parts of Matsés territory - in addition to acquiring new skills. To date, he has spent months on the River Yaquerana upriver from Puerto Alegre, on the River Galvez in Remoyacu, and further up the Galvez beyond Buenas Lomas Antigua. Always travelling with other Matsés, he has helped identify and record the GPS points of old villages and houses, swidden plots, palm swamps, streams, paths, hunting zones, fishing spots, burial sites, mineral licks popular with animals, and even places where the Matsés fought invading mestizos and others.

"Places that are important to the Matsés," as Felipe puts it.

Segundo has participated in the mapping too, in his own village Buen Perú as well as Puerto Alegre, where he travelled with elder Rómulo Tëca Nacua Chapa and an assistant in early 2016. Like the encyclopaedia, the maps are only written in Matsés.

"All the streams already have Spanish names," Segundo says. "Now we're putting Matsés names for them too."

Upriver from Puerto Alegre, right on the southern boundary of Matsés territory, is as remote as it gets. There are other indigenous people in that region - living in "isolation" - and more wildlife, including jaguars, which have killed at least three Matsés men since the 1970s. Do Felipe or Segundo ever feel scared?

Felipe chuckled. "No. We don't get scared. We're there to work very happily and without any fear."

Park, an Iquitos resident for the last five years, says the GIS training for the staff is a three year endeavour, with the agreement being that Acaté will "train the trainers." Ultimately, the aim is for the Matsés themselves - not the government, oil companies, conservation organizations or other NGOs - to be able to make their own maps of their territory, thereby enabling them to "better protect their own lands as their forefathers did before them."

"They can now enter, visualize and output the data from the handheld GPS units using GIS software," Park says. "The objective is that at the end of the three year period they can create their own maps from start to finish, and teach others."

To date, the Matsés have draft-mapped the headwaters of the four main rivers in their territory in Peru: the Chobayacu, Galvez, Lobayacu and Yaquerana. The drafts - featuring more than 1,000 points so far, but set to reach many 1,000s - were revealed at the meetings in May and then reviewed one evening by numerous elders, with Segundo calling out the names of the points (" Cuesbudaid Choed... Luis Padon Tied Sheni...." ) and the elders providing feedback. At one point, Arturo got down on his hands and knees to peer at the map of the River Galvez through a magnifying glass, chuckling at himself as he did so.

"It's important the young people don't forget the old places," Felipe told the Guardian. "We don't know what the elders know. Looking at these maps we can learn, for the future, where the boundaries of the indigenous community are or where the reserves begin."

The potential power of the maps became immediately obvious at the May meetings when they were pinned up around the walls. They show clearly how Matsés territory extends way beyond the 501,000 hectares legally titled to them and how two oil concessions and two "protected natural areas" - a national park and national reserve - have been superimposed over it. The Matsés have vigorously opposed the concessions since they were created 10 years ago, but the park was established recently in 2015.

Although the then presidents of the Matsés's elected council effectively agreed to both the national park and reserve, concern and confusion among the Matsés are obvious. The key questions: what exactly do the different laws and management ***plans*** permit us to do? Can we enter or not? Can we hunt and take things out, or is it banned? If control posts are built to protect the park and younger Matsés are employed there, might they stop the elders from going in?

Time and time again, Matsés men and women stood up to condemn both the national park and reserve. The most vociferous was Rómulo, the elder from Puerto Alegre who travelled with Segundo to do the mapping. He argued that the land now included in the park was where his uncle and others had cultivated swidden plots. "I'm no slave of the Lima people," he said - or rather shouted. "We are independent of them. I have a right to go there. It's our ancestral land. We named the streams before the mestizos. That's not swidden that belongs to someone from Lima."

Herndon calls the Matsés maps an "incredibly powerful tool" and a "staggering achievement and effort." He compares them to those made by Great Plains tribes in the USA in the 1850s after "the government told them where their land was - and it was wrong."

"It's one thing to say "That's our area, we've been there before", but it's another if it's objective data and you can overlay it with petroleum extraction points," Herndon says. "These maps show the full extent of where their territories are. We saw that in the meeting. The Matsés should, ethically and morally, have title to all that land."

Acaté's field coordinator David Fleck, an American biologist and linguist born in Lima with dual US-Peru citizenship, feels similarly about the maps. Fleck has written a grammar of the Matsés language, a history, and over 30 scientific articles about them, and until recently was living permanently in Matsés territory with his Matsés wife and their two sons. "These maps are giving them an important tool to fight their battles," he says.

The Matsés's newly-acquired GIS skills have proved fundamental to another project with Acaté: sustainable commerce. This is part of a concerted attempt to identify economic alternatives to logging - one of the major sources of Matsés income in recent decades - or other destructive activities such as hunting. Initially focused on harvesting the anti-inflammatory, anti-septic and anti-fungal resin from copaiba trees ( genus Copaifera ), Acaté is now helping the Matsés to prepare management ***plans*** to harvest and sell a whole range of renewable non-timber forest products.

The potential products and commercial uses are numerous: fruits like aguaje ( Mauritia flexuosa ), huasai ( Euterpe precatoria ), huito ( Genipa americana ) and ungurahui ( Oenocarpus bataua ), seeds such as achiote ( Bixa orellana ) and huicungo ( Astrocaryum murumuru ), resins like sangre de grado ( Croton lechleri ) as well as copaiba, vines like uña de gato ( Uncaria tomentosa ), and reishi mushrooms ( Ganoderma lucidum ).

Preparing the management ***plans*** involves heading out into the forest, identifying and then GPS-locating each tree or plant to be harvested. The Matsés have now done that across 14 villages, with Felipe and Segundo leading on this too and so far helping to identify more than 10,000 trees and plants. The aim is for each village to have its own ***plan***, with each one later approved by the regional government.

The first to be prepared was in Puerto Alegre, where Segundo worked with Rómulo. "It must be someone who knows the area very well," Segundo says. "We had to find the right person. So the village chose Rómulo."

One of the most exciting potential products is huicungo, whose seeds can be made into a cosmetic known internationally as "murumuru butter." During the meetings in May Park explained to several Matsés how to calculate the yields in a spread-sheet, after his wife, Carla, had previously taken Segundo through the production process and Segundo had held workshops in two villages.

Park thinks the Matsés could develop "their own sustainable murumuru industry", estimating this might require harvesting up to 13,000 trees. "This is only a proof of concept," he says. "Then try it out and find a soap-maker in Lima. The ultimate objective would be to export to a socially responsible company that is interested in supporting this kind of work."

While the harvesting of non-timber forest products remains largely at a preparatory stage, with the exception of copaiba, another component of the sustainable commerce project is already up and running. Since December 2016, Acaté has been buying a wide range of Matsés artefacts, including cotton and chambira palm bracelets, spears, bows, arrows, hammocks, headbands and sling bags, for subsequent sale in a gallery in Cusco, Xapiri, or online on its website. To date, this is estimated to have brought in 25,000 soles (US$7,600) to the Matsés.

The bracelets have been the most popular. Commercialising them was suggested by one woman, Carmen Rodriguez Lopez, during the Matsés's meetings with Acaté in 2016. The first order was for just 10, all from the same village, but the most recent was for 400, from seven villages.

Segundo has travelled up and down all these rivers to collect the bracelets, and sees them as a sustainable source of income that can benefit every village. Herndon thinks similarly, emphasising it is important to start at "micro-scale" and claiming that, in addition to providing a replicable fair trade model, they are an unprecedented opportunity for Matsés women too.

"Each bracelet can be traced to each community," he says. "And it's also great because a lot of the work is done by the women. It's a way they can say, "We too have valuable economic skill sets.""

Enthusiasm among the Matsés for their projects with Acaté is obvious - whether the "healing forests", encyclopedia, mapping, sustainable ***agriculture***, bracelets or other sustainable commerce options, or now the pilot herpetological inventory. Back in the "healing forest" near Buenas Lomas, one of Arturo's sons, Eduardo, who had worked as his father's assistant during the planting, had made this as clear as anyone.

"Initially, when the planting and apprenticeships started, I didn't know anything at all about what the plants can be used for," Eduardo said. "Now, after doing the planting, I've learnt a little. So I would like to ask William and Dr. Chris that, in order to learn more, we can continue with this project. Why? Because the elders are growing older and anyone could have an accident and die because there isn't anyone else who would know how to respond."

**Load-Date:** November 24, 2017

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[***Register of Commission documents:RECOMMENDATION on the draft Council decision on the conclusion, on behalf of the Union, of the Political Dialogue and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Cuba, of the other part Document date: 2017-06-22 P8\_A(2017)0232 Reports***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P38-RVR1-JDG9-Y40M-00000-00&context=1516831)

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**Body**

Brussels: Public Register European Parliament has issued the following document:

RR\1129055EN.docx PE599.562v02-00 EN United in diversity EN European Parliament 2014-2019 Plenary sitting A8-0232/2017 22.6.2017 \*\*\* RECOMMENDATION on the draft Council decision on the conclusion, on behalf of the Union, of the Political Dialogue and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Cuba, of the other part (12502/2016 – C8-0517/2016 – 2016/0298(NLE)) Committee on Foreign Affairs Rapporteur: Elena Valenciano PE599.562v02-00 2/16 RR\1129055EN.docx EN PR\_NLE-AP\_Agreement Symbols for procedures \* Consultation procedure \*\*\* Consent procedure \*\*\*I Ordinary legislative procedure (first reading) \*\*\*II Ordinary legislative procedure (second reading) \*\*\*III Ordinary legislative procedure (third reading) (The type of procedure depends on the legal basis proposed by the draft act.) RR\1129055EN.docx 3/16 PE599.562v02-00 EN CONTENTS Page DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION ................................. 5 EXPLANATORY STATEMENT .............................................................................................. 6 OPINION OF THE COMMITTEE ON DEVELOPMENT ...................................................... 8 OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE ................................... 12 PROCEDURE – COMMITTEE RESPONSIBLE ................................................................... 15 FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE .................................... 16 PE599.562v02-00 4/16 RR\1129055EN.docx EN RR\1129055EN.docx 5/16 PE599.562v02-00 EN DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION on the draft Council decision on the conclusion, on behalf of the Union, of the Political Dialogue and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Cuba, of the other part (12502/2016 – C8-0517/2016 – 2016/0298(NLE)) (Consent) The European Parliament, – having regard to the draft Council decision (12502/2016), – having regard to the draft Political Dialogue and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Cuba, of the other part (12504/2016), – having regard to the request for consent submitted by the Council in accordance with Articles 207 and 209 and Article 218(6), second subparagraph, point (a), and Article 218(8), second subparagraph, of the Treaty on the Functioning of the European Union (C8-0517/2016), – having regard to its non-legislative resolution of ...1 on the draft Council decision, – having regard to Rule 99(1) and (4) and Rule 108(7) of its Rules of Procedure, – having regard to the recommendation of the Committee on Foreign Affairs and the opinions of the Committee on Development and the Committee on International Trade (A8-0232/2017), 1. Gives its consent to conclusion of the agreement; 2. Instructs its President to forward its position to the Council, the Commission and the governments and parliaments of the Member States and of the Republic of Cuba.

1 Texts adopted of that date, P8\_TA(0000)0000. PE599.562v02-00 6/16 RR\1129055EN.docx EN EXPLANATORY STATEMENT Background Relations between the European Union and the Republic of Cuba were governed by the EU's unilateral Common Position 96/697/CFSP of 2 December 1996. Article 4 of the Common Position provided for the possible negotiation of a cooperation agreement between the EU and Cuba. The Council adopted negotiation directives in February 2014 authorising the Commission and the High Representative of the Union for Foreign Affairs and Security Policy to open negotiations for a Political Dialogue and Cooperation Agreement (PDCA) between the European Union and its Member States, of the one part, and the Republic of Cuba, of the other part. Negotiations were launched in April 2014 and concluded on 11 March 2016. The Common Position 96/697/CFSP was repealed by Council decision (CFSP) 2016/2233 of 6 December 2016. The PDCA defines general principles and objectives for the relationship between the EU and Cuba and creates an institutional structure for the management of the agreement. It builds essentially on three main chapters, on political dialogue, cooperation and sector policy dialogue as well as trade and trade cooperation. The Political dialogue chapter provides that the parties will engage in dialogue on issues such as human rights, small arms and disarmament, migration, drugs, fight against terrorism, and sustainable development. The chapter on Cooperation and sector policy dialogue, inter alia, includes areas such as human rights, governance, justice, civil society, social and economic development, environment as well as regional cooperation, in each case specifying a detailed list of areas for cooperation. The Trade and trade cooperation part deals with general principles of international trade and covers cooperation on customs, trade facilitation, technical norms and standards, sustainable trade and investment. The agreement does not include a chapter on trade preferences The PDCA also establishes an institutional framework composed of a Joint Council and a Joint Committee and includes a provision on the fulfilment of obligations. \*\* Rapporteur’s justification This Political Dialogue and Cooperation Agreement, which the EU signed with Cuba in December 2016, is a highly sophisticated, necessary and appropriate instrument which will provide a framework for the relations that the EU and its Member States already maintain with the Republic of Cuba. The actual shape, continuity and scale of these relations already went far beyond the limitations of our own 1996 ‘Common Position’ and the barriers imposed by the RR\1129055EN.docx 7/16 PE599.562v02-00 EN extraterritorial legislation with which the United States of America sought for years to obstruct Cuba’s economic autonomy. There was worldwide consensus on the need to lift these restrictions, particularly among the Latin American and Caribbean countries with which the EU maintains strong ties. In recent years the US itself has become part of this trend towards normalising relations with Cuba. During this time, as many as 20 EU Member States have signed bilateral agreements with Cuba. In spite of its self-imposed restrictions, the EU as a whole has become Cuba’s main customer and main supplier. The agreement represents a courageous commitment on both sides. As an international legal instrument, it offers a model for a new-generation agreement which sets out very clear political dialogue and human rights commitments. The values that the EU wishes to promote in the world are reflected more strongly here than in other instruments by which our relations are governed. The results already achieved through the human rights dialogue since the start of the negotiations provide a guarantee and a reason for optimism regarding the benefits of this agreement. We in the European Union should see this agreement as an expression of Cuba’s preference for the European Union as a partner. Cuba’s geographical location and geopolitical situation make it a strategically valuable country. This agreement sends a strong message of political presence to other global actors who are competing in the Caribbean and across the Latin American continent. Through this agreement, the EU is pledging to accompany Cuba in its evolution while fully respecting its autonomy, sovereignty and independence. Cuba for its part is demonstrating its interest in having the EU as a reference, within a framework of full mutual respect. The agreement will make it possible further to develop cooperation and Cuba’s participation in the EU’s specific ***programmes***. As regards trade and economic relations in general, the agreement will provide a stronger framework to match the scale that these relations have already reached. This is the first bilateral political agreement that the EU and Cuba have signed. Parliament should be consistent, it should approve the agreement and give this relationship an opportunity to start to ***produce*** the results that we hope to achieve, in accordance with the rules that we are setting. As always, Parliament’s support should be critical and vigilant, applying the same demands and the same level of respect that we apply to our own Union and to other partners who have pledged to share the EU’s values and aspirations. \*\* The rapporteur proposes that the Committee on Foreign Affairs recommends consent to this agreement. PE599.562v02-00 8/16 RR\1129055EN.docx EN 31.5.2017 OPINION OF THE COMMITTEE ON DEVELOPMENT for the Committee on Foreign Affairs on the draft Council decision on the conclusion, on behalf of the Union, of the Political Dialogue and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Cuba, of the other part (12502/2016 – C8-0517/2016 – 2016/0298(NLE)) Rapporteur: Frank Engel SHORT JUSTIFICATION Negotiations on an EU-Cuba Political Dialogue and Cooperation Agreement were completed on 11 March 2016. This text represents the most structured engagement so far between the EU and Cuba and consists of three main chapters: political dialogue, cooperation and sector policy dialogue, and trade and trade cooperation. The EU is Cuba’s main export partner and the biggest foreign investor, and accounts for a third of the foreign visitors. Cuba has been a member of the ACP group since 2000, despite not being a signatory of the Cotonou Agreement. EU cooperation with Cuba is covered by the Development Cooperation Instrument (DCI). The Multiannual Indicative ***Programme*** for Cuba 2014-2020 allocates EUR 50 million for cooperation with Cuba in three priority sectors: – sustainable ***agriculture*** and food security: 42% At present, the food supply on the island is not sufficient to cover the needs of the population, much less those of the growing inflow of tourists. Tourism being the most relevant development factor, increasing food production on the island is critical. – support for a better use of key natural resources for sustainable development: 36% Investment in renewable energy generation is at stake here, and represents a priority axis of development both in EU and Cuban ***strategic*** ***plans***. – support for economic and social modernisation: 20% The selected sectors respond to the national priorities identified in the ‘Cuban guidelines for economic and social policy’, a mid-term strategy approved in 2011 to promote reforms in the RR\1129055EN.docx 9/16 PE599.562v02-00 EN country. Despite being an upper middle-income country, Cuba continues to be eligible for bilateral development cooperation until 2020 under an ‘exceptional clause’ in the DCI. The proposed Agreement opens new avenues to support Cuba’s process of economic and social modernisation, to foster sustainable development, democracy and human rights, as well as to seek common solutions to global challenges. For these reasons, your rapporteur is of the view that Parliament should give its consent to the ratification of the Agreement. \*\*\*\*\*\* The Committee on Development calls on the Committee on Foreign Affairs, as the committee responsible, to recommend that Parliament give its consent to the draft Council decision on the conclusion, on behalf of the Union, of the Political Dialogue and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Cuba, of the other part. PE599.562v02-00 10/16 RR\1129055EN.docx EN PROCEDURE – COMMITTEE ASKED FOR OPINION Title Council Decision on the conclusion, on behalf of the Union, of the Political Dialogue and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Cuba, of the other part References 12502/2016 – C8-0517/2016 – JOIN(2016)0043 – 2016/0298(NLE) Committee responsible AFET Opinion by Date announced in plenary DEVE 15.12.2016 Rapporteur Date appointed Frank Engel 6.3.2017 Discussed in committee 25.4.2017 Date adopted 30.5.2017 Result of final vote +: –: 0: 21 0 0 Members present for the final vote Beatriz Becerra Basterrechea, Ignazio Corrao, Doru-Claudian Frunzulică, Enrique Guerrero Salom, Maria Heubuch, Teresa Jiménez-Becerril Barrio, Stelios Kouloglou, Arne Lietz, Linda McAvan, Vincent Peillon, Lola Sánchez Caldentey, Elly Schlein, Eleni Theocharous, Paavo Väyrynen, Bogdan Brunon Wenta, Anna Záborská Substitutes present for the final vote Agustín Díaz de Mera García Consuegra, Frank Engel, Ádám Kósa, Cécile Kashetu Kyenge, Judith Sargentini RR\1129055EN.docx 11/16 PE599.562v02-00 EN FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION 21 + ALDE Beatriz Becerra Basterrechea, Paavo Väyrynen ECR Eleni Theocharous EFDD Ignazio Corrao GUE/NGL Stelios Kouloglou, Lola Sánchez Caldentey PPE Agustín Díaz de Mera García Consuegra, Frank Engel, Teresa Jiménez-Becerril Barrio, Ádám Kósa, Bogdan Brunon Wenta, Anna Záborská S&D Doru-Claudian Frunzulică, Enrique Guerrero Salom, Cécile Kashetu Kyenge, Arne Lietz, Linda McAvan, Vincent Peillon, Elly Schlein Verts/ALE Maria Heubuch, Judith Sargentini 0 - 0 0 Key to symbols: + : for - : against 0 : abstention PE599.562v02-00 12/16 RR\1129055EN.docx EN 31.5.2017 OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE for the Committee on Foreign Affairs on the draft Council decision on the conclusion, on behalf of the Union, of the Political Dialogue and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Cuba, of the other part (12502/2016 – C8-0517/2016 – 2016/0298(NLE)) Rapporteur: Reimer Böge \*\*\*\*\*\* The Committee on International Trade calls on the Committee on Foreign Affairs, as the committee responsible, to recommend that Parliament give its consent to the draft Council decision on the conclusion, on behalf of the Union, of the Political Dialogue and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Cuba, of the other part. RR\1129055EN.docx 13/16 PE599.562v02-00 EN PROCEDURE – COMMITTEE ASKED FOR OPINION Title Council decision on the conclusion, on behalf of the European Union, of the Political Dialogue and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Cuba, of the other References 12502/2016 – C8-0517/2016 – JOIN(2016)0043 – 2016/0298(NLE) Committee responsible AFET Opinion by Date announced in plenary INTA 15.12.2016 Rapporteur Date appointed Reimer Böge 9.11.2016 Discussed in committee 23.1.2017 3.5.2017 Date adopted 30.5.2017 Result of final vote +: –: 0: 32 0 2 Members present for the final vote Tiziana Beghin, David Campbell Bannerman, Daniel Caspary, Santiago Fisas Ayxelà, Christofer Fjellner, Karoline Graswander-Hainz, Heidi Hautala, Yannick Jadot, Bernd Lange, David Martin, Emmanuel Maurel, Anne-Marie Mineur, Sorin Moisă, Franz Obermayr, Artis Pabriks, Franck Proust, Viviane Reding, Inmaculada Rodríguez-Piñero Fernández, Marietje Schaake, Helmut Scholz, Joachim Schuster, Joachim Starbatty, Adam Szejnfeld, Hannu Takkula Substitutes present for the final vote Reimer Böge, Dita Charanzová, Edouard Ferrand, Agnes Jongerius, Sajjad Karim, Seán Kelly, Fernando Ruas, José Ignacio Salafranca Sánchez-Neyra, Ramon Tremosa i Balcells, Jarosław Wałęsa PE599.562v02-00 14/16 RR\1129055EN.docx EN FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION 32 + ALDE Dita Charanzová, Hannu Takkula, Marietje Schaake, Ramon Tremosa i Balcells ECR David Campbell Bannerman, Joachim Starbatty, Sajjad Karim EFDD Tiziana Beghin GUE/NGL Anne-Marie Mineur, Helmut Scholz PPE Adam Szejnfeld, Artis Pabriks, Christofer Fjellner, Daniel Caspary, Fernando Ruas, Franck Proust, Jarosław Wałęsa, José Ignacio Salafranca Sánchez-Neyra, Reimer Böge, Santiago Fisas Ayxelà, Seán Kelly, Viviane Reding S&D Agnes Jongerius, Bernd Lange, David Martin, Emmanuel Maurel, Inmaculada Rodríguez-Piñero Fernández, Joachim Schuster, Karoline Graswander-Hainz, Sorin Moisă VERTS/ALE Heidi Hautala, Yannick Jadot 0 - 2 0 GUE/NGL Edouard Ferrand, Franz Obermayr Key to symbols: + : in favour - : against 0 : abstention RR\1129055EN.docx 15/16 PE599.562v02-00 EN PROCEDURE – COMMITTEE RESPONSIBLE Title Council decision on the conclusion, on behalf of the European Union, of the Political Dialogue and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Cuba, of the other References 12502/2016 – C8-0517/2016 – JOIN(2016)0043 – 2016/0298(NLE) Date of consultation / request for consent 12.12.2016 Committee responsible Date announced in plenary AFET 15.12.2016 Committees asked for opinions Date announced in plenary DEVE 15.12.2016 INTA 15.12.2016 Rapporteurs Date appointed Elena Valenciano 1.2.2017 Discussed in committee 29.5.2017 Date adopted 20.6.2017 Result of final vote +: –: 0: 57 9 2 Members present for the final vote Lars Adaktusson, Michèle Alliot-Marie, Nikos Androulakis, Francisco Assis, Petras Auštrevičius, Bas Belder, Mario Borghezio, Victor Boştinaru, Elmar Brok, James Carver, Lorenzo Cesa, Arnaud Danjean, Georgios Epitideios, Knut Fleckenstein, Anna Elżbieta Fotyga, Eugen Freund, Iveta Grigule, Sandra Kalniete, Tunne Kelam, Janusz Korwin-Mikke, Andrey Kovatchev, Ilhan Kyuchyuk, Ryszard Antoni Legutko, Barbara Lochbihler, Sabine Lösing, Andrejs Mamikins, Ramona Nicole Mănescu, Alex Mayer, Tamás Meszerics, Francisco José Millán Mon, Clare Moody, Javier Nart, Demetris Papadakis, Ioan Mircea Paşcu, Tonino Picula, Kati Piri, Julia Pitera, Cristian Dan Preda, Jozo Radoš, Sofia Sakorafa, Jordi Solé, Jaromír Štětina, Dubravka Šuica, Charles Tannock, Miguel Urbán Crespo, Ivo Vajgl, Elena Valenciano, Geoffrey Van Orden, Anders Primdahl Vistisen Substitutes present for the final vote Laima Liucija Andrikienė, Reinhard Bütikofer, Luis de Grandes Pascual, Neena Gill, María Teresa Giménez Barbat, Ana Gomes, Andrzej Grzyb, Takis Hadjigeorgiou, Marek Jurek, Patricia Lalonde, Javi López, José Ignacio Salafranca Sánchez-Neyra, Igor Šoltes, Renate Sommer, Ernest Urtasun, Marie-Christine Vergiat Substitutes under Rule 200(2) present for the final vote Pál Csáky, Dietmar Köster, Costas Mavrides Date tabled 22.6.2017 PE599.562v02-00 16/16 RR\1129055EN.docx EN FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE 57 + ALDE Petras Auštrevičius, María Teresa Giménez Barbat, Iveta Grigule, Ilhan Kyuchyuk, Patricia Lalonde, Javier Nart, Jozo Radoš, Ivo Vajgl ECR Bas Belder, Anna Elżbieta Fotyga, Ryszard Antoni Legutko, Charles Tannock, Geoffrey Van Orden, Anders Primdahl Vistisen GUE/NGL Takis Hadjigeorgiou, Sabine Lösing, Sofia Sakorafa, Miguel Urbán Crespo, Marie-Christine Vergiat PPE Michèle Alliot-Marie, Laima Liucija Andrikienė, Elmar Brok, Lorenzo Cesa, Arnaud Danjean, Andrzej Grzyb, Sandra Kalniete, Francisco José Millán Mon, Julia Pitera, José Ignacio Salafranca Sánchez-Neyra, Renate Sommer, Luis de Grandes Pascual, Jaromír Štětina, Dubravka Šuica S&D Nikos Androulakis, Francisco Assis, Victor Boştinaru, Knut Fleckenstein, Eugen Freund, Neena Gill, Ana Gomes, Dietmar Köster, Javi López, Andrejs Mamikins, Costas Mavrides, Alex Mayer, Clare Moody, Demetris Papadakis, Ioan Mircea Paşcu, Tonino Picula, Kati Piri, Elena Valenciano Verts/ALE Reinhard Bütikofer, Barbara Lochbihler, Tamás Meszerics, Jordi Solé, Ernest Urtasun, Igor Šoltes 9 - ECR Marek Jurek EFDD James Carver ENF Mario Borghezio NI Georgios Epitideios, Janusz Korwin-Mikke PPE Lars Adaktusson, Pál Csáky, Tunne Kelam, Cristian Dan Preda 2 0 PPE Andrey Kovatchev, Ramona Nicole Mănescu Key to symbols: + : in favour - : against 0 : abstention

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**End of Document**



[***Register of Commission documents: RAP East2017-part 1-AD1: Commission Implementing Decision on the Neighbourhood East Regional Action Programme 2017 Part I (including 1 action on budget 2018 and 2019), to be financed from the general budget of the European Union Document date: 2017-09-26 COM-AC\_DR(2017)D053173-01 Comitology - Right of scrutiny***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R13-MHW1-JDG9-Y0JB-00000-00&context=1516831)

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**Body**

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Annex 1

of the Commission Implementing Decision on the Neighbourhood East Regional Action ***Programme*** 2017 Part I (including 1 action on budget 2018 and 2019)

Action Document for European Union Border Assistance Mission to the Republic of Moldova and Ukraine (EUBAM 12)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Title/basic act/ CRIS number | European Union Border Assistance Mission to the Republic of Moldova and Ukraine (EUBAM 12) CRIS numbers: ENI/2017/040-535 ENI/2018/040-536 ENI/2019/040-537 financed under the European Neighbourhood Instrument |  |  |  |
|  | 2. Zone benefiting from the action/location | Republic of Moldova and Ukraine |  |  |  |
|  | 3. ***Programming*** document | ***Programming*** of the European Neighbourhood Instrument (ENI) 2014-2020 Regional East Strategy Paper (2014-2020) |  |  |  |
|  | 4. Sector of concentration/ thematic area | Civilian peace-building, conflict prevention and resolution |  |  |  |
|  | 5. Amounts concerned | Total estimated cost: EUR 12 500 000 Total amount of EU budget contribution EUR 12 500 000 The contribution is for an amount of EUR 2 500 000 from the general budget of the European Union for 2017 and for an amount of EUR 5 million from the general budget of the European Union for 2018, subject to the availability of appropriations following the adoption of the relevant budget and for an amount of EUR 5 million from the general budget of the European Union for 2019, subject to the availability of appropriations following the adoption of the draft budget and the budget |  |  |  |
|  | 6. Aid modality(ies) and implementation modality(ies) | Project Modality Indirect management with the International Organization for Migration (IOM) |  |  |  |
|  | 7. DAC code(s) | 15220 ? Civilian peacebuilding, conflict prevention and resolution |  |  |  |
| 8. Markers (from CRIS DAC form) | General policy objective | Not targeted | Significant objective | Main objective |  |
| Participation development/good governance | ? | ? | X |  |  |
| Aid to environment | X | ? | ? |  |  |
| Gender equality (including Women In Development) | ? | X | ? |  |  |
| Trade Development | ? | X | ? |  |  |
| Reproductive, Maternal, New born and child health | X | ? | ? |  |  |
| RIO Convention markers | Not targeted | Significant objective | Main objective |  |  |
| Biological diversity | X | ? | ? |  |  |
| Combat desertification | X | ? | ? |  |  |
| Climate change mitigation | X | ? | ? |  |  |
| Climate change adaptation | X | ? | ? |  |  |
|  | 9. Global Public Goods and Challenges (GPGC) thematic flagships | N/A |  |  |  |
|  |  |  |  |  |  |

Summary:

Twenty-five years after the ceasefire to end the Transnistrian conflict, a permanent settlement remains elusive. It has lapsed into the status of a protracted conflict,  still constitutes a risk for Moldova and the region. Over the years Transnistria has become a grey economic, political and security area 190km from the EU’s external borders. EUBAM continues to register significant amounts of cigarette and ethanol smuggling emanating from the territory, as well as seizures of weapons and ammunition. The EU-Moldova DCFTA, which extends to Moldova's entire territory including Transnistria, adds another imperative to ensure the success of confidence-building measures and regulatory harmonisation.

This Action Document proposes the activities for EUBAM Phase 12. The Mission will refocus around three specific objectives: to contribute to the peaceful settlement of the Transnistrian conflict; to ensure the full implementation of Integrated Border Management (IBM) practices at the Moldova-Ukraine border; and to more effectively combat cross-border crime.

Recognising the deployment of Capital-based EU assistance actors in both Kiev and Chisinau, the Mission’s work will be largely focused on the 453km-long stretch of the common border adjacent to Transnistria, as well as the 411km-long administrative boundary between Moldova and Transnistria and the ports in the region which play a vital role in Moldovan, including Transnistrian, imports and exports. With its headquarters in Odesa, EUBAM will develop  field based activities through six field offices utilising the skills and experience of Customs and Border officials, most of which will be seconded from EU Member States. Practical actions done in conjunction with the Moldovan and Ukrainian partner services, such as joint border control operations to counteract smuggling, will be emphasised.

The Mission’s primary partners will remain Moldova and Ukraine’s Border and Customs agencies. EUBAM will co-ordinate its actions closely with other EU assistance actors, notably the IBM Twinning Projects in Ukraine, EU Advisory Mission , Frontex and the EU’s High Level Advisors in Moldova.

* Context

1.1 Sector/Country/Regional context/Thematic area

After their declarations of independence in 1991, Ukraine and Moldova have developedpolitical instability and systemic corruption, and faced limited economic growth and weak capital investment and rule of law.

Both countries committed to wide-reaching reforms when signing Association Agreements with the European Union. The EU-Moldova Association Agreement (AA) provisionally entered force on 1 September 2014 and was fully applied from 1 July 2016. The EU-Ukraine AA entered into force on 1 January 2016.

These agreements have been a catalyst for reforms in both countries, not least on Customs and trade-related matters. However, political turbulence has continued. Anti-Government protests took place in Moldova in 2015-2016 against perceived corruption and a massive banking fraud that was unveiled at the end of 2014. In November 2016, Socialist Party leader Igor Dodon was elected President. He campaigned on a promise to cancel the EU-Moldova AA, although constitutionally cannot do so without parliamentary consent. Successive Ukrainian Governments in 2016 were beset with accusations of not combating corruption, leading to the resignation of several pro-reform officials, including the Governor of Odesa Oblast.

Both countries also face significant security challenges. Transnistria unilaterally declared independence in 1990, leading to a short conflict with up to 1,000 casualties. A Russian-brokered ceasefire has created a so-called “frozen” conflict, with much of the left-bank of the Dniester River outside the control of the Moldovan Government, in a self-proclaimed Republic of Transnistria. A peaceful settlement to the conflict is pursued haltingly through the “5+2 process”, with co-mediation by Ukraine, the Russian Federation and the OSCE. Since September 2005, the EU and the USA have been official observers.

An internal political crisis emerged after months of peaceful protest on the central 'Maidan' in Kyiv following the Ukrainian Government's announcement regarding the EU-Ukraine Association Agreement in late 2013. The internal situation developed into a security crisis which led to the illegal annexation of Crimea by the Russian Federation and a military conflict in eastern Ukraine in 2014 resulting in some areas of the Donets and Luhansk regions being controlled by Russia- backed separatist forces. The fighting in eastern Ukraine continues and the Minsk agreements which are the basis for a sustainable,political solution to the conflict in the east of the country have not been implemented yet.. The implication of Russia in the conflictin eastern Ukraine and the presence of Russian military troops in Transnistria have led to Ukraine adopting a more hard-line approach towards Transnistria, with increased militarisation of the Transnistria-segment of the common border, including 45km of trenches and additional watch towers.

Financially, both countries have felt the effects of the conflict. GDP per capita decreased in Ukraine from USD3,813 in 2012 to USD2,052 in 2016. Moldova’s GDP per capita reduced by 8.6% in the same period. This has constrained budgets of EUBAM’s partner services, especially for capital investments, but has placed an onus on more effective tax and customs revenue raising, including heightened interest in counteracting smuggling, intellectual property rights (IPR) infringements and customs fraud.

EUBAM Phase 12’s area of operations will cover the 1,222km-long Moldova-Ukraine border from Criva-Mamalyha in the north-west arcing around to Giurgiulesti-Reni in the south-west. All but 3.73km of the border has been demarcated. 453.4km of the border runs adjacent to Transnistria, which the Republic of Moldova has no control over. The border is varied, with 955km of “green” border and 267km of “blue” border along the Dniester River, including a significant area of marshland in the south-east. 67 Border Crossing Points are located along it, including 26 Local Border Crossing Points. Customs controls are not present at 17 of those. The Mission will also cover the 12 Internal Customs Control Posts on the 411km long administrative boundary between Moldova and Transnistria, as well as the ports and airports adjacent to the border, including the two largest at Odesa and Chornomorsk, as they are gateways for Moldovan including Transnistrian imports and exports.

  1.1.1 Public Policy Assessment and EU Policy Framework

A decisive step in upgrading EU bilateral relations with Moldova and Ukraine was made by concluding in 2014 the AAs, including Deep and Comprehensive Free Trade Areas (DCFTAs). The application of the EU-Moldova DCFTA was extended to the entire territory of the Republic of Moldova pursuant to Decision 1/2015 of the EU-Republic of Moldova Association Council as of 1 January 2016.

The DCFTAs have spurred Customs and trade-related reforms in both countries to align legislation and procedures with the Union’s Customs Code and revised Customs Blueprints. Moldova is in the process of drafting a new Customs Code, and in 2017 will introduce an upgraded ASYCUDA system which will provide the grounds to launch simplified customs procedures, including a national Single Window system. In Ukraine, a nationwide Single Window system was launched in August 2016 whilst a development strategy for the State Fiscal Service and the Union Customs Code alignment process are pending.

As of April 2014 Moldova enjoys a visa-free regime with Schengen Area countries. In 2014 the Government approved the National Strategy on Integrated State Border Management for 2015-2017. The Strategy aims to increase “Compatibility, Interoperability, and Integration”, and includes provisions to introduce mobile patrols, improve risk management and strengthen inter-agency co-operation. Its implementation is overseen by a National IBM Council chaired by the Minister of Internal Affairs. In 2015, the Moldovan Government also passed Decree #429 on the “Approval of the Border Security Coordination System Regulations” which supports the development of fully-fledged national coordination of border surveillance along the lines of Commission Decision #1052/2013.

The sixth Progress Report of the European Commission in December 2015 recommended visa suspension for Ukrainian citizen’s travel into the Schengen Area to be granted. This was endorsed by the European Council in December 2016 and is now pending agreement from the European Parliament and EU Member States. The country’s Concept on Integrated Border Management (IBM) 2016-2020 was approved by the Cabinet of Ministers in Decision #1149 on 28 October 2015. An associated Action ***Plan*** includes commitments to implement AA and visa liberalisation obligations, including on migration management and border crossing procedures. A separate National Security Strategy authorised by Presidential Decree #287 on 26 May 2015 and reiterates the priority aim of developing State Border Guard Service capabilities.

The framework for cross-border co-operation continues to develop with the EU’s support. A bilateral agreement from March 1997 forms the basis for seven jointly operated border crossing points to be established. The Joint Declaration signed by the Prime Ministers of Moldova and Ukraine on 30 December 2005, set in place the May 2003 bilateral Customs agreement, with enforcement beginning on 3 March 2006. The EU also brokered two protocols on mutual exchange of preliminary, analytical, operational and statistical information on goods and persons, signed on 21 November 2006. More recently, on 4 November 2015 both countries signed a protocol for the establishment of automated information exchange of traveller data, whilst on 13 February 2017 a protocol establishing Contact Points between the border services was signed. The first of these will be deployed at Palanca.

Both Ukraine and Moldova continue to work towards the peaceful settlement of the Transnistria conflict and the effective implementation of the 2003 bilateral customs regime. The '5+2' negotiation process was resumed in 2011, albeit with several subsequent pauses. The last meeting took place in June 2016. It has been supplemented since 31 October 2007 with ten Expert (Working) Groups, of which EUBAM participates in four on Customs co-operation, law enforcement, road and rail transportation.

  1.1.2 Stakeholder analysis

EUBAM Phase 12 will have five main partners in addition to the Ministries of Foreign Affairs of both countries. The first four of these are referred to in this document as the “partner services”.

The Border Police of the Republic of Moldova: As a result of border management reforms, from 1 July 2012 the former Border Guard Service of Moldova was integrated under the Ministry of Internal Affairs, as the Border Police Department. According to Law #283 of 28 December 2011, the Border Police have responsibilities for border surveillance and border checks, combating illegal migration and cross-border crime, as well as implementing the State’s policy on IBM and the management of border information/data systems. The Border Police cover Moldova’s 1906km-long border with the exception of the 453.4kms of the Transnistrian segment, and isresponsible for 51 border crossing points (7 with Romania, 43 with Ukraine, 1 at Chisinau Airport). The Border Police is split into four regional directorates and 41 border sectors, whilst Headquarters functions are contained within 16 directorates. There are 3,553 personnel, of which 22% are female.

State Border Guard Service of Ukraine: According to the July 2003 amendment of the Law on the State Border, the State Border Guard Service hasresponsibility for policing Ukraine’s State border on land and water, exercising border control, carrying out intelligence, information and analytical, and operational criminal investigations, participating in the fight against organized crime and counteracting illegal migration. They are mandated to do this along the entire 5,637.9km-long State border, although due to events beginning in 2014 some border segments are inaccessible to them. Approximately 50,000 Border Guards are responsible for 196 border crossing points. The Service is split into five regional commands with 25 border detachments. 18% of the staff are female.

Customs Service of the Republic of Moldova: Subordinate to the Ministry of Finance, the Customs Service is responsible for the collection of Customs duties, combating Customs fraud, and facilitating international trade. The Service currently operates 46 Customs Posts at the State border, as well as 15 Internal Customs Control Posts. It was established in September 1991 and underwent re-organisation from October 2016 through Order #748. The previous seven Customs Houses were reduced to three, and the number of staff is earmarked to reduce from 1,728 to 1,520 in 2017. Of the current employees, 32% are female. A new Customs Code, which is the basis for the Service’s work, is scheduled to be approved in 2017 and will replace the existing Code promulgated in December 2000.

State Fiscal Service of Ukraine: After establishment in 1991 and repeated restructuring, on 21 May 2014 the Cabinet of Ministers in Decree #236 renamed the Ministry of Revenues and Duties as the State Fiscal Service under the Ministry of Finance. Apart from its tax responsibilities, the State Fiscal Service is responsible for implementing State Customs policy based on the 2012 Customs Code. This is implemented by the State Fiscal Service’s 41,000 staff working out of 24 Headquarters’ Departments and 27 Customs Houses. 37% of its staff are female.

Bureau of Reintegration of the Republic of Moldova: The Bureau operates under the Prime Minister’s Office and is headed by a Deputy Prime Minister. It is Moldova’s lead agency for the Transnistria conflict settlement and is mandated to develop and promote strategies, ***plans*** and mechanisms to that end, for reintegration of the country and for post-conflict development. These include the development of confidence-building measures and the co-ordination of Moldova’s activities in the Joint Control Commission and the 5+2 process.

  1.1.3 Priority areas for support/problem analysis

The settlement of Transnistria related-issues through confidence-building measures and harmonisation of legislation and procedures in the field of customs, trade and transport, and trans-boundary/border management cooperation. The free movement of people and goods across the Transnistrian segment and the administrative boundary line, and restoration of economic ties between Chisinau and Tiraspol could be a catalyst for contributing to the settlement of Transnistrian socio-economic issues. Elimination of undue technical and fiscal barriers between the two banks of the Dniester River will increase transparency and create conditions for fair trade and competitiveness of their businesses in the internal and external markets. As of 1 January 2016, after repeal of the EU Autonomous Trade Preferences regime, Transnistrian exports continue to benefit from preferential treatment in the EU, since the scope of the DCFTA application extended to the entire territory of the Republic of Moldova pursuant to Decision 1/2015 of the EU-Republic of Moldova Association Council. As such, as the Republic of Moldova aligns its Customs legislation with that of the EU acquis, these reforms should also be reflected in harmonised regulations in Transnistria.

Full implementation of the Integrated Border Management at the Moldova-Ukraine border with a special attention to its Transnistrian segment. The Mission will contribute to further improvement of cross-border and interagency cooperation between the customs and border agencies. EUBAM will ensure pre-assessment of requisites (including legal, political and operational) for full  implementation and in situ monitoring and verification of the Jointly Operated Border Crossing Points, including at the Transnistrian segment. Activities will fall within the context of National IBM Strategies in both countries. Ukraine’s National IBM Strategy for 2016-2020 came into force on 1 January 2016, whilst Moldova’s Strategy covers 2015-2017. Associated Action ***Plans*** for both Strategies detail actions to improve intra-agency and inter-agency co-operation, accountability and transparency and operational effectiveness.

Assistance in combatting cross-border crime including smuggling and trafficking with special attention to its Transnistrian segment. Particular attention will be paid to the prevention and fighting against smuggling, particularly of arms and ammunition, as well as contraband. Here EUBAM will also look into the conditions for intelligence led anti-smuggling efforts, and early propose deliverables that can be put in place before end of project.  An observation role/capacity will have to be retained, mainly on smuggling and trafficking. Smuggling remains a significant problem on the Moldova-Ukraine border. Between December 2015–November 2016 45.7 million cigarettes and 46 weapons were seized on the Moldova-Ukraine border. The Mission was also involved in the seizure of 66 million cigarettes on route to Ukraine in the Black Sea, and monitored the operations of Transnistrian Duty Free Shops, which introduced 1.32 billion cigarettes, despite registered sales of only 639.5 million.

* Risks and Assumptions

|  |  |  |
| --- | --- | --- |
| Risks | Risk level (H/M/L) | Mitigating measures |
| Chisinau and Tiraspol policy positions make Confidence Building Measures (CBM) agreement and implementation not possible. | H | Participation in the 5+2 Expert (Working) Groups would be used to seek consensus on CBMs, supplemented by advocacy to both sides. Should this fail, CBM activities would be implemented concurrently until joint implementation is agreed. |
| Ukraine or Moldova unilateral measures against Transnistria curtails Transnistrian trade and/or freedom of movement. | H | Impact of the measures would be quantified through trade/traveller analysis and field observations. EUBAM would pass these to the EU Delegation to Moldova for use in the 5+2 format talks. |
| 5+2 Expert (Working) Groups stop functioning. | M | Bilateral contacts with officials in Chisinau and Tiraspol would be sought to progress EUBAM?s activities. |
| Assumptions: Relations between Chisinau and Tiraspol do not deteriorate further; The security situation remains conducive to physical trans-boundary interaction; The 5+2 settlement process and its associated Expert (Working) Groups continue to function. |  |  |
| Transnistrian de facto authorities reject DCFTA implementation. | H | EUBAM would frame Customs and trade alignment/harmonisation efforts by the provisions of the World Trade Organization (WTO) or World Customs Organization (WCO). |
| Moldova cancels the AA/DCFTA with the EU. | M | EUBAM would re-appraise Outputs 1.1-1.3 once substitute Customs and trade procedures are known. |
| Assumptions: The Moldovan Government recognises that the AA/DCFTA is in Moldova?s economic interest; Officials in Tiraspol may be willing to align some procedures in their economic interest, despite public pronouncements to the contrary. |  |  |
| Moldova-Ukraine relations deteriorate. | L | EUBAM would use bilateral and Advisory Board meetings to reconcile both sides on the implementation of joint activities. ***Interventions*** by the EU Delegations to Moldova and Ukraine would be requested at the higher political level. |
| Assumptions: Moldova-Ukraine relations remain at the current constructive level and any bilateral disputes do not spill over into EUBAM?s thematic working areas. The Governments of Moldova and Ukraine continue to honour the provisions of the Memorandum of Understanding signed with the European Commission on 7 October 2005. Should either Government be unwilling to honour the 2005 Memorandum of Understanding, EUBAM would have no legal basis to operate in either country. |  |  |
| Partner services refuse to sustain initiatives established by EUBAM. | M | Partner services would be engaged early in the handover process to ensure they have sufficient time to ***plan*** for the transfer. Should handover be rejected, an alternative custodian amongst other EU assistance actors would be sought. |
| Assumptions: EUBAM?s intention to handover all co-ordination mechanisms and the Common Border Security Assessment Report CBSAR is well known, understood and agreed by the partner services; Partner services have sufficient funds to takeover and sustain co-ordination mechanisms and CBSAR. |  |  |
| Consensus not reached among all partner services for BCP reforms, such as One-Stop controls. | M | EUBAM would advocate the reforms with partner services? management bilaterally and in Advisory Board meetings. It would request other EU actors to also advocate. |
| Assumptions: Both Governments prioritise the implementation of their AA/DCFTA and Visa Liberalisation Action ***Plan*** (VLAP) obligations, irrespective of the amount of EU assistance. |  |  |
| Eastern Partnership IBM Flagship Initiative funding is not committed and administered late. | H | EUBAM would pre-empt this by defining with EU Delegations clear timelines for delivery and communicating clearly with the partner services. The timing of requisite technical agreements would also be synchronised with delivery times. |
| Assumptions: The EaP IBM Flagship Initiative, or equivalent, continues to offer funding for equipment and infrastructure enhancements; Moldova and Ukraine agree to co-operate on new funding applications; Joint Moldova-Ukraine funding applications are successful. |  |  |

* Lessons learnt, complementarity and cross-cutting issues

3.1 Lessons learnt

EUBAM’s partner services remain highly centralised: All four partner services remain highly centralised. Decision-making is often not authorised at the local or provincial levels. This affects technical procedural adjustments as well as whether to provide the Mission with information and assessments. Although the Mission enjoys constructive working relations and has a robust Memorandum of Understanding, problems still arise. As such, it will be important that the Mission retains regular engagement with central-level officials from Chisinau and Kiev. This can be partly achieved through Advisory Board meetings and co-ordination with other EU actors.

Synchronisation of activities with equipment delivery: EUBAM’s work is supplemented by equipment/infrastructure upgrades funded through the EaP IBM Flagship Initiative. These have been important components in ensuring new practices technically support by EUBAM can be implemented fully. In Phase 12 it is envisaged that EaP-funded equipment will be a pre-condition to the successful completion of at least three ***planned*** activities. Based on the Mission’s Phase 11 experience, the delivery of this equipment should be better synchronised with operational decisions to avoid delays and loss of momentum by the partner services.

Co-ordination with other EU actors is crucial: The increase in EU assistance in Moldova and Ukraine places an emphasis on regular co-ordination with all assistance actors, especially in Ukraine. This imperative will increase during Phase 12. Existing co-operation should be deepened. Frontex, EUAM and the IBM Twinning projects in Ukraine should seek EUBAM’s field observations to verify the implementation of central reforms. Likewise, EUBAM must utilise capital-based actors to advocate for reforms identified by the Mission’s work.    3.2 Complementarity, synergy and donor coordination

EUBAM Phase 12 will co-operate with a range of externally and Kiev-based assistance actors in all three Specific Objectives. The main partners will be:

Frontex: The Mission will work closely with Frontex on the implementation of joint border control operations conducted under EUBAM and Frontex auspices. Co-ordination and exchange of experiences will also take place in the fine-tuning of risk management systems in both countries. The Mission will also feed in field observations to the Frontex-implemented Eastern Partnership IBM Capacity Building Project, assuming it is prolonged, especially where skills gaps and training needs of partner services have been identified. Frontex signed co-operation agreements with Moldova (2008) and Ukraine (2007) to enable co-operation on training, risk analysis, information exchange and joint operations.

IBM Twinning Project to the State Border Guard Service of Ukraine: During Phase 12, EUBAM will provide the Twinning Project with field-level observations on intra- and inter-agency co-operation to assist their evaluation of the National IBM Concept, as well as expert assessments of border checks and one-stop controls on the Ukraine-Moldova border. The Twinning Project will be invited to observe the joint border control operations to determine the State Border Guard Service’s enforcement capacities. Launched in October 2016, the Twinning Project focuses on assistance to Ukraine’s National IBM Strategy (2016-2020), improvement of the border checks system focusing on forged travel documents, and approximation of legislation and practice on stolen vehicles to the EU acquis.

EU Advisory Mission for Civilian Security Sector Reform (EUAM): EUAM will be offered EUBAM’s field observations to inform their support to central-level reforms, particularly on risk management procedures, anti-smuggling legislation and intra- and inter-agency co-operation. EUAM will also be invited to observe joint border control operations to determine the law enforcement capacities at the border. Based in Kiev since 2014, EUAM engages in ***strategic*** level reforms on law enforcement and good governance with the border agencies.

EU High Level Advisors in Moldova: The Mission will co-operate with the EU High Level Advisors on Customs and on Confidence Building Measures on the establishment of jointly operated border crossing points, road and rail confidence-building measures and customs co-operation. Since their appointment in early 2016 the Mission has co-ordinated its actions closely with both advisors on the aforementioned themes and this will continue into Phase 12.

OSCE Mission to Moldova: As a co-chair of the 5+2 process, the OSCE and EUBAM will co-ordinate on ongoing and proposed confidence-building measures. The Mission will also work with the OSCE on problem-solving related to trade, road or rail transportation issues as they arise. EUBAM and the OSCE Mission will also exchange information on trans-boundary related customs and security issues, as well as on cross-border crime.

  3.3 Cross-cutting issues

Gender Awareness and Equality

Women are in the minority in all partner services, averaging of 27% of all personnel across the four partner services, and 10-15% of managers. Attitudes towards female employees do not demonstrate gender awareness, despite adequate equality legislation in both countries. EUBAM will promote gender awareness amongst its partner services by ensuring its own staff represents the same value. All newly hired EUBAM Phase 12 staff will complete UN Women’s online “I Know Gender: An Introduction to Gender Equality” course within one month of arrival, and managers will be encouraged to complete UN Women’s online “Rights and Needs of Women in Border Management” course. These initiatives will aid the inclusion of gender considerations into EUBAM guidance to its partner services. The Mission will ensure that reports are gender mainstreamed and, where possible, use gender-disaggregated data. In EUBAM’s call for secondees from EU Member States, female Border and Customs experts will be especially encouraged to apply.

Anti-Corruption and Anti-Fraud Measures

Verifying the introduction of simplified procedures will reduce opportunities for corruption, whilst support for investigations on cross-border crime and closer inter-agency and international co-operation between the partner services will help to detect corruption and fraud. The harmonisation of Customs legislation and procedures between Chisinau and Tiraspol will contribute to closing loopholes that facilitate corruption and fraud.

Conflict Prevention and Conflict Settlement

EUBAM Phase 12 will contribute to the peaceful settlement of the Transnistria conflict by developing confidence-building measures to increase mutually beneficial co-operation between Chisinau and Tiraspol on Customs, trade and transportation. EUBAM’s efforts to combat cross-border crime will also improve the partner services’ detection and interdiction of weapons or ammunition which may be used to exacerbate the conflict.

* Description of the action

4.1 Objectives/results

Overall Objective: To support Moldova’s and Ukraine’s efforts to effectively manage their common border and actively support concrete measures linked to the settlement of the Transnistrian conflict.

Specific Objective 1: To support the development of Transnistria-related confidence-building measures and approximation of legislation and procedures in customs, trade, transport and trans-boundary management.

Output 1.1: Customs and trade related legislation and procedures on both sides of the Dniester River approximated.

Output 1.2: Co-operation among responsible authorities on the enforcement of customs and trade legislation and procedures on both sides of the Dniester River enhanced.

Output 1.3: Sanitary, phytosanitary and veterinary practices on both sides of the Dniester River aligned with international standards to mitigate human, animal or plant health risks in trade.

Output 1.4: Practical solutions for the fully-fledged resumption of passenger and freight traffic across Transnistria adopted by the responsible authorities.

Output 1.5: Trans-boundary crisis management co-operation enhanced.

Specific Objective 2: Full implementation of the Integrated Border Management at the Moldova-Ukraine border with a special attention to its Transnistrian segment.

Output 2.1: Joint control at border crossing points and automated exchange of border crossing data established.

Output 2.2: Efficiency of border and customs controls increased through inter-agency co-operation at the regional and local levels.

Output 2.3: Cross-border processes aligned with the Association Agreements including DCFTAs, EU Customs Blueprints, VLAPs and Integrated Border Management provisions.

Specific Objective 3: Greater effectiveness of efforts to combat cross-border crime on the Moldova-Ukraine border, especially at the Transnistrian segment.

Output 3.1: The transparency in fighting cross border crime of the common border and adjacent ports of entry in fighting cross-border crime is increased.

Output 3.2: Joint assessment of threats to border security jointly assessed by the border services and other law enforcement agencies in Moldova and Ukraine developed.

Output 3.3: Increased operational co-operation between Ukraine and Moldova in preventing smuggling of goods, including in tobacco products, arms, ammunition and nuclear materials is increased.

Output 3.4: Better inter-agency coordination in the detection, investigation and enforcement of cross-border crime is enhanced.

  4.2 Main activities

Output 1.1:

Activity 1.1.1: Advise on the approximation of customs duties, VAT and excise between Chisinau and Tiraspol.

Activity 1.1.2: Advise on the approximation of regulations and procedures on customs valuation and the alignment of regulations on fees and charges to the provisions of Articles VII and VIII of General Agreement on Tariffs and Trade (GATT) as well as rules of origin applicable in the EU.

Activity 1.1.3: Advise Transnistria on the implementation of Articles 2, 4-6 of the World Trade Organisation’s Technical Barriers to Trade Agreement.

Activity 1.1.4: Advise Transnistria on the implementation of the World Trade Organisation’s Intellectual Property Rights (IPR) protection standards and market surveillance.

Activity 1.1.5: Advise Chisinau and Tiraspol in improving the customs framework and further simplification of formalities in trade in goods.

Output 1.2:

Activity 1.2.1: Arrange joint anti-smuggling operations between Chisinau and Tiraspol customs structures.

Activity 1.2.2: Seek agreement and develop an automated exchange of customs data and information on registration of juridical persons involved in trans-boundary and international trade.

Activity 1.2.3: Profile and analyse Transnistrian external trade activity, including on the implementation of the single customs regime (i.e 2005 Moldova-Ukraine Joint Declaration).

Activity 1.2.4: Verify clearance of goods imported or exported by Transnistrian economic operators is performed in a transparent and non-discriminatory manner.

Output 1.3:

Activity 1.3.1: Promote co-operation between Chisinau and Tiraspol to uphold regional consumer safety.

Output 1.4:

Activity 1.4.1: Develop and sustain transport related confidence-building measures in co-operation with the OSCE.

Activity 1.4.2: Contribute to defusing disruption of passenger and freight services across the administrative boundary line and transit, import and export of cargo overseas by road and rail through Transnistria, in co-operation with the OSCE.

Output 1.5:

Activity 1.5.1: Encourage establishment of contact points and information exchange mechanisms to respond to any type of incidents (flooding, serious incidents in either bank of the Dniester River, etc.) that may affect the movement of people and goods across Transnistria.

Output 2.1:

Activity 2.1.1: Ensure the implementation ***plan*** of the partner services to establish jointly operated border crossing points along the entire Moldovan-Ukrainian border.

Activity 2.1.2: Confirm the full implementation of the automated exchange of border crossing data on persons and vehicles crossing the Moldovan-Ukrainian border including the Transnistrian segment.

Output 2.2:

Activity 2.2.1: Ensure on the full implementation of One-Stop-Shop (OSS) concept including on the implementation of data sharing mechanisms at Border Crossing Points for clearance purposes.

Activity 2.2.2: Draft assessment and proposal regarding intelligence led border management on Moldova-Ukraine border segment. Support inter-agency mobile groups based on intelligence-led activities in close co-operation with Frontex.

Output 2.3:

Activity 2.3.1: Evaluate border and customs systems at all road, rail, air and sea Border Crossing Points and Customs Posts within EUBAM’s area of operations jointly with partner services.

Activity 2.3.2: Monitor the implementation of the EU Visa post-Liberalisation Action ***Plans*** benchmarks in both Moldova and Ukraine in the following areas: border management, migration management, combatting cross-border organised crime and freedom of movement of citizens of both countries, upon the request of the EU and/or partner services.

Activity 2.3.3: Review all Border Crossing Points along the Moldova-Ukraine border with a view to optimizing their status.

Activity 2.3.4: Support the finalisation of the border demarcation process on the Moldova-Ukraine border. Upon request of the partner services, advise on the technical aspects outstanding for the full demarcation of the common border.

Output 3.1:

Activity 3.1.1: Assist in the prevention, detection and investigation of cross-border crime.

Activity 3.1.2: Develop the assessment, prevention, detection and investigation capabilities of partner services on the illegal trafficking of arms, ammunition, radiological and nuclear materials.

Output 3.2:

Activity 3.2.1: Develop updated assessment of  risk analysis, intelligence and data-flow management of the partner services on the concerned border segments, and ensure implementation of assessment.

Activity 3.2.2: Develop  and ensure implementation of  the partner services’ joint risk and threat assessments on cross-border crime.

Activity 3.2.3: Ensure a sustainable alert mechanism at tactical and operational levels for prompt response border-related crime threats.

Output 3.3:

Activity 3.3.1: Develop updated assessment of information exchange between Moldova and Ukraine on preventing and combating smuggling of goods, including in tobacco products, arms and ammunition, explosives and nuclear materials.

Activity 3.3.2: Ensure the ***planning***, conduct and evaluation of joint border control operations with the partner services and in co-operation with Frontex, European Anti-Fraud Office (OLAF) and South European Law Enforcement Centre (SELEC).

Activity 3.3.3: Ensure the implementation of border and customs control measures in Moldova and Ukraine with particular attention to the Transnistrian segment of the common border.

Output 3.4:

Activity 3.4.1: Enhance harmonised measures and joint efforts to improve enforcement procedures to prevent and combat cross-border crime.

  4.3 ***Intervention*** logic

Since 2005 when the mission was launched, EUBAM has developed into a complex and unique undertaking, whose mandate included providing technical advice, development of partner services, and organising confidence-building measures related to the technical aspects of the settlement of the Transnistrian conflict. The current EUBAM Phase 11 emphasises the promotion of Border and Customs cooperation between Moldova and Ukraine, stronger involvement of EUBAM in confidence building measures, enhancement of border monitoring activities on the Transnistrian segment, monitoring of DCFTA implementation, including facilitation of the external trade from Ukraine and Moldova and verification of normative and legislative initiatives impacting Transnistria.

The proposed EUBAM Phase 12 will be down-sized and focused on three fundamental objectives. They will reflect the sustained attempts to handover responsibilities for initiatives and co-ordination mechanisms to Moldovan and Ukrainian partner services. They also reflect the fact that by the proposed starting date, the EU-Moldova Association Agreement will have been in force for over three years, whilst that with Ukraine will have been active for almost two. Similarly, Moldova will be in its fourth year post visa liberalisation and although visa liberalisation has not yet been granted to Ukraine, it has been assessed as fulfilling the necessary border management standards.

As such, EUBAM will move away from supporting legal and policy reforms on Customs and Border management to focus on verifying and rectifying the implementation of the enacted reforms at the Moldova-Ukraine border. These efforts will focus on the Transnistrian segment of the border, which has a unique set of control and crime challenges, not least due to the absence of a recognised counterpart for Ukrainian agencies. Between December 2015 to November 2016, Ukrainian agencies seized in excess of 39 million contraband cigarettes as well as alcohol, ethanol, weapons and ammunition on that border segment. In Phase 12 EUBAM proposes to conduct joint border control operations targeting cross-border smuggling, and advice will be given to mobile and inter-agency units who form the bulwark of the services law enforcement efforts. The partner services local structures and techniques for risk management will be fine-tuned to enable more efficient and timely detection of risks.

Since the scope of DCFTA application extended to the entire territory of the Republic of Moldova pursuant to Decision 1/2015 of the EU-Republic of Moldova Association Council, EUBAM will support the implementation of DCFTA obligations in Transnistria. As such, in Phase 12 the Mission’s engagement on Transnistria’s harmonisation and alignment with customs legislation of Moldova will be increased, focusing on regulations pertaining to Intellectual Property Rights, customs valuation, fees and charges. Approximation of customs duties, VAT and excise will also be worked towards. These will be designed and promoted as having tangible benefits for economic operators and residents of both sides of the Dniester River. In the same vein, the Mission will promote confidence-building measures to enable and sustain the fully-fledged resumption of passenger and freight traffic across Transnistria, by road and rail.

The Mission will also seek to enhance practical initiatives to increase law enforcement interaction between Chisinau and Tiraspol, such as through joint anti-smuggling operations, exchange of Customs and traveller data as well the proposed establishment of mechanisms to enhance trans-boundary crisis management responses.

* Implementation

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner countries referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

  5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission’s authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014. 5.3 Implementation modalities

Both in direct and indirect management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.

  5.3.1 Indirect management with an international organisation.

This action may be implemented in indirect management with the International Organization for Migration (IOM) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails the development of Transnistria-related confidence-building measures and support to the approximation of legislation and procedures in customs, trade, transport and trans-boundary management between Moldova and Transnistria. It will also support greater implementation of Integrated Border Management practices, as well as more effective combatting of cross-border crime on the Moldova-Ukraine border, especially at the Transnistrian segment.

This implementation is justified because IOM has significant capacity in border management projects in Moldova and Ukraine, with a large portfolio of ongoing border management projects in both countries financed by the EU, individual EU Member States and the USA. IOM’s EU-funded border and migration management projects have been consistently highly evaluated in Ukraine and Moldova, by the EU Delegation, the Commission financial auditors, and the respective Governments. Through these projects IOM has forged strong partnerships with the Customs and Border agencies in both countries, ideal for supporting EUBAM’s operations with its key stakeholders as and when needed.

IOM also has managed EUBAM Phases 10 and 11. As such they have a familiarity with all aspects of the administrative, contractual, financial and logistical running of the Mission, and have proven their managerial competency in these matters with EUBAM over the preceding four years. Maintaining IOM as the managing agency will also ensure the project’s smooth transition into Phase 12.

The entrusted entity would carry out the following budget-implementation tasks: management of EU funds (contracting and payments (liquidation of eligible costs) and recovery); financial monitoring, preparation support for audits.

The entrusted would also carry out the following tasks: assistance with human resources-related documentation and procedures; guidance on procurement and logistics actions; IT and other technical expertise; security procedures; liaison and coordination assistance; and reporting.

  5.3.1.1 Procurement (direct management)

|  |  |  |  |
| --- | --- | --- | --- |
| Subject in generic terms, if possible | Type (works, supplies, services) | Indicative number of contracts | Indicative trimester of launch of the procedure |
| Audit | Services | 1 | Q4 2020 |
| Evaluation | Services | 1 | Q2 2019 |

  5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

  5.5 Indicative budget

|  |  |  |
| --- | --- | --- |
| Module | EU contribution (amount in EUR) | Indicative third party contribution, |
| 5.3.1 Indirect management with IOM (including visibility) | 14 800 000 | N/A |
| 5.8, 5.9 Audit and Evaluation | 200 000 | N/A |
| Total | 15 000 000 | N/A |

5.6 Organisational set-up and responsibilities

All operational and administrative activities which have been delegated to EUBAM will be prepared, executed and followed-up by EUBAM Headquarters in close consultation with the project partners. EUBAM will be guided by the Memorandum of Understanding concluded between the European Commission, Moldova and Ukraine, by EU policy and ***strategic*** documents, by the present action definition, as well as by policy and ***strategic*** decisions made by the Advisory Board.

On matters related to security and administrative management, EUBAM will be guided by the applicable Financial Rules and Procedures, Security and Safety guidelines, Internal Control Framework as well as project-specific delegation of authority.

The Mission’s activities will take place in Moldova and Ukraine. Personnel will be split between EUBAM Headquarters in Odesa, EUBAM’s Office in Moldova (in Chisinau), and in six Field Offices situated along the Moldova-Ukraine border.

An Advisory Board will provide advice to the Mission concerning the quality and adequacy of its tasks and the implementation of the Memorandum of Understanding, between the European Commission, Moldova and Ukraine.

The EU Delegation to the Republic of Moldova will manage the contractual implementation of EUBAM. Regular meetings will take place between EUBAM and appointed staff at the aforementioned EU Delegation for the purposes of reporting, coordination, progress review, consultation and advice. Meetings to co-ordinate activities will also be held with the EU Delegation to Ukraine. The EU Delegation to the Republic of Moldova will facilitate communication and coordination with the European Commission and EEAS on relevant aspects of EUBAM Phase 12 implementation. Visibility and communication activities will be coordinated with the Communication Officers of the EU Delegations.

The Head of EUBAM will at the same time serve as Senior Political Advisor to the Head of the EU Delegation to the Republic of Moldova, and will provide advice to the Head of the EU Delegation to Ukraine upon request.

  5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Monitoring

Performance monitoring will be conducted at the ***strategic*** and operational levels. At the ***strategic*** level, the Mission will convene a formal meeting of its Advisory Board every twelve months. EUBAM will report to the Board on the implementation of the Memorandum of Understanding, signed between the European Commission, the Republic of Moldova and Ukraine on 7 October 2005, whilst the Board will provide advice to the Mission concerning the quality and adequacy of this implementation.

The Advisory Board will be chaired by the Head of the EU Delegation to the Republic of Moldova, and its members will consist of high-level representatives of Moldova and Ukraine’s Ministries of Foreign Affairs, both countries Border and Customs agencies, the EU Delegations to the Republic of Moldova and Ukraine, EUBAM, the European Commission, EEAS, OSCE and IOM.

Additional entities from both countries may also be invited as observers. These have previously included UNDP, as well as Moldova and Ukraine’s Ministries of Internal Affairs, Ministries of Justice, General Prosecutor’s Offices, security services, and Moldova’s Bureau of Reintegration.

On an operational level, EUBAM will develop detailed operational ***plans*** for all Phase 12 activities. An expert responsible for implementation will be assigned to each activity, and sub-activities, tasks and a Gantt chart will be developed. Progress in the fulfilment of the activities and sub-activities will be measured against the Gantt chart every quarter. Baselines for all Performance Indicators have been set (see Appendix). Progress towards the fulfilment of the Performance Indicators against the targets will be measured biannually.

Reporting

Five types of reports are foreseen. These are:

* Monthly reports, describing the activities implemented, key trends and observations, and major contextual events. Monthly reports will be circulated to all relevant EU entities and Moldovan and Ukrainian partner services in English and Russian.

1. Annual activity reports in preparation for Advisory Board meetings will summarise the Mission’s operational achievements, highlight operational challenges and inform on key trends. The reports will be circulated to all Advisory Board members and observers in English and Russian.
2. Annual interim and final narrative reports will be ***produced*** and will report on the progress and achievement of EUBAM Phase 12 Specific Objectives, Outputs and Activities.
3. A short public Annual Report will be ***produced*** to publicise the achievements made by the Mission to the general public. It will be available in English and Russian.
4. Up to six ad-hoc analytical reports on themes relevant to EUBAM Phase 12 will be issued each year. The reports will analysis trends, events or potentialities. They will be issued in English and have limited distribution within EU entities only.

  5.8 Evaluation

Having regard to the importance of the action, a mid-term evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

The evaluation will be carried out for problem solving and learning purposes, in particular with respect to gauging the outstanding capability gaps of Moldovan and Ukrainian border agencies in combatting cross-border crime and implementing IBM practices. These findings may inform related future EU-funded actions.

The Commission shall inform the implementing partner at least 3 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner countries and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner countries, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Where appropriate the provisions included in the framework agreement signed with the international organisation will apply (Financial and Administrative Framework Agreement (FAFA) between the European Union and the United Nations).

Indicatively, one contract for evaluation services shall be concluded under a framework contract in the second quarter of 2019.

  5.9  Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Where appropriate the provisions included in the framework agreement signed with the international organisation will apply (Financial and Administrative Framework Agreement (FAFA) between the European Union and the United Nations).

Indicatively, one contract for audit services shall be concluded under a framework contract in the fourth quarter of 2020.

  5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility ***Plan*** of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility ***Plan*** of the Action and the appropriate contractual obligations shall be included in the financing agreements or delegation agreements. Where appropriate the provisions included in the framework agreement signed with the international organisation will apply (Financial and Administrative Framework Agreement (FAFA) between the European Union and the United Nations).

With regards to the Neighbourhood East, all EU-supported actions shall be aimed at increasing the awareness level of the target audiences on the connections, the outcome, and the final practical benefits for citizens of EU assistance provided in the framework of this action. Visibility actions should also promote transparency and accountability on the use of funds.

Outreaching/awareness raising activities will play a crucial part in the implementation of the action, in the case of budget support the national government shall ensure that the visibility of the EU contribution is given appropriate media coverage. The implementation of the communication activities shall be the responsibility of the implementing organisations, and shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the Commission (European Neighbourhood Policy and Enlargement Negotiations) will be strictly adhered to.

Where relevant, the provisions of the Financial and Administrative Framework Agreement concluded between the European Union and the selected international organisations shall apply.

It is the responsibility of the implementing organisation to keep the EU Delegations and, where relevant, DG NEAR, fully informed of the ***planning*** and implementation of the appropriate milestones specific visibility and communication activities.

The implementing organisation shall report on its visibility and communication actions, as well as the results of the overall action to the relevant monitoring committees.

This action will be communicated externally as part of a wider context of EU support to the country, and where relevant to the Eastern Partnership region in order to enhance the effectiveness of communication activities and to reduce fragmentation in the area of EU communication.

The implementing organisation shall coordinate all communication activities with EU Delegations as well as regional communication initiatives funded by the European Commission to the extent possible. All communication strategies developed as part of this action shall ensure they are in line with the priorities and objectives of regional communication initiatives supported by the European Commission and in line with the relevant EU Delegation's communication strategy under the 'EU4Country' umbrella initiative.

* Pre-conditions

The Ministries of Foreign Affairs of Moldova and Ukraine agree with the EU on the content of the Phase 12 Action ***Plan***. As the main representatives of the hosting countries, their agreement is necessary as all activities will be conducted either in support of, or in collaboration with Moldovan and Ukrainian partner services.

  APPENDIX - Indicative Logframe matrix (for project modality) [1]

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Results Chain | Indicators | Baselines | Targets | Means of Verification | Assumptions |  |  |  |
| Overall Objective | To contribute to Moldova?s and Ukraine?s efforts to effectively manage their common border and actively support concrete measures linked to the settlement of the Transnistrian conflict. | Approximation of border management practices on the Moldova-Ukraine border with IBM principles. | Implementation of IBM principles progressing in both countries, albeit at a slower pace in Ukraine.   Transnistria settlement progresses very slowly. | IBM implementation assessed as being largely fulfilled by November 2020.   New 5+2 agreements on trade, crisis management and freedom of movement signed by the parties by 2020. | Commission  Reports on Association Agreements implementation.   Frontex assessments.   5+2 meeting conclusions. |  |  |  |  |
| Specific  Objectives | 1. Transnistria-related confidence-building measures and approximation of legislation and procedures in customs, trade, transport and trans-boundary management advanced. | i. Improved freedom of movement for goods and travellers through the central segment of the Moldova-Ukraine border. | Travellers across the central segment totalled 3,652,890 in 2016.     The ?Protocol on the principles of fully-fledged rail freight traffic? was signed on 30/03/2012 and was extended by a further year on 31 December 2016. | At least a 3% annual increase in travellers across the central border segment.   Annual prolongation of the Protocol or successor protocol signed covering at least a three year period. | Data on refused entry by Ukraine?s State Border Guard Service.   Information shared by the sides on transport problems.   Observations by EUBAM Field Offices. | Political will to settle the conflict by the sides.   Security situation remains conducive to trans-boundary trade and movement.   Moldova continues participation in the DCFTA.   Transnistria agrees to implement the Trade Facilitation Arrangements with Chisinau.   Alignment of regulations with FTP in Transnistria?s economic interest.   Relations between the 5+2 actors conducive to conflict settlement. |  |  |  |
| ii. Level of participation of Transnistrian businesses in the economic systems of Moldova.   Number of of Transnistrian economic operators registered with Moldovan institutions     Value of exports by Transnistrian economic operators | As of December 2016, 1587 Transnistrian economic operators were registered with Moldovan institutions.       Goods exported by Transnistrian economic operators totalled EUR 281 million in 2016. | Number of Transnistrian economic operators registered with Moldovan institutions increases at least 5% annually.     Value of exports by Transnistrian economic operators increases by 3% annually. | EC reports on DCFTA implementation.   Data on registered Transnistrian businesses in Moldova from the Moldovan Customs Service. |  |  |  |  |  |  |
| iii. Level of co-operation between Moldova government entities and their de facto  counterparts in Transnistria.   Protocols on co-operation between Moldova and Transnistria on customs co-operation, SPS co-operation, access to international traffic for Transnistrian-registered vehicles and  crisis management signed | No agreements on customs, SPS, vehicle recognition internationally and crisis management are in place. A draft customs co-operation agreement from 2016 awaits discussion. A solution for access to international traffic for Transnistrian-registered vehicles was proposed in 2015 and discussed in June 2016 by the 5+2, which agreed to keep it has the basis of a future agreement to be reached between the sides. | Protocols on co-operation between Moldova and Transnistria signed on customs co-operation, SPS co-operation, access to international traffic for Transnistrian-registered vehicles and  crisis management by November 2020. | Conclusions of 5+2 meetings.   Information shared by sides in the 5+2 Expert (Working) Group meetings.   Copies of protocols on co-operation. |  |  |  |  |  |  |
| 2. Full implementation of the Integrated Border Management at the Moldova-Ukraine border with a special attention to its Transnistrian segment. | i. Degree of implementation of Moldova?s National Strategy (2015-2017) on Integrated State Border Management and development of comprehensive successor Strategy. | Moldova?s National Strategy on Integrated State Border Management was approved in 2015 and lasts until 2017. An Action ***Plan*** has been approved. | Moldova?s National Strategy on Integrated State Border Management and associated Action ***Plan*** completed by December 2017 and new Strategy approved by January 2018. | Post-Visa Liberalisation assessment reports.   Frontex assessments.   EUBAM joint evaluation reports. | Adequate resources committed by Moldova and Ukraine to implement IBM strategies.   Central-level IBM reforms implemented at local and regional levels.   Security situation does not lead to militarisation of the common border.   Both countries co-operate on customs and border management. |  |  |  |  |
| ii. Degree of implementation of Ukraine?s Concept on Integrated Border Management (2015-2020). | Ukraine?s Concept on Integrated Border Management was approved in 2015 and remains in force until 2020. An Action ***Plan*** has not been approved. | Ukraine?s Concept on Integrated Border Management and associated Action ***Plan*** fulfilled by November 2020. | Post-Visa Liberalisation assessment reports, when available.   EUBAM joint evaluation reports.   IBM Twinning Project and Frontex reports. |  |  |  |  |  |  |
| 3. Greater effectiveness of efforts to combat cross-border crime on the Moldova-Ukraine border, especially at the Transnistrian segment. | i. Amount of smuggled weapons, narcotics, alcohol, ethanol, and cigarettes seized on the Moldova-Ukraine border. | 12/15?11/16 | Cases (Vol.) | By November 2020: Weapons seizures no more than 32 cases; Narcotics seizures no more than 26 cases; Alcohol seizures no more than 123 cases; Ethanol seizures no more than 54 cases; Cigarette seizures no more than 146 cases. | Data by the partner services contained in the CBSAR. | Smuggling routes continue to pass through the common border.   Changes in number of seizures not due to less effective controls.   Moldovan and Ukraine co-operate to combat cross-border crime. |  |  |  |
| Drugs | 37 |  |  |  |  |  |  |  |  |
| Cigs | 208(45,754,120) |  |  |  |  |  |  |  |  |
| Alcohol | 175 (13,508L) |  |  |  |  |  |  |  |  |
| Eth?nol | 77 (122,495L) |  |  |  |  |  |  |  |  |
| Arms | 46 |  |  |  |  |  |  |  |  |
| Outputs | 1.1: Customs and trade related legislation and procedures on both sides of the Dniester River approximated. | i. Agreement on the simplification of customs procedures between Chisinau and Tiraspol | As of January 2017, no agreement or talks on simplification of customs procedures between Chisinau and Tiraspol had been held. | Agreement signed by November 2020. | Copy of the agreement by the MDCS or through the Expert (Working) Group on Customs Matters. | Transnistrian officials engage with EUBAM on Trade Facilitation Arrangement between Chisinau and Tiraspol.   Chisinau and Tiraspol officials co-operate on customs duties, valuation, VAT and excise approximation.   Sufficient access provided to EUBAM to verify harmonisation of Transnistrian regulations with EU standards.   Chisinau officials do not hinder Transnistrian economic operators? inclusion into Moldova?s economic system. |  |  |  |
| ii. Roadmap for the approximation of customs duties, valuation, VAT and excise agreed between Chisinau and Tiraspol. | No talks on a roadmap have been held between Chisinau and Tiraspol by January 2017. Transnistria currently does not levy VAT but is considering doing so. | Roadmap agreed by November 2019. | Copy of the roadmap provided by the Moldovan Customs Service. |  |  |  |  |  |  |
| iii. Degree of alignment of customs valuation regulations and procedures in Transnistria to Articles VII and VIII of the GATT. | Transnistrian regulations  partially align with Articles VII and VIII but not fully. | Progress on aligned procedures to Articles VII and VIII of the GATT by November 2020. | Copies of amended Transnistrian regulations provided by the de facto Transnistrian Customs Service. |  |  |  |  |  |  |
| iv. Preparations for the implementation of the WTO?s Technical Barriers to Trade (TBT) Agreement, Articles 2, 4-6, in Transnistria made. | Implementation of the TBT agreement is included under the trade facilitation arrangement between Chisinau and Tiraspol but no action has been taken. | Roadmap for the implementation of Articles 2, 4-6 of the TBT agreement, formulated by November 2019. | EUBAM assessment of compliance with WTO?s TBT agreement, Articles 2, 4-6. |  |  |  |  |  |  |
| v. Degree of alignment of Transnistrian procedures to the WTO?s IPR standards. | Transnistrian IPR procedures are under-developed and not aligned with WTO standards. | Procedural amendments to align with WTO IPR standards started by November 2019. | EUBAM assessment of procedures against WTO IPR standards. |  |  |  |  |  |  |
| vi. Number of AEO certificates issued to Transnistrian economic operators. | As of January 2017 no Transnistrian economic operators have AEO status. | At least 10 Transnistrian economic operators granted AEO status by November 2020. | Statistics on AEO certificate holders provided by the MDCS. |  |  |  |  |  |  |
| 1.2: Co-operation on the enforcement of customs and trade legislation and procedures on both sides of the Dniester River enhanced. | i. Joint customs co-operation ***plan*** approved by both Chisinau and Tiraspol. | A customs co-operation ***plan*** was drafted in 2016 but not agreed. | Joint customs co-operation ***plan*** approved by November 2018. | Copy of approved customs ***plan*** provided by the MDCS. | Chisinau and Tiraspol officials willing to co-operate on customs and trade legislation.   Co-operation not conditioned to concessions on other, non-related, issues.    Moldova and Transnistria invest sufficient financial and human resources to implement co-operative initiatives. |  |  |  |  |
| ii. Degree of operability of automated exchange of customs data established between Chisinau and Tiraspol. | As of January 2017 no systematic automated exchange of customs data is in place. | Automated exchange of customs data agreed by November 2019 and functional by November 2020. | EUBAM experts? verification of data exchange.   Copy of agreement/ technical protocol establishing system provided by the MDCS. |  |  |  |  |  |  |
| iii. Number of Joint Chisinau-Tiraspol anti-smuggling operations implemented. | As of January 2017 no joint anti-smuggling operations have ever taken place. | At least one joint anti-smuggling operation undertaken by November 2020. | Report of the operation by the MDCS.   EUBAM monitoring of the operation. |  |  |  |  |  |  |
| 1.3: Sanitary, phytosanitary and veterinary practices on both sides of the Dniester River aligned with international standards to mitigate human, animal or plant health risks in trade. | i. Degree of operability of technical information exchange on human, animal or plant risks established between laboratories in Chisinau and Tiraspol. | As of January 2017 no information is exchanged systematically on human, animal or plant risks between laboratories in Chisinau and Tiraspol. | Co-operational agreements in place between laboratories by November 2019 and practical co-operation started by June 2020. | Copy of agreement and technical protocol for information exchange provided by ANSA. | Chisinau and Tiraspol officials willing to co-operate on Veterinary and SPS matters.   Co-operation not conditioned on concessions on other, non-related, issues.    SPS invest sufficient resources to ensure co-operative initiatives implemented.   Moldova officials do not impede access to licences for Transnistrian exporters. |  |  |  |  |
| ii. Number of ***agricultural*** and horticultural mutual acceptance of ***agricultural*** and horticultural licences issued in Chisinau and Tiraspol established. | As of January 2017 ***agricultural*** and horticultural licences are not mutually recognised. | Mutual acceptance of licences by November 2020. | EUBAM experts confirmation of mutual acceptance of licences with Transnistrian ***agricultural*** and horticultural exporters   Copy of the Transnistrian regulation accepting Chisinau licences. |  |  |  |  |  |  |
| 1.4: Practical solutions for the fully-fledged resumption of passenger and freight traffic across Transnistria found. | i. Number of  passengers on the Chisinau-Odessa train. | 19500 travellers travelled from Chisinau to Odessa by train in 2016. | Passenger numbers increase by 5% year on year between 2018-2020. | Data from Moldovan and Ukrainian Railways. | Chisinau and Tiraspol officials are willing to co-operate on transportation.   Demand for travel between Moldova and Ukraine through Transnistria remains stable or rises.   Transport co-operation not conditioned on concessions on other, non-related, issues.    Ukraine allows transit of travellers and goods to the Moldova through Transnistria. |  |  |  |  |
| ii. Number of passenger or rail freight services passing through Transnistria blocked. | Rail freight did not pass through Transnistria between 2006-2012. Although these have resumed there are no agreements guaranteeing longer term freight traffic movements. | No blockages registered between December 2017 and November 2020. | EUBAM Field Office monitoring.   Information provided in the Expert (Working) Group on Rail Transport. |  |  |  |  |  |  |
| iii. Transnistrian-plated passenger vehicles enabled to participate in international traffic. | Transnistrian-plated vehicles are allowed to drive only in Moldova, Ukraine, Belarus and Russia. | Agreement reached to enable Transnistrian-plated passenger vehicles to drive in all countries by November 2018. | Copy of the relevant protocol/agreement between the sides. |  |  |  |  |  |  |
| 1.5: Trans-boundary crisis management co-operation enhanced. | i. Number of contact points nominated by Chisinau and Tiraspol for information exchange in the event of an incident. | No contact points currently exist. No formal agreement between Chisinau and Tiraspol on crisis management in place. | Contact point system agreed by November 2018.   Contact points appointed by June 2019. | Official correspondence appointing contact points provided through the 5+2 Expert (Working) Group on Law Enforcement. | Security situation conducive to interaction.   Chisinau and Tiraspol officials willing to co-operate on crisis management ***plans***.   Third parties do not oppose EUBAM support on trans-boundary crisis management. |  |  |  |  |
| ii. Number of joint exercise (practical or table-top) between nominated contact points held. | No joint exercises have taken place in any format between Chisinau and Tiraspol on crisis management since 1992. | At least one joint exercise held by November 2020. | Observation of the exercise by EUBAM experts. |  |  |  |  |  |  |
| 2.1: Joint control at border crossing points and automated exchange of border crossing data established. | i. Degree of operability of JOBCPs at Kuchurhan, Palanca, Reni-Giurgiulesti and Criva-Mamaliga.. | By January 2017, joint operations at Kuchurhan, Palanca, Reni-Giurgiulesti and Criva-Mamaliga not in place. Technical schemes are in place for Kuchurhan, Palanca and Reni-Giurgiulesti JOBCPs. | Joint controls in place at Kuchurhan and Reni-Giurgiulesti by November 2019, and in place at Criva-Mamaliga and Palanca by November 2020. | EUBAM Field Office assessments.   Copies of the technological schemes of the JOBCPs. | 1997 Agreement or successor arrangement in force and its fulfilment prioritised by both countries.   Partner services agree on cost sharing for new JOBCPs to be established   Partner services devote sufficient resources and training to establish JOBCPs.   Infrastructure and training is in place for automated exchange of data to be functional. |  |  |  |  |
| ii. Degree of joint implementation of existing JOBCPs at Briceni-Rososhany, Medvejia-Zelionaia and Larga-Kelimenti. | Controls at Briceni-Rososhany, Medvejia-Zelionaia and Larga-Kelimenti are still largely conducted consecutively. | Controls at Briceni-Rososhany refined by November 2018 and controls at Medvejia-Zelionaia and Larga-Kelimenti revised by November 2019. | EUBAM Field Office assessments. |  |  |  |  |  |  |
| iii. Degree of operability of automated exchange of traveller data at all BCPs on the Moldova-Ukraine border. | Technical agreement signed in January 2017 and operations started after EaP-funded equipment delivered. | Automated exchange of passenger data begins by November 2018 and verified as fully functional by June 2019. | EUBAM experts? verification of data exchange at MDBP and UASBGS premises. |  |  |  |  |  |  |
| 2.2: Efficiency of border and customs controls increased through inter-agency co-operation at the regional and local levels. | i. Degree of operability of One-Stop controls at international BCPs on the Moldova-Ukraine border. | One-stop controls operational at only one BCP in the EUBAM area of operations. | One-stop-shop controls operational at seven International BCPs by November 2020. | EUBAM expert assessment. | Infrastructure changes at BCPs enacted to support one-stop-shop controls.   Closer inter-agency co-operation.   Traffic and staffing at BCPs remains stable level compared to 2016.   Adequate resources invested by partner services to establish and sustain mobile units. |  |  |  |  |
| ii. Amount of time  in crossing  at Platanove,  Reni -Giurgiulesti, Kuchurhan, Otaci-Mohyliv Podilskyi, Criva-Mamalyha, Tudora-Starokozache BCPs. | BCP | HS | LS | Reduction by 15% at all listed BCPs on crossing times in high (HS) and low (LS) seasons year-on-year until November 2020. | EUBAM border crossing time study. |  |  |  |  |
| P | 12:00 | 12:00 |  |  |  |  |  |  |  |
| R-G | 14:50 | 17:00 |  |  |  |  |  |  |  |
| K | 27:00 | 16:00 |  |  |  |  |  |  |  |
| O-MP | 35:00 | 47:00 |  |  |  |  |  |  |  |
| C-M | 36:00 | 37:00 |  |  |  |  |  |  |  |
| S | 22:00 | 21:15 |  |  |  |  |  |  |  |
| iii. Degree of operability of Joint UASBGS-UASFS mobile groups along the whole Moldova-Ukraine border. | Joint mobile groups are operational at the central level but not yet regionally. | Mobile groups verified as operating along entire common border by November 2019. | EUBAM Field Office assessment. |  |  |  |  |  |  |
| 2.3: Cross-border processes aligned with  the Association Agreements, VLAPs and Integrated Border Management provisions. |  |  |  | . | Political will in both countries to implement the AAs/DCFTAs, IBM principles and VLAPs.   Vested interests do not oppose reforms.   National IBM strategies in both countries are operationalised fully.   Moldova and Ukrainian co-operate on cross-border IBM initiatives.   Sufficient political will and financial resources to complete the border demarcation process. |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| Degree of optimisation of local and inter-state BCPs proposed and discussed between Moldova and Ukraine to improve control and services to local citizens. | 67 BCPs exist between Moldova and Ukraine. Of these, 27 are Local, 15 Intra-State, and 25 International BCPs.   No practical measures have been taken to optimise the number of BCPs, although three of the four partner services have expressed an interest in exploring this.   EUBAM has specifically recommended to review the status of ?local BCPs? as the absence of Customs controls at these locations opens the possibility for non-declaration of excisable goods. | ***Plan*** for BCP optimisation proposed by November 2018 and agreed by November 2019. | Copy of government decrees closing BCPs.   EUBAM Field Office verification. |  |  |  |  |  |  |
| Degree of implementation EVAL 2016 agreed recommendations to the MDBP/UASBGS are implemented. | In November 2016, EVAL 2016 agreed  recommendations on border processes with: MDBP (19), MDCS (46), UASBGS (29), UASFS (43). | At least 50% of recommendations implemented by November 2018 and 75% by November 2019. | EUBAM follow-up evaluation. |  |  |  |  |  |  |
| Degree of demarcation of  Moldova-Ukraine border. | 3.73km remains to be demarcated. | Border demarcation completed by June 2020. | Protocol provided by the MDBP and UASBGS. |  |  |  |  |  |  |
| 3.1: The transparency of the common border and adjacent ports of entry in fighting cross-border crime increased. | i. Degree of access granted to EUBAM to the  necessary data and locations according to EUBAM?s mandate. | EUBAM access is generally good except for Ukrainian customs data. | Full access provided to EUBAM from December 2017 ? November 2020. | Information received from EUBAM Field Offices. | Partner services resourced and authorised to identify, investigate and prosecute cross-border crime.   Inter-agency co-operation sufficient to combat cross-border crime. |  |  |  |  |
| ii. Degree of operability of Inter-agency and cross-border groups. | Inter-agency and cross-border groups are not yet established. | Inter-agency and cross-border groups functional by November 2019. | Copy of relevant internal orders provided by the MDBP, MDCS, UASBGS and UASFS. |  |  |  |  |  |  |
| 3.2: Threats to border security jointly assessed by the border services and other law enforcement agencies in Moldova and Ukraine. | i. CBSAR drafted and circulated by partner services without EUBAM on a monthly, quarterly and annual basis. | As of January 2017 the CBSAR is edited and circulated by EUBAM. Partner services provide information and analysis. | CBSAR issued monthly, quarterly and annually without EUBAM support until and beyond November 2020. | Copy of the CBSARs provided by the MDBP or UASBGS. | Level of information sharing adequate between and within all relevant actors to accurately and timely identify border threats.   Commonality of methodology used in assessing cross-border risks and threats. |  |  |  |  |
| ii. Degree of operability of regional and local inter-agency analytical groups in both countries. | Regional and local inter-agency analytical groups are not yet functional although discussions on set up have been held. | Regional and local inter-agency analytical groups functional by November 2019. | Copy of relevant internal orders provided by the MDBP, MDCS, UASBGS and UASFS. |  |  |  |  |  |  |
| 3.3: Increased operational co-operation between Ukraine and Moldova in preventing smuggling of goods, including in tobacco products, arms, ammunition and nuclear materials. | i. Number of  joint border control operation conducted. | One joint control operation took place in 2015 and none in 2016. | Three joint border operations conducted by November 2020. | EUBAM verification of operations. | Political and operational will and resources of partner services to co-operate on cross-border smuggling.   Absence of partner services collusion in smuggling schemes. |  |  |  |  |
| ii. Degree of operability for Inter-agency operational groups on the Transnistrian segment of the border. | Inter-agency operational groups functional at the central level but not on the Transnistrian border segment. | Inter-agency operational groups functional on the Transnistrian border segment by November 2019. | Copy of protocols between UASFS and UASBGS extending deployment of the operational groups. |  |  |  |  |  |  |
| 3.4: Better inter-agency coordination in the detection, investigation and enforcement of cross-border crime. | i. Degree of implementation of procedures for regular inter-agency co-ordination. | Inter-agency co-ordination is allowed by the laws and regulations in both countries but is not systematically conducted at the regional and local levels in cross-border crime issues. | Procedures for regular inter-agency co-ordination implemented by November 2019. | Copy of protocols between services agreeing to regular inter-agency co-ordination on cross-border crime issues. | Political and operational will and resources of partner services to co-operate on cross-border smuggling.   Political will to amend procedures. |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

[1] Mark indicators aligned with the relevant ***programming*** document mark with '\*' and indicators aligned to the EU Results Framework with '\*\*'.

**Load-Date:** November 22, 2017

**End of Document**



[***M and A Navigator: Deal pipeline -1 June***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NP1-8VX1-F0K1-N37T-00000-00&context=1516831)

M&A Navigator

June 1, 2017 Thursday

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**Length:** 4231 words

**Body**

MANAVIGATOR-June 1, 2017-M and A Navigator: Deal pipeline -1 June

The following is a list of deals covered in detail by M and A Navigator this week:

-CHEMCHINA ENDS TENDER OFFERS FOR SYGENTA

Chinese state-owned chemical maker China National Chemical Corp. (ChemChina) has posted the definitive end results for its offer to acquire Syngenta, according to which around 94.7% of shares have been tendered, the company said.

Settlement for shares tendered after the expiration of the main offer period will take place on 7 June 2017. ChemChina re-affirmed its intention to request the cancellation of the remaining publicly held Syngenta shares in accordance with the Swiss Financial Markets Infrastructure Act if the 98% threshold is exceeded.

Status: Agreed

-RMB CAPITAL PITCHES FRIENDLY TENDER OFFER FOR NIPPON COLUMBIA

Chicago, Illinois-based independent financial services firm RMB Capital has informed the board of directors at Japanese record label Nippon Columbia (ticker code: 6791 JP) that it interested in making a tender offer to part or all of the common stock of Nippon Columbia at the price of JPY 790 per share, the firm said.

Nippon Columbia currently trades at around JPY 783 and has a market cap of around JPY 10.499bn (USD 94.5m). The deal is contingent on the Nippon Columbia board of directors accepting certain conditions, including the cancellation of a stock swap contract signed with IT company Faith, Inc., extending full support to the tender offer and full support to RMB Capital's diligence process. RMB Capital is ashareholder of both Faith and Nippon Columbia, and objects to Faith's proposed acquisition of Nippon Columbia.

Status: Bidding

-MEAD JOHNSON NUTRITIION SHAREHOLDERS APPROVE OF USD 17.9BN RECKITT BENCKISER BUYOUT

Shareholders of US-based pediatric nutrition company Mead Johnson Nutrition Co (NYSE: MJN) have approved the company's agreed deal to be acquired by UK-based consumer health and hygiene group Reckitt Benckiser Group plc (LSE: RB) at a special meeting, the company said.

Shareholders of RB also approved the transaction at a general meeting held in London. As a result of this transaction, Mead Johnson will become a new division of RB with its globally-recognised Enfamil and Nutramigen brands joining RB's portfolio of leading consumer health brands. RB has agreed to pay USD 90 cash for each share of Mead Johnson common stock in a transaction valued at approximately USD 17.9bn (including net debt).

Status: Agreed

-US RAILROAD OPERATOR GENESSEE AND WYOMING CLOSES ACQUISITION OF HEART OF GEORGIA RR

US-based railroad operator Genesee and Wyoming Inc. (NYSE: GWR) has closed the acquisition of the shares of US-based Atlantic Western Transportation, Inc and its Heart of Georgia Railroad, Inc subsidiary, the company said.

The deal was announced in February. HOG was founded in 1999 and operates across the state of Georgia on 219 miles of track leased from the Georgia Department of Transportation. It connects with G/W's Georgia Southwestern Railroad at Americus, Ga., and with G/W's Georgia Central Railway at Vidalia, Ga. HOG serves an inland intermodal terminal at Cordele, Ga., providing five-day/week, direct rail service via the Georgia Central Railway to the port of Savannah for auto, ***agricultural*** products and other merchandise customers.

Status: Closed

-PETSMART CLOSES ACQUISITION OF E-COMMERCE PET PRODUCTS RETAILER CHEWY

Phoenix, US-based pet retailer PetSmart, Inc., a company of London, UK-based private equity firm BC Partners LLP, has closed the acquisition of Florida, US-based ecommerce pet retailer Chewy, Inc. to strengthen online and retail store presence, the company said.

Recode reported PetSmart acquired Chewy for USD 3.35bn, according to multiple sources familiar with the deal. Citigroup Global Markets Inc. and Barclays provided committed financing for the acquisition. PetSmart's existing shareholders provided equity financing. This deal was announced in April.

Status: Closed

-EUROPEAN COMMISSION CLEARS GE TO MERGE OIL AND GAS BUSINESS WITH BAKER HUGHES

The European Commission has cleared a proposed transaction between US-based oilfield services company Baker Hughes and US-based industrial company GE's (NYSE: GE) oil and gas business under EU merger control rules, the companies said.

This deal, which was announced last October, would combine GE's oil and gas business and Baker Hughes to create a USD 32bn oilfield technology provider. The transaction will be executed using a partnership structure, pursuant to which GE Oil and Gas and Baker Hughes will each contribute their operating assets to a newly formed partnership.

Status: Agreed

-QUALCOMM EXTENDS CASH TENDER OFFER FOR NXP, WITH 14.1% TENDERED

US-based digital communications provider Qualcomm Inc. (NASDAQ: QCOM) has once again extended its tender offer for the shares of Netherlands-based high-performance, mixed-signal semiconductor electronics company NXP Semiconductors N.V. (NASDAQ: NXPI) until 28 June 2017, the company said.

Also, Qualcomm announced that the required merger control filings relating to the transaction were filed inSouth Korea,Mexico,TaiwanandJapan during May. In March, the offer was extended until 4 April. Then, in April it was extended until 2 May. In early May it was extended until 31 May.

Status: Agreed

-HYTERA COMMUNICATIONS SWEETENS OFFER FOR NORSAT IN FACE OF COMPETING DEAL

Canadiancommunication solutions provider Norsat International Inc. (TSX: NII) (NYSE MKT: NSAT) has entered into an amended arrangement agreement with Hytera Project Corp. a subsidiary of Chinse radio systems maker Hytera Communications Co., Ltd., under which Hytera will acquire all the issued and outstanding shares of Norsat forUSD 11.25incash per share, pursuant to a court-approved ***plan*** of arrangement.

All unexercised options and restricted share units will also be acquired under the arrangement. The proposed transaction values Norsat at an equity value of approximatelyUSD 69m. In mid-May, the board of Norsat determined that a buyout offer from US-based Privet Fund Management LLC to acquire the company for cash consideration ofUSD 11.00per share was superior to an existing deal the company has with Hytera.

Status: Agreed

-NQ MOBILE: BUYER NEEDS MORE TIME TO CLOSE FL MOBILE, SHOWSELF DEAL

China-based mobile internet services provider NQ Mobile, Inc. (NYSE: NQ) will need additional time to close the sale of FL Mobile Jiutian Technology Co., Ltd. and Beijing Showself Technology Co., Ltd., the company said.

The company said it was notified by Tongfang Investment Fund Series SPC that additional time is needed for making the payment of the remaining purchase price for the sale of FL Mobile Jiutian Technology Co., Ltd. and Beijing Showself Technology Co., Ltd. NQ Mobile said the purchaser has further communicated its confidence to the company and is making final preparations for completing the transactions.

Status: Agreed

-PDC BRANDS ACQUIRES SPECIALTY BATH FIRM ME! BATH

US-basedbeauty and wellness company PDC Brands has acquired specialty bath products firm ME! Bath, the company said.

A specialist in bath bombs since 2002, ME! Bath offers fizzing products that promise many skincare benefits, that are made in theUSA. Founded in 1981, PDC Brands has emerged a growing beauty, and wellness company. PDC Brands portfolio of brands includes Cantu, Dr Teal's, Eylure, and Body Fantasies.

Status: Closed

-SILVER OAK SERVICES PARTNERS COMPLETES SALE OF ISYSTEMS FOR USD 55M

US-basedlower-middle market private equity firm Silver Oak Services Partners, LLC has completed the sale of US-based human resources software provider iSystems Intermediate HoldCo, LLC to US-based human capital management and digital workplace software provider Asure Software (NASDAQ: ASUR), the firm said.

Asure services over 7,500 clients with its suite of solutions, ranging from HCM workforce management solutions and time and attendance, to workspace asset optimisation and meeting room management solutions. Silver Oak made its original investment in iSystems in May 2014. iSystems is the company behind Evolution, which offers an end-to-end HCM solution.

Status: Closed

-BOOM FANTASY ACQUIRES DFS COMPETITOR DRAFTPOT FOLLOWING CLOSE OF USD 2M ROUND

US-based fantasy sports company Boom Fantasy has closed aUSD 2mSeries Seed round and acquired the primary assets of market competitor Draftpot, the company said. The company said it will use the new funds for product advancement and player enhancements. Boom Fantasy has emerged as a destination for sports fans who want a mobile-first fantasy experience.

Instead of a complicated salary cap gameplay that ensures only the most quantitative players win, Boom Fantasy poses a series of simple questions e.g. 'Who will score more points tonight: LeBron JamesorSteph Curry?' to assist players in the generation of their fantasy teams.

Status: Closed

-UMH PROPERTIES CLOSES ACQUISITION OF AGE-RESTRICTED MARYLAND COMMUNITY FOR USD 4M

US-based manufactured home community REITUMH Properties, Inc. (NYSE: UMH) has closed on the acquisition of one community located inMarylandfor a total purchase price ofUSD 4m, the company said. This age restricted community contains a total of 63 developed homesites and is situated on approximately 78.5 acres.

UMH said the occupancy rate for this community is approximately 92%. The existing community sits on approximately 18 acres leaving a substantial amount of land for future development. Once complete, the community will contain approximately 170 developed homesites.

Status: Closed

-VELA TECHNOLOGIES MAKES FURTHER PARTIAL SALE OF HOLDING IN CANADIAN TECHNOLOGY GROUP BTL

UK-based investing company Vela Technologies plc (AIM: VELA) recently disposed of a total of 50,000 common shares in Canadian technology firm BTL Group Ltd at prices between CDN 5.175 per share and CDN 5.59 per share and with an average price of CDN 5.26 per share generating net proceeds of CDN 263,106.15 for the company, Vela said.

The proceeds from the disposal will provide additional working capital for Vela and enable the company to take advantage of further investment opportunities as and when they arise. Following the Disposal Vela holds 610,900 common shares in BTL, equivalent to approximately 3.3% of BTL's issued share capital.

Status: Closed

-POLYUS GOLD TO SELL 10% PJSC POLYUS STAKE TO FOSUN-LED CONSORTIUM

Jersey-based Polyus Gold International Ltd., the principal shareholder of Russian gold ***producer*** PJSC Polyus (MOEX: PLZL), announces that PGIL has entered into an agreement to sell 12,561,868 of the ordinary shares in the company that it currently owns, representing 10% of the company's share capital excluding treasury shares at USD 70.6025 per share to a consortium led by China's Fosun International Ltd. (HKSE:00656), the company said.

In addition to Fosun, the consortium includes Hainan Mining Co., Ltd and Zhaojin Mining Industry company Ltd., both partially owned by Fosun.

Status: Agreed

-EXPERIAN CLOSES SALE OF EMAIL/CCM BUSINESS TO VECTOR CAPITAL

UK-based credit bureau Experian plc (LSE: EXPN) has closed the sale of 75% of its Email/CCM business to Vector Capital, the company said. This deal was announced on 3 April 2017.

Experian said the enterprise value of the business was USD 400m at the time of the announcement. The company will retain a 25% stake in the business. Experian is an information services company. The company has 16,000 people operating across 37 countries.

Status: Closed

-GOLDCORP CLOSES SALE OF CERRO BLANCO PROJECT IN GUATEMALA

Canadiangold ***producer*** Goldcorp Inc. (TSX: G) (NYSE: GG) has closed the sale of its 100% interest in the Cerro Blanco gold-silver project inGuatemala to Bluestone Resources Inc. (TSX Venture: BSR), the company said.

Goldcorp received consideration at closing ofUSD 18min cash, a 1% Net Smelter Return royalty on production, and common shares of Bluestone representing approximately 9.9% of the issued and outstanding shares upon completion of the transaction. The company will receive an additionalUSD 15min cash upon declaration of "Commercial Production" at Cerro Blanco.

Status: Closed

-RELADYNE ACQUIRES TEXAS PETROLEUM PRODUCTS DISTRIBUTOR WESTERN MARKETING

US-based lubricants, fuels, diesel exhaust fluid, and reliability services provider RelaDyne has closed on its acquisition of Texas, US-based petroleum products distributor Western Marketing, Inc., the company said.

Founded in 1953, Western Marketing, Inc. supplies bulk and packaged lubricants to customers utilising internal combustion engines primarily for transportation, ***agriculture***, and energy pumping and gathering systems.

Status: Closed

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FRONTIER SERVICES ACQUIRES STAKE IN BEIJING'S INTERNATIONAL SECURITY AND DEFENSE COLLEGE Chinese security, insurance and logistics services company Frontier Services Group Ltd. (SEHK:00500) has reached an agreement to acquire 25% of the International Security and Defense College inBeijing, the company said.

The ISDC will be the largest private security training school inChina.FSG's Safety and Security division supports clients operating in frontier markets. The company provides security solutions.

Status: Agreed

-LAMPRELL AGREES TO SAUDI MARITIME YARD JV

Dubai-based energy industry fabrication, engineering and contracting services provider Lamprell plc (LSE: LAM) has, through a wholly owned subsidiary, entered into a conditional agreement with Saudi Aramco Development Company (a wholly-owned subsidiary of Saudi Arabian Oil Co, the national oil company of the Kingdom of Saudi Arabia), the National Shipping Company of Saudi Arabia and Hyundai Heavy Industries Co. Ltd., the company said.

Under the deal, the parties have agreed to participate in a joint venture with respect to the establishment, development and operation of a maritime yard for the construction, maintenance and repair of offshore drilling rigs and vessels which is to form part of the complex known as "The King Salman International Complex for Maritime Industries and Services" in the eastern province of the Kingdom of Saudi Arabia.

Status: Agreed

-TEXAS RESTRAINING ORDER LIFTED, CLEARING WAY FOR TISSUE REGENIX TO BUY CELLRIGHT

UK-based regenerative medical devices company Tissue Regenix Group (AIM: TRX) notes the recent dissolution of the temporary restraining order issued by Bexar County District Court against Texas, US-based US regenerative medicine business CellRight Technologies, LLC in relation to a potential sale of CellRight to Tissue Regenix, the company said.

Tissue Regenix confirms that it remains in discussions with CellRight regarding a possible acquisition of CellRight by Tissue Regenix. There can be no certainty at this stage that the discussions between the Group and CellRight will lead to an acquisition. Tissue Regenix is a medical devices company in the field of regenerative medicine.

Status: Bidding

-CONVENE ACQUIRES ARCHITECTURAL AND DESIGN GROUP ASSEMBLE DESIGN

New York, US-based workplace-as-a-service platform Convene has acquired New York, US-based architectural and design company Assemble Design Group to internalise its architecture and design capabilities, the company said.

The company said the acquisition will enable it to scale and deliver a better workplace experience for clients. By integrating competencies in design, service and technology under one platform, the company said it can inspire creativity and enhance productivity for every enterprise client that utilises its expanding network of locations and hospitality services.

Status: Closed

-OPTIMAL BLUE ACQUIRES THIRD-PARTY COMPLIANCE SOLUTIONS FIRM COMERGENCE

Texas, US-based mortgage industry digital marketplace provider in the mortgage industry Optimal Blue has acquired California, US-based third-party compliance solutions provider Comergence Compliance, the company said.

The company said the acquisition of Comergence expands its network in the mortgage digital marketplace. Comergence provides third-party oversight solutions in the mortgage industry. The company offers third-party originator, appraiser, and social media risk management solutions that verify third-party compliance in real-time.

Status: Closed

-MEDIWARE COMPLETES ACQUISITION OF KINNSER SOFTWARE TO EXPAND OFFERING IN ALTERNATE CARE MARKET

Kansas, US-based S-a-a-S provider Mediware Information Systems, Inc. has finalised an agreement to acquire Texas, US-based software solutions provider Kinnser Software, Inc. from Insight Ventures Partners, the company said.

The transaction is backed by alternative asset firm TPG Capital, which closed its acquisition of Mediware. The transaction is expected to close at the end of the second quarter and is subject to customary closing conditions, including regulatory approvals. The company said the acquisition enables Mediware to expand its portfolio in the home health and hospice space, creating an integrated, high-growth software provider for the alternate care market.

Status: Closed

-KADANT TO ACQUIRE THE FOREST PRODUCTS BUSINESS OF EQUIPMENT MAKER NII FPG IN USD 173M DEAL

Massachusetts, US-based components and systems supplier Kadant Inc. (NYSE: KAI) has agreed to acquire the forest products business of US-based equipment manufacturer NII FPG for USD 173m in cash, the company said.

Kadant said it has increased its revolving credit facility to USD 300m from USD 200m and intends to finance the transaction through borrowings under the revolving credit facility. The transaction is expected to close in July 2017. NII FPG company designs and manufactures equipment used by sawmills, veneer mills and other manufacturers in the forest products industry. The company also designs and manufactures harvesting equipment used in cutting, gathering and removing timber from forest plantations.

Status: Agreed

-PSP INVESTMENTS, MEXICAN AIRPORT OPERATOR ASUR ACQUIRE STAKE IN AEROSTAR

Canada-based pension investment manager Public Sector Pension Investment Board (PSP) and Mexico-based Grupo Aeroportuario del Sureste, S.A.B. de C.V. (ASUR) (NYSE: ASR) (BMV: ASUR), have acquired 50% interest in San Juan, Puerto Rico airport operator Aerostar Airport Holdings LLC, from US-based investment manager Oaktree Capital Management, L.P., the company said.

PSPInvestments acquired a 40% interest in Aerostar while ASUR, already a 50% shareholder in Aerostar, acquired an additional 10%, consolidating its total interest to 60%. This represents a combined investment ofUSD 430m. This transaction has received all required regulatory approvals. PSP said the acquisition leverages the capabilities of its airport platform AviAlliance.

Status: Closed

-ARTHUR J GALLAGHER ACQUIRES ILLINOIS, US BROKER WILLIAMS-MANNY INSURANCE

Illinois, US-based insurance brokerage and risk management services firm Arthur J. Gallagher and Co. (NYSE: AJG) has acquired Illinois, US-based retail insurance broker and employee benefits consultant Williams-Manny Insurance Group, the company said.

The company said the acquisition of Williams-Manny represents an outstanding geographic, ***strategic*** and cultural fit for Gallagher. Arthur J. Gallagherand Co. has operations in 33 countries and offers client service capabilities in more than 150 countries through a network of correspondent brokers and consultants.

Status: Closed

-ELITE LIMOUSINE PLUS ACQUIRES NEW YORK "BLACK CAR" OPERATOR FIRST CORPORATE SEDANS

New York, US-based transportation service provider Elite Limousine Plus, Inc. has acquired New York, US-based car service First Corporate Sedans, Inc. to expand presence in the local luxury car service market, the company said.

The combined company, which will operate under the Elite name, will create a fleet of 800 full-size chauffer-driven vehicles backed by 24-hour live call centre support. This operation will deploy Elite's advanced technology, including an app for Android and iPhone users, as well as web call entry, electronic vouchers, email receipts, GPS tracking and other service enhancements.

Status: Closed

-JM SMUCKER TO ACQUIRE CONAGRA'S WESSON OIL BRAND IN USD 285M DEAL

Ohio, US-based food and beverage manufacturer J. M. Smucker Company (NYSE: SJM) has agreed to acquire theWessonoil brand from Illinois, US-based packaged foods corporation Conagra Brands, Inc. to fuel growth and innovation, the company said.

The deal is valued at approximatelyUSD 285m, prior to an expected tax benefit related to the acquisition with a present value of approximatelyUSD 45m. Smucker said the all-cash transaction will be funded primarily with debt. Under the terms of the agreement, Conagra will continue to manufacture products sold under theWessonbrand and provide certain other transition services for up to one year following the close of the transaction. After the transition period, the company expects to consolidateWessonproduction into its existing oils manufacturing facility in Ohio.

Status: Agreed

-KPS CAPITAL PARTNERS AFFILIATE TO ACQUIRE ENGINEERED GEAR SUPPLIER DEXKO GLOBAL

New York, US-based affiliate of investment fundsmanager KPS Capital Partners, LP has to acquire Michigan, US-based engineered gear supplier DexKo Global Inc. and its affiliates, the company said.

Financial terms of the transaction were not disclosed. Completion of the transaction is expected around the middle of 2017 and is subject to customary closing conditions and approvals. The company said it will offer its manufacturing expertise and other ***strategic***, operational and financial resources to DexKo Global. DexKo Global's existing controlling shareholder, Sterling Group L.P. will continue to own a minority stake.

Status: Agreed

-USI ACQUIRES EMPLOYEE BENEFITS BROKERAGE BUSINESS FROM HARTMAN

New York, US-based insurance brokerage and consultancy USI Insurance Services has acquired Pennsylvania, US-based benefits broker Hartman Employee Benefits, Inc. from The Hartman Group, the company said.

The company said the acquisition would advance its benefits practice in centralPennsylvaniaand extend its presence as an insurance brokerage and consulting firm in the MidAtlantic, US region. USI is a local and national insurance brokerage and consulting firm, delivering property and casualty, employee benefits, personal risk and retirement solutions throughoutthe United States.

Status: Closed

-GAVIAL HOLDINGS ACQUIRES INTERNATIONAL TRANSDUCER TO SUPPORT OIL/GAS MARKETS

California, US-based industrial services and manufacturing company Gavial Holdings, Inc. and itsaffiliates have acquired California, US-based acoustic transducers manufacturer International Transducer Corp. from Channel Technologies Group, LLC to support undersea warfare, oil and gas markets, the company said.

The company said through this acquisition, Gavial Engineering and Manufacturing, Inc. now owns all design information, manufacturing know-how and critical equipment required to deliver all legacy ITC transducer models. Gavial will sell the ITC product line under the name Gavial ITC. Manufacturing will remain in place at the ITC facility inSanta Barbara, California, US.

Status: Closed

-RIVERCHASE DERMATOLOGY ACQUIRES FLORIDA, US PRACTICE

Florida, US-based skin centre Riverchase Dermatology and Cosmetic Surgeryhas acquired Florida, US-based dermatology centre Bowes Dermatology to expand service offerings, the company said.

Bowes Dermatology is one of the most unique and progressive facilities of its kind in the field of dermatology. Its commitment to excellence and the credentials of the skilled physicians and staff are what make this practice unique and innovators in the field of cosmetic and medical dermatology.

Status: Closed

-ALLIED UNIVERSAL ACQUIRES FLORIDA, US SECURITY FIRM ALERT PROTECTIVE SERVICES

US-basedsecurity services company Allied Universal has acquired Florida, US-based security firm Alert Protective Services, the company said to expand security services, the company said. The company said the acquisition of Alert will offer increased services that include smart technology in a total security package.

Alert Protective Services offers integrated security systems and uniformed security professionals to work in tandem with a complete security ***program*** at community gatehouses, concierge desks or security command centres.

Status: Closed

-ARTHUR J GALLGHER ACQUIRES ZUBER INSURANCE TO EXPAND TEXAS OFFERING

Illinois, US-based insurance brokerage and risk management services firm Arthur J. Gallagher and Co. (NYSE: AJG) has acquired Texas, US-based full-service insurance provider Zuber Insurance Agency, Inc., the company said.

Zuberassociates will continue to operate from their current location under Gallagher's South Central retail property/casualty brokerage operations. The company said the addition of Zuber and it's offerings that focus on personalised client service expand Gallagher's team of professionals.

Status: Closed

-CHANNELADVISOR ACQUIRES FULFILLMENT AND LOGISTICS PLATFORM HUBLOGIX COMMERCE

North Carolina, US-based cloud-based e-commerce solutions provider ChannelAdvisorCorp. (NYSE: ECOM) has acquired Massachusetts-based fulfillment and logistics platform HubLogix Commerce Corp. to expand drop ship and fulfillment capabilities, the company said.

The company said this acquisition provides the technology and expertise to enhance its fulfillment offering and capabilities. With the acquisition of HubLogix, ChannelAdvisor strengthens its product suite with the addition of fulfillment automation, while also adding distribution, fulfillment and supply chain domain experts to the organisation.

Status: Closed

**Load-Date:** June 1, 2017

**End of Document**



[***QMS and its aims to highlight the industry's strengths***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RHT-9321-F0JC-M1N1-00000-00&context=1516831)

The Scottish Farmer

January 30, 2018 Tuesday

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**Section:** BUSINESS

**Length:** 2210 words

**Byline:** [*Patsy Hunter*](http://Patsy Hunter)

**Body**

Quality Meat Scotland's new chief executive, Alan Clarke, took over the reins from Uel Morton, last summer, but to date, the industry has not heard much about his ***plans*** for the future.

His career path is impressive and includes chief executive of Scottish Bakers for seven years which in turn saw the establishment of the first Scottish Bakers Export Group and increased membership by 22%. Mr Clarke also boasts five years' experience as director of Lifelong Learning UK and 10 years as chief executive of a sector training council in Northern Ireland.

The Scottish Farmer took him to task over his views of the various sectors of the red meat sector and how he aims to take the industry forward...

You have been CEO of QMS for six months now - What are your views of the Scottish livestock industry at present ?

The last six months have flown by and I have spent time trying to get to know our levy payers - farmers, processors - and each part of the red meat industry that delivers their return on investment.  Like other parts of the food industry the red meat sector is driven by customer demands in local, national, UK and international markets and I have been impressed with people throughout the supply chain, who obviously have a care and a love of the industry.

Customers are very discerning, when paying a premium, they want to know much more about the providence of their food and in terms of red meat, the welfare of the animals.  This gives many challenges to the supply chain and put simply, it's the survival of the fittest!  There are many similarities with other parts of the food sector including Scottish bakery, where I spent the last 7 years.  The farmers, processors and companies in the red meat supply chain that listen and react to the needs of their customers will thrive, those that do what they have always done will find it more difficult to do so.

What are the strengths and weaknesses within the various sectors ?

Like all industries there will be many strengths and weaknesses and to be honest this is still part of my learning curve. The fire at Brechin abattoir made me realise the value that is put on the "scotch" brands and I was impressed how the industry came together in a crisis. The commitment from farmers through to retailers to support the brand made me realise that the whole red meat supply chain needs to understand each other's needs. As well as being part of it, each part of the chain are also consumers of the end products and it's important that every part of the sector talks it up in public - no one else will do it for us - and comes together to address issues behind the scenes. I have met many people who are professional in their approach and passionate about the industry and it would be great for their pride to shine throughout the whole supply chain.

I realise there are many challenges, the importance of CAP payments to the sector cannot be denied and concerns over the future direction of that support are real and important. For any industry to grow there must be sustainable margins throughout the chain to build trust and encourage innovation. However, we have a fantastic story to tell, the pig sector is characterised by its willingness to cooperate over animal health and welfare and in the sale of its ***produce***, it is very business focused with high levels of technical skills.

The Scottish red meat sector also benefits from the foresight to have gained recognition for the Scotch Beef and Lamb brand as PGI's and creating the Specially Selected Pork brand. The whole of chain assurance ***programme*** offers farm to plate reassurance for consumers.

Brexit is fast approaching, what challenges do the various sectors face in the run up to it and will there be casualties along the way ?

We have identified three key challenges of finance, people and regulation which covers the replacement of the Common ***Agricultural*** Policy (CAP), new international trading arrangements which will detail our trade agreements with the EU, where approximately 90% of our exports go currently, and the freedom of movement of labour giving the sector access to skilled labour. At long last some progress seems to be being made but the devil is always in the detail and I think there is still a long way to go. In any change process, there are always casualties but there are also winners and as I said earlier they are the ones who get close to their customers and this may mean diversifying their business, driving efficiencies and getting closer to understanding the needs of the whole supply chain.

Will Brexit enable family farms to continue ?

The devil is in the detail and there are still many unknowns.  But a key issue for farms is that they are family homes and may well have diversified household income and it is the level of household income that influences the decision or otherwise to exit farming.  So, a family business that has significant alternative income, paid work or diversified enterprise may well be better able to withstand the change than any other business.

How can increased livestock production assist meat processors to boost export sales when prices plummet as soon as there is any excess in the market ?

SAMW recently said the biggest issue they have is supply of product and to maximise export opportunities there is a requirement to have the volume of product to meet the demand.

There is a dichotomy - without market access and new orders, we will not get expansion in stock numbers and we will lose export opportunities, but without the volume of product to meet these new orders, we will not get the new orders.

Growing demand secures the long-term viability of abattoir ***producers*** by spreading fixed costs over greater volume. If a processor can achieve this objective, they then have the potential to pay more for their raw material, even if there is more raw material in the system.

Should the beef industry continue with the EUROP grading system when Scotland's meat industry will be based more on quality and yield rather than carcase conformation?

Eating quality causes much debate amongst the sector and however we move forward we will still need to take cognisance of the EUROP Grid as some of our target markets will still use it. I am not so sure if consumers understand this, what they want is consistent eating quality and to know that what they are eating has been ***produced*** to the highest standards of quality both pre-and post-slaughter.  However, the challenge is that eating quality is influenced both by the basic raw material and the way it is handled and cooked.  Capturing and measuring the influences on meat quality within the control of the farmer and devising a revised pricing policy and potential grid replacement will not be easy.  We are committed to continual improvement in partnership with the industry and will look at alternative options.

What is QMS doing to assist farmers post Brexit ?

We are reviewing our current strategy and we see very clearly that QMS is there to support businesses throughout the red meat supply chain. Our economic services team has spent time conducting an extensive analysis of current issues and although Brexit provides its own challenges, the red meat industry has faced many challenges before and survived and thrives and will continue to do so. We will continue to work with farmers to look at how they can maximise the profitability of their business and deliver the specification and outcomes that their customers are looking for. In addition to this we will focus on consumers to continue to build the "scotch" brands. A key challenge for us, is to convert the awareness of the brand into consumer triggers and actions that maintain and build demand. As part of our strategy, we are also undergoing an internal restructure to make us more responsive to the needs of our levy payers.

Not all farmers can adopt rotational grazing systems. What is QMS doing to help real hill farmers with limited if any in-bye ground ?

Our Better Grazing meetings focus on maximising output from grass, not just rotational grazing.  For hill farmers, their limited in-bye is an extremely valuable resource, requiring careful and ***strategic*** management to maximise its potential. Our workshops cover basic grassland management in terms of soils and nutrients as well as grazing management techniques to maximise utilisation.

Health is also a major contributor to the number of lambs of lambs reared on hill farms. Our latest round of workshops, ***planned*** for next month, will focus on control strategies for fluke and worms.  We also support initiatives such as SCOPS (Sustainable Control of Parasites in Sheep), the disease forecasting carried out by NADIS (National Animal Disease Information Service) and the work carried out by Livestock Health Scotland and the Moredun Institute.

Will Brexit result in the demise of hill sheep farming ?

Hill sheep farming contributes a significant amount to the Scottish economy and not just through lamb production, but also in the provision of public goods, including landscape management. We are crystal ball gazing without knowing the outcome of the Brexit deal. However, the importance of subsidies is key in this area, and the growing recognition of paying for public goods could be significant for the hill sector as will be the trade deals that are negotiated. However, like all parts of the red meat industry there must be a business approach taken to navigate through the many challenges that will occur.

What would QMS do with the lost levy money that has gone south of the Border, if it is ever able to retrieve it ?

We are currently in negotiations with AHDB and we are confident that we can reach an agreement on this issue for the new financial year 2018/19 and as soon as agreed and signed off by the AHDB, HCC and QMS boards we will be able to release full details.

What are the main things farmers can do to improve profit margins on their own unit ?

The way to obtain profit is to maximise sales and minimise costs, so that of course is the starting point. To manage cost, it's not about always looking for the lowest price, it's easy to know the cost of everything and the value of nothing, it's about looking at value, treating every pound as a prisoner unless it's an investment delivering return. This is the reason we focus on industry development as well as product marketing as its important to manage both. On maximising profit from their livestock it's about listening to the needs of their customers and delivering the quality and specification required.

We have heard so much from AHDB on their views of Brexit. What is QMS doing to address the issues ?

We ***produced*** Brexit reports on trade and labour last year and co-authored AHDB's report on Scotland, with Stuart Ashworth contributing to this. We are also working in partnership with AHDB currently and one of the key subject areas is how we can support farmers to prepare for Brexit and to deal with the issues that arise from it. Our aim is to ***produce*** support resources and these will be ***produced*** as the issues are known.

Has sheep consumption in Scotland improved at all since QMS launched its various Eat Lamb campaigns ?

There is significant data to show the positive impact of the QMS campaigns during our period of advertising and promotion, with recent figures showing an uplift of 38% in sales of Scottish origin lamb in Scotland during our most recent campaign. As mentioned earlier a large proportion of lamb ***produced*** in Scotland is not sold here, but we are currently conducting a review of all our campaigns and we will be seeking to develop a new campaign for lamb which will include ways of further engaging with Scottish consumers.

What has happened to QMS' annual conference in January/February ?

As part of our current strategy review we will be developing and delivering a QMS conference in the Autumn of 2018, we will be addressing key issues affecting the sector and our target audience will be the red meat industry and the key stakeholders that make up our footprint; this includes farmers, feed suppliers, auction markets, hauliers, primary processors, secondary processors, retailers, butchers, food service providers and chefs.

The Beef Efficiency Scheme has been given a bit of flack recently, do you think it can be 'fixed' or is it a case of back to the drawing board ?

The beef efficiency scheme came from the Beef 2020 strategy and the issues that it was developed to address are still as important now as they were then. Like anything new it can take time to embed and there are always teething issues when introducing something new, however the farmers who have committed to it will hopefully see real benefits for their businesses.

Regarding Monitor Farms, is there a danger that farmers are being confused by the number of organisations that are running these.... And is there too much of an overlap which is adding to the confusion ?

My experience shows that people love to learn but sometimes hate to be taught!!  The monitor farms are a great way for the sector to learn from itself and from best practice. I think regardless of who the provider is there is real benefit for the participants, but we are not resting on our laurels and we are looking at ways of continually improving what we do.

**Load-Date:** January 30, 2018

**End of Document**



[***Imports and exports ensure the Philippines remains a major player in global trade***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-72JD-00000-00&context=1516831)

Oxford Business Group: Articles

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**Body**

Strong macroeconomic expansion, rising consumer incomes and soaring import demand has kept trade volumes in the Philippines on a consistent upwards trajectory over the past decade. However, the country remains in trade deficit, with exports faltering in recent years as a result of external challenges such as low global commodity prices; softening demand in China, Japan and the US; and uncertainty over trade prospects with the EU in light of the Brexit vote. However, rising investment in manufacturing, and industry more broadly, could see the situation shift to a better balance in the coming years.

The administration of President Rodrigo Duterte is explicitly targeting increased foreign direct investment (FDI) inflows, deploying a multi-pronged strategy to attract new investment. Measures include a wide-reaching tax reform ***programme***, easing restrictions on FDI across several sectors - most notably financial services - and reducing red tape and bureaucracy. A late-2016 pivot towards China could also see investment pour in over the coming years, helping the country offset losses from volatility elsewhere and soften potential negative effects the move will have on trade relations with the US.

**Eye On Exports**

The Philippines' export strategy is enshrined in the Philippine Export Development ***Plan*** 2015-17, which targets merchandise export growth of between 5.4% and 8% in 2016 and between 6.7% and 10% in 2017. Service exports are forecast to rise between 9% and 10.3% in 2016 and between 9.9% and 12% in 2017. This would bring total export growth rates to between 6.6% and 8.8% in 2016 and between 7.6% and 10.6% in 2017.

The Department of Trade and Industry (DTI), the country's chief investment promotion and trade supervisory body, also targeted export growth of between 6% and 9% in 2016. However, global volatility and weak demand from major export markets weighed on growth during the first half of the year. According to the most recent published information from the Philippine Statistics Authority (PSA), total export receipts recorded for semester one of 2016 were down 7.5% from the comparable period in 2015, making the growth target nearly impossible to reach.

In addition to the DTI, a broad portfolio of government agencies known as Invest Philippines is responsible for investment promotion in the country. It is comprised of the Board of Investments (BOI), the Philippine Economic Zone Authority (PEZA) and various freeport authorities.

**Recent Growth**

Import/export totals have been growing steadily in recent years, with the PSA reporting that foreign trade has risen every year since 2009, when it slumped from $105.82bn to $81.53bn. Volumes recovered in 2010 to hit $106.43bn, rising further to $108.8bn in 2011, $114.2bn in 2012 and $119bn in 2013.

The PSA reported that trade volumes in the country rose by 1.9% in 2015 to hit $129.9bn - a decrease on the 7.1% growth recorded in 2014 that brought total trade to $127.5bn. Foreign trade growth was driven by surging imports, which rose by 8.7% from $65.4bn in 2014 to $71bn. Export receipts fell by 5.3% from $62.1bn in 2014 to $58.8bn in 2015. The Philippines ended 2015 with a $12.2bn trade deficit, compared to a $3.3bn deficit in 2014.

**Export Base**

The Philippines' export base is varied, but largely dominated by electronics production. The PSA reported that sales from its top-10 export products comprised 83.5% of total revenues in 2015, with the dollar figure remaining stable and ending the year at $49.1bn as opposed to $50.9bn in 2014.

Electronic products maintained their position as the top export category in 2015, accounting for 49.1% of total export revenues. The value of electronic products rose by 7.9% in 2015 to hit $28.9bn - from $26.7bn in 2014 - and reached $13.6bn in the first half of 2016. Electronics were followed by "other manufactured goods" in second place, with a 6.8% share of total revenues. Income from this category declined by $1bn (21.4%) in 2015 to $4bn.

Machinery and transportation equipment manufacturing was the third-largest source of export revenues in 2015, comprising 6.7% of the total, or $3.9bn. Revenues from this segment largely remained the same as the $4bn earned in 2014. Wood crafts and furniture manufacturing contributed 5.3% of total revenues, falling by 6.2% in 2015 to $3.3bn, while the fifth category - manufacturing of ignition and other wiring sets used in vehicles, aircraft and ships - rose by 4.1% to $2.1bn, comprising 3.6% of total export revenues.

The bottom five of the country's top-10 exports were less stable and recorded more dramatic revenue declines in 2015, reflecting global market conditions and depressed commodity prices. Chemical exports fell by 31.6% to $1.8bn; apparel decreased by 21.3% to $1.5bn; mineral product revenues slumped by 47.2% to $1.4bn; and sales of metal components fell by 9.9% to $1.2bn. Coconut oil - the only ***agricultural*** product to make it into the top 10 - saw revenues fall by 6.2% in 2015 to $1.1bn.

**Import Base**

The country's top-10 imports in 2015 accounted for 74% of the total import bill, and rose from $48.9bn in 2014 to $52.6bn in 2015. As with exports, the PSA reported that electronic products was the largest source of import expenditure in 2015, accounting for 28.9% of the total import bill, having risen from $15.3bn in 2014 to $20.6bn. Midyear 2016 figures were on track to match 2015, with the category's imports standing at $10.7bn.

Furthermore, as a country that imports its fuel, the Philippines benefitted from lower global oil prices during 2015. Fuel import costs - which comprised 13% of total imports that year- fell by 30% from $13.2bn in 2014 to $9.3bn. However, transportation equipment costs - comprising 8.7% of the 2015 import bill - remained fairly stable, decreasing slightly from $6.24bn in 2014 to $6.16bn.

Industrial machinery and equipment comprised 5.8% of the total import bill, rising by 27.8% from $3.2bn in 2014 to $4.1bn in 2015. Food and live animals came in fifth place, with a 3.8% share of the total import bill. This group rose by 20.5% from the 2014 figure to hit $2.7bn.

Iron and steel product imports recorded the sharpest growth rate of all categories in 2015, rising by 47% to hit $2.7bn following increased investment in manufacturing and industry. Cereal and cereal preparations rose 24% to reach $2.1bn. Telecommunication equipment imports rose 17% to hit $1.6bn.

**Top Trading Partners**

The PSA reports that the Philippines' top-10 trading partners comprised 78.5% of total foreign trade in 2015, equivalent to $101.9bn. Of this figure, export receipts comprised $48.3bn - 82.1% of all exports - and imports amounted to $53.6bn, 75.5% of all imports. By trade value, the country's top-five partners are Japan, China, the US, Singapore and Hong Kong.

Japan retained its position as the Philippines' top trading partner in 2015, accounting for $18.7bn, or 14.4%, of total trade volumes. Exports to Japan stood at $12.3bn in 2015 compared to $6.4bn of imports, for a healthy trade surplus of nearly $6bn. Electronic products were the largest source of exports to Japan, accounting for 30.2% of total revenues, followed by wood crafts and furniture at 23.2% of the total. Major imports from Japan also included electronic products at 34.4% of the total bill, and transportation equipment at 15.1%.

**China**

PSA data shows that China was the country's second-largest trading partner in 2015, with trade volumes reaching $17.6bn, or 13.6% of total foreign trade. Unlike the scenario with Japan, the Philippines maintained a $5.3bn trade deficit with China: exports reached $6.2bn compared to $11.5bn of imports. Electronic products were once again the country's largest export product, accounting for 54.9% of total revenues, followed by mineral products at 11.1%. Electronic products were also the largest category of imports, comprising 21.1% of the total, followed by iron and steel imports at 15.9%.

**Strengthening Ties**

Trading volumes with China could see a sharp increase in the coming years after President Duterte visited China with a large delegation of business leaders in October 2016. Secretary of Industry and Trade, Ramon Lopez, later announced that the country had secured a staggering $24bn worth of new investment and financing agreements with China, of which $15bn are for Chinese investment projects in the Philippines and the remaining $9bn are credit facilities.

According to Lopez, the investment projects are expected to generate at least 2m new jobs in the Philippines over the next five years, and are likely to span the popular activities of manufacturing, agri-business, trade, finance, hotels, telecommunications, tourism, transportation and infrastructure.

Although relations between the two countries have been strained due to territorial disputes over the South China Sea, with Chinese investment standing at just $32m of $130bn in outward investments in 2015, President Duterte's visit signals a shift in the trade alliance which could see China become one of the Philippines' most significant sources of investment in the near term.

**US & China**

Strengthening ties with China could be problematic for the country's relationship with the US. During his visit to China, President Duterte made statements indicating the Philippines would turn its attention away from the US as it strengthened bilateral ties with both China and Russia.

The US was the Philippines third-largest trade partner in 2015, accounting for $16.5bn in foreign trade, or 12.7% of the total. The two have maintained strong trade and military ties since the end of WWII, and unlike with China, the Philippines maintains a trade surplus with the US. Export receipts stood at $9bn in 2015 compared to $7.5bn in imports. The US is a major market for Philippine electronics, which accounted for 39.4% of total exports in 2015, followed by apparel exports at 11.2% of the total.

The two countries signed a Trade and Investment Framework Agreement in 1989 and the US is one of the Philippines' largest foreign investors, with total FDI standing at $4.6bn in 2012, according to the Office of the US Trade Representative.

Although President Duterte later clarified his comments, stating that relations with the US remain critical for the Philippines, statements like these have rattled some Western investors. The European Chamber of Commerce of the Philippines reported in October 2016 that some of its members had put expansion ***plans*** on hold as a result of concerns about rising anti-US sentiment.

**Singapore, Hong Kong, EU**

Singapore and Hong Kong round out the list of top-five trading partners. Total trade values with Singapore stood at $8.8bn, or 6.8% of total trade, with exports to Singapore standing at $3.8bn compared to $5bn of imports, for a trade deficit of $1.2bn. Electronics products maintained their position as top export, comprising 85.7% of the total. Major imports from Singapore in 2015 included electronic products and fuel, valued at $2.3bn and $806.7m, respectively.

Hong Kong followed in fifth place, with total trade values of $8.23bn in 2015. Export revenues stood at $6.4bn in the same year, compared to $1.8bn of imports, for a $4.6bn trade surplus. Electronics dominated the export base to Hong Kong, accounting for 78.8% of total revenues. Electronic imports from Hong Kong comprised 56.1% of the total.

While not a single trading partner, trade with the entire EU bloc stood at $13.9bn in 2015 - 10.7% of the total - with exports reaching $7.2bn compared to $6.7bn of imports. Germany was the Philippines' top trading partner in the EU, with imports and exports both totalling approximately $2.6bn.

European trade volumes are forecast to rise over the medium term after the Philippines and the EU launched negotiations for a free trade agreement in May 2016. However, a June 2016 UK referendum on EU membership resulted in Brexit - a decision to leave the bloc - which could have significant ramifications for both the free trade deal and the world's trade outlook in 2017.

**Future Of Imports**

Steady macroeconomic expansion, rising domestic demand and growth in construction material imports is expected to keep imports on a steady upwards trajectory in 2017, widening the country's trade deficit. The National Economic and Development Authority (NEDA) reported that total imports rose by 12.2% year-on-year (y-o-y) to reach $6.9bn in August 2016, while exports fell by 4.4% to $4.9bn. This signalled a trade deficit of $2bn for the month - nearly double the $1.1bn deficit recorded in August 2015. Merchandise imports recorded double-digit growth in August 2016, with consumer goods imports jumping by 59% while capital goods imports rose by 30%.

Rosemarie Edillon, NEDA's deputy director, told media that softening demand in the major markets of Japan and the US supports a move to explore new export markets including Russia, Kazakhstan, Kuwait, Mongolia and Malaysia. Boosting value-added ***agricultural*** production could also help grow the export base, in addition to offsetting losses in employment and output within the ***agricultural*** sector, which has struggled due to volatile weather conditions in recent years (see ***Agriculture*** chapter).

**Export Challenges**

Several factors will weigh on trade growth, particularly exports, in 2017. In 2016 the government originally targeted boosting exports by approximately 8.8%, but the target was later revised down to 6.6%, citing weakening global demand, soft commodity prices and volatility as a result of Brexit - all concerns other countries share.

The value of Philippine merchandise exports has been on a downwards trajectory in recent years, falling from $62.1bn in 2014 to $58.8bn in 2015. NEDA reported that manufacturing, ***agriculture***-related items and petroleum exports contracted by 4.1%, 5.2% and 68.2%, respectively, in August 2016. Although mineral products and electronics were able to offset these declines, recording respective growth rates of 10% and 11.6%, boosting manufacturing and industrial output remains an important priority for the new administration.

**Brexit**

In July 2016 the Philippine Exporters Confederation (PEC) told media that the sluggish growth problem is largely attributable to Brexit and uncertainties in the South China Sea. Still, Sergio Ortiz Luis, president of the PEC, noted that the Philippines' domestic supply and policy framework remain strong enough to support future growth.

Asif Ahmad, UK ambassador to the Philippines, later told media that the Philippines can still pursue a free trade agreement with the UK, and the UK would also be open to extending the EU's generalised scheme of preferences plus (GSP+) to the Philippines, which would eliminate tariffs on over 6000 products exported to Europe. However, high levels of uncertainty and a decent likelihood of difficult, drawn-out Brexit negotiations have lent a gloomy near-term outlook to European trade growth.

**Asean Challenges**

In the longer term, integration into the ASEAN Economic Community presents a number of new challenges to domestic ***producers***. According to NEDA, imports from ASEAN countries rose sharply in August 2016, with Indonesian imports jumping by 86.6% and Thai imports by 28.5%. The PSA reports that trade with ASEAN member countries stood at $26.7bn in 2015, equivalent to 20.6% of total foreign trade volumes that year. However, the country's trade deficit with ASEAN is one of the largest of all its partners. Exports to ASEAN countries were just $8.7bn while imports were valued at $18bn, coming in at a $9.3bn deficit.

The Philippines' domestic market of 103m people, rising household incomes and strong consumer demand make it an ideal market for its ASEAN neighbours, which should in turn support new ASEAN FDI inflows in the coming years. Rising competition from new businesses poses a challenge to domestic ***producers***, however, making the expansion of Philippine industries capable of capitalising on rising domestic demand an important priority.

**Reforms & Incentives**

The government has moved to begin several reforms and initiatives aimed at bolstering local production, by both attracting new investment in domestic industry, as well as enacting policies aimed at preventing market monopolies and protecting fair competition.

PEZA, for example, maintains a portfolio of four special economic zones and has accredited 138 others across the country (see Industry & Retail chapter). These zones offer export-oriented investors incentives including tax holidays ranging from four to eight years, after which a tax rate of 5% on gross income, split between the federal government (3%) and local government (2%), is applied.

Although these generous incentives are expected to be rationalised under an upcoming tax reform ***programme*** launched by the Duterte administration, initiatives will also bring corporate tax rates down from a region-leading 30% to between 15% and 25%, further improving the country's investment attractiveness (see Economy chapter).

**Fair Play**

The previous administration had also moved to bolster investment and improve market competition. In July 2015 former President Benigno Aquino III signed major new fair trade legislation, the Philippine Competition Act, with the aim of reducing cartel influence, price fixing and anti-competitive practises. The law seeks to prevent large companies from holding a market monopoly, distorting prices and impeding free trade. Its provisions included the establishment of an independent competition committee that will rule on cases involving anti-competitive acts, allowing it the ability to impose fines of up to P250m ($5.3m), as well as jail terms ranging from two to seven years. The law explicitly targets supporting micro, small and medium-sized enterprises as the country ramps up for integration into the ASEAN Economic Community.

**Investment Imperative**

Attracting new investment will be the most important pillar of future trade growth, and the Philippines has made tremendous progress on this front in recent years.

The accounting and consulting firm, PwC, reports that the country offers a wide array of investment opportunities, and has risen to become a popular destination for investors in business process outsourcing, infrastructure, mining, ***agriculture***, bio-fuels, renewable energy, industrial estates and tourism. "Demand for industrial estates in the Philippines far exceeds the supply; we do see an important source of demand from Japanese and Taiwanese companies and in sectors such as electronics, auto parts, logistics and food production," Guillermo D Luchangco, chairman and CEO of ICCP Group, told OBG. The Philippines benefits from its ***strategic*** geographical position, acting as a gateway for investors into the Asian market, and holds abundant mineral and ***agricultural*** resources. The government's reform agenda is improving the ease of doing business while a ***planned*** wave of major new infrastructure projects has benefitted from renewed political will to implement big-ticket items in partnership with the private sector. The country's workforce is also large, skilled and well-educated, and English is widely spoken - even in remote rural areas.

**Labour Advantage**

Labour costs are also among the lowest in South-east Asia, according to Willis Towers Watson's Global 50 Remuneration ***Planning*** Report 2015/16. Released in April 2016, the report found that the Philippines' labour market is very competitive compared to its regional neighbours, making it more attractive to foreign investors. Although this has also led to an outflow of professionals such as nurses, engineers and software developers who are lured overseas by higher salaries, labour-intensive and export-oriented industries have benefitted from low labour costs.

Willis Towers Watson reports that baseline salaries for professionals in China are 1.9-2.2 times higher than rates in the Philippines and Vietnam. The firm also found that China's base salaries across all job grades are between 5% and 44% higher than in Indonesia, ASEAN's most expensive labour market, with entry-level white-collar professionals earning roughly $21,000 annually compared to $16,000 in Indonesia. China has become a far less competitive investment destination than in previous years, which leaves the Philippines - where 40% of the workforce is considered white-collar professionals - extremely well positioned to benefit from rising FDI inflows in the near term. Growth prospects are further supported by the administration's tax reforms and ***planned*** amendments to its Foreign Investment Negative List, which outlines the sectors in which foreign investment is prohibited or restricted.

**Historic Trend**

Despite these competitive advantages, the Philippines has tended to lag behind ASEAN neighbours in terms of FDI. The World Bank reports that total inflows at current prices reached just $592m in 2004, compared to $5.9bn in Thailand, $4.4bn in Malaysia and $1.6bn in Vietnam.

Inflows rose by 180% in 2005 to hit $1.7bn and have maintained a steady upwards trajectory in the years since, reaching $2.9bn in 2007, moderating to $2.1bn in 2009 and regaining traction in 2012, when total inflows reached $3.2bn. FDI grew by 16.1% in 2013 to hit $3.7bn and soared by 53.4% in 2014 to end the year at $5.7bn - a historic high - before stabilising at $5.7bn in 2015. In that same year, Indonesia's FDI inflows stood at $15.5bn, followed by Vietnam with $11.8bn and Thailand with $7.1bn.

**Unctad Report**

In June 2016 the UN Conference on Trade and Development (UNCTAD) reported that recent survey results revealed the Philippines as one of the world's top-15 prospective FDI destinations for multinational enterprises over the next three years, with its 2016 World Investment Report simultaneously ranking the country the 11th most preferred investment location ahead of France, Australia, Myanmar and Vietnam. Although it was outranked by ASEAN neighbours Malaysia (10th) and Indonesia (9th), 2016 saw the Philippines and Myanmar make the cut for the first time, replacing Hong Kong and Singapore in the list of 15.

According to UNCTAD, this is due to the government undertaking a number of economic reforms in recent years, moving to liberalise its economy and open new sectors such as financial services to higher levels of FDI (see analysis).

**Increased Interest**

The new administration - with its focus on reducing investment restrictions and streamlining the business registration process - is driving what it hopes will be record-breaking growth in 2017. In October 2016 the BOI announced that the value of investment pledges in the Philippines rose by over 200% y-o-y in September to hit P51bn ($1.1bn), bringing total board-approved investment commitments to P286.4bn ($6.1bn) - a 49% increase over 2015. According to the BOI, investment inflow is being driven by strong economic fundamentals, including projected growth in GDP, leading both local and foreign investors to commit to new projects. Secretary Lopez stated that P366.7bn ($7.8bn) of investments were approved in 2015. The central bank of the Philippines, Bankgo Sentral ng Philipinas (BSP), meanwhile, reported in October 2016 that net FDI inflows rose by 79% to hit $4.7bn during the first seven months of the year. Inflows rose by $2bn over the same period in 2015.

**Macro Support**

The BSP reports that FDI inflows were bolstered by investors' positive outlook for macroeconomic growth, after a series of sovereign rating upgrades cemented its status as investment grade in 2015 and 2016. The country's macroeconomic outlook is also positive. It has recorded over 70 straight quarters of positive economic growth and the IMF forecasts GDP will expand by 6.7% in 2017. Economic managers under the Duterte administration forecasted growth of 6-7% in 2016 while the IMF estimated GDP growth of 6.4%. The Philippines ended the year with 6.8% growth.

The outlook had a positive effect on investor sentiment, with net equity capital inflows rising by 74.7% to $1.5bn between January and July of 2016 from $841m during the same period in 2015. Equity placements rose by 55.7% y-o-y to $1.7bn, with the bulk of new equity sourced from Japan, Singapore, Honk Kong, the US and Taiwan.

By sector, financial services, real estate, manufacturing and construction attracted the majority of FDI inflows, followed by retail and hospitality. The BSP further reports that net investments in debt instruments, or lending by international parent companies to their local affiliates, more than doubled to $2.8bn, indicating strong future expansion of existing foreign-backed businesses. Total FDI inflows reached $7.9bn in 2016.

**Outlook**

The World Trade Organisation reported in September 2016 that worldwide trade expanded by 1.7% that year, down from earlier projections of 2.8%. Estimates for 2017 remain fairly low at between 1.7% and 3.1%. Despite gloomy global trade forecasts, the Philippines' strong macroeconomic fundamentals, competitive geographical and labour force advantages, and rising domestic consumption bode well for future trade and investment. Some statements from President Duterte have caused some uncertainty among foreign investors, but far-reaching policy reforms will help offset these concerns, and expected increases in FDI inflows should help the country meet its 2017 targets.

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**End of Document**



[***Register of Commission documents: European Parliament resolution of 16 November 2017 on the EU-Africa Strategy: a boost for development (2017/2083(INI)) Document date: 2017-11-16 P8\_TA-PROV(2017)0448 Texts adopted (provisional edition)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R6T-YHX1-JDG9-Y2F1-00000-00&context=1516831)

Impact News Service

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European Parliament 2014-2019 TEXTS ADOPTED Provisional edition P8\_TA-PROV(2017)0448 The EU-Africa Strategy: a boost for development European Parliament resolution of 16 November 2017 on the EU-Africa Strategy: a boost for development (2017/2083(INI)) The European Parliament, – having regard to Article 21 of the Treaty on European Union (TEU) and Article 208 of the Treaty on the Functioning of the European Union (TFEU), – having regard to the ‘Global Strategy for the European Union’s Foreign and Security Policy – Shared Vision, Common Action: a stronger Europe’ presented to the European Council at its meeting of 28 and 29 June 2016, – having regard to the joint statement of 7 June 2017 by Parliament, the Council and the representatives of the governments of the Member States meeting within the Council, and the Commission on the New European Consensus on Development – Our World, Our Dignity, Our Future, – having regard to the United Nations Summit on Sustainable Development and the outcome document adopted by the UN General Assembly on 25 September 2015, entitled ‘Transforming our world: the 2030 Agenda for Sustainable Development’, and the 17 Sustainable Development Goals (SDGs), – having regard to the Principles for Responsible Investment in ***Agriculture*** and Food Systems that were developed in the Committee on World Food Security (CFS-RAI) in order to contribute to the attainment of SDGs one and two, – having regard to the Addis Ababa Action Agenda on Financing for Development of 2015, – having regard to the Paris Agreement on climate change of 2015, – having regard to the Africa Action Summit which took place on 16 November 2016, consolidating the African dimension of COP 22, – having regard to the Commission Communication of 26 February 2016 on the EU Action ***Plan*** against Wildlife Trafficking (COM(2016)0087), – having regard to the Partnership agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 20001 (the Cotonou Agreement), and to its revisions of 2005 and 2010, – having regard to the Joint Africa-EU Strategy (JAES) adopted by African and European Heads of State and of Government at the Lisbon Summit of 9 December 2007, and the two action ***plans*** adopted in Accra in October 2007 (for the period 2008-2010) and Tripoli in November 2010 (for the period 2011-2013), – having regard to the conclusions of the 4th EU-Africa Summit held in Brussels on 2 and 3 April 2014, the roadmap for the format of the meetings (Cairo format) and the areas of cooperation between the two continents for the period 2014-2017 and the EU-Africa declaration on migration and mobility, – having regard to the Agenda 2063 of the African Union (AU) adopted in May 2014, – having regard to the report on the draft recommendations on the institutional reform of the African Union, prepared by H.E Paul Kagamé, with the title ‘The Imperative to Strengthen our Union’, – having regard to the 3rd Civil Society Intercontinental Forum which took place in Tunis from 11 to 13 July 2017, calling for greater engagement of civil society organisations and for individuals from civil society to be placed at the centre of the EU-Africa strategy, – having regard to the joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 7 June 2017 entitled ‘A ***Strategic*** Approach to Resilience in the EU’s external action’ (JOIN(2017)0021), – having regard to Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund2, – having regard to the Commission’s proposal of 5 July 2016 for a regulation of the European Parliament and of the Council amending Regulation (EU) No 230/2014 establishing an instrument contributing to stability and peace (COM(2016)0447), – having regard to the joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 22 November 2016 entitled ‘A renewed partnership with the countries of Africa, the Caribbean and the Pacific (ACP)’ (JOIN(2016)0052), – having regard to the various communications from the Commission on relations between the EU and Africa, particularly that of 27 June 2007 entitled ‘From Cairo to Lisbon – The EU-Africa ***Strategic*** Partnership’ (COM(2007)0357), that of 17 October 2008 entitled ‘One year after Lisbon: The Africa-EU partnership at work’ (COM(2008)0617) and that of 10 November 2010 on the consolidation of EU Africa 1 OJ L 317, 15.12.2000, p. 3. 2 OJ L 249, 27.9.2017, p. 1. relations: 1,5 billion inhabitants, 80 countries, two continents, one future (COM(2010)0634), – having regard to the joint communication to the European Parliament and the Council from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 4 May 2017 entitled ‘For a renewed impetus of the Africa-EU partnership’ (JOIN(2017)0017), and the Council conclusions of 19 June 2017 on the subject, – having regard to its previous resolutions on relations between the Union and Africa and the ACP countries, and particularly that of 4 October 2016 on the future of ACP-EU relations beyond 20201, – having regard to its resolution of 13 September 2016 on the EU Trust Fund for Africa: the implications for development and humanitarian aid2, – having regard to its resolution of 7 June 2016 on the EU 2015 Report on policy coherence for development3, – having regard to its resolution of 22 November 2016 on increasing the effectiveness of development cooperation4, – having regard to Rule 52 of its Rules of Procedure, – having regard to the report of the Committee on Development and the opinions of the Committee on Foreign Affairs, the Committee on International Trade and the Committee on Civil Liberties, Justice and Home Affairs (A8-0334/2017), A. whereas the ties between the European Union and African countries are historic and their destinies are intimately linked; whereas the EU is Africa’s main partner in the fields of economic activity and trade as well as development, humanitarian aid and security; B. whereas there is a need to provide the Africa-EU partnership with a new vision that reflects the evolution of the political, economic, environmental and social situations of both continents; whereas there is a need to adapt to new players on the international scene – including China – and to move towards an enhanced, modernised and more political partnership, with a focus on defending our key common interests; C. whereas relations between the EU and Africa must be guided by the principles of mutual interest and understanding and by shared common values within the framework of a reciprocal partnership; D. whereas relations between the EU and the continent of Africa are based on various legal instruments and political strategies and whereas it is important to step up synergies and coherence between them in order to make the partnership more effective and sustainable; 1 Texts adopted, P8\_TA(2016)0371. 2 Texts adopted, P8\_TA(2016)0337. 3 Texts adopted, P8\_TA(2016)0246. 4 Texts adopted, P8\_TA(2016)0437. E. whereas the Cotonou Agreement with the EU, to which 79 ACP States are parties, including 48 in sub-Saharan Africa, governs the main partnership between the EU and Africa; whereas the EU has also established relations with African countries that are not parties to the Cotonou Agreement; whereas the EU-ACP partnership was established at a time when ACP countries had not yet formed their current regional or continental cooperation structures; whereas the emergence of the AU in 2003 and of the JAES in 2007 makes it essential to streamline the various policy frameworks between the EU and Africa; whereas the objective to ‘treat Africa as one’ is clearly stated in the preamble of the JAES; F. whereas the EU is engaged with the African countries in a political and institutional dialogue advanced through the EU-Africa summits, the intergovernmental organisation the ‘Union for the Mediterranean’ (UfM) and the ACP-EU cooperation bodies, including at parliamentary level via the ACP-EU Joint Parliamentary Assembly, the EU Delegation to the UfM Parliamentary Assembly and with the Pan-African Parliament; G. whereas the 11th European Development Fund (EDF) has a budget of EUR 30,5 billion, of which EUR 900 million are reserved for the African Peace Facility, and whereas EUR 1,4 billion of the EDF will be used for the EU Trust Fund for Africa; whereas more than EUR 5 billion have been spent on the needs of African countries in the context of the European Neighbourhood Instrument (ENI), and whereas EUR 845 million have been allocated to the Pan-African ***Programme*** under the Development Cooperation Instrument (DCI) to implement the JAES; H. whereas the next AU-EU Summit, which will take place in Abidjan on 29 and 30 November 2017 on the topic of ‘Investing in Youth’, is an opportunity to create, support and develop economic conditions of true equality between partners wishing to defend key common interests; I. whereas the new JAES must be included in the future post-Cotonou agreement; J. whereas the EU is a long-standing partner and a major guarantor of the security of the continent of Africa, which is a subject of the utmost importance; whereas the security and sustainable growth of the European continent closely and immediately depend on the stability and development of the African continent and vice versa; K. whereas constant support for the effective implementation of the African Peace and Security Architecture and the commitment of the EU, the AU and other international players present in Africa are essential for the development and stability of the African continent; L. whereas migration features prominently in the EU global strategy on foreign and security policy and constitutes a priority topic in the EU’s external relations, including its relations with Africa; whereas Africa and Europe have a shared interest and responsibility when it comes to migration and mobility, including in the fight against human trafficking and smuggling, and whereas managing migration calls for global solutions based on solidarity, the sharing of responsibility, respect for migrant rights and international law, as well as the effective use of development cooperation instruments; M. whereas more than 218 million people live in extreme poverty in Africa; whereas the share of the population living in extreme poverty in sub-Saharan Africa has fallen from 56 % in 1990 to 43 % in 2012; whereas 33 of the 47 least developed countries are in Africa, which makes the EU-Africa partnership a vital tool for the implementation of the 2030 Agenda for Sustainable Development and the attainment of the sustainable development goals, particularly the eradication of poverty; N. whereas, in Africa, infrastructure requirements are estimated at EUR 75 billion annually, the value of the consumer market is likely to reach USD 1 000 billion in 2020, foreign direct investment is set to increase steadily to an estimated USD 144 billion in 2020, and the population is currently 1 billion; O. whereas exports from Africa are still dominated by unprocessed products, and whereas a high proportion of these exports are covered by trade preference arrangements; whereas free market access for most African products increases the capacities of African countries and enhances their competitiveness and participation in global markets when accompanied, among other things, by policies aimed at lasting sustainable industrialisation and rural productivity as key paths for development; P. whereas demographic trends will have to be taken into account, bearing in mind that by 2050, according to some estimates, Africa could have a population of 2,5 billion, most of them young people, while Europe is expected to have a significantly older population; whereas it is therefore crucial to generate millions of jobs and to help with and support the empowerment of women and young people, particularly by means of education, access to healthcare and training on the African continent; Intensifying the political dialogue between the EU and Africa: a precondition for a renewed ***strategic*** partnership 1. Takes note of the new communication entitled ‘For a Renewed Impetus of the Africa-EU Partnership’ which aims to lend fresh impetus to the Africa-EU partnership in order to broaden and intensify it, gearing it to prosperity and stability on the two continents in accordance with the commitments undertaken by subscribing to the SDGs, the New European Consensus for Development, which serves as a set of guidelines for European development policy, the EU Global Strategy on Foreign and Security Policy and Agenda 2063; 2. Recalls that Africa is a key ***strategic*** partner for the EU and considers it vital to intensify relations between the EU and the AU via a revised and broadened dialogue, which includes the principles of transparency and good governance, in order to establish a ‘win-win’ situation, and equal and sustainable cooperation to respond to shared challenges and secure common benefits, while ensuring the principle of ownership and taking into account the specific circumstances and level of development of each partner country; 3. Invites the future partnership to focus on the priority areas identified by both the AU and the EU, such as: – economic development (via trade, Economic Partnership Agreements (EPAs), enhanced regional integration, economic diversification, sustainable industrialisation and the creation of quality jobs), – good governance, including human rights, – human development via public services covering basic needs, such as education, health, access to water and sanitation, gender equality, science, technology and innovation, – security and the fight against terrorism, – migration and mobility, – environment – including climate change; 4. Recalls that budget support is the best way to carry out appropriation, providing governments with the means to determine their needs and priorities; recalls that general or sector-specific budget support enables development policies to be supported and ensures maximised take-up; 5. Welcomes the fact that the main topic of the 5th AU-EU Summit, which will take place in Côte d’Ivoire in November 2017, is youth, given its importance for the future of both continents; 6. Recalls the importance and effectiveness of ACP-EU cooperation and the results achieved in the field of development; stresses that this legally binding framework must be maintained after 2020; stresses the need to step up this cooperation, while developing its regional dimension, including by means of increased cooperation with the AU, the regional economic communities and other regional organisations; calls for a more ***strategic***, pragmatic, comprehensive and structured approach to political dialogue within the framework of negotiations for the post-Cotonou agreement; 7. Calls for the parliamentary dimension of the ACP-EU to be stepped up; stresses that the ACP-EU Joint Parliamentary Assembly is a unique platform for interaction and plays a key role in strengthening democracy, the rule of law and respect for human rights; 8. Stresses that the European neighbourhood policy (ENP) review provides opportunities for improving the coordination of neighbourhood policy and policy on other African states through the creation of extended cooperation frameworks on regional issues such as security, energy, and even migration; 9. Reaffirms the need to adopt, within the Africa-EU partnership, an approach coordinated among the EU Member States themselves, and between the EU and its Member States, as provided for by Article 210 TFEU; recalls, likewise, that respect for the EU principle of policy coherence for development is necessary in European and African policies and initiatives alike in order to attain the SDGs; 10. Calls for the principle of policy coherence for development to be fully incorporated into the EU’s trade relationship with Africa, which entails the inclusion of enforceable Trade and Sustainable Development (TSD) clauses in all EU trade agreements with African countries, in line with the commitment undertaken by the Commission in the ‘Trade for All’ strategy; 11. Reiterates the importance of the Member States fulfilling their commitment to directing 0,7 % of their GDP to official development assistance to strengthen cooperation with Africa; 12. Endorses the stated desire to intensify alliances between the EU and Africa to tackle global governance issues; stresses, in this context, the need to step up the dialogue with the AU and the importance of ensuring its financial autonomy, in accordance with the Kigali Decision on Financing, by reducing its dependence on external financing; takes note of the proposals put forward in the report drawn up by Paul Kagamé which aims at strengthening the AU in order to give impetus to the process of political African integration; 13. Stresses the role played by civil society – including NGOs, faith-based organisations, youth and women’s rights organisations, the private sector, trade unions, parliamentary assemblies, local authorities and the diaspora, each one of them with its own specific features – in consolidating the political dialogue between the EU and Africa to ensure a people-focused partnership; 14. Stresses the need to increase the participation of civil society in the Africa-EU Partnership, promoting the reinforcement of its capacities, especially by transferring expertise and ensuring its involvement in the design and implementation of relevant reforms and policies; considers that the engagement of civil society organisations (CSOs) is essential for public accountability; supports the various platforms established to make civil society a key actor in the partnership, particularly the Joint Annual Forum (JAF), whose aim is to implement the EU-Africa roadmap; regrets, nonetheless, the fact that the JAF has never been held and calls for the EU and the AU to immediately put in place the financial and political means needed to ensure the meaningful participation of all stakeholders in the partnership, including in the framework of this 5th AU-EU Summit; Building more resilient states and societies for the benefit of all people, particularly young people, in order to attain the SDGs 15. Considers it necessary to make resilience – in all its five dimensions – a major component of the new EU-Africa strategy; Political resilience 16. Emphasises the need to promote good governance, democracy, the rule of law and respect for human rights, but also to undertake efforts to combat corruption on both continents, as they are indispensable elements of sustainable development; 17. Calls, therefore, for a frank and inclusive dialogue, based on mutual respect, making these values and principles a major component of cooperation, particularly by extending the conditionality of development aid to their strict respect; 18. Stresses that addressing governance challenges in both continents with greater determination is of paramount importance for building fairer, more stable and more secure societies; underlines the need to continue to uphold and promote human rights and governance on the basis of existing international legal instruments, laws, principles and mechanisms, including those of African regional governance bodies such as the African Charter on Human and Peoples’ Rights and its protocols, the African Charter on Democracy, Elections and Governance, the African Commission on Human and Peoples’ Rights and the African Court on Human and Peoples’ Rights, so as to strengthen ownership; 19. Recalls the importance of the role of the International Criminal Court in tackling impunity and in upholding the values of peace, security, equality, fairness, justice and compensation that it serves as a vehicle for; calls for the European Union and African states to continue supporting the Rome Statute and the International Criminal Court; urges all signatories of the Rome Statute to ratify it as soon as possible; 20. Supports the organisation of a joint high-level AU-EU conference on electoral processes, democracy and governance in Africa and Europe, and calls for the European Parliament, the Pan African Parliament, the ACP-EU Joint Parliamentary Assembly and the Euro-Mediterranean Parliamentary Assembly (PA-UfM) to be fully involved in it; calls for the links between the different assemblies to be strengthened with a view to fostering synergies and the consistency of joint measures; Security resilience 21. Reiterates the close interlinkage between security and development; points out the need to better integrate security concerns and development aims to address the specific problems of fragile states and to foster more resilient states and societies; notes that this should be done through specific instruments and additional funding; 22. Calls for stronger cooperation between the EU and Africa in the field of security and justice in respect of the international legal framework in order to take a holistic approach to tackling problems and to better combat organised crime, human trafficking and smuggling particularly in relation to children, and terrorism; considers that EU action should be in synergy with the strategies adopted by African countries, particularly those related to peace and security expressed in Agenda 2063; 23. Stresses the need for cooperation between the EU, AU, regional organisations and other relevant political players in Africa in the field of security in order to increase the capacities of developing countries, to reform their security sectors, to support activities in the field of disarmament, demobilisation and reintegration (DDR) of former combatants; 24. Recalls that terrorism is a global threat affecting regional peace and stability, sustainable development and internal security, which needs to be tackled in a coordinated effort by national governments, regional and international organisations, and European Agencies; calls for enhanced cooperation within the EU-Africa Strategy aimed at preventing impunity, promoting the rule of law and the expansion of police and judicial capacities in order to facilitate the exchange of information and best practices, and preventing, countering, and combating the financing of terrorism as well as prosecuting it; notes that anti-terrorism strategy should also include measures for promoting interfaith dialogue and preventing radicalisation in Africa and Europe, especially among young people, which leads to violent extremism; 25. Reiterates the importance of the various EU missions and operations deployed in Africa; welcomes the creation of the Group of Five Sahel joint force; calls for European peace and security actions to be stepped up in cooperation with African and international partners and for support for the full operationalisation of the African Peace and Security Architecture (APSA); calls for an initial EU contribution to the AU Peace Fund for activities under the ‘mediation and diplomacy’ window; Environmental resilience 26. Recalls that Africa is particularly vulnerable to the impact of climate change; considers it essential for the EU to develop a ***strategic*** approach to building climate resilience and to support African countries, in particular the least developed countries (LDCs), in their efforts to reduce greenhouse gas emissions and to adapt; stresses the importance of climate change as a risk multiplier for conflict, drought, famine and migration, as exemplified in the recent outbreak of famine in South Sudan, Nigeria and Somalia; recalls, in this context, that it is vital to promote and respect the commitment given in Paris in 2015 to allocate USD 100 billion to developing countries by 2020; calls for new kinds of EU-Africa collaboration to lower the barriers to funding and technology transfer; 27. Stresses that Africa has a rich and diverse natural environment; calls for the protection of biodiversity to be put at the core of the AU-EU political agenda; calls for the EU-Africa strategy to work in conjunction with the priorities of the EU Action ***Plan*** against Wildlife Trafficking and to protect natural heritage and, in particular, nature parks; 28. Encourages greater investment in the fields of renewable energy and the circular economy in order to further stimulate actions which contribute to respect for the environment and create job opportunities; recalls that ensuring access to affordable, reliable, sustainable and modern energy for all is crucial for the satisfaction of basic human needs, is essential for virtually all kinds of economic activity and is a key driver of development; calls for continued EU support for the Africa Renewable Energy Initiative (AREI) and welcomes the Commission’s proposal to launch a new EU-Africa Research and Innovation Partnership on climate change and sustainable energy; 29. Calls on the Africa-EU partnership to focus on ***agriculture*** and food security in a long-term perspective and to promote synergies between food security and climate measures; urges the EU, in this context, to scale up its assistance to sustainable ***agriculture***, agro-forestry and agro-ecological practices respecting traditional land use, and ensuring access to land, water and open source seeds; calls, in addition, on the EU to support small-scale ***producers***/farmers and pastoralists to attain food security through building up and investing in infrastructure in line with the Principles for Responsible Investment in ***Agriculture*** and Food Systems of the CFS, and to support the establishment of cooperatives; underlines also the capacity and experience that CSOs have gained at community level in relation to sustainable ***agriculture***; 30. Welcomes the EU initiatives demanding better management of, and more transparent trade in, natural resources; believes that the sustainable management of and trade in natural resources, such as minerals, timber and wildlife, would allow resource-rich countries and their populations to further benefit from them; recalls the need, under EU legislation on conflict minerals, to introduce accompanying measures following an integrated approach that encourages the application of international standards on due diligence, as defined by the OECD Guidance; calls for a joint EU-Africa charter on sustainable management of natural resources to be drawn up; Economic resilience 31. Considers that a stable regulatory and institutional environment and a healthy economy are essential elements for ensuring competitiveness, investments, job creation, a higher standard of living and sustainable growth; stresses, in this context, the need to increase the online accessibility of corporate law information; recalls that economic growth without an impartial state does not systematically guarantee social development or progress and insists on the need to assure the redistribution of wealth, the provision of services for citizens and to improve equal opportunities; 32. Calls for increased cooperation between the European and African private sectors and for the concentration of investment, particularly by means of public-private partnerships, based on a strict ethical code and on the principles of social responsibility, in key sectors such as: – sustainable energy including electricity access for all, – basic infrastructure, notably in the transport sector, including maritime transport, – sustainable use of natural resources, – sustainable ***agriculture***, – the ‘blue economy’ – including the maritime industry, – research, science, technology and innovation, both around subjects of common interest and around those which particularly affect one of the continents, such as poverty-related and neglected diseases, – digitalisation as a key factor in ensuring the development of the African economy, but also in connecting people; 33. Stresses the fact that regional integration drives economic development and is a necessity in a globalised world; calls for support for South-South Cooperation which reflects the gradual transformation of the African continent; supports the establishment of a continental free trade area in Africa as well as the goal of increasing intra-African trade to 50 % by 2050; recalls also the development prospects offered by Economic Partnership Agreements (EPAs) and trade agreements between the EU and African countries, which allow the promotion of sustainable development, human rights and fair and ethical trade; stresses the need to provide for development-supportive rules of origin, effective safeguard clauses, asymmetrical liberalisation schedules, protection for infant industries, and the simplification and transparency of customs procedures; recalls that EPAs are intended to help the ACP countries to expand their markets, to encourage trade in goods and to boost investment and that they anticipate a slow, gradual and asymmetric opening up of trade in goods between the EU and the ACP countries; 34. Calls for transparency in trade agreements and for the full participation of all relevant stakeholders, including the civil societies of the countries concerned, through formal consultations, in future negotiations and in the implementation of agreements currently under negotiation; 35. Calls for the EU and its Member States to better coordinate their aid for trade ***programmes*** and to boost synergies with their Africa investment policies; calls, furthermore, for an increase in their financial commitments to Aid For Trade as well as technical assistance and capacity-building initiatives, which are essential for African countries, in particular in LDCs; 36. Considers that the private sector, from micro to small and medium-sized enterprises (SMEs), to cooperatives and multinational companies, plays a decisive role in job creation and the development process, and that it helps to finance the latter; stresses the specific role of SMEs and small family-run establishments, and calls for support for individual initiative; welcomes in this regard the establishment of the European Fund for Sustainable Development, which should aim to support the private sector in African countries, particularly local business and SMEs in fragile countries, and thus promote investment and the creation of sustainable jobs, particularly for women and young people; 37. Recalls the obligations that the private sector is required to fulfil under the United Nations and OECD Guidelines, and reiterates its call on EU and AU Member States to constructively participate in the UN intergovernmental working group on transnational corporations and other business enterprises with respect to human rights to work towards the setting-up of an international binding treaty, based on the UN Guiding Principles on Business and Human Rights, on the way corporations comply with human rights obligations and obligations with respect to social, labour and environmental standards; 38. Underlines the necessity of creating decent jobs and of linking them to investment, both of which should be done within the framework of the Africa-EU partnership; calls for compliance with ILO standards in this regard; stresses the importance of interaction between social, economic and institutional persons and calls for the role of social partners to be strengthened by boosting the effectiveness of social dialogue at all relevant levels, which is conducive to collective bargaining; 39. Deplores the fact that, each year, some USD 50 billion is drained out of Africa in the form of illicit financial flows, which exceeds the total annual amount of Official Development Assistance (ODA) and undermines efforts in the field of domestic revenue mobilisation; calls, therefore, on both parties to: – create effective tools to combat tax

evasion, tax fraud and corruption, including public transparency on ultimate beneficial ownership of legal entities, trusts and similar arrangements, – promote the UN-supported Principles for Responsible Investment (PRI), – support initiatives to increase the efficiency and transparency of public financial management systems; 40. Calls, moreover, for the effective implementation of the UN Guiding Principles on Debt and Human Rights and the United Nations Conference on Trade and Development (UNCTAD) Principles on Promoting Responsible Sovereign Lending and Borrowing; welcomes the UN’s work towards an international sovereign debt workout mechanism; 41. Calls for greater financial inclusion in Africa, including that of women, through the development of electronic banking in order to fight against the polarisation of African society; recalls that remittances make up a larger flow of money to developing countries than the total of ODA and can significantly contribute to achieving the 2030 Agenda; calls, therefore, on the EU to further support the AU’s efforts in improving remittance mechanisms; Social resilience 42. Recognises the importance of demographic dynamics in Africa, which necessitate a long-term ***strategic*** vision for developing sustainable, inclusive and participatory societies; stresses, equally, the need to ensure non-discrimination against vulnerable groups, including persons with disabilities and indigenous peoples; recognises that the increasing population in Africa is both a challenge for the local economy and an opportunity for the continent; calls, therefore, on the EU to show commitment in promoting appropriate public policies and investments in education and health, including sexual and reproductive health and rights (SRHR), to ensure that young people are equipped to make informed decisions about their SRH, gender equality and children’s rights without which social, economic and environmental resilience cannot be reached; 43. Emphasises that the urbanisation rate in Africa is on the rise and poses social, economic and environmental challenges; calls for solutions to relieve this urban pressure and to alleviate the problems of uncontrolled urbanisation; 44. Calls for the EU and the AU to strengthen African national education systems, including the capacity of its administrative structure, by investing at least 20 % of their national budgets in education and by scaling up the EU’s support for the global partnership for education (GPE) and the Education Cannot Wait (ECW) fund; 45. Stresses the need for universal, inclusive, equitable and long-term access to high-quality education at all levels, from early childhood onwards and for all, with a special focus on girls, and including in emergency and crisis situations; 46. Stresses the need to invest in human capital and for young people to be connected to global realities and to have skills which meet the current and future needs of the job market by strengthening educational and vocational learning systems – both formal and informal – self-employment and entrepreneurship; 47. Considers it important to support African countries in establishing effective public health systems and ensuring affordable access to quality health services for all, while, in particular, breaking down the barriers faced by women and other vulnerable groups, including children, people with disabilities and LGBTI people; 48. Calls for the introduction of minimum universal coverage by setting up horizontal national health systems; underlines the need to train an additional one million skilled health professionals than originally ***planned*** on the basis of current trends to meet the minimum WHO standard by 2030; 49. Stresses that infectious diseases pose a significant threat to social resilience; calls on the Commission to step up scientific and medical cooperation efforts between the two continents, such as the European and Developing Countries Clinical Trials Partnership, EDCTP2, and to invest in science, technology and innovation (STI) to tackle the still huge burden of poverty-related and neglected diseases (PRNDs) through its development cooperation; 50. Recalls the need for greater investment in access to maternal healthcare and sexual and reproductive health in order to reduce maternal and infant mortality and to tackle traditional practices, such as female genital mutilation and forced and/or child marriage; 51. Emphasises the importance of gender equality and women’s empowerment in EU-Africa cooperation; stresses the positive role and participation of women in the political and economic spheres, as well as in conflict prevention and building sustainable peace; 52. Notes that culture is both an enabler and an important component of development and may facilitate social inclusion, freedom of expression, identity building, civil empowerment and conflict prevention while strengthening economic growth; calls, therefore, on the EU and the AU to promote intercultural political dialogue and cultural diversity and to support strategies protecting culture and heritage; stresses that democracy is a universal value which can be part of any culture; acknowledges, equally, the role of sport as a source and driver of social inclusion and gender equality; Establishing a strategy for mobility and migration which contribute to the development of the two continents 53. Recalls that migration and mobility between and within Europe and Africa have an economic, social, environmental and political impact, and that this challenge must be tackled in a coordinated and holistic manner between the two continents and in cooperation with countries of origin, transit and destination, maximising synergies and making use of the relevant EU policies, instruments and tools, based on solidarity, responsibility sharing, respect and human dignity; recalls, in this context, that it is desirable to step up the Africa-EU dialogue in advance of the negotiations on the two global compacts on migration and refugees, respectively, to be drawn up by 2018 under the auspices of the United Nations in order to identify shared priorities, where possible; 54. Recalls the need to enhance the positive impact of migration and mobility so that these phenomena are seen as reciprocal development tools for the two continents; stresses that this requires a carefully designed, balanced, evidence-based and sustainable policy response with a long-term strategy which takes into account demographic perspectives and the root causes of migration; 55. Recognises that violent conflicts, persecution, inequality, infringements of human rights, weak governance, corruption, terrorism, repressive regimes, natural disasters, climate change, unemployment and chronic poverty have led to population movements and an increase in migration to Europe in recent years; recalls, nevertheless, that more than 85 % of African people leaving their country remain within the continent itself; 56. Supports the various initiatives adopted at European level to tackle the underlying causes of irregular migration: migration partnerships, trust funds for Africa and the European Fund for Sustainable Development; calls for their implementation to be ensured and continued in a flexible, efficient, coherent and transparent manner while enhancing possible synergies among different instruments, ***programmes*** and activities, both in internal and external action; highlights the need for increased cooperation in the field of border management; 57. Reiterates its call for the promotion of legal migration, in line with the recommendations of the Valletta Action ***Plan***; stresses, further, that development aid should not be made conditional on cooperation in migration matters; 58. Calls on the Member States to offer their resettlement places to a significant number of refugees; calls, in this context, for the establishment of a European resettlement framework which can easily be acted upon by Member States; calls, in addition, for the EU and its Member States to cooperate with and provide assistance to African countries that are faced with movements of refugees or prolonged crises, with a view to increasing their asylum capacities and protection systems; 59. Urges Member States to step up their financial contribution to trust funds and other instruments aiming to foster inclusive and sustainable growth and stimulate job creation thus contributing to addressing the root causes of migration; also asks for a stronger scrutiny role of the European Parliament to ensure that migration partnerships and funding tools are compatible with EU legal basis, principles and commitments; 60. Calls for the EU and the AU to promote exchanges between students, teachers, entrepreneurs and researchers between the two continents; welcomes the Commission’s proposal to launch an African Youth Facility, expanding the scope of Erasmus+, and an EU vocational education and training facility; calls for a discussion on the recognition by the EU of certificates and diplomas issued by African schools and universities; notes that ensuring circular migration is essential for sustainable development; and for preventing a brain drain from Africa; 61. Recognises the special position of the diaspora in both the receiving countries and the countries of origin in sending considerable funds and as a development partner at national and regional levels; expresses its wish that the diaspora might act as a source of information tailored to respond to the real needs of the people, addressing the dangers linked to irregular migration, as well as the challenges linked to integration in host countries; ° ° ° 62. Instructs its President to forward this resolution to the Council, the Commission, the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy, the Commission of the African Union, the ACP Council, the Pan-African Parliament and the Bureau of the ACP-EU Joint Parliamentary Assembly.

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[***Summary of Russian press for Friday 18 August 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P8K-RCW1-JC8S-C0DT-00000-00&context=1516831)

BBC Monitoring Former Soviet Union - Political

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August 18, 2017 Friday

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**Length:** 2970 words

**Body**

By BBC Monitoring

Van attack in Barcelona

Newspapers look at the aftermath of an attack in Barcelona where a van has driven into a crowd of people in the centre of the city

Izvestia: Andrei Ontikov et al. report "Now, Barcelona" looks at an attack in Barcelona and quotes Iosif Linder, president of the International Counterterrorism Training Association, who has questioned Spanish security efforts and said that the EU has become "hostage to professionally organised terrorist activities"; p 2 (850 words).

Izvestia: Alexei Martynov report "Point of no return" looks at the attack in Barcelona and says that "this method of one-man terrorism has become a 'hit' of international terrorism whose activists are arriving in European cities together with hordes of migrants from the Middle East and North Africa"; p 2 (500 words).

Rossiyskaya Gazeta: Yuri Kogalov article "Barcelona: This is nightmare!" says that at least 13 people have been killed and 50 injured when a van plunged into a crowd in central Barcelona; pp 1, 6 (500 words).

Kommersant: Pavel Tarasenko et al. report "Terrorist attack within walking distance" says that the Islamic State group has claimed responsibility for the van attack in Barcelona's tourist area; pp 1, 3 (900 words).

Komsomolskaya Pravda: Abbas Dzhuma brief report "Terrorist drives into crowd of tourists in central Barcelona" gives details of the attack and says that a venue being visited by many tourists has been chosen for the attack; p 3 (200 words).

Middle East

Nezavisimaya Gazeta: Vladimir Mukhin article "West legalizes chemical war against Damascus" says that the Syrian authorities have accused the USA and Great Britain of supplying warfare poisonous agents to rebels. Arab regimes may have purchased the poisonous agents and then illegally sent them to the rebels, an expert said; pp 1-2 (636 words).

Nezavisimaya Gazeta: Veniamin Popov article "Arab unity questionable" says that the West's policy in the Middle East has considerably changed the region's political landscape enabling the number of terrorist organisations to increase and emphasises Russia's growing role in the region; p 3 (712 words).

Moskovsky Komsomolets: Renat Abdullin article "ISIS moves to Afghanistan" features a commentary by a political analyst who focuses on the recent elimination of three ISIS commanders in Afghanistan by the US military and says that Washington has been ousting ISIS from Syria to Afghanistan aiming to destabilize the situation near Russian borders; p 4 (994 words).

Ukrainian "missile scandal"

Novaya Gazeta: Olga Musafirova article "Engines of authorities' combustion" says that a scandal over the alleged supply of Ukrainian rocket engines to North Korea plays into the hands of those who oppose lethal arms supplies to Kiev; p 5 1(595 words).

Nezavisimaya Gazeta: Tatiana Ivzhenko article "Yulia Tymoshenko may fall victim to 'missile scandal'" says that the results of a Ukrainian probe into the alleged supply of rocket engines to North Korea are to be presented to President Petro Poroshenko at the weekend. Meanwhile, Poroshenko's main rival in the next presidential election, Yulia Tymoshenko, may turn out to be a scapegoat as it was she who posted in the social network the notorious article from The New York Times about the "Ukrainian trace"; pp 1, 5 (1,036 words).

Moskovsky Komsomolets: Elena Gamayun article "Pranksters reveal North Korean's missile secrets" says that Russian phone pranksters Alexei Stolyarov (aka Lexus) and Vladimir Kuznetsov (aka Vovan) have managed to trick the head of the Ukrainian rocket ***producer*** Yuzhmash, Serhiy Voyt, into believing that he was talking to Ukrainian National Security and Defence Council Secretary Oleksandr Turchynov. Voyt admitted that the Yuzhnoye design bureau had been cooperating with Korea for over 14 years and with China for over 20 years; p 6 (334 words).

Russia-USA

Izvestia: Georgy Asatryan report "Meetings between Ryabkov and Shannon become regular" says that another meeting between Russian Deputy Foreign Minister Sergei Ryabkov and US Under Secretary of State for Political Affairs Thomas Shannon has not been removed from the agenda. However, a date and a venue of the consultations have not yet been agreed, Ryabkov said. Moscow hopes for stabilization of bilateral relations, but any move of Washington aiming to make contacts more difficult will mean that Russia will have to respond in kind, Ryabkov added; pp 1, 3 (500 words).

Elections

Nezavisimaya Gazeta: Alexei Gorbachev article "Navalny campaigns for free internet" says that the Moscow mayor's office has authorised the rally For Free Internet on 26 August. Navalny has already started promoting the rally to make it part of his presidential campaign; pp 1, 3 (693 words).

Kommersant: Unattributed article "Communists invite acting governors to debates" says that the Communist Party has instructed its candidates running for governors to challenge acting governors to debates as the latter have refused to participate in public disputes with rivals; p 2 (700 words).

Kommersant: Ivan Safronov article "Helicopters and candidates" says that Deputy Prime Minister Dmitry Rogozin has chaired a meeting to discuss prospects of development of MC-21 aircraft and voiced pre-election support of acting governor of Buryatia Alexei Tsydenov; p 3 (600 words).

Vedomosti: Elena Mukhametshina and Olga Churakova article "Best for local" says that the Moscow mayor's office has employed the most experienced political consultants for municipal elections. They are trying to retain the authorities' control over municipal filter, experts say; p 2 (850 words).

Vedomosti: Anastasia Kornya article "Party of Growth for Putin again" says that although business ombudsman Boris Titov's Party of Growth has launched primaries to determine presidential candidates, it may still back Vladimir Putin in the election; p 3 (750 words).

Novaya Gazeta: Ivan Zhilin article "City of one voter" says that President Putin is coming to Sevastopol today to support acting Sevastopol governor Dmitry Ovsyannikov running for governor; p 2 (980 words).

Military

Kommersant: Alexandra Dzhordzhevich and Ivan Safronov article "Telecommunications group gets good news" says that the Defence Ministry has successfully launched a telecommunications satellite under the Blagovest project aimed at increasing the capacity of military communications channels. Despite the successful launch, the system cannot function properly due to delay in the development of its ground-based segment; p 3 (500 words).

Vedomosti: Olga Bocharova article "Defence requires land" says that the Defence Ministry has been granted a right to seize land plots necessary for construction and reconstruction of its facilities. Earlier, the same powers were granted to the Federal Protection Service and the Federal Security Service; p 3 (500 words).

Internet

Kommersant: Yulia Tishina and Vladislav Novy article "All risks in one set" says that the so-called Yarovaya's set of anti-terrorist laws will make it more difficult for Russian IT companies to work in the EU; p 10 (1,200 words).

Vedomosti: Ekaterina Smirnova article "FSB gets down to block chain" says that there is a Federal Security Service officer among Russian representatives in the special committee working out a standard of block chain technology set up by the International Organisation for Standardistion (ISO). This will enable Russian state bodies of power to use the technology in the future, article says; pp 1, 13 (850 words).

Vedomosti: Editorial by Vladimir Ruvinsky "New utopia" says that "the digital revolution", which the authorities tend to regard as a cure-all for Russia's problems, cannot solve the problem of economic ***planning*** and ensure steady economic development; pp 1, 6 (450 words).

Human rights

Rossiyskaya Gazeta: Pyotr Orlov report "Falls under disbandment" says that the Jehovah's Witnesses has been put on the list of banned organisations in Russia; p 3 (200 words).

Domestic political

Moskovsky Komsomolets: Mikhail Rostovsky article "Expired minister" criticises Education and Science Minister Olga Vasilyeva for inaction and calls for major changes in education and science; pp 1, 4 (1,642 words).

Nezavisimaya Gazeta: Editorial "Officials inculcate memory of revolution" says that society does not think that the authorities' attempts to promote "heroes" of the 1917 revolution to be relevant; p 2 (505 words).

Nezavisimaya Gazeta: Daria Garmonenko article "Levada Centre measures influence of television" says that the results of the Levada Centre polls show that generally, Russians' opinion on the country's foreign policy coincides with the stances voiced in TV news bulletins and political talk shows; p 3 (632 words).

Kommersant: Elena Chernenko article "UN opens vacancies in Russian Foreign Ministry" says that the director of the Russian Foreign Ministry's department for non-proliferation and arms control issues, Mikhail Ulyanov, may be appointed Russia's envoy at international organisations in Vienna instead of Vladimir Voronkov who was appointed head of the UN Counter-Terrorism Office; p 5 (600 words).

Kommersant: Mikhail Korostikov interview with head of the Moscow-Taipei commission Dmitry Polyansky headlined "'It is a unique situation for international relations'" who speaks about Russia's relations with Taiwan and the Summer Universiade to begin in Taiwan on 19 August; p 5 (700 words).

Moskovsky Komsomolets: Andrei Yashlavsky article "Cardinal coming to Russia" looks ahead at the visit of Pietro Parolin, prelate of the Catholic Church and Cardinal Secretary of State, to Russia set for 20 August. The visitor is likely to focus on the situation in the Middle East, article says; p 5 (560 words).

Moskovsky Komsomolets: Irina Mochalova article "Rule of thumb" says that the Sheremetyevo trade union of aviation staff has picketed the Aeroflot airline office and collected 2,000 signatures under a petition demanding a rise in salaries. Most participants in the picket are not Aeroflot's employees; moreover, people who allegedly signed the petition are not aware of it, the airline said. Some foreign organisations seeking to destabilise Russia's ***strategic*** industry may be behind the Sheremetyevo trade union's moves, an expert said; p 6 (897 words).

Vedomosti: Olga Churakova article "Non-transparent security" says that experts from the All-Russia People's Front have stated that regions' spending on ***programmes*** to boost road safety are not transparent enough; p 3 (500 words).

Novaya Gazeta: Yulia Latynina article "Separating" focuses on former Economic Development Minister Alexei Ulyukayev's case. Article wonders who are real beneficiaries of purchasing the oil company Bashneft and selling the oil giant Rosneft's shares and says that Ulyukayev is probably paying for not quite smooth behaviour relating to Bashneft's acquisition; p 3 (754 words).

Novaya Gazeta: Andrei Sukhotin report "Operation 'Vertical chain of power'" looks at the trial of Alexei Ulyukayev and says that the "Federal Security Service is becoming a mega regulator of Russia's security agencies market"; pp 11-15.

Nezavisimaya Gazeta: Ekaterina Trifonova article "Police get to know human rights" says that several human rights organisations have launched workshops for policemen aiming to brief them on the most common violations of human rights; pp 1, 3 (569 words).

Nezavisimaya Gazeta: Anatoly Komrakov article "Chinese shale revolution threatens Power of Siberia" says that growing shale gas production in China has weakened Russia's bargaining position on the Power of Siberia; pp 1-2 (888 words).

Domestic economic

Vedomosti: Vitaly Petlevoy et al. report "Rosneft shares business" says that Rosneft and CEFC China Energy may set up a joint venture in the Far East; p 12 (850 words).

Moskovsky Komsomolets: Inna Degotkova and Dmitry Dokuchayev interview with Sergei Alexashenko, non-resident senior fellow at Brookings Institution, former deputy finance minister and first deputy chairman of the Russian Central Bank, headlined "Stagnation during march". The interviewee speaks about prospects for Russia's economy; p 6 (1,702 words).

Nezavisimaya Gazeta: Anastasia Bashkatova article "Budget deficit cut almost fourfold" says that budget deficit in January-June significantly decreased year-on-year due to relatively high oil prices and cuts in spending in some sectors, the biggest one being in healthcare; p 2 (700 words).

Kommersant: Dmitry Butrin article "Sunny spells, but not cloudless" says that statistics for July has showed the slowing down in industrial growth and suspension of domestic demand growth amid decreasing real incomes of the population; pp 1-2 (750 words).

Kommersant: Zaur Farniyev et al. report "Head of North Ossetia warned about lack of budget compliance" says that Deputy Finance Minister Leonid Gornin has demanded that the head of North Ossetia, Vyacheslav Bitarov, should "sort out the mess" with the region's budget; p 2 (750 words).

Moskovsky Komsomolets: Inna Degotkova article "No place for wheat" says that ***Agriculture*** Minister Alexander Tkachev has predicted that Russia will not be able to reach its last year's record of 120m tonnes of wheat due to cool summer and estimated the harvest at 103m tonnes. The problem is that there are not enough elevators to store wheat and agrarians will have to sell it cheap; p 2 (678 words).

Moskovsky Komsomolets: Nikolai Makeyev article "Oreshkin sets sights on dollar" says that Economic Development Minister Maxim Oreshkin has voiced ***plans*** to reduce influence of the dollar in Russia's economy. The initiative is most likely to affect common people rather than state-run companies, article says and suggests that the economic bloc should focus on a bailout ***plan*** rather than on "witch hunt"; p 2 (649 words).

Vedomosti: Elizaveta Bazanova article "Investment does not pass quality test" says that investment grew by 4.8 per cent in April-June year-on-year, which has puzzled economists. The investment is not of very good quality, experts explain; p 4 (700 words).

Vedomosti: Tatiana Lomskaya article "People begin to live on loan" says that people's real incomes kept falling in July. Consumption is, however, growing thanks to loans; p 5 (700 words).

Kommersant: Tatiana Dyatel article "Rosatom to build for China more" says that the state corporation Rosatom wants to participate in the construction of units for nuclear power plants in China; p 9 (600 words).

US-related stories

Izvestia: Andrei Bezrukov report "Trump as mirror of US revolution" says that a revolution is going on in the USA with all the classic properties: economic problems, the "paralysis of elites who are bogged down in internecine conflicts" and the "atmosphere of a global crisis"; p 3 (1,400 words).

Kommersant: Sergei Strokan article "Donald Trump faces business failure" says that Trump's reaction to clashes in Charlottesville has made a number of US business representatives refuse to work in his team. The US leader rushed to disband both the Manufacturing Council and the ***Strategic*** and Policy Forum consisting of outstanding businessmen in retaliation for that; p 5 (1,200 words).

Nezavisimaya Gazeta: Vladimir Skosyrev article "Americans 'bare teeth', but Chinese not scared" focuses on economic standoff between the USA and China; p 6 (625 words).

Ukraine

Nezavisimaya Gazeta: Anatoly Komrakov article "Ukraine lures Iran to ruins of its oil industry" says that Iran is considering the possibility of oil transit via Ukraine to Europe, while Ukraine hopes to revive its oil refineries using Iranian oil. The projects are not economically viable, besides, the sides are unlikely to come to agreement anyway, experts say; p 4 (820 words).

Kommersant: Yanina Sokolovskaya et al. report "Interpol looks for Aivazovsky" says that Interpol has put 52 pictures from the Simferopol art museum on the international wanted list upon Kiev's request; pp 1, 3 (650 words).

Vedomosti: Editorial by Pavel Aptekar "They do not have Lenin" comments on Ukraine's ***plans*** to demolish all Soviet-era monuments to Vladimir Lenin; p 6 (400 words).

North Korea

Novaya Gazeta: Vasily Golovnin report "Comrade Kim believes in victory" looks at the economic situation in North Korea and says that "Pyongyang will not put up with its economic basis constantly worsening under the burden of sanctions". The North Korean regime responds to international challenges with sudden threats, article adds; pp 6-7 (1,900 words).

Foreign political stories

Nezavisimaya Gazeta: Svetlana Gamova article "Romania to return Moldova for 20bn euros" says that a Romanian deputy has stated that preparations for unification with Moldova should be completed by spring 2018. Meanwhile, experts do not rule out clashes between pro-Russian and pro-Romanian forces in Moldova next week when Day of Moldova's Liberation from Fascists is marked; pp 1, 5 (948 words).

Nezavisimaya Gazeta: Yuri Paniyev article "South Korean president vows to prevent war" says that the South Korean leader has called for resuming dialogue between Seoul and Pyongyang with Russia's support in order to prevent war on the Korean peninsula; p 6 (621 words).

Vedomosti: Irina Skrynnik et al. report "Barrier for Belarusian dairy products" says that Russia has banned supplies of dairy products from four Belarusian companies over repeated violations of sanitary norms. Retailers warn that it will be impossible to promptly find a replacement for them; p 14 (600 words).

Novaya Gazeta: Irina Khalip article "Very customs union" says that Belarusian President Alexander Lukashenko has voiced discontent over the situation on the Russian-Belarusian border; p 5 (637 words).

Sources: as listedInclusion of items in this list of significant reports from some of the day's main Russian newspapers does not necessarily mean that BBC Monitoring will file further on them

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[***Bridging the Bay of Bengal: Toward a Stronger BIMSTEC***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RRR-NPW1-F0YC-N3F0-00000-00&context=1516831)

Impact News Service

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**Length:** 19951 words

**Body**

Washington DC : Carnegie Endowment for International Peace has issued the following press release:

The Bay of Bengal is one of the world’s least integrated regions, with abysmal levels of trade, connectivity, and cooperation. The deep divide between India and other countries around the bay hinders their efforts to increase their economic and ***strategic*** interdependence. The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), a regional multilateral organization founded in 1997, offers a well-positioned platform to help address these challenges. But BIMSTEC’s mission to deepen regionalism will stand a better chance of succeeding if its members (Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand) make the organization a priority, endow it with adequate resources, and enact reforms to strength its capabilities. New Momentum for Multilateralism As BIMSTEC marks its twentieth anniversary, a confluence of factors has created an opportunity for the organization to help make the bay region more integrated.

 In a more interdependent world, states around the Bay of Bengal are realizing that their national economic and security interests are increasingly tied to the ability to cooperate across borders through regional institutions.  Responding to the inroads China has made in the region, India is placing an unprecedented emphasis on strengthening regional connectivity and links with Southeast Asia.  Small BIMSTEC countries see regional multilateralism as a potential check on the rising capabilities of China, India, and major external powers. Strengthening BIMSTEC to Advance Regional Integration India and other BIMSTEC member states should:  Instill in the organization a normative vision for a cooperative, multilateral regional order that is based on existing rules and principles of liberalism, not on unilateralism.  Empower the BIMSTEC secretariat with greater human and financial resources to proactively drive the organization’s agenda. The organization and its staff cannot do so unless members agree to grant greater autonomy and delegate responsibilities.  Continue to prioritize sustained physical connectivity and high-quality infrastructure, so as to help facilitate greater regional flows of goods, services, and people. Particular attention must be paid to multi-modal projects that link coastal ports to the hinterland, including landlocked Bhutan, northeastern India, and Nepal.  Expand India’s role as an informal leader. New Delhi must back up its words by bolstering its investment in the organization without affecting the interests of other members.  Open BIMSTEC to cooperation with extraregional powers committed to inclusive regionalism, including Australia, the European Union, Japan, and the United States, as well as multilateral institutions like the Asian Development Bank. Introduction As the largest bay in the world, the Bay of Bengal is of pivotal importance to the countries bordering it. More broadly, demographic, economic, and security developments in the region have crucial implications for Asia and the global order. While exact definitions vary, the bay’s scope is generally defined as a “triangular basin” stretching west to east between Sri Lanka, Bangladesh, and Malaysia. One-fourth of the world’s populations live in the seven countries around it, and half a billion people live directly on its coastal rim.1 The highly populated Bay of Bengal carries a lot of economic promise. With a combined gross domestic product (GDP) close to $2.7 trillion and despite an adverse global financial environment, all seven countries were able to sustain average annual rates of economic growth between 3.4 and 7.5 percent from 2012 to 2016.2 The bay is also rich in untapped natural resources, with some of the world’s largest reserves of gas and other seabed minerals, as well as, it is increasingly believed, oil.3 The nutrient input from the Ganges and Brahmaputra rivers ensures that the bay’s waters contain extraordinarily large fishing stocks.4  The Bay of Bengal region would benefit greatly from efforts to recapture the interconnectivity of the past. Linking the Indian and Pacific Oceans, the Bay of Bengal occupies a central position in relation to global economic flows in a way that few other regions do. One-fourth of the world’s traded goods cross the Bay of Bengal every year.5 As a ***strategic*** funnel to the Malacca Straits, the region has grown in ***strategic*** importance. For China, the bay is critical to preserving its access route to the Indian Ocean, and for India, it is a crucial avenue for projecting its new naval capabilities. Yet, despite its status as a key maritime hub in global terms and all its economic promise, the Bay of Bengal’s potential is hamstrung by a lack of close internal economic integration among the countries that call the region home. In terms of economics, connectivity, mobility, and geostrategy, countries adjacent to the Bay of Bengal are less integrated today than they were fifty years ago. Despite its rising economic potential and geostrategic centrality, the region therefore remains largely on the sidelines of key global developments. As historian Sunil Amrith has noted, “the absence of BIMSTEC from the public consciousness is a problem.” This reflects a “challenge of the imagination,” given that, at least until the mid-twentieth century, the bay used to be highly integrated.6 The Bay of Bengal region would benefit greatly from efforts to recapture the interconnectivity of the past. Beginning in the 1950s, as the Bay of Bengal’s newly independent countries embraced divergent alliance systems, used political borders to erect barriers, and pursued different political and socioeconomic models, the region’s sense of community almost completely eroded. The different paths pursued by India and Thailand since then, for example, resulted in the parallel emergence of South and Southeast Asia as distinct regions, splitting and replacing the Bay of Bengal. In economic terms, India focused on autarky and protectionism, rejecting the logic of interdependence in and around the subcontinent, while Thailand embraced liberal market reforms and regional integration with its neighbors to the south and east. More importantly, while New Delhi chose a nonaligned path and insulated its immediate periphery from Cold War competition, Bangkok chose to ally with the United States and develop under the protective umbrella of the Southeast Asia Treaty Organization (SEATO), instituted in 1955.  BIMSTEC is well positioned to make sizable contributions toward advancing regional connectivity, though a series of organizational and substantive reforms would help increase its effectiveness. This process of economic and geostrategic disintegration is all the more surprising given that such divergence accelerated just as most other regions of the world were becoming more interdependent and connected. The Sri Lankan state minister of foreign affairs, Vasantha Senanayake, alluded to this process when he remarked in 2017 that “we have been somewhat slow and complacent to keep pace with the trend of regionalism.”7 Few people today think of the Bay of Bengal as a region compared to South or Southeast Asia. As scholar V. Suryanarayan has noted, many Indians and people from other countries in the region have instead adopted a geographically introverted outlook that segments the Bay of Bengal into South and Southeast Asia: Few people in India are conscious of the fact that the [Indonesian] island of Pu Breush, located in the North West of Sumatra, is only 92 nautical miles away from [India’s] Indira Point, which is less than the distance between Chennai and Tirupati. Similarly, Phuket in Thailand is only 273 nautical miles away from Indira Point, which is less than the distance between Chennai and Madurai.8 A variety of transnational threats that disrupt regional stability compound the challenge of making the Bay of Bengal integrated again—these problems could conceivably worsen as the region integrates more. The bay region hosts a diverse range of complex nontraditional security threats, including the trafficking of narcotics, weapons, and people; the illegal exploitation of natural resources; refugee flows; rebel insurgencies and terrorist groups; or natural disasters. Any attempt to foster greater connectivity in the bay must take these problems into account. To reintegrate the bay and leverage its potential, India and the six other aforementioned Bay of Bengal states ought to focus on joint action through common institutions to address these interconnected opportunities and challenges. Thankfully, a growing regional consensus among these countries on the potential collective rewards of such connectivity appears to be generating positive momentum in this direction. One particular institution that will play an outsized role in advancing regional integration is the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). As a venue that boasts all seven Bay of Bengal countries as members, BIMSTEC is well positioned to make sizable contributions toward advancing regional connectivity, though a series of organizational and substantive reforms would help increase its effectiveness. BIMSTEC to the Rescue? The organization originally known as BIST-EC (Bangladesh, India, Sri Lanka, and Thailand Economic Cooperation) was founded over twenty years ago in June 1997.9 At that time, its four members signed a framework agreement that expressed a desire to “establish a firm foundation for common action to promote subregional cooperation in the areas of trade, investment, technological exchange and other interrelated areas in a spirit of equality and partnership and thereby contribute towards peace, progress and prosperity in their common region.”10 Later that year, Myanmar joined as well. In 2004, the organization was renamed BIMSTEC when two more states joined (Bhutan and Nepal) for a total of seven members. (See table 1 for a timeline of major events in BIMSTEC’s history.) Table 1. BIMSTEC’s Major Milestones June 1997 Bangladesh, India, Sri Lanka, Thailand-Economic Cooperation (BIST-EC) founded in Bangkok. December 1997 Organization renamed BIMST-EC after Myanmar admitted as full member. July 2004 First summit held in Bangkok. Bhutan and Nepal became members, for a total of seven. BIMSTEC Free Trade Area (FTA) framework agreement adopted. First meeting of the Trade Negotiating Committee (TNC) held. November 2008 Second summit held in New Delhi. December 2009 Twelfth Ministerial Meeting endorsed BIMSTEC Transport Infrastructure and Logistics Study, prepared by the Asian Development Bank to promote regional connectivity. Climate change adopted as fourteenth area of cooperation. February 2010 RIS hosted first meeting of the BIMSTEC Network of Think Tanks in New Delhi. January 2011 Memorandum of association passed for the establishment of a BIMSTEC energy center. March 2014 Third summit held in Naypyitaw. Sri Lankan ambassador Sumith Nakandala appointed first secretary general. September 2014 Secretariat officially inaugurated in Dhaka. September 2015 Twentieth TNC meeting, after four-year gap, held in Thailand. Negotiations on an FTA faced obstacles and remained stalled. October 2016 First BIMSTEC leaders’ retreat took place in Goa, followed by a BRICS-BIMSTEC outreach summit, the first of its kind. March 2017 First meeting of BIMSTEC national security chiefs held in New Delhi. Early 2018 Fourth summit to be held in Kathmandu after several delays. Source: BIMSTEC BIMSTEC emerged as a major advocate for regional cooperation around the Bay of Bengal, seeking to overcome the long-standing divide between South and Southeast Asia. At its heart, the organization seeks to promote economic and other forms of connectivity to revive the bay’s past levels of integration and mutual interdependence. Former BIMSTEC secretary general Sumith Nakandala has emphasized that “we are not reinventing the wheel” but just “rediscovering the common heritage around the Bay of Bengal.”11 (See table 2 for basic economic and political profiles of BIMSTEC’s member states.) Table 2. Development and GDP Indicators for BIMSTEC Members  GDP Per Capita (PPP in 2016) Average Annual GDP Growth (2012–2016) 2016 UNDP Human Development Index Rank (out of 188) 2017 World Bank Ease of Doing Business Rank (out of 190) Trade as a Percent of GDP (2016) 2016 World Bank Logistics Performance Index Rank (out of 160) Bangladesh $3,587 6.5% 139 177 38.0% 87 Bhutan $8,918 5.5% 132 75 82.8% 135 India $6,583 6.9% 131 100 39.8% 35 Myanmar $5,732 7.3% 145 171 45.5% 113 Nepal $2,483 3.7% 144 105 48.9% 124 Sri Lanka $12,337 5.3% 73 111 50.5% N/A Thailand $16,946 3.4% 87 26 123.1% 45 Sources: UN Development ***Program***, World Bank BIMSTEC can be credited with some achievements, though its ambitions have sometimes outpaced its accomplishments. Only three summits have been held so far. In 2014, the organization was finally endowed with a permanent secretariat, located in Dhaka. Some of the most significant challenges BIMSTEC faces are how to expand its fiscal and staffing capacities and how to strategically advance regional connectivity in the vast number of areas (fourteen working groups) it has been mandated to address with its current limited financial and human resources. As it seeks to address these challenges, BIMSTEC now faces a critical opportunity to overcome a period of relative stagnation and revive the initial enthusiasm that drove it in the early 2000s. As Indian analyst C. Raja Mohan has noted, “the moment for turning the Bay of Bengal into a zone of regional cooperation may finally be with us.”12 It was an encouraging sign that BIMSTEC enjoyed a great deal of visibility in 2017 and was more active than it had been in the recent past. With new leadership in place, BIMSTEC member states—particularly India—have voiced a renewed commitment to holding the regular, high-level meetings that are a necessary, though perhaps not sufficient, condition for making BIMSTEC an effective institution. In 2017, the organization’s ministerial and senior officials’ meetings were held for the first time since 2014. A new secretary general was appointed in August 2017. After being postponed several times, BIMSTEC’s fourth summit is scheduled to take place in February 2018. This renewed momentum can be traced back to the BIMSTEC leaders’ retreat, convened by Indian Prime Minister Narendra Modi in Goa in late 2016. One former Indian official characterized this as “a de facto summit meeting.”13 In the outcome document, the seven member states pledged “to work collectively towards making BIMSTEC stronger, more effective, and result oriented,” and emphasized that their “geographical contiguity, abundant natural and human resources, rich historical linkages and shared cultural heritage provide BIMSTEC the ideal platform to promote peace, stability and prosperity in our region.”14 Then secretary general Sumith Nakandala underlined the pivotal role of this retreat in reviving the organization, arguing that it “gave BIMSTEC a clear mandate” in the run up to its twentieth anniversary in 2017.15 Judging by the summit and ministerial statements, the organization’s mandate does not seem to have significantly changed since its foundation, with a continued focus on economic cooperation and connectivity. A Case of Converging Interests These signs of support for regional connectivity seem to reflect a growing sense among member states that a stronger BIMSTEC that is better able to promote integration would advance their respective national interests. This political momentum is driven by each government’s conviction—in one form or another—that a more connected region will help their respective countries prosper and fulfill other important national goals. For instance, the organization offers Bangladesh an ideal platform to position itself as more than just a small state in the Bay of Bengal. In 2014, Prime Minister Sheikh Hasina stated, “I reiterate our government’s total commitment to the BIMSTEC. It has the potential to move us all to our common goals.”16 Dhaka has been pushing New Delhi to move beyond bilateralism and to “work closely in furthering relevant regional/sub-regional cooperation processes;” empowering BIMSTEC would appear to be a step in this direction.17 Other BIMSTEC members have also conveyed their interest in greater regional integration. For Sri Lanka, BIMSTEC represents an opportunity to realize its long-held ambition to connect with Southeast Asia and serve as the subcontinent’s hub for the wider Indian Ocean and Pacific regions. As former Sri Lankan finance minister Ravi Karunanayake has expressed, “we [Sri Lanka] want to be to India what Hong Kong is to China.” Colombo continues to look to Singapore as a model hub for interregional connectivity.18  These signs of support for regional connectivity seem to reflect a growing sense among member states that a stronger BIMSTEC that is better able to promote integration would advance their respective national interests. For Nepal and Bhutan, in turn, BIMSTEC stands to further their respective aspirations to reconnect with the Bay of Bengal region in order to escape their landlocked geographic positions. Sandwiched between India and China, Kathmandu and Thimphu realize that their prospects for economic growth would likely increase dramatically if they prove able to create a stronger maritime link between their Himalayan hinterlands and what Nepalese entrepreneur Sujeev Shakya calls “East South Asia.”19 It is “natural for Nepal to aspire to grow together with the region,” as the country’s prime minister, Sher Bahadur Deuba, emphasized in 2017.20 Finally, for Myanmar and Thailand, BIMSTEC complements their respective Look West policies, as they seek to leverage their geographic proximity to South Asia. Connecting more deeply with India across the Bay of Bengal also would allow them to access a rising consumer market and, at the same time, balance Beijing and develop an alternative to China’s massive inroads into Southeast Asia. As the region’s largest economy by far, India’s interest in BIMSTEC is particularly notable. By taking the initiative to revive BIMSTEC in 2016, India signaled its commitment to move the locus of regional cooperation eastward, toward the Bay of Bengal. In his statement on the organization’s twentieth anniversary, in June 2017, Modi underlined this geostrategic shift: BIMSTEC not only connects South and South-East Asia, but also the ecologies of the Great Himalayas and the Bay of Bengal. With shared values, histories, ways of life, and destinies that are interlinked, BIMSTEC represents a common space for peace and development. For India, it is a natural platform to fulfill our key foreign policy priorities of “Neighborhood First” and “Act East.”21 It is worth asking what has driven such sudden Indian interest in BIMSTEC as a “natural platform” for its external priorities, when the organization has been in existence for twenty years already? After all, India’s interest in BIMSTEC has not always been evident. Former Indian ambassador Rajiv Bhatia once suggested that BIMSTEC was at risk of being little more than a “rebound relationship” whenever New Delhi fails to pursue regional integration via the South Asian Association for Regional Cooperation (SAARC), the default body for subcontinental cooperation since the mid-1980s.22 As recently as 2015, Indian experts were skeptical about this eastern shift in favor of BIMSTEC. Former foreign secretary Krishnan Srinivasan predicted that “it is unlikely for BIMSTEC to move forward.”23  Unlike in the past, New Delhi appears to be clearly committed to the organization over the long term. But efforts to pursue integration in ways that include Pakistan through SAARC have largely flopped. In recent years, Islamabad has not demonstrated a willingness to cooperate on connectivity projects, leading New Delhi to announce in January 2018 that important SAARC initiatives are being “held back due to [a] lack of response and/or [the] obstructionist approach of Pakistan.”24 While India-Pakistan tensions had stalled the organization’s endeavors before, this was the first time that an Indian government has developed an alternative vision for regional cooperation and integration that bypasses SAARC in favor of alternative institutions. This reflects India’s new economic interests and geostrategic ambition to break out of its periphery and connect with neighboring regions that previously had been neglected, especially the Bay of Bengal as a link to Southeast Asia.25 As noted by analyst K. Yhome, BIMSTEC plays an important role in this new neighborhood policy because, unlike SAARC’s subcontinental focus and except for the difficult western front, it is “the only forum that brings together India’s ***strategic*** peripheries (South, East and North) under one single grouping.”26 While the jury is still out on whether India will be able to translate its vocal interest into tangible political and material investments in BIMSTEC, there is now a clear realization in New Delhi that the “lack of importance given to BIMSTEC has seriously affected our economic and ***strategic*** agenda,” in the words of former ambassador Seshadri Chari.27 Modi’s expansive understanding of BIMSTEC as a “natural platform” for India’s foreign policy indicates that, unlike in the past, New Delhi appears to be clearly committed to the organization over the long term. This commitment is driven by two key factors. The first is the potential economic rewards of greater regional connectivity. Almost 300 million people, or roughly one-quarter of India’s total population, now live in the four coastal states adjacent to the Bay of Bengal (Andhra Pradesh, Orissa, Tamil Nadu, and West Bengal). In turn, for the approximately 45 million people living in India’s landlocked northeastern states, reestablishing the long-lost connectivity with the Bay of Bengal would critically enhance their region’s development and welfare prospects.28 For both India’s eastern coastal states and the northeastern region in particular, and for the Indian economy in general, growth and development are seen to hinge on the degree of connectivity with Southeast Asian markets. By fostering transnational connectivity around the region—in particular with Bangladesh, Myanmar, and Thailand—Indian policymakers expect that the country’s exports will pick up, that more investments will flow in, and that regional integration will serve as a positive springboard for greater global economic interdependence. In the words of two former Indian officials, BIMSTEC therefore represents “the only real bridge” or a “unique link” between South and Southeast Asia.29 The second driver relates to Asia’s rapidly changing geostrategic context and India’s need to look at the Bay of Bengal as a key theater in which to contain an increasingly capable and assertive China.30 Beijing is currently making a massive push to fund infrastructure projects and foster connectivity throughout South, Central, and Southeast Asia through the Belt and Road Initiative (BRI), which aims to increase China’s north-to-south access routes to the Indian Ocean, especially via Bangladesh, Myanmar, and Sri Lanka. In response, New Delhi now seeks to develop alternative east-to-west connectivity ***plans*** between South and Southeast Asia across the Bay of Bengal.31 Prior initiatives to connect South Asia to China, such as the Bangladesh-China-India-Myanmar (BCIM) corridor, have been put on hold. Consequently, BIMSTEC has assumed an even greater importance as a central vehicle for projecting India’s intent and capabilities in the Bay of Bengal region. Other geopolitical developments have reinforced the necessity of this ***strategic*** choice for India. New Delhi’s geopolitical focus has naturally moved eastward, given that Pakistan is blocking any regional connectivity ***plans*** to India’s western flank, Europe remains plagued by continued economic stagnation, and the Middle East faces chronic turmoil. As a result, India is prioritizing integration with the Indo-Pacific region and stronger partnerships with a variety of Asian powers, including Australia, Japan, Singapore, and Vietnam. Parallel Paths to Regional Connectivity While these dual economic and geostrategic drivers are indicative of a continued Indian commitment to BIMSTEC, the organization represents only one of several parallel features of India’s new approach to the Bay of Bengal region. While India’s commitment to BIMSTEC is not merely a rebound relationship after the SAARC failure, it will not be an exclusive relationship. In the words of a senior Indian official dealing with regional cooperation initiatives, New Delhi’s focus on BIMSTEC is part of a “three-in-one strategy.” The organization allows India to pursue three core policies: Neighborhood First, which gives primacy to the country’s immediate periphery; Act East, which aims to connect India with Southeast Asia; and an economic development policy for India’s northeastern states designed to link them to the Bay of Bengal region via Bangladesh and Myanmar.32 This reflects a deeper shift in India’s strategy for regional integration, which emphasizes flexibility and the willingness to move simultaneously on various fronts rather than an exclusive dependence on SAARC. New Delhi’s decision, in 2016, to cancel its participation in the nineteenth SAARC summit—scheduled to be held in Islamabad and postponed since then—was not a one-time, off-the-cuff decision. Two years earlier, barely six months after being elected to office, Modi signaled his intent to depart from India’s traditional approach to regional cooperation. Speaking at the eighteenth SAARC summit in Kathmandu in November 2014, he emphasized that “there is a new awakening in South Asia; a new recognition of inter-linked destinies; and a new belief in shared opportunities.” He stated that these opportunities must be realized “through SAARC or outside it” and “among us all or some of us.”33 Such clear warnings, directed both at SAARC and Pakistan, reflected a risk-embracing willingness to pursue new paths toward the same goal of regional connectivity.34 India’s current interest in BIMSTEC as an avenue to greater integration in the Bay of Bengal is taking place on at least five policy levels. First, domestically, India’s focus on the Bay of Bengal region overlaps with its specific aforementioned developmental goals for its eastern and northeastern states. These goals have inspired ambitious projects like Sagarmala and Bharatmala, which seek to develop port and road infrastructure, respectively, to internationalize India’s hinterland economy via maritime and cross-border hubs on the eastern coast and with Bangladesh and Myanmar. India’s support for the Asian Development Bank’s (ADB) East Coast Economic Corridor and its multimodal regional corridor from Kolkata to Kanyakumari reflects the domestic dimension of this new Bay of Bengal strategy.35 Second, New Delhi’s emphasis on the Bay of Bengal is also being pursued through reinvigorated bilateral relationships with the neighbors. With Bangladesh, this included historic agreements in 2015 to finalize the land boundary and establish direct shipping routes, both of which pave the way to reinstitute connectivity levels from more than fifty years ago. Modi also became the first Indian prime minister to pay exclusive bilateral visits to Nepal (since 1997) and to Sri Lanka (since 1987). Moreover, by choosing Bhutan as his first foreign destination, in 2014, he emphasized the eastern front of India’s regional periphery. Three years after coming to power, Modi completed his bilateral outreach to all BIMSTEC countries with his visit to Myanmar in September 2017. No Indian prime minister has dedicated so much attention to the immediate neighborhood since at least Rajiv Gandhi back in the 1980s. Third, India’s reorientation toward the Bay of Bengal has also been pursued through regional organizations. But even at this level, BIMSTEC is only one of many tracks. SAARC is in suspension but may be called back into service if Islamabad is willing to promote regionalism. New Delhi has also been pushing for a wider mandate of the Indian Ocean Rim Association (IORA) to strengthen maritime governance in the Bay of Bengal.36 Besides the partnership between India and the Association of Southeast Asian Nations (ASEAN), celebrating its twenty-fifth anniversary in 2017, India has also fostered interregional links with Southeast Asia through initiatives like the Mekong-Ganga Cooperation (MGC) and the Cambodia-Myanmar-Laos-Vietnam grouping (CMLV). Fourth, India’s path toward regional connectivity now also goes through subregional and mini-lateral initiatives with other BIMSTEC members, including the Bangladesh-Bhutan-India-Nepal (BBIN) formalized in 2013 as a quadrilateral joint working group. Far from being a new creation focused merely on isolating Pakistan, this á la carte policy of regionalism dates back to 1997, when New Delhi, Dhaka, Kathmandu, and Thimphu created the South Asia Growth Quadrangle initiative to spur economic development in the subcontinent.  New Delhi’s interest in BIMSTEC will overlap with and complement similar efforts to bridge the Bay of Bengal. The idea of flexible and sector-oriented partnerships was revived after 2010 by India and Bangladesh. They committed to “harness advantages of regional and sub-regional cooperation in power, water resources, transport and other forms of connectivity.”37 This subregional parallel track to SAARC has flourished since then into the embryonic intergovernmental BBIN initiative, together with Nepal and Bhutan. A series of joint working groups then occurred, focusing on how to cooperatively manage and leverage cross-border transport, energy, and water resources.38 In 2014, as Indian attempts to boost connectivity through SAARC faltered due to Pakistan, this track naturally gained a new impulse.39 Fifth, India’s new impetus on the Bay of Bengal is also channeled through a new posture toward external actors, seeking partnerships with countries and organizations from outside the region. Unlike in the past, New Delhi is now willing to join hands with extraregional actors to stem Chinese influence in the Bay of Bengal. This includes a variety of joint naval exercises held in the region, including with the United States, and also a new interest in cooperating with Australia.40 On this front, Japan has been perhaps the most prominent player, based on Modi and Prime Minister Shinzo Abe’s “Vision 2025” ***plan*** to “seek synergy . . . by closely coordinating, bilaterally and with other partners, for better regional integration and improved connectivity,” especially in the Bay of Bengal region.41 India has also enthusiastically endorsed the ADB’s South Asia Subregional Economic Cooperation (SASEC) operational ***program*** for 2016–2025, focused on improving connectivity between the subcontinent and Southeast Asia.42 As these various initiatives make clear, India has voiced a firm commitment to promoting regional integration with its neighbors, and its support for BIMSTEC must be understood in that context. Rather than an exclusive avenue, New Delhi’s interest in BIMSTEC will overlap with and complement similar efforts to bridge the Bay of Bengal. At the same time, India’s aspirations for BIMSTEC will require significant investments in the organization, particularly in efforts to strengthen its financial and organizational capabilities and to focus on areas where BIMSTEC has a comparative advantage over other organizations and ini

tiatives with limited mandates. How to Institutionally Strengthen BIMSTEC The confluence of BIMSTEC members’ respective national interests in support of connectivity and their willingness to invest more in BIMSTEC has created an opportunity to empower the organization to help revitalize the Bay of Bengal as a region and as a community. Commenting on BIMSTEC’s track record and “missed opportunities” since its founding in 1997, the foreign minister of Bangladesh, Abul Hassan Mahmood Ali, recently noted that “it is time to look back, reflect and review our past performances; renew our commitment and reframe our strategy for the journey ahead.”43 In the words of former Indian ambassador Rajiv Bhatia, this is crucial because BIMSTEC has been “innovative but under-performing.”44 Meanwhile, for former ambassador Preeti Saran, one of India’s top senior officials dealing with the Bay of Bengal region, BIMSTEC’s twentieth anniversary highlights the “need for fresh ideas” to achieve the common objective of “rejuvenating” the organization.45 To maximize BIMSTEC’s effectiveness, one area of focus should be taking steps to address its lingering organizational weaknesses, including a weak consensus about how to pursue its institutional connectivity mandate; an overtaxed and underfunded bureaucratic arm; an inconsistent joint commitment among members to holding frequent, high-level meetings; and uncertainty about how to engage with other institutional actors that support the cause of connectivity. Advance and Expand on Institutional Norms The postcolonial fixation with sovereignty that once prevailed among the now-independent states that border the Bay of Bengal now lays buried beneath the bay. Relinquishing a past of isolationism and autarky, these states are increasingly seeking to pursue their national interests through greater regional cooperation, connectivity, and interdependence. Commenting on the need to “decode, evaluate and address the [regional] challenges and seize the opportunities that are being unleashed,” the foreign minister of Bangladesh emphasized at a 2017 BIMSTEC ministerial meeting that “we cannot do this alone,” and that “there is no alternative to the imperative of regional cooperation.”46 However, while no alternative to regional coordination may exist, there may be many competing views among BIMSTEC members about how to pursue it, and these diverse views reflect varying levels of commitment to multilateralism. BIMSTEC will not succeed unless it holds a normative conversation about what substantive type of regional architecture is most appropriate for the Bay of Bengal. Samir Saran, vice president of the Observer Research Foundation in New Delhi, has outlined one compelling potential normative vision for BIMSTEC: Can we create a normative framework both on the economic realm, security realm and political realm together? Can all of us agree to this that anyone who wants to participate in the Bay of Bengal community must agree to the principles of deliberative dispute resolution mechanisms? . . . Can we create such norms to safeguard this Bay of Bengal community?47 Due to its multilateral nature, BIMSTEC is a natural platform through which to press its member states to develop the best practices and institutions required to ensure that the Bay of Bengal is governed cooperatively under the rule of law. BIMSTEC should focus on articulating how such liberal and inclusive normative standards inform its organizational mandate in four particular domains. First, BIMSTEC should concentrate on advancing a constructive approach to connectivity. In contrast to criticisms leveled at the China-led infrastructure investments underwritten by the BRI, New Delhi has stated its intention to take the lead in defining alternative standards for implementing connectivity projects “based on universally recognized international norms, good governance, rule of law, openness, transparency and equality.”48 Sri Lanka, for one, has expressed concerns about the BRI.49 BIMSTEC must help to translate a commitment to high standards into cooperative action by developing common criteria that emphasize socioeconomic inclusiveness, financial responsibility, and environmental sustainability.  BIMSTEC will not succeed unless it holds a normative conversation about what substantive type of regional architecture is most appropriate for the Bay of Bengal. Second, BIMSTEC should strive to help keep the waters of the Bay of Bengal open, free, and peaceful, by seeking to show how to manage them as a regional commons. The Sri Lankan prime minister’s proposal for an “Indian Ocean Order” with “accepted rules and agreements” should be implemented in the bay.50 To do so, BIMSTEC must encourage its member states to embrace maritime multilateralism. It could contribute to regional mechanisms for the peaceful settlement of disputes, for example on borders and fisheries, under the United Nations Convention on the Law of the Seas (UNCLOS). It could develop codes of conduct that preserve freedom of navigation and apply existing law of the seas regionally. In addition, BIMSTEC could stem the region’s creeping militarization by instituting, for instance, a Bay of Bengal Zone of Peace that seeks to limit any bellicose behavior of extraregional powers. BIMSTEC also should be prepared to weigh in on political matters. While BIMSTEC’s formal emphasis may be on technical and economic cooperation, every regional organization is fundamentally political in nature, as the experience with SAARC and Indo-Pakistani conflicts shows over the last few decades. The Bay of Bengal region is affected by a variety of cross-border disputes. As the refugee crisis between Myanmar and Bangladesh showed in 2017, bilateral issues can quickly escalate to stall cooperation through regional institutions.51 Accordingly, BIMSTEC must be prepared to help address bilateral tensions, for example, by serving as a forum for informal discussions or by investing in the development of formal mediation and resolution mechanisms tailored to the region’s specific needs and problems. This would also potentially decrease dependence on external and global organizations, including the United Nations, whose involvement has often been resisted by the governments of India, Myanmar, and Sri Lanka.52 Finally, BIMSTEC should aim to develop an internal dialogue on the role of democracy in promoting economic development, security, and stability among its member states. If Thailand holds elections in 2018 as ***planned***, all members may then be run by democratically elected governments, which would transform BIMSTEC into one of Asia’s rare clubs of democratic countries. Such a regional dialogue could center on upholding the rule of law and strengthening electoral, parliamentary, and other pluralist institutions. Strengthen the Secretariat In addition to unity of purpose, international organizations require strong functional leadership. An international organization does not necessarily need a secretariat, but a strong secretariat can make an organization. It took seventeen years for BIMSTEC’s secretariat to finally be established in 2014 in Dhaka, but its role has never been specifically defined.53 For more than ten years before it was established, officials would meet in Bangkok, at gatherings hosted by the Thai Ministry of Foreign Affairs.54 Since its creation, the secretariat has faced a variety of obstacles that hinder its effectiveness, including budgetary and staffing limitations. Saman Kelegama, one of Sri Lanka’s most ardent supporters of the organization, called for a “strong Secretariat . . . empowered to play a more proactive role in driving the BIMSTEC agenda.”55 Former Bangladeshi diplomat Tariq Karim, in turn, refers to the secretariat as a “fundamental weakness” with a mandate that is “unclear” and inadequately “cloned” from the SAARC model.56 From the viewpoint of a senior Bhutanese official, the coordinating body has limited relevance because it remains “purely member-driven.”57 BIMSTEC member states can pursue five ways to overcome these obstacles and strengthen the secretariat’s capabilities so it can take on a greater role in driving the organization’s agenda. First, member states should allocate greater autonomy to the secretariat. As Prabir De, a researcher at a think tank in New Delhi, has noted, for the secretariat to become the organization’s “driver, captain and pilot,” member states’ bureaucracies must be willing to accord sufficient agency and expertise for it to implement new initiatives. For example, to implement any significant policy initiative, the secretariat must first obtain consensual support from the joint secretaries or director generals overseeing BIMSTEC affairs in all seven member states, which in some cases can take several months.58 On the procedural front, both the choice of the secretary general and chairman should rotate alphabetically as currently stipulated at regular intervals without interruptions, so as to increase predictability and continuity while reducing the uncertainty of transitions. To date, the length of the rotating chairmanship has been extraordinary irregular, ranging between one and five years.  If member states are serious about strengthening the secretariat, they must endow it with greater financial assets by increasing the size of their respective contributions. Second, BIMSTEC members should also further empower the secretary general. Reputation and status are key characteristics that allow a secretary general to push the organization forward through direct and personal links with leaders across the region. According the position a higher diplomatic stature—for example, by granting the position in the future to individuals with a cabinet or secretary rank—would help ensure future secretary generals have more “gravitas” to engage member states’ bureaucracies at a higher level.59 A political alternative would be to choose a former high-level leader (head of government or state), who could be assisted by a deputy with a bureaucratic background. Third, BIMSTEC members should boost the funding they provide for the secretariat’s budget. Currently estimated at around $200,000, the secretariat’s annual budget is inadequate when compared to the organization’s vast mandate and the fourteen different sectors under its purview in one of the world’s most populated regions.60 Being “severely underfunded,” in the words of one BIMSTEC official, the secretariat uses its funds almost exclusively for salaries and other institutional costs, leaving hardly any resources to invest in outreach and agenda-setting initiatives.61 Increasing staff compensation, in particular, would be a critical means of attracting more officers from member states to join the organization on deputation. Even after a recent pay scale revision, the salaries of BIMSTEC’s secretary general and directors are still less than two-thirds of those of their SAARC counterparts, even though Dhaka’s cost of living is much higher than that of Kathmandu.62 If member states are serious about strengthening the secretariat, they must endow it with greater financial assets by increasing the size of their respective contributions. Fourth, the staff size of the BIMSTEC secretariat should be increased. However prominent and hardworking the secretary general may be, the secretariat cannot be a one-person show. It must be urgently expanded. Since 2014, BIMSTEC has been run by a staff of fewer than ten people, including two directors (until a third director joined in 2017).63 In comparison, the SAARC secretariat’s staff is approximately fifty-strong, including eight directors, and the ASEAN secretariat has around 100 staff members, including four deputies and eighteen directors and coordinators.64 Without adequate human resources, the secretariat will not be able to take on any significant initiatives and will continue struggling to complete even the most basic administrative and financial tasks. The BIMSTEC Working Group, which convenes all member states’ ambassadors and heads of mission residing in Dhaka, should also continue to hold monthly meetings to support the secretariat. Fifth, the secretariat should be empowered to recruit research and policy experts and should be given the authority and resources to hire consultants from various technical domains, including energy, trade, and transportation. Depending on their seniority and possible roles as directors or advisers, such policy experts could also serve as ambassadors and champions for various regional integration causes. One way to consolidate their contributions could be to form an internal think tank, similar to the expert research institutes attached to the World Bank, the International Monetary Fund, and the ADB. Optimize Organizational Functioning Beyond strengthening the secretariat’s human and financial resources, there are ways that BIMSTEC’s internal processes can be streamlined to give new life to the organization. While the idea has been floated regularly to establish a formal BIMSTEC charter—as a blueprint to articulate an organizational vision and define its mandate—there are other more immediate steps that can be taken.  BIMSTEC’s internal processes can be streamlined to give new life to the organization. First, BIMSTEC should hold meetings more frequently. Reflecting an early naivety, BIMSTEC ***planned*** to hold summits every two years, ministerial meetings every year, and meetings for senior officials twice a year.65 In reality, however, only three summits have taken place in twenty years, and this included a six-year interregnum from 2008 to 2014. Similarly, no ministerial meeting was held between 2014 and 2017. Rather than meeting twice annually, the senior officials’ meeting was postponed seven times between 2014 and 2017, when it finally took place again. To avoid a scheduling backlog and prevent the secretariat from becoming a “glorified scheduler” tasked chiefly with convening meetings, member states must prioritize holding meetings more regularly.66 Second, BIMSTEC members should commit to consistently sending representatives of an appropriate rank to the meetings that are held, which they have not always done. Senior official meetings, for example, have often included joint secretaries or director generals, who lack the autonomy to make relevant decisions. Meetings involving senior officials should, in principle, only be held if all member states are willing to send secretary-level officers. Third, BIMSTEC ought to diversify the designated locations of its meetings. Until early 2017, India, Myanmar, and Thailand had hosted twelve senior official meetings (four each), whereas Nepal and Sri Lanka had held just one each, and Bhutan had not held any.67 Furthermore, rather than being hosted exclusively by member states, ministerial, senior official, and other working group meetings could also take place at the secretariat headquarters in Dhaka. Fourth, each BIMSTEC member should clearly designate appropriate government counterparts to liaise with BIMSTEC officials. To facilitate communication and speed up initiatives, member states should direct their foreign ministries to create specific BIMSTEC cells or empower existing ones with more human and financial resources. In many cases, BIMSTEC affairs are managed by a director general or joint secretary, but such duties are often neglected because they fall under divisions or departments focused more broadly on regional cooperation, with portfolios that include SAARC (in the cases of Bangladesh, Bhutan, India, and Nepal) or multilateral and economic affairs (in the cases of Myanmar, Sri Lanka, and Thailand). As the first BIMSTEC secretary general noted, such “national [BIMSTEC] focal points must be more than mere letter boxes.”68 Fifth, beyond its periodic foreign minister meetings, BIMSTEC would benefit from reviving the sectorial ministerial conferences it used to hold in the 2000s on matters like energy (New Delhi 2005, Bangkok 2010), tourism (Kolkata 2005), culture (Paro 2006), and poverty alleviation (Dhaka 2008). Such special meetings allow for focused discussions with high-level political representatives that tend to lead to a top-down approach, rather than the slower bureaucratic bottom-up route. Define and Expand India’s Informal Leadership Role Aside from efforts to sharpen BIMSTEC’s institutional mission and capabilities, there are some who think that India could play a more prominent role in the organization, even informally. Even multilateral organizations need a measure of state-led leadership, whether internal or external. The European Union (EU) would not likely have developed without the Franco-German initiative, nor would ASEAN have progressed without the United States’ external security guarantees toward the Philippines and Thailand. For BIMSTEC to flourish, India (as the region’s most powerful country) will have to step up, invest resources, and sustain interest in the Bay of Bengal’s leading institution. In the candid words of former BIMSTEC secretary general Sumith Nakandala, “BIMSTEC needs a leader.”69 New Delhi has not shied away from embracing such responsibility and has often taken the driver’s seat in some ways—for example, by hosting the 2016 BRICS-BIMSTEC outreach summit. India also served as a key facilitator during the backstage negotiations about the location of the new secretariat (Bangladesh) and the nationality of the first secretary general (Sri Lankan), which were announced in 2011.70 However, India’s actions often have fallen short of the expectations of policymakers and analysts. For example, for three long years between 2014 and 2017, New Delhi failed to appoint a representative director to the secretariat, leaving the position vacant and hindering the organization’s effectiveness until Pankaj Hazarika assumed the position in June 2017. To assume and deliver on an informal leadership position within BIMSTEC, India will have to focus on four fronts. First, India must respect the sensitivities of small states—leading should not be confused with dominating. To strengthen BIMSTEC’s multilateral and cooperative nature, New Delhi will have to walk a thin line between control and passivity. Playing a driving role will require diplomatic skill and the willingness to delegate by letting smaller states, especially Bangladesh and Sri Lanka, take the lead on both symbolic and substantive issues. Former Indian ambassador Rajiv Bhatia thus cautions that India’s leadership must be “exerted with a mix of sensitivity, generosity, astuteness and determination.”71  For BIMSTEC to flourish, India (as the region’s most powerful country) will have to step up, invest resources, and sustain interest in the Bay of Bengal’s leading institution. Second, as the region’s predominant actor, India should accord smaller member states asymmetric advantages, especially on trade issues, even if doing so hurts the interests of certain domestic constituencies. For smaller countries like Bangladesh or Bhutan, BIMSTEC and other multilateral initiatives in the Bay of Bengal region are attractive because they increase their bargaining power and mitigate India’s overbearing capabilities in a bilateral setting. Modi seems to have embraced this ***strategic*** altruism.72 As senior Indian official Preeti Saran has emphasized, “India is aware of the fact that it is the largest country in the region and it is prepared to take on asymmetric commitments in BIMSTEC.”73 Third, on a related note, India must be prepared to invest more resources in BIMSTEC. The effectiveness of New Delhi’s leadership will hinge on its ability to match words with deeds and, more importantly, inject hard capital into the organization. India already finances the largest share of the secretariat’s budget (approximately 32 percent).74 Its budgetary allocation for the organization and related activities has expanded exponentially from 1.2 million rupees (roughly $18,000) in 2015–2016 to 60 million rupees in 2017–2018 (roughly $938,000), but this is still far less than what New Delhi allocated to the Commonwealth (100 million rupees, or $1.5 million) or to SAARC (120 million rupees, or $1.9 million).75 Speedier disbursement of these funds would also help enhance the organization’s functioning and visibility. Fourth, New Delhi ought to take the initiative when appropriate. India’s greatest contribution to BIMSTEC will come from its ability to lead by example. It can do so by advancing cooperation in the four working groups it chairs: Transport and Communication, Tourism, Environment and Disaster Management, and Counter Terrorism and Transnational Crime. In 2017, for example, New Delhi took the lead by drafting and circulating texts for agreements on motor vehicle and coastal shipping connectivity.76 Such diplomatic initiative is a vital means of signaling commitment, sustaining the organization’s positive momentum, and driving cooperation. Reach Beyond the Region As BIMSTEC returns to the global limelight, it may face increasing pressures to expand its membership and external partnerships. To prevent members and other potential outside partners from working at cross-purposes, BIMSTEC will have to devise flexible ways to interact with other organizations and actors operating across the Bay of Bengal region. The first challenge is defining the scope of the Bay of Bengal region and BIMSTEC’s membership. The organization currently delineates the bay region rather narrowly based on its current membership. But geographically speaking, the bay should be conceived of in broader terms because, as historian Sunil Amrith underlines, “from the perspective of political and cultural history, to write of the Bay of Bengal without considering the Malay Peninsula would be meaningless.”77 Accordingly, Sri Lanka’s prime minister refers to Indonesia and Malaysia as “Bay of Bengal nations.”78 The issue becomes even more complex given the rising informal interest of extraregional states in joining or working more closely with BIMSTEC, including Australia, China, Japan, South Korea, and even the EU.79 For the time being, however, expansion of BIMSTEC membership or any other type of affiliation has actually remained frozen since Nepal and Bhutan joined in 2004, and BIMSTEC has indicated no ***plans*** to change this. Explaining this stance, an Indian official notes that it is important to “first focus on [internal] consolidation before expansion.”80 The second challenge pertains to how BIMSTEC can interact more effectively with other multilateral organizations, especially those already active in and around the Bay of Bengal region. Prashant Agrawal, India’s joint secretary who dealt with the organization until 2017, has noted that while “BIMSTEC stands on its own,” at the same time “we should synergize and not work at cross-purposes” with SAARC or any other regional organization.81 Initially, BIMSTEC was enthusiastic about reaching out to other international institutions.82 The ADB, in particular, repeatedly tried to engage BIMSTEC, forwarding a collaboration project in 2005.83 However, after these efforts finally led to the BIMSTEC Transport Infrastructure and Logistics Study (BTILS), one official familiar with the process recalls that India was not willing to support the ADB’s follow-up proposal to set up an implementation and monitoring unit embedded within the BIMSTEC secretariat.84 Such reluctance about external involvement seems to have been overcome, as demonstrated by New Delhi’s recent offer to host a “regional hub” for the ADB’s operations in South Asia.85 On the challenges of both expansion and coordination with other organizations, BIMSTEC should consider revisiting some aspects of its current stance on expansion in four specific ways. First, BIMSTEC should consider offering an observer status. This possibility was discussed in 1998, and the second senior officials meeting forwarded this very recommendation, along with draft criteria, to the subsequent ministerial meeting.86 In 2002, before joining as a full member, Nepal attended a senior officials meeting as an observer.87 Based on this precedent, BIMSTEC should develop clear criteria for an observer status for other countries and international organizations. In the words of two former Indian diplomats, this would make it easier to “get other countries or other institutions involved in specific projects” and allow BIMSTEC to connect with “natural partners” beyond the region, such as Cambodia, Laos, and Vietnam.88 Second, BIMSTEC should seek to involve other regional institutions in some of its key initiatives, especially relating to connectivity. Building on the 2017 BRICS outreach summit, BIMSTEC must develop more regular channels of communication with various counterparts active in the Bay of Bengal region. This includes leveraging ***strategic*** partnerships with ASEAN and similar connectivity efforts by the ADB (particularly the SASEC), the World Bank and its regional country offices, the United Nations’ Bangkok-based Economic and Social Commission for Asia and the Pacific, and the MGC and CMLV initiatives. On the maritime front, BIMSTEC would benefit from consultations, coordination, and cooperation with the IORA. While, in principle, BIMSTEC should also consider engaging with the Asian Infrastructure Investment Bank, the BCIM, and even the BRI, India’s increasing reluctance to work through such China-driven initiatives are likely to stall any such efforts by other member states. Third, BIMSTEC should seek to revive subregional mechanisms. It must avoid the risk of requiring unanimity among all member states to make any significant decisions—an approach that has undermined SAARC repeatedly. Instead, members should develop mechanisms that allow for tailored and clustered trilateral and quadrilateral cooperation among a few member states in certain instances. In 1997, BIMSTEC was clearly targeted at fostering subregional cooperation, with a founding declaration that emphasized its mandate as “an additionality to and not [meant to] be a substitute for bilateral, regional or multilateral cooperation.”89 Twenty years later, while the organization has at least partially succeeded in carving out a distinct regional character, its subregional identity should be recaptured. Rather than an obstacle, if appropriately institutionalized, multispeed, multifaceted cooperation through BIMSTEC may actually lead to positive spillovers across different sectors. Fourth, BIMSTEC would do well to keep China out. Beijing poses a particular challenge, as it has informally expressed interest in obtaining observer status within BIMSTEC and in rendering specific project support.90 While bringing China into BIMSTEC could lead to immediate financial dividends, it would also likely weaken the organization in the long term, given Beijing’s history of adopting divide-and-rule practices toward other regional organizations like ASEAN and the EU.91 According to one Indian official, in 2017, China tried to pressure Nepal to “go slow” on BIMSTEC and, instead, push for a revival of SAARC, which includes Pakistan and to which China is an observer.92 Given these concerns, at least in the short run, it would be advisable to insulate BIMSTEC from any geopolitical competition and protect its multilateral corridors from Chinese diplomatic interference. This could be achieved by establishing clear criteria for membership, including geographic continuity to the Bay of Bengal. If the organization decides to institute an observer status, Beijing could then be invited along with other extraregional powers and multilateral institutions to develop a more formal, albeit limited, relationship. Deepening Sector-Specific Cooperation Apart from efforts to sharpen BIMSTEC’s mandate and strengthen its capabilities, India and other member states should also strive to shore up BIMSTEC’s efforts in particular areas, including physical connectivity, trade promotion, and people-to-people exchanges. Enhance Physical Connectivity ***Plans*** to expand regional integration in the Bay of Bengal will remain a pipe dream unless BIMSTEC members ensure that the hard infrastructure is in place to accelerate the flow of vehicles, vessels, people, and goods across borders. Connectivity will emerge as BIMSTEC’s key challenge for the next few years, and all member states should make this area their utmost priority. No other areas are as important as developing the foundational infrastructure to foster regional ties. As senior Indian official Preeti Saran noted in comparison to trade, “if BIMSTEC were to have land and maritime connectivities as a grouping, that would go a much longer way rather than just keep struggling with [a free trade agreement].”93 The appalling current state of affairs is apparent in two areas especially. First, in continental terms, the India-Myanmar border remains one of Asia’s least open. Until 2015, when a second border point was installed, archaic barter trade prevailed even at what was then the single border point with a full-fledged customs station in Moreh. Land-based trade between the two neighbors remains abysmal at just $71 million (3.5 percent of the bilateral trade).94 As recently as 2015, even antagonistic states such as North Korea and South Korea traded more with each other than India and Myanmar have.95 Second, on the maritime front, BIMSTEC countries do rather poorly in the World Bank’s Logistic Performance Index. On quality and timeliness of port infrastructure, for example, BIMSTEC countries score a collective average rank of ninety, considerably worse than ASEAN members’ average rank of sixty-nine.96 With borders often acting as barriers in the Bay of Bengal, BIMSTEC faces the challenge of encouraging member states to reorient their infrastructure development ***plans*** to privilege mutually beneficial connectivity by land, sea, and air. In 2017, Thailand took the initiative by forwarding a draft concept paper for a BIMSTEC Master ***Plan*** for Connectivity, and the organization should seek to further such attempts in at least four ways. First, BIMSTEC should push members to implement existing infrastructure projects that it has already designated as priorities. BIMSTEC launched the seeds of connectivity in the region after it endorsed the BTILS in 2009. It must now revive its recommendations and ensure member states implement them. Out of the 166 infrastructure projects the BTILS identified, sixty-five were given priority—more than half (thirty-three) of which are either in Bangladesh or India. This includes thirty-five projects for road connectivity, twelve projects for railways, and nine each for air and maritime connectivity.97  Connectivity will emerge as BIMSTEC’s key challenge for the next few years, and all member states should make this area their utmost priority. Second, BIMSTEC should seek other ways to facilitate the free flow of vehicles, vessels, energy, and information throughout the region, so as to deepen integration beyond hard infrastructure projects. As promised in the 2017 ministerial meeting, BIMSTEC must expedite the adoption of the Framework Agreement on Transit, Transshipment and Movement of Vehicular Traffic and the Coastal Shipping Agreement.98 In addition, after the establishment of a BIMSTEC Energy Center, the organization must sign and build on the memorandum of understanding for the establishment of a BIMSTEC Grid Interconnection, which would be an important confidence-building measure for electricity-deficient states such as Bangladesh and Myanmar. Finally, building on the new JIPMER-BIMSTEC Telemedicine Network and the experience of the South Asia Satellite launched earlier this year by India, the organization should also develop resources for a BIMSTEC satellite to share medical, educational, and climate information. Third, BIMSTEC should devote particular attention to an oft-neglected aspect of regional connectivity: linking the mountain and maritime economies adjacent to the Bay of Bengal. The organization’s members should focus on multimodal connectivity projects that link the Himalayan regions in Bhutan, India, and Nepal to the coastal areas of the Bay of Bengal. Besides geostrategic advantages, such ties would give export-intensive industries in the landlocked highlands a maritime outlet. The development of inland waterways, especially through Bangladesh, will be essential for increasing such alternative transportation connectivity. India’s attempts to offer Nepal privileged coastal access through Visakhapatnam, in Andhra Pradesh, marks a positive step in this direction.99 Fourth, BIMSTEC should consider creating a forum for the border regions of member states. The success of cross-border connectivity projects in the Bay of Bengal region is dependent on member states’ capacity to rope in their border regions, states, and provinces as key stakeholders. BIMSTEC could host a regular dialogue with chief ministers and other leaders from all border regions in its member states to share best practices on increasing transnational cooperation and connectivity. Encourage Trade BIMSTEC can take a leading role in facilitating smoother trade flows of goods and services, as well as investments, across some of the world’s most formidable geographic and protectionist barriers. Such efforts will start from a low baseline. Between 2002 and 2014, the share of intraregional trade among BIMSTEC member states rose from 3.6 to just 4.3 percent.100 This remains significantly lower than comparable figures in any other regional trade bloc, including 7 percent among SAARC members, 16 percent among South American Common Market (Mercosur) countries, and 29 percent among ASEAN states.101 Similarly, BIMSTEC’s 3.4 percent share in the world’s total foreign direct investment stock is less than half of ASEAN’s.102 For India, in particular, the BIMSTEC economies continue to represent a negligible fraction of its total trade balance, worth 7 percent of its total exports ($22 billion) and 2 percent of its imports ($9 billion).103 Though driven from the outset by an economic agenda, BIMSTEC has struggled for twenty years to advance integration. Beginning with a 2004 framework agreement for a BIMSTEC FTA, enthusiastic attempts to liberalize trade across the region have failed to make any significant impact. Twenty rounds of talks by BIMSTEC’s Trade Negotiation Committee have been held since then; the last one, in late 2015, ended in stark disagreement and the process stalled.104 In 2016, as part of its renewed focus on BIMSTEC, the Indian government voiced support for reviving negotiations on the FTA among BIMSTEC members. But there seems to be little hope for any major breakthrough in the short term.105 It is worth considering, then, what other dimensions of economic cooperation can be pursued instead of, or in parallel to, trade talks. In that spirit, Sri Lankan analyst Saman Kelegama has noted: BIMSTEC should not have high hopes on an FTA coming into operation. Indications are that it will drag on for a long time. In this situation, more emphasis should be given to trade facilitation via liberal transit, business-friendly customs, transport corridors, etc. Such a process will partly address some of the non-tariff barriers in the region and catalyze trade.106 While the issue of physical connectivity has taken center stage instead of trade, there are parallel ways for BIMSTEC to push the trade and economic agendas forward in the meantime. First, BIMSTEC members can consider settling for a limited FTA. Given a variety of obstacles facing trade talks, a limited trade deal is currently better than no deal at all. As Sri Lanka’s state minister for foreign affairs, Vasantha Senanayake, has pointed out, “the relevance of BIMSTEC may truly be envisioned only after the proposed FTA comes to fruition.”107 Former BIMSTEC secretary general Sumith Nakandala concurs: “Let’s do the bad deal [and] then revisit it later [because the] FTA is a necessary first step.”108 More than a face-saving exercise, a curtailed FTA would in all likelihood bring at least some benefits to the organization’s least-developed economies, especially Bangladesh and Nepal.109 As Prabir De has noted, such an agreement could help maintain BIMSTEC’s institutional “momentum” and keep the “engine” of integration running for another few years.110  BIMSTEC can take a leading role in facilitating smoother trade flows of goods and services, as well as investments, across some of the world’s most formidable geographic and protectionist barriers. Second, BIMSTEC can seek to target nontariff trade barriers. However bold it may be, a BIMSTEC FTA will only prove beneficial if nontariff barriers are brought down among the organization’s member states as well. Prabir De has emphasized that these less tangible obstacles are the “actual culprits” impeding integration. He has urged that in parallel to tariff negotiations, BIMSTEC should sequentially focus on facilitating the (1) mutual recognition of national standards, (2) harmonization and development of common standards, and (3) identification and targeted exploration of existing value chains across the region.111 Third, when possible, BIMSTEC should seek to enlist the help of external stakeholders. Regional economic cooperation is more likely to thrive if BIMSTEC can engage with private actors to advocate for and reap the benefits of greater integration. The organization should adopt the Indian-founded Consumer Unity and Trust Society’s recommendation for an annual BIMSTEC economic summit with representatives from the region’s top trade and investment houses. The BIMSTEC Chamber of Commerce and Industry should be revived to take this idea forward, and BIMSTEC members should seek to create an intergovernmental Bay of Bengal investment fund to support seed money for innovative regional entrepreneurship projects. Fourth, BIMSTEC should consider declaring the bay a blue economic zone. The general idea is that a blue economy seeks to “promote economic growth, social inclusion, and the preservation or improvement of livelihoods while at the same time ensuring environmental sustainability of the oceans and coastal areas.”112 Accordingly, BIMSTEC should build on Bangladesh’s initiative to develop a Bay of Bengal blue economy partnership.113 A first step could be to develop a variety of codes of conduct for resource exploration that could eventually become binding on all private actors operating in member states. The UN’s Bay of Bengal Large Marine Ecosystem Project, set up in 2008 with several regional partners, offers an interesting model that could be replicated. Identify Secondary Priority Areas To increase the effectiveness of cooperation, BIMSTEC will have to resist the temptation to do too much at the same time and instead focus on consolidating its limited resources on a few priority sectors. Such progress is contingent on many of aforementioned organizational reforms. After being founded with just six working groups, BIMSTEC added seven new areas for cooperation in 2005 and another one in 2008. Its fourteen current sectors include issues ranging from climate change to tourism, with different lead countries and further subgroups.114 Officials from different countries have pointed to BIMSTEC’s broad portfolio as one of the organization’s principle weaknesses, hindering efforts to deepen focused cooperation in key areas. At the 2014 summit, Indian External Affairs Minister Salman Khurshid suggested that BIMSTEC focus on just five areas: connectivity, economic cooperation, energy, security, and people-to-people exchanges.115 Beyond just reducing the number of sectors, BIMSTEC should employ the right criteria to identify what specific areas are ripe for further collaborative efforts. The most important condition in this regard is a realistic assessment of how feasible it is to ensure the participation and involvement of member states, rather than letting ambitious agendas divert the organization’s limited resources. Tangible success in one area, however small, tends to reduce reluctance and increase incentives for member states to collaborate again in other areas. By focusing on a few priority areas and sequencing them, cooperative behavior could progressively spill over into new areas, deepening regional integration. For former Bangladeshi diplomat Tariq Karim, BIMSTEC should therefore “focus on can-do sectors first” and “leave others for later.”116 There are various ways to achieve this. Each member’s rotating chairmanship could, for example, focus on one specific area that each country could then continue to lead after its chairmanship ends, or the organization could revive attempts to have dedicated annual themes.117 Beyond such formal initiatives, four specific areas have potential to serve as priorities for cooperation. First, BIMSTEC offers the ideal platform for member states to devise an internal code of conduct and best practices to regulate fisheries and protect the Bay of Bengal from overfishing, given that this significant challenge to the bay’s ecosystem is chiefly a problem among BIMSTEC members.118 In recent years, Bangladesh, India, and Myanmar have adopted domestic measures, including seasonal bans, to protect their marine resources.119 However, foreign fishing trawlers regularly violate these regulations, leading to detention and complex repatriation processes that often escalate and affect bilateral relationships.120 BIMSTEC should facilitate a dialogue aimed at implementing multilateral mechanisms that regulate sustainable fishing in the Bay of Bengal and, in case of conflict, offer mediation and support efforts aimed at resolution.  It is essential for BIMSTEC to foster peopleto- people links that can help revive a sense of common belonging in the Bay of Bengal. Second, BIMSTEC should help its members coordinate their national efforts to monitor the environment. Faced with the disruptive impact of climate change and natural disasters, the Bay of Bengal countries would benefit from pooling their scientific and technological resources to mitigate the effects of climate change. According to one 2015 study, Bangladesh, India, and Myanmar in particular were profoundly affected by extreme weather events between 1994 and 2013.121 These environmental challenges are not restricted to coastal states but also affect the wider Himalayan region, connected through the Ganges-Brahmaputra-Meghna (GBM) River Basin. Stretching across 1.7 million square kilometers, the GBM is the third-largest freshwater outlet into the world’s oceans and is home to 630 million people in Bangladesh, Bhutan, India, and Nepal.122 BIMSTEC should prioritize efforts to set up regional mechanisms that allow member states to coordinate, cooperate, and share their national resources to monitor and forecast a variety of natural phenomena, including monsoons, winds, tides, riverine flows, and pollution levels. Third, BIMSTEC should promote the Bay of Bengal region as an integrated tourism area. Speaking at the Colombo International Maritime Conference, Sri Lankan Prime Minister Ranil Wickremesinghe noted that “the Bay of Bengal has the potential to be the [world’s] biggest [tourist] destination, even rivalling the Caribbean.”123 Following ASEAN’s example in Southeast Asia, BIMSTEC members should launch joint campaigns to promote the entire region, emphasizing its shared heritage and many man-made and natural wonders. By facilitating a dialogue on best practices and ***strategic*** ***plans*** to develop tourism across borders, BIMSTEC could indirectly create the conditions for greater regional connectivity and mobility. Given the Bay of Bengal’s cultural and religious links, there is particular potential to increase intraregional tourist flows by facilitating visa-free travel. For example, defying the logic of geographic proximity, currently the number of Indians visiting the United States (1.2 million) is almost as many as the number of those visiting the other six BIMSTEC countries combined (1.6 million).124 The 2017 announcement of a BIMSTEC Tourism Fund and Network of Tour Operators is a step in the right direction. Rekindle People-to-People Ties Given the Bay of Bengal’s abysmal levels of intraregional connectivity in recent decades, it is essential for BIMSTEC to foster people-to-people links that can help revive a sense of common belonging in the Bay of Bengal. Former BIMSTEC secretary general Sumith Nakandala has thus stated that the organization’s main mission is “to re-enable the environment of cooperation and community in the Bay of Bengal.”125 This requires an investment into less tangible forms of connectivity that increase flows of knowledge among scholars, experts, and various other key audiences in different BIMSTEC countries. High-quality research and mutual exposure to counterparts in other member states can accelerate the rediscovery of a common narrative in which the Bay of Bengal is a distinct community with its own historical, cultural, and geostrategic character. Former Thai ambassador Kobsak Chutikul underlines that “when we imagine a bridge spanning the Bay of Bengal it is not only physical infrastructure—a two-lane highway for trucks—but also a bridge of the mind, a bridge for imagination.”126 To foster such exchanges through expanded people-to-people ties, BIMSTEC must focus on three fronts: First, BIMSTEC ought to aim to bolster its brand. Despite celebrating its twentieth anniversary in 2017, the organization remains largely unknown to most people in BIMSTEC states beyond government officials. To change this, member states must shore up their budgets for promotional campaigns and activities, following India’s lead this year, as New Delhi announced that it would dedicate new funds to “enhance the visibility of ‘Brand BIMSTEC.’”127 The organization’s annual foundation day, marked on June 6, could be renamed Bay of Bengal Day with a wider set of celebratory initiatives across the region. Finally, the name BIMSTEC is one of the longest and most complex names among regional organizations, a fact that has prompted many experts to suggest a change. The Bay of Bengal Community would be one option. Second, BIMSTEC should engage sector-specific technical experts. Situated between the government and the wider public, expert groups play a crucial intermediary role in advancing regional integration agendas. BIMSTEC must expand efforts to engage these communities as advocates for greater regional cooperation and leverage their technical know-how in specific areas. Established in 2008, the BIMSTEC Network of Policy Think Tanks should be separated into different subsectors and convened annually. Rather than a one-time affair to launch a vision for 2030, the BIMSTEC Eminent Persons’ Group should be formalized as an advisory council with senior representatives from government, business, and other interest groups committed to the organization’s objectives. BIMSTEC should also reinstitute its young ambassadors ***program***, inactive since 2006, and revive ***plans*** for a cultural industries observatory. Third, BIMSTEC ought to strive to foster community through academic exchanges. No new Bay of Bengal narrative will emerge unless scholars are incentivized to dig into the past and recover the rich sense of community that animated the region until the twentieth century. As historian Sunil Amrith has pointed out, the “hope for a new regionalism lies in recognizing that the bay’s history, as much as its ecology, transcends national frontiers.”128 In coordination with BIMSTEC, member states should commit dedicated resources for cross-country scholarship that identifies both past and present flows of people, capital, and ideas across the region. This should also include specific BIMSTEC scholarships and grants for educational exchanges and collaborative research ***programs***, visiting chairs, and a network of universities focusing on the Bay of Bengal region. Following the Thai government’s announcement of a new BIMSTEC Center, other member states should also be encouraged to designate nodal research institutions for Track II and other people-to-people initiatives. Stimulate Security Cooperation BIMSTEC must also boldly embrace its role in encouraging cooperative practices among its member states to address transnational security challenges. It may be tempting to divorce security and economic issues, but doing so is impracticable given the variety and complexity of cross-border challenges in the Bay of Bengal region. For example, as long as insurgent and other armed groups are in effective control of large stretches along the India-Myanmar border, there will be little scope to establish new connectivity projects and accelerate economic development. At their first meeting, in New Delhi, the BIMSTEC national security chiefs therefore “underscored the importance of recognizing the Bay of Bengal as common security space and agreed to work out collective strategies for common responses.”129 There are currently three main nontraditional security threats that affect all member states and illustrate the need for more coordinated and cooperative behavior. First, the Bay of Bengal region has witnessed some of the world’s largest refugee flows. In 2017, more than 500,000 people crossed the Myanmar border from Rakhine State into Bangladesh.130 India now hosts an estimated 40,000 displaced people from Myanmar, and there are also small refugee populations in Nepal and Sri Lanka.131 The United Nations Refugee Agency estimates that the Bay of Bengal is three times more deadly than the Mediterranean for such refugees.132 Between 2008 and 2013, roughly 1,200 people are believed to have died at sea trying to reach Australia via the Bay of Bengal.133 The flow of such populations has important security implications beyond the region, affecting Malaysia, Singapore, and Thailand. Second, the Bay of Bengal is prone to some of the world’s worst natural disasters. Between 1996 and 2015, calamities in the region took 317,000 lives and displaced more than 16 million people in BIMSTEC countries.134 The region was devastated by the 2004 Asian tsunami, whose death toll was concentrated mostly along the bay’s shores from Sri Lanka to Indonesia. According to one study, seventeen of the world’s twenty-five most devastating tropical cyclones over the last two centuries were located in the Bay of Bengal, with the two most recent ones—Sidr (2007) and Nargis (2008)—claiming almost 150,000 lives and causing an estimated $12.7 billion in economic damage to Bangladesh and Myanmar.135 Finally, the region has witnessed a spike in maritime criminal activities, including piracy and trafficking. In recent years, thousands of Bangladeshi fishermen have been attacked, killed, or taken hostage off the coast of the port of Chittagong. Pirates made more than $1 million in ransoms between late 2011 and late 2012, severely affecting the fishing industry.136 As the main maritime outlet for the Golden Triangle, one of the world’s largest opium-***producing*** areas, the Bay of Bengal also contains key global routes for narcotics smuggling.137 Regional criminal groups also engage in the trafficking of humans and weapons, posing a regional security threat. To mitigate such complex security challenges, BIMSTEC will have to nudge its member states to share threat assessments and best practices and, in the long run, set up mechanisms to operate collectively. As noted in the joint declaration of the BIMSTEC national security chiefs, this will require initiatives that “enhance cooperation and coordination among their [member states’] law enforcement, intelligence and security organisations and enhance capacity building.”138 BIMSTEC can implement this agenda by focusing on four areas:  Develop common legal instruments: To facilitate cooperation between police, security, and judicial agencies in its respective member states, BIMSTEC must accelerate efforts to develop common legal frameworks across the region. Signed in 2009, the Convention on Cooperation in Combating International Terrorism, Trans-National Organized Crime and Illicit Drug Trafficking still requires ratification by two states (Nepal and Bhutan) to come into force. Meanwhile, after an exchange of draft texts, the Convention on the Transfer of Sentenced Persons and Convention on the Extradition of Fugitive Offenders are still being negotiated as is the Convention on Mutual Legal Assistance in Criminal Matters. Finally, in 2017, member states began negotiating a Convention Against Trafficking in Persons.139 Until such foundational agreements are signed, BIMSTEC members will have trouble acting collectively against common security threats.  Offer consultative platforms: BIMSTEC must aim to create forums for government officials and experts from member states to have free and frank dialogues on various security issues affecting the region. Held at various levels, such platforms should institute a more regular exchange of threat assessments, operational experiences, and best practices. For example, in 2014, the BIMSTEC Sub-Group on Combating the Financing of Terrorism hosted a productive discussion on counterfeit currency across the region.140 To multiply such channels, BIMSTEC must now build on the outcome of the first meeting of its national security chiefs, which called for a conference on counter-radicalization, a Track 1.5 security dialogue, and a joint forum on cybersecurity.  Set up information-sharing mechanisms: Beyond consultative channels, BIMSTEC should strive to develop new regional institutions for member states to share information. This could include, for example, white shipping agreements for coast guards and navies to exchange data on commercial vessels in the Bay of Bengal. By adopting region-specific mechanisms such as the Automatic Identification System, Port Community System, Vessel Traffic Management System, and Electronic Data Interchange, BIMSTEC would support greater awareness in the maritime domain among its member states. The BIMSTEC Sub-Group on Intelligence Sharing has also discussed the possibility of a region-wide intelligence-sharing mechanism and identified relevant nodal agencies and contacts.141  Cultivate operational coordination: BIMSTEC would also do well to serve as a platform for member states to conduct joint military exercises and increase their preparedness to collectively address common threats, crises, and contingencies. Building on the first BIMSTEC disaster management exercise, held in 2017, the organization should push for an annual BIMSTEC joint naval exercise in the Bay of Bengal focusing on humanitarian assistance and disaster relief operations. On land, members should join forces to conduct a regular BIMSTEC counterinsurgency exercise. In the long run, such joint training should eventually lead to operational coordination, whether the aim is to combat pirates at sea or to deny extremist safe havens in borderlands. Conclusion As BIMSTEC celebrates its twentieth anniversary, its member states must reflect on how the institution can become a more effective platform to further regional cooperation around the Bay of Bengal. The diverse range of organizational and sector-specific recommendations put forward above cover a variety of issues, and they require different types and levels of investment of financial and technical resources. Given BIMSTEC’s wide regional mandate, the secretariat, member states, experts, and other interested parties will naturally diverge on the hierarchy and relative urgency of many of these recommendations. Such differences, however, will remain on paper as long as BIMSTEC is not backed politically. This is the single most important—and only necessary—factor for the organization to increase its capacity to implement all the above recommendations and, in so doing, contribute to reviving regionalism in and around the Bay of Bengal. It is, therefore, imperative for governments of BIMSTEC’s seven member states, and of India in particular, to commit financial and political resources beyond mere expressions of intention and support. Repeated delays and the consequent inability to hold the fourth BIMSTEC summit on the organization’s twentieth anniversary in 2017 does not demonstrate such commitment. The organization now faces an opportunity to realize the vision of an integrated economic space and a bridge between South and Southeast Asia that drove its founding members. Whether it is India’s Act East policy, Thailand’s Look West strategy, Nepal’s search for a coastal connection, or Bangladesh’s commitment to take a leading role in promoting a new brand of regionalism, the interests of BIMSTEC’s seven member states are finally aligned. The key word will be connectivity—be it maritime hubs, riverine links from the Himalayas and hinterland regions to the coast, economic topics like free trade and investments, or the cultural foundations of people-to-people exchanges. Such cross-border linkages in and around the Bay of Bengal are crucial for establishing the region as a distinct economic space and cultural community.  It is, therefore, imperative for governments of BIMSTEC’s seven member states, and of India in particular, to commit financial and political resources beyond mere expressions of intention and support. On the other hand, while the organization is pivotally important for fostering economic integration around the Bay of Bengal, this should not preclude its member states from pursuing parallel paths to increase connectivity between the Indian subcontinent and Southeast Asia. As the only multilateral organization focused on the Bay of Bengal, BIMSTEC’s priority areas, in fact, overlap with and complement many other initiatives that seek to bridge what remains one of the world’s least integrated regions. Fulfilling the Bay of Bengal’s tremendous economic potential requires a cooperative approach. BIMSTEC is well equipped to play a major role in facilitating this new regionalism. But its member states will have to endow the organization with adequate resources to transform its bold vision for the Bay of Bengal into reality. Acknowledgments The author is grateful to George Perkovich for his inputs on a draft of this paper. The author would also like to thank Aarushi Aggarwal, Nikita Coutinho, Saksham Khosla, Arushi Kumar, Sreeja Kundu, Rakshit Mohan, Charvee Puri, and Ayan Tandon for their excellent research and editorial assistance. Notes 1 Sunil S. 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[***Ethiopia livestock plan offers route to middle-income***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P0B-9M01-F039-63SM-00000-00&context=1516831)

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**Byline:** Barry Shapiro, ILRI

**Body**

Often dubbed an “  [*African tiger*](https://www.theguardian.com/global-development/poverty-matters/2014/oct/22/ethiopia-african-tiger-middle-income)” after a decade of economic growth averaging 10 per cent a year between 2004 and 2014, Ethiopia is in a state of transformation.

In an ambitious bid to achieve the status of a middle-income country by 2025, the government has developed an extensive blueprint for progress — its Growth and Transformation ***Plan*** 2015-2020 — which has prioritised the development of ***agriculture***.

More specifically, the ***plan*** identifies the  [*role of the livestock sector*](https://news.ilri.org/2015/09/02/lmp-feeds/) in helping to achieve some of the most critical sustainable development goals: reducing poverty by almost 20 per cent, raising national incomes, increasing exports and greatly improving the food and nutritional security of rural and urban people.

Sounds too good to be true? When carefully researched and mapped out in a do-able ***plan***, the many benefits of the country’s growing livestock sector promise just such a revolution.

Until now, most developing countries that rely heavily on small-scale ***agriculture***, including varied livestock production systems, have not invested well or sufficiently in the livestock sector, largely due to the lack of a clear, ***strategic*** roadmap.

The International Livestock Research Institute (ILRI), as part of a project funded by the Gates Foundation, has supported efforts led by Ethiopia’s Ministry of Livestock and Fisheries to draw up a detailed ***plan*** to develop the livestock sector that will maximise the country’s chances of reaching middle-income status.

The  [*Ethiopia livestock master* ***plan***](https://cgspace.cgiar.org/bitstream/handle/10568/68037/lmp_roadmaps.pdf?sequence=1) is a comprehensive assessment of the investment opportunities to increase meat, milk and egg production, respectively, by 58, 83 and a massive 828 per cent over 2012 levels by 2020.

It projects that such greater productivity and the resulting higher income levels would end poverty for more than 2.3m of Ethiopia’s 11m livestock-keeping households.

Achieving this would cost just over $760m over a five-year period, with ***interventions*** in three keys areas: animal genetics, feed and health.

While most livestock in Ethiopia are local breeds, research shows that crossbred cattle, if adequately fed, can ***produce*** 10 times more milk than their local counterparts. Putting into action a livestock breeding strategy to raise the number of crossbreds could pave the way for improved cattle breeds that could, with health and feeding improvements, nearly double the dairy production of Ethiopia’s small-scale farmers and herders.

Genetic livestock improvement is not enough on its own. Genetically improved crossbred animals need to be given better feeds if they are to ***produce*** higher yields of milk, meat and eggs. To accomplish this, Ethiopia will need to overcome chronic shortages of animal forage and processed feeds and increase its investment in new, improved feeds.

Finally, realising the potential of the country’s livestock sector will also need improvements to its animal health services to tackle high calf mortality rates, inadequate veterinary supplies and inefficient veterinary services. To this end, the master ***plan*** calls for more and better public and private animal health services and a more effective regulatory body at federal and regional levels.

The bounty for attracting sufficient private and public investment, and adopting new policies to enact the livestock master ***plan***, would be the transition of millions of Ethiopia’s family farmers and herders from subsistence to market-based livestock ***producers***.

This would have the dual benefit of feeding Ethiopia’s growing population and helping to drive the country’s GDP growth to even higher levels.

For example, the ***plan*** forecasts achieving a surplus of 2.5bn litres of fresh milk by 2020. Not only would this provide the country with greater food and nutritional security; it would also create new opportunities for Ethiopian businesses to process the country’s fresh milk into products for domestic and export markets.

The ***plan*** also outlines how improved rural livestock livelihoods will benefit people in towns and cities through lower prices for milk, meat and eggs and the opening of new job opportunities.

The Ethiopian government has set up four agro-industry parks to attract private sector investment in agro-processing, to help speed up the transformation of the livestock sector.

Having worked with partners to develop this master ***plan***, I am confident that solid investments that focus on small-scale livestock ***producers***, processors and marketers can jump-start the engines of the economic powerhouses of the future, not just of Ethiopia but of other developing countries.

Last year, ILRI scientists began working with  [*Tanzanian*](https://news.ilri.org/2016/03/09/tanzania-lmp/) and Rwandan scientists and government officials to develop livestock master ***plans*** in those countries. It is our hope that successful implementation of Ethiopia’s ***plan*** will lead to a “chain reaction” across the continent.

We know that success of these ***plans*** lies in their execution, and that such execution requires significant effort and co-operation among local, national, regional and international livestock partners.

But as the livestock sector is already a huge contributor to GDP in ***agriculturally*** dependent low to middle-income countries, investments in the right areas and at the right levels offer unprecedented potential for sustainable, broad-based growth and development.

The Ethiopia livestock master ***plan*** makes the case for targeted investments in livestock both clear and compelling. What remains is to find the best ways for the ***plan*** to be realised to help give this African tiger its roar.

*Barry Shapiro is senior livestock development adviser at the International Livestock Research Institute.*

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HINA Digest

21 December 2017

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**Body**

Zagreb, 21 December 2017 (Hina) - Agrokor: 5,700 creditors to become shareholders in a new holding company?ZAGREB, Dec 20 (Hina) - The Temporary Creditors' Council of the heavily indebted Agrokor food and retail group on Wednesday endorsed a draft settlement ***plan*** under which a simple centralised holding company would be established to maintain operational profitability and the 5,700 creditors would become its shareholders, while the group would be refinanced and a portion of its debt written off.Agrokor's government-appointed emergency administrator Ante Ramljak presented the "Restructuring proposal – A draft settlement structure" to the Temporary Creditors' Council, which endorsed it and gave the emergency administration the green light to continue working on a settlement proposal.The move marked the start of the process of reaching a settlement by all of Agrokor's creditors whose claims have been recognised.The draft planoffers the creditors a transparent, quick and equitablesettlement preserving the maximum value, completely separating assets fromlegacy liabilities, and separating old shareholders of Agrokor d.d. from the new group.The document also aims to ensure fullrestructuring of the old debt through a combination of reinstated debt and ownership stakes, with the creditors becoming new owners and taking full operational control over Agrokor.It aims to ensure a swift, simple and efficient transfer of ownership so as to put viable businesses in the hands of the creditors, and to finalise the emergency administration process as quickly as possible.The proposed time frame of 12 months requires swift and efficient action, the emergency administration said.

Talks with the creditors will be held over the next two to three months and a settlement is expected to be reached in late March or early April.The emergency administration said that in preparing the proposal for the restructuring of the conglomeratekey factors should be taken into account, notably the limitations of the present situation, noting that Agrokor is a large group with a total of 160 legal entities, of which 81 are based in Croatia and 77 of them are under emergency administration, while 79 have their headquarters abroad.The emergency administration also drew attention to the very complex structure of claims, adding that about 12,000 claims had been registered, with different statutory rights, rankings and characteristics, of which many had alreadybeen contested.There are also about 5,700Croatian and foreign creditors, including banks, investment funds and suppliers.The value of the creditors' recognised claims is about 41.5 billion kuna, while the value of the contested claims is about 16.5 billion kuna.The emergency administration says that the existing EUR 1.06 billion roll-up agreement should be extended by consensus or refinanced after the settlement or the end of the term of the emergency administration.Restructuring would be carried out in such a way as to preserve the group's business wherever that is viable, maintain the profitability of business operations and avoid liquidation, with all creditors being treated fairly and equitably.Simple centralised holdingThe emergency administration proposed setting up a holding company of a simple centralised structure saying that that would pose the leastrisk to the fulfilment of the settlement ***plan*** as soon as possible.The creditors would be shareholders, and the holding company would have a supervisory board and would hold shareholders' meetings. The management team would require approval for certain significant transactions.The emergency administration further proposed that claims be restructured through returnsdistributed in the form of new instruments to be issued by the top company of the efficient recovery distribution holding structure.Each dependent company within the holding would have its own management that would be focused on maximising the value of individual businesses and would be supervised by the supervisory board of the holding company.The restructuring would include incorporationof new legal entities to which the business of insolvent companies would be transferred, while the unpayable debt would be retained by the old insolvent companies which would be liquidated.Most creditors to write off a portion of claimsThe amount of recognised debts towards third parties is estimated at 5.5 billion euros, of which 4.5 million relates to claims originating from before the launch of the emergency administration and 1.06 billion relates to the financing with super senior status.The restructuring ***plan*** predicts that most of the creditors will write off a portion of their claims based on the financial projections of the group's business and assets. The proposal does not specify the amount of claims that might be written off.The emergency administration says that Agrokor and its consultants will elaborate an "entity priority model" for the payment of claims as support in talks with creditors on debt recovery. The value of the group's business operations and assets will be divided among shareholders based on their statutory rights.Secured claims and those of a higher rankare likely to achieve higher returns than unsecured ones and those of a lower rank. Claims from more valuable or less encumbered entities will probably result in higher returns. Any amount left over would be distributed into equity.Ramljak: Propositions of settlement ***plan*** for Agrokor to be defined in next 3 monthsZAGREB, Dec 20 (Hina) - Agrokor's Emergency Administrator Ante Ramljak said on Wednesday that the Temporary Creditors' Council had endorsed the proposed restructuring and settlement ***plan*** for the group and that this draft would be the starting point fordrawing up final propositions of the settlement in the next three months.Ramljak told a news conference in Zagreb that the the gist of the proposal was to set up a new group in the form of a holding with operational companies to which the assets of the sound segments of the Agrokor groupwould be transferred, free of debts, liabilities and collateral, and that the future holding would be owned by suppliers, banks and bond holders.A portion of the liabilitiesand the remaining debt of the old organisation (the Agrokor group) would be written off and bankruptcy and liquidation proceedings would be opened, Ramljak said.Asked whether the name of the conglomerate would remain the same, he said that that was unlikely. "We are still discussing that."Ramljak said that there would be reservations for the claims from those creditors whose claims had been challenged. The process of settlement will not be slowed due to those creditors. If the relevant court rules in their favour, the claims ofthose creditors willbe added to the mass of the recovered debts, Ramljaksaid.Asked by the press whether suppliers would agree to have more than 15% of their claims written off, Ramljak said that a representative of the suppliers in the Temporary Creditors' Council, Marica Vidakovic, said that this was the initial condition of the suppliers for negotiations.He recalled that in order for the final settlement to be reached, the majority which holds 67% of the total debt needs to support the ***plan***, and he hopes that this percentage will be higher.Ramljak said that 95% of the companies within the Agrokor Group were operating at a profit.Temporary Creditors' Council okays draftThe Temporary Creditors' Council of the private debt-laden food and retail group Agrokor on Wednesday supported thedraft of thesettlement ***plan*** for the group.The endorsement means that the emergency administration has been given a green light to continue its work on the proposed settlement.These steps with respect to Agrokor under the emergency administration "markinitiation of the process of reaching of a settlement to be decided on by all Agrokor’s creditors whose claims have been confirmed," reads a press release issued on Agrokor's website."As stated on previous occasions, the structure of claims being included in the settlement is profoundly complex – cca. 5,700 Croatian and foreign claimants have registered around 12,000 claims relating to different payment classes, and various legal and factual circumstances," the press release said.The value of recognised claims amounts to around HRK 41.5 billion, while the total value of challenged claims amounts to HRK 16.5 billion. It is estimated that the amount of recognised debt toward third parties, i.e. without inter-company claims within Agrokor, is higher than EUR 5.5 billion out of which EUR 4.5 billionrelates to the claims from the pre-petition period, while EUR 1.06 billion relate to the financing with super seniority status,according to the press release.Croatia's growth rate projected at 3.1% in 2017 and 2.9% in 2018 - central bankZAGREB, Dec 20 (Hina) - The Croatian National Bank (HNB) expects the national economy to grow by 3.1% in 2017, while in 2018 the GDP growth is expected to slow down to 2.9%.The HNB's latest estimate is slightly lower than its previous estimate of 3.3% GDP growth in 2017.The HNB governor, Boris Vujcic, told a news conference in Zagreb on Wednesday that the projections had been revised down due to lower-than-expected investments and higher-than-expected imports this year.In 2018, the central bank expects economic growth to slow down to 2.9% and all GDP components to continue growing, however, personal consumption, commodity exports and government spending are expected to rise at a slower rate as the effects of tax reform in 2017 have been exhausted.Capital investments are expected to pick up to 7.1%, a much faster rate than this year's 4.2%.However, Vujcic warned thatinvestments also represented the highest risk for the realisation of the projections in 2018.Inflation is expected to pick up next year as well, to 1.6% as against this year's estimated inflation rate of 1.2%.The HNB also believes that positive labour market trends will continue and that the administrative unemployment rate will fall next year to 11.3% from this year's 12.4%. The survey unemployment rate is expected to fall from this year's 11.3% to 10.2%.Agrokor overhaul may impact labour marketAsked about possible fallout of the restructuring of the private debt-laden Agrokor food and retail group, Vujcic said that "whenthe ***planned*** overhaul starts, it will mean the down-scaling of the work force to some extent."He said that it was difficult to speculate about the number of laid-off workers as all that depended on whowould conduct the overhaul and who would be included in the new ownership structure.Our projections range between 4,000-6,000 job cuts. That, however, depends on the company primarily, Vujcic said.Further recovery of economy requires more reformsHNB analyses and projections show that Croatia has reached such a level of recovery that it cannot move forward without additional reforms.In this context, the HNB governor called for improving the conditions for doing business in Croatia andenhancing the investment climate.The contribution of investments should provide an additional boost for higher GDP in the medium term, he explained.Coming closer to euro area, Schengen and OECD are Croatia'spriorities for 2018ZAGREB, Dec 20 (Hina) - Coming closer to the euro area, the Schengen area and the Organisation for Economic Cooperation and Development (OECD) are Croatia's three foreign policy priorities for 2018, Prime Minister Andrej Plenkovic and Foreign Minister Marija Pejcinovic Buric said at a reception for foreign diplomats in Croatia on the occasion of the Christmas and New Year holidays.Our ambition in the years ahead is to meet the necessary criteria for adopting the euro, to become part of the Schengen area and to join the OECD, the remaining international organisation which Croatia is not yet a member of, Plenkovic said at the reception which was also attended by President Kolinda Grabar-Kitarovic, cabinet ministers, religious dignitaries, senior executives and union leaders."I am confident that we will accomplish these aims through close cooperation between the President of the Republic, the parliament, diplomats and other stakeholders in society, and the accomplishment of these goals will bring about a better life for our citizens," the premier said."The outgoing year has been more challenging than anyone could have expected," not only because we have tried to implement a number of measures ***planned*** in our political ***programme***, but also because we faced "certain inherited issues and a sort of crisis management," he added.Plenkovic expressed satisfaction with the success of his government in implementing the law on emergency administration in companies of systemic importance, averting a large-scale economic crisis in the country and possible domino effects for other companies and the financial system in the country.These successful efforts resulted in record results in the tourist season and continued good macroeconomic trends in 2017, Plenkovic said.He called for building "a tolerant, inclusive society that respects human rights, freedom of the media, free speech and free expression of criticism, and a society in which minorities are strongly protected and integrated."Pejcinovic Buric said that Croatia's foreign policy priorities for next year remained the same -- further strengthening and development of the European Union and its expansion towards Southeast Europe, active participation in international institutions, and stronger cooperation with Eurasia, Africa, South America and Australia.This year Croatia has begun an engagement within the United Nations Human Rights Council and will remain in it until 2019, while as of May next year it will chair the Council of Europe's Committee of Ministers, the foreign minister recalled.This year Croatia also chaired the Southeast European Cooperation Process and next year it will chair the Central European Initiative, she added.This year Croatia has begun intense preparations to assume the presidency of the Council of the EU in 2020, which Pejcinovic Buric said would be "a major test for our diplomacy and public administration", and has also begun preparations for membership of the Organisation for Economic Cooperation and Development.Pejcinovic Buric also mentioned the 16+1 initiative, which includes 16 Central and Eastern European countries and China, and a conference that would take place as part of this initiative, expressing hope that Croatia would assume the chairmanship of this initiative in the forthcoming period.FM: Croatia against unilateral implementation of arbitration award on border row with SloveniaZAGREB, Dec20(Hina) - International law does not allow unilateral implementation of the ruling handed down by the Permanent Court of Arbitration (PCA)on the Croatia-Slovenia border dispute, while the resolution of the issue can be achieved only through agreement by both sides, and Croatia believes that agreement is possible, Foreign Minister Marija Pejcinovic Buric told the national radio (HR) on Wednesday morning.The Croatian minister underscoresthat international law envisages that an arbitration awardcannot be implemented unilaterally and a solution should be sought through agreement by the parties concerned."The implementation under international law can go ahead provided that there is a bilateral agreement," she told the radio on Wednesdaymorning after no breakthrough was made in Tuesday's talks between the Croatian and Slovenian Prime Ministers, Andrej Plenkovic and Miro Cerar respectively.After the talks in Zagreb, Plenkovic said the border must be defined in such a way that can be accepted by both countries and both parliaments, and that this called for some flexibility.Cerar said that Slovenia would only implement those segments of the PCA arbitration award that Ljubljana can carry out on its own.Pejcinovic Buric said that she hoped there would be no incidents or unilateral moves."Premier Plenkovic has outlineda legal framework within which we can certainly hold negotiations on matters close to what the Slovenian side wants," the Croatian minister said.The legal framework envisages five elements: land, sea, navigation regime, establishment of a joint task force to tackle the identification of the border line and ratification in the parliaments.Croatia will continue dialogue with Slovenia at an expert level, whereas their respectivepremiers will bemeeting on the margins of various conference in the future, according to Pejcinovic Buric.Agreement will have to be achieved at some point and we believe that there is room for dialogue and that we are closer to the view where we can agree, she said.She recalledthat a long-standing border issue between Belgium and the Netherlands has existedfor 100 years, and that those two neighbours are dealing with it in a calm manner and only experts tasked with that job now know of the problem.Pejcinovic Buric recalled that Croatia had withdrawn from the arbitration process after it was contaminated by the inappropriate conduct of Slovenia's representatives.Timmermans: Plenkovic-Cerar talks good sign, incidents should be avoidedZAGREB, Dec 20 (Hina) - The meeting between the prime ministers of Croatia and Slovenia is a good sign and even though there are no results yet with regard to the border dispute, incidents should be avoided, and the European Commission is prepared to help the two sides in bringing their stances closer if they wish so, Vice President of the European Commission Frans Timmermans said on Wednesday.Being optimistic, I have to say that it is a good sign that Prime Minister MiroCerar travelled to Zagreb and spoke with Prime Minister AndrejPlenkovic. I admit there are no results yet. As for the Commission and the role that President Juncker has assigned to me, I will try and see whether I can bring their views closer if that is the wish of both sides, Timmermans said and added that he had informed the college of commissioners of that.I think that our most important duty is to prevent any incidents in the short-term if an agreement is not reached in the short-term. We need to leave the border dispute between two EU member states behind us. We have to be able to resolve that. You know the Commission's position about that. We supported the arbitration. We were very clear about the ruling. That is naturally a bilateral issue and where we can, we will help the two countries to come to an agreement in the interest of the citizens of both countries, he said.The two prime ministers met in Zagreb on Tuesday and after three hours of talks the two sides failed to make a breakthrough as Slovenia insists that the arbitration ruling is binding onboth countries and that it should be implemented while Croatia does not want that butproposeda legal framework to resolve the border dispute.Addressing a joint press conference after the talks, Cerar said that the two countries had failed to come closer in their positionson how to resolve their border dispute. "The only way to resolve the border dispute is to implement the arbitration ruling," Cerar said.Cerar said that he understood the Croatian prime minister's position that the arbitration ruling was not binding on Croatia, but that he could not agree with it. "Slovenia absolutely supports the arbitration ruling and considers it to be binding on both countries. The ruling must be respected and implemented," he said.Plenkovic said the border must be defined in such a way that can be accepted by both countries and both parliaments, and that this called for some flexibility.Cerar: Slovenia will start "implementing its jurisdiction"as of 29 Dec.ZAGREB, Dec 20(Hina) - As of 29 December, when adeadline to implement the arbitration ruling on the border dispute between Croatia and Slovenia expires, Slovenia will "implement its jurisdiction" on the sea according to the demarcation determined by the arbitration tribunal, Slovenia's Prime Minister Miro Cerar told Slovenian Radio on Wednesday."Slovenia won't fomentincidents, however, Slovenian authorities will implement their jurisdiction in our sea," Cerar said in an interview with the country's broadcaster, adding that the jurisdiction will be implemented by inspectors and other services because the sea border as defined by the arbitration ruling is "clear," while an agreement and cooperation with Croatia is necessary only on how to jointly implement the provisions of the arbitration ruling on land.Cerar said that Slovenia was waiting for December 29, prepared to implement the arbitration ruling to control the waters assigned to it by the arbitration ruling and that it will not be possible to interpret actions by Slovenia's authorities inPiran Bay after December 29 as incidents."That is a normal situation and Slovenia and Croatia have to accept that," he said.He added that in Tuesday's talks with Croatia's Prime Minister Andrej Plenkovic in Zagreb, he wanted to show the Slovenian, global and Croatian public that Slovenia honours European and international law and that Croatia is violating the rules and that for tactical reasons, which Slovenia does not accept, Croatiawants to delay the implementation, proposing bilateral talks on the border dispute.Slovenia has to insist on the implementation of the arbitration ruling not just for legal reasons but also because it is in its interest and I expect that the European Commission will support us because Slovenia is on the "side of the law," he said.Asked about his relationship with his Foreign Minister, Karl Erjavec, who criticised Cerar's dialogue with the Croatian side, Cerar said that from the start, he and Erjavec were working together in the government's 'implementing team' and that they agreed on everything even though sometimes Erjavec made some sharp statements in public "perhaps thinking a little too much about the coming election."Asked about a possible suit against Croatia for not respecting the arbitration ruling, Cerar said that his government would take the necessary "legal steps" if Croatia did not recognise the arbitration award and did not start implementing it as of 29 December.Bridge party presents amendments to help keep doctors in CroatiaZAGREB, Dec20(Hina) - The opposition Bridge party on Wednesday presented its amendments to the Penal Code and the Act on Association and Union Representativeness, telling the ruling coalition that identifying activities to help keep doctors in Croatia was of crucial importance.Inthe last four years alone, 550 doctors have left Croatia and in the next ten years more than 4,000 will retire, Bridge leader Bozo Petrov told a news conference in the parliament."The 2014 Act on Association and Union Representativess has stripped doctors of the right to take part in collective bargaining," former deputy health minister Ivan Bekavac said, calling for amending the law to acknowledge the importance of the role of doctors in collective bargaining.One of the amendments formulated by Bridge envisages that an act of coercion against a health worker should be considered a criminal offence, Bridge MP Ines Strenja Linic said."We need a definite legal framework to protect doctors and other health workers in performing their duties. Also, the relevant legal regulations need to be amended to punish perpetrators of such offences accordingly and prevent possible future offences," she said.Strenja Linic said that in 2016 alone, 77 attacks on doctors were reported while no record was kept of attacks on nurses.She also proposed the establishment of a special fund for innovative therapies in order to enable the treatment of children suffering from grave diseasesto start as soon as possible even if the medicine required has not been approved by the Croatian Health Insurance Agency but has been approved by the relevant agencies in the USA and Europe.Trade union: Holiday consumer basket for family of three to cost HRK 2,068ZAGREB, Dec20(Hina) - The traditionalconsumer basket for a family of three during the Christmas and New Year season will amount to HRK 2,068, while in 2016 it amounted to HRK 2,000, the NHS trade union said on Wednesday.There are three versions of theholiday consumer basket - thetraditional one, the more modest one and the cheapest one.None of the three versions includes the cost of gifts, a Christmas tree, decorations and fireworks, or the cost of travel to various destinations or New Year's parties.The more modest holiday consumer basket amounts to HRK 928 as against HRK 855 last year.Given that this year Christmas Eve falls on the fourth Sunday of the Advent and does not require fasting, most families will opt for a classic Sunday lunch, which increases the costs because of the greater quantities of meat to be consumed.The traditional holiday basket will therefore cost an additional HRK 68 or HRK 2,136 in total, the more modest consumer basket will cost an additional HRK 52 or HRK 980 in total, and the cheapest one will cost an additional HRK 33 or HRK 578 in total.A comparison of last year and this year's consumer baskets shows that the traditional basket costsHRK 136 more than last year's while the more modest one costsHRK 125 more and the cheapest one HRK 52.The NHS estimates that consumer spending in December will total more than HRK 12.5 billion.Grant contracts, worth EUR 7 mn, signed for wood-processing industryZAGREB, Dec20(Hina) - Twenty-four contracts under the Rural Development ***Programme***, intended for the wood-processing industry and amounting to HRK 52 million, were signed at the ***Agriculture*** Ministry on Wednesday.The contracts were awarded to small businesses and micro, small and medium companies inthe wood-processing industry which had applied for funding to upgrade their equipment and technologies.The grants per project amount to a maximum 50% of the total acceptable costs.The head of the Paying Agency for ***Agriculture***, Fisheries and Rural Development, Matilda Copic, said that the forestry sector and thewood-processing industry were in the focus of the ministry's activities and that in the first quarter of 2018 new applications would be invited for grants to the wood-processing sector.Announcing faster procedures for the awarding of contracts, ***Agriculture*** Minister Tomislav Tolusic said that EU funds worth HRK 100 million had been ensured for the further development of the wood-processing sector, as had an additional HRK 80 million from the national budget.He noted that the contracts signed today meant new jobs, business modernisation and greater efficiency.Commenting on the results of meat safety checks published today, Tolusic said that more than 5,000 food checks had been donethis year, and that 2% of them were positive for bacteria or microorganisms."Inspectors are doing their job, in the currentholiday season they are even more active on the ground, a lot more products are on the shelves and we must be as strict as possible. For 2018 we have ensured HRK 13 million more for food inspections," said the minister, expressing satisfaction that positive changes were visible both on the part of ***producers*** and on the part of retailers.Port operator Luka Rijeka opens new warehouses at Skrljevo terminalZAGREB, Dec 20 (Hina) - Port operator Luka Rijeka opened new warehouses at the Skrljevo terminal outside Rijekaon Wednesday, an investment worth about 30 million euros.Management board chairman Vedran Devcic said that this was the biggest investment in Luka Rijeka in the last 40 years.The project was financed with own funds, namely through recapitalisation and raising of fresh capital."This has provided us with a new ***strategic*** partner, the Polish company OT Logistics, which has the ambition to control activities along the Baltic-Adriatic corridor," Devcic said.He said that pension funds were also the company's partners and that the government remained the owner of a controlling interest in Luka Rijeka.The construction of the new port warehouses at the Skrljevo terminal began in 2013 and finished in August 2016. The new warehouses are expected to enable hiring of additional workers for the port operator and its subcontractors.Devcic said that in the next investment phase the company ***planned*** to renovate the old warehouses at the Skrljevo terminal, built in the 1970s, and that next year it intended to spend 40 million euros worth of grants to upgrade the railway infrastructure in the port basin.Awards for humanitarian work presentedZAGREB, Dec 20 (Hina) - The Minister of Demography, Family, Youth and Social Policy, Nada Murganic, on Wednesday presented state awards for humanitarian work, the highest recognition that Croatia confersfor distinguished achievement and contribution to developing humanitarian work, and Zorislav Bobus, a retired physician and long-serving president of the federationof the associationsof disabled persons, was given the award for life achievement.Bobus has been involved in humanitarian activities for 40 years, strongly advocating raising awareness of the problems faced by disabled persons.Annual awards went to Sr. Jelena Loncar, president of the Zagreb Archdiocesan Caritas, and Ana Kekez of the "Kap Dobrote" Catholic charity organisation."We often hear about humanitarian activities, however, there are some people in society who dedicate their entire lives to that, and they should be recognised and introduced to the public," the minister said.Croatia and Bosnia to cooperate in organ transplantationZAGREB, Dec20(Hina) - The health ministers of Croatia and Bosnia and Herzegovina's Federation entity, Milan Kujundzic and Vjekoslav Mandic respectively, on Wednesday signed a protocol on cooperation in organ transplantation regulating the reciprocal exchange of organs and education in organ transplantation, to be provided by top Croatian medical professionals to their colleagues in Bosnia and Herzegovina.The two ministers also signed an agreement between the Croatian Health Ministry and the Mostar University Hospital under which Croatia will donate HRK 40 million to that hospital to settle its debtsfor medicines and medical material.Mandic said that the protocol on organ transplantation would make it possible for citizens of Bosnia and Herzegovina to indirectly access Eurotransplant and get theopportunity to undergo organ transplants."We will give back the same number of organs we receive so the protocol is to the mutual benefit," said Mandic.Commenting on the financial assistance to the Mostar University Hospital, Kujundzic said that Croatia had a moral and constitutional obligation to help Croats living outside Croatia and that the donation was aimed at alleviating the difficult financial situation of Bosnia and Herzegovina's health system.Three Serb army members arrested for Srebrenica genocideZAGREB, Dec20(Hina) - A former senior officer and two other members of the Bosnian Serb army were arrested on Wednesday on charges of genocide in Srebrenica and a campaign of ethnic cleansing against Bosniaks in other parts of eastern Bosnia.State prosecutors confirmed that 64-year-old Mile Kosoric, the wartime commander of the Republika Srpska Army's Vlasenica Brigade, 43-year-old Rade Garic, commander of the brigade's ***intervention*** squad, and 54-year-old Momcilo Tesic, a former military police officer, were arrested in Han Pijesak and Vlasenica on Wednesday morning.They are under investigation for involvement in the execution of a larger group of Srebrenica Bosniaks, whom the brigade under Kosoric's commandseparated from a civilian convoy near Vlasenica that was leaving Srebrenica after the enclave fell into the hands of the Serb army in July 1995. At least 30 civilians were killed on that occasion and their bodies were found after the war in a mass grave near the village of Mrsici.Garic is under investigation also because of war crimes committed in the period from 1992 to 1995 in the area of Vlasenica and the charges include murder, torture and rape committed against Bosniak civilians by members of the Bosnian Serb army.During the 1992-95 war, Vlasenica's entire Bosniak population was expelled. More than 1,700 civilians were killed and the remains of around 500 victims are still being searched for.Kosoric and Tesic are charged with genocide, while Garic is charged with crimes against humanity.Vucic: Russia willing to join Serbia-Kosovo talks if USA joins inZAGREB, Dec20(Hina) - SerbianPresident Aleksandar Vucic has said during his visit to Moscow thatRussia is willingto become involved in the dialogue between Serbia and Kosovo provided that the format of negotiations is changed to include the United States whosemediation is being requestedby Pristina, Serbian electronic media reported on Wednesday.The visiting Serbian head of state, who met Russian President Vladimir Putin on Tuesday, was quoted as saying that he hadreceived aconfirmation of Moscow's readiness to join negotiations between Serbia and Kosovo to bring the situation in Kosovo back to normal if the format of the talks is changed to include the USA as a mediator."We have struck a sort of deal... We have asked if we could propose Russia as a mediator and Putin answered in the affirmative," Vucic said.After their two-and-a-half hour talks in the Kremlin on Tuesday, Putin told a joint news conference that Russia supported Serbia's territorial integrity and sovereignty and political dialogue between Belgrade and Pristina as well as a joint decision that would be inthe interest of both sides and in conformity with UN Security CouncilResolution1244.During a three-day visit to Russia, Serbia's delegation, led by Vucic, signed several agreements with the Russian authorities, includingone allowing Serbia to re-export Russian gas.In other news:Zagreb archbishop calls for "return to good" in his Christmas messageZAGREB, Dec20(Hina) - The Archbishop of Zagreb, Cardinal Josip Bozanic, on Wednesday issued a Christmas message to the faithful in which he warned about the dangers of the current atmosphere of hopelessness in the Croatian society, manipulation andundermining of the nation's self-respect and identity, and calledfor "a return to good.""I feel sorry for my Croatian peopleand society, because of what it has been experiencing and because its self-esteemand healthy self-confidence arebeing undermined by skillful manipulation of facts," Bozanic says in his message.He underlined that instead of advocating stronger rules and value systems, disappointment and mistrust were being fomented.The purpose of this, he said, is to "compromise the beauty and value of marriage, family, nation, homeland, and human life, from conception to the natural death."Manipulating and drawing public attention to evil and to wrong values contributes to the complex processes of disintegration of the Croatian national identity, with consequences that are not entirely foreseeable but that are very evidently harmful, says Bozanic, underlining in that context the preciousness of Christmas, of good, generosityand selflessness."We have seen recently how important it is to nurture the nation's soul which does not fail in its judgments andwhich is prepared for selflessness, forgiveness and for seeking forgiveness; which is open to good and to a new beginning," Bozanic said in the message, among other things.Well-known Croatian writer Miro Gavran receives Dr Alois Mock Europapreis awardZAGREB, Dec 21 (Hina) - A renowned Croatian novelist and playwright, Miro Gavran, received the Dr. Alois Mock-Europapreis award at a ceremony in Vienna on Wednesday evening.The award was bestowed on Gavran by former Austrian Vice-Chancellor and the chairman of the Dr. Alois Mock-Europa-Stiftung foundation, Michael Spindelegger, who commended Gavran as a marvellous man of letters who fostered European values."His works are imbued with tolerance and optimism about future," Spindelegger said.At the ceremony, Gavran said that he was extremely happy to be among great Europeans-recipients of this award.He recalled a great role of distinguished Austrian politician and foreign minister Alois Mock "who strongly supported Croatia on the journey towards its independence."He said that the award was also the confirmation of friendship between Austria and Croatia.The award called "Dr. Alois Mock-Europa-Preis" was established in 2002 and since then it has been conferred to politicians, artists, writers and journalists who promote European unity and value in their activities and public appearances. Some of the recipients so far have been former Austrian foreign minister and EU Commissioner Dr. Benitta Ferrero Waldner, as well as politicians Otto von Habsburg, Hans Dietrich Genscher, Karl Schwarzenberg, and Jose Manuel Barroso.Gavran's works have been translated into 38 languages, and this 56-year old novelist, playwright and stage director has so far won a score of theatre and literary awards.Gavran is one of the most prolific and frequently performed writers.ZSE indices close mixedZAGREB, Dec 202017 (Hina) - The main Zagreb Stock Exchange (ZSE) indices closed mixedon Wednesday, with the Medika pharmaceutical company accounting for a third of the day's trading volume.The Crobex ended up 0.02% at 1,845.53 points while the specialised Crobex10 shed 0.10% to close at 1,076.87 points.Regular turnover amounted to HRK 9.04 million or about HRK 4 million more than on Tuesday.The biggest turnover, of HRK 3.46 million,was generated by the Medika company, and theprice of its shares increased by 1.43% to HRK 13,800 per share.Noother stock crossed the million kuna mark in turnover.(EUR 1 = HRK 7.5)THIS BULLETIN INCLUDES ITEMS RELEASED BY 0830 HOURS THURSDAY. (Hina) vm Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, Dec 20 (Hina) - The Temporary Creditors' Council of the heavily indebted Agrokor food and retail group on Wednesday endorsed a draft settlement ***plan*** under which a simple centralised holding company would be established to maintain operational profitability and the 5,700 creditors would become its shareholders, while the group would be refinanced and a portion of its debt written off.

ZAGREB, Dec 20 (Hina) - Agrokor's Emergency Administrator Ante Ramljak said on Wednesday that the Temporary Creditors' Council had endorsed the proposed restructuring and settlement ***plan*** for the group and that this draft would be the starting point fordrawing up final propositions of the settlement in the next three months.

ZAGREB, Dec 20 (Hina) - The Croatian National Bank (HNB) expects the national economy to grow by 3.1% in 2017, while in 2018 the GDP growth is expected to slow down to 2.9%.

ZAGREB, Dec20(Hina) - International law does not allow unilateral implementation of the ruling handed down by the Permanent Court of Arbitration (PCA)on the Croatia-Slovenia border dispute, while the resolution of the issue can be achieved only through agreement by both sides, and Croatia believes that agreement is possible, Foreign Minister Marija Pejcinovic Buric told the national radio (HR) on Wednesday morning.

ZAGREB, Dec 20 (Hina) - The meeting between the prime ministers of Croatia and Slovenia is a good sign and even though there are no results yet with regard to the border dispute, incidents should be avoided, and the European Commission is prepared to help the two sides in bringing their stances closer if they wish so, Vice President of the European Commission Frans Timmermans said on Wednesday.

ZAGREB, Dec 20(Hina) - As of 29 December, when adeadline to implement the arbitration ruling on the border dispute between Croatia and Slovenia expires, Slovenia will "implement its jurisdiction" on the sea according to the demarcation determined by the arbitration tribunal, Slovenia's Prime Minister Miro Cerar told Slovenian Radio on Wednesday.

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ZAGREB, Dec 20 (Hina) - Port operator Luka Rijeka opened new warehouses at the Skrljevo terminal outside Rijekaon Wednesday, an investment worth about 30 million euros.

ZAGREB, Dec 20 (Hina) - The Minister of Demography, Family, Youth and Social Policy, Nada Murganic, on Wednesday presented state awards for humanitarian work, the highest recognition that Croatia confersfor distinguished achievement and contribution to developing humanitarian work, and Zorislav Bobus, a retired physician and long-serving president of the federationof the associationsof disabled persons, was given the award for life achievement.

ZAGREB, Dec20(Hina) - The health ministers of Croatia and Bosnia and Herzegovina's Federation entity, Milan Kujundzic and Vjekoslav Mandic respectively, on Wednesday signed a protocol on cooperation in organ transplantation regulating the reciprocal exchange of organs and education in organ transplantation, to be provided by top Croatian medical professionals to their colleagues in Bosnia and Herzegovina.

ZAGREB, Dec20(Hina) - A former senior officer and two other members of the Bosnian Serb army were arrested on Wednesday on charges of genocide in Srebrenica and a campaign of ethnic cleansing against Bosniaks in other parts of eastern Bosnia.

ZAGREB, Dec20(Hina) - SerbianPresident Aleksandar Vucic has said during his visit to Moscow thatRussia is willingto become involved in the dialogue between Serbia and Kosovo provided that the format of negotiations is changed to include the United States whosemediation is being requestedby Pristina, Serbian electronic media reported on Wednesday.

ZAGREB, Dec20(Hina) - The Archbishop of Zagreb, Cardinal Josip Bozanic, on Wednesday issued a Christmas message to the faithful in which he warned about the dangers of the current atmosphere of hopelessness in the Croatian society, manipulation andundermining of the nation's self-respect and identity, and calledfor "a return to good."

ZAGREB, Dec 21 (Hina) - A renowned Croatian novelist and playwright, Miro Gavran, received the Dr. Alois Mock-Europapreis award at a ceremony in Vienna on Wednesday evening.

The award was bestowed on Gavran by former Austrian Vice-Chancellor and the chairman of the Dr. Alois Mock-Europa-Stiftung foundation, Michael Spindelegger, who commended Gavran as a marvellous man of letters who fostered European values.

"His works are imbued with tolerance and optimism about future," Spindelegger said.

At the ceremony, Gavran said that he was extremely happy to be among great Europeans-recipients of this award.

He recalled a great role of distinguished Austrian politician and foreign minister Alois Mock "who strongly supported Croatia on the journey towards its independence."

He said that the award was also the confirmation of friendship between Austria and Croatia.

The award called "Dr. Alois Mock-Europa-Preis" was established in 2002 and since then it has been conferred to politicians, artists, writers and journalists who promote European unity and value in their activities and public appearances. Some of the recipients so far have been former Austrian foreign minister and EU Commissioner Dr. Benitta Ferrero Waldner, as well as politicians Otto von Habsburg, Hans Dietrich Genscher, Karl Schwarzenberg, and Jose Manuel Barroso.

Gavran's works have been translated into 38 languages, and this 56-year old novelist, playwright and stage director has so far won a score of theatre and literary awards.

Gavran is one of the most prolific and frequently performed writers.

ZAGREB, Dec 202017 (Hina) - The main Zagreb Stock Exchange (ZSE) indices closed mixedon Wednesday, with the Medika pharmaceutical company accounting for a third of the day's trading volume.

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HINA Digest

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**Body**

Zagreb, 11 May 2018 (Hina) - Economy minister says won't resignZAGREB, May 11 (Hina) - Economy Minister Martina Dalic said on Friday she would not resign, addingthat the leaked emails confirmed that she was the main author of Lex Agrokor and thatin drawing it upshe had consulted many who could help."I won't resign," she told reporters, asking them, "Why do you think that I've lost the trust of the coalition partners?"The ruling coalition met today to discussthe publication of emails betweenDalic and the consultants and lawyers who worked on the law on emergency administration in systemic companies, dubbed Lex Agrokor.As for the text messages allegedly between her and Prime Minister Andrej Plenkovic which Ivica Todoric, the founder of the ailing Agrokor conglomerate, sent the president of the republic and the Croatian Helsinki Committee on Human Rights, Dalic said that, judging by those she saw, they were "an absolute forgery, a fabrication."Dalicsaid she saw no problem in the fact that the State Prosecutor's Office would examinethe email correspondence "because I did what I did to find a solution tothe biggest crisis since Croatia's independence. I had very little time in that process. There was no time for any projections, public consultations."She reiterated that the Constitutional Court upheld Lex Agrokor and that it was one of the most checked laws at international courts.

She said it was drawn up by experts of the justice and economy ministries and the Legislation Office, with help and input from numerous people, only some of whom appeared in the email correspondence."Corresponding withsomeone by email says nothing about connections," Dalic said, adding that she corresponded via four email addresses.She denied any conflict of interest. "From the start, I did everything in consultation with the two political partners," she said, referring to the HDZ and Bridge parties, partners in the ruling coalition when Lex Agrokor was adopted."This isn't my project. This isabout a problem that happened toCroatia, about a responsible government whichhad to resolve that problem and I was put in charge of resolvingthat problem."She saidthatreaching a settlement for Agrokor would leavemany interest groups permanently dissatisfied and that the attacks on the government were attempts to defend their interests, including Todoric's. She reiterated that the publication of the emails was alast-ditch attempttostrike at the government to prevent asettlement from being reached.PM: Gov't not hostage to ministerZAGREB, May 11 (Hina) - Prime Minister Andrej Plenkovic said on Friday the government was not a hostage to Economy Minister Martina Dalic and that he would say more about the "emailsscandal" after today's meeting with the ruling coalition partners on this matter."No, we're nobody's hostages," Plenkovictold reporters, adding that Dalic had made a big contribution to the solving of thebiggest problem of Croatia's economy since the 1991-1995 war, the crisis in the Agrokor conglomerate.He said, however, that someone would answerif there had been deliberate mistakes in the creation of the law on emergency administration in systemic companies, dubbed Lex Agrokor.He wondered why the emails between Dalic and the consultants and lawyers who had worked on the law were published now. "We have to finalise the settlement in Agrokor, we have 60 more days. Why did the emails come out on the day I was giving a big interview and receivedthe award for European speech of the year?""If they were available, why didn't they come out sooner? This was orchestrated, this was timed," he said, without specifying who stood behind it.Coalition partners support gov't, talks to continueZAGREB, May 11 (Hina) - Partners in the coalition government said on Friday after a meeting with Prime Minister Andrej Plenkovic on the emails scandal involving Deputy Prime Minister and Economy Minister Martina Dalic, that the prime minister still had their trust and that talks would continue on Tuesday to discuss progress in reaching a settlement on the indebted Agrokor food and retail conglomerate and whether anyone had taken advantage of the present situation for their own gain.Speaking to the press after the meeting, Social Liberal Party (HSLS) leader Darinko Kosor said that the coalition partners supported the prime minister and that the parliament majority was not at risk, but stressed that they expected certain things to be dealt with."First of all, we expect a settlement to be reached by July 10 because that is the issue of all issues. On the other hand, if there are individuals who broke the law and took advantage of this situation for their own gain, the authorities, including the State Prosecutors and police, should investigate and inform us of their findings," Kosor said."The coalition is not at risk. Andrej Plenkovic has our support, but individuals who did certain things should be investigated by state authorities," Kosor said. He would not say whether he would resign if he were in Dalic's shoes or whether Dalic was possibly morally responsible.The leader of the Independent Democratic Serb Party (SDSS), Milorad Pupovac, said that they had adopted certain conclusions and would continue talks next week, adding that they must not allow the reaching of a settlement on Agrokor and the functioning of the government to be threatened."We are meeting again next week to see how far we have come with this important process for the country, which is reaching a settlement. Secondly, we will discuss in detail where this process was contaminated. The members of the ruling coalition support the functioning of the government and reaching of these goals," Pupovac said.Branimir Glavas of the regional Slavonia and Baranja Party (HDSSB) said that the government stays and the prime minister has the full trust of the coalition partners. "It is essential that a settlement on Agrokor is successfully implemented because that is in general national interest," he said.Vladimir Bilek, who represents the Czech and Slovak minorities in Parliament, said that the Agrokor law was one of the positive things the government had done.Commenting on the leaked emails between Dalic and the consultants and lawyers who worked on the drafting of the Agrokor law, Bilek said that their correspondence would be checked by relevant authorities. "They will check them. The prime minister and the government have support and the ruling majority is stable," he added.The head of the Reformists party, Radimir Cacic, who came out of the meeting earlier, said he could not see any elements of a criminal offence in the case of Martina Dalic. "The State Prosecutor must get involved at the first sign of a crime. Are there any such signs or not, I don't know," he said.Croatian People's Party (HNS) leader Ivan Vrdoljak said it was important to show responsibility for the process of reaching a settlement on Agrokor and to preserve tens of thousands of jobs in the conglomerate.Parl. speaker sees attacks as attempt to foilAgrokor settlementZAGREB, May 11 (Hina) - Commenting on the latest developments concerning Deputy Prime Minister Martina Dalic's e-mails about Agrokor, Parliament Speaker Gordan Jandrokovic said that at the moment it wasessential to reach a settlement for Agrokor, while a lot ofeffort was being made to prevent thatsettlement and to incite political instability and crisis in the country.Attending the celebration for Dubrovnik-Neretva County Day, Jandrokovic underscored that he didn't want to rush into assessing developments surrounding Matina Dalic "because it's difficult to ascertain what information is authentic and what is 'fake news'.""A lot of that is being used to 'muddy the water'. One should be on alert and be careful not 'to hit the first ball', but to determine the truth, that is, what has been released or palmed off in an effort to jeopardise the settlement for Agrokor," Jandrokovic said and added that it was necessary to talk with the coalition partners and find an appropriate solution."Naturally, it's necessary to take account of economic stability and Agrokor's future and assess what is currently politically useful for Croatia and the Croatian Democratic Union (HDZ), he explained.He doesn't think that it will come to a snap election instead that a solution will be found that will maintain political stability, economic growth and development."The tourism season is ahead of us, which is expected to be the best ever. We have reasons to maintain a parliamentary majority and government," he said.Bridge party chief:Let's wait for institutions to establish if text messages are forgedFormer speaker and incumbent deputy speaker Bozo Petrov of the Bridge party said that "this is the first time," he has seen Dalic's text messages. "Let's wait for the relevant institutions to determinewhether they are authentic or forged before we can make any comments," he said.Bridge has signatures for motion aboutAgrokor inquiry commissionZAGREB, May 11 (Hina) - Bridge's political secretary Nikola Grmoja said on Friday that the party had gathered 30 signatures and submitted a motion to reinstate theAgrokor inquiry commission so that parliament could discuss current developments surroundingthe ailing Agrokor food and retail conglomerate."That means that next week we will have one item during which we can debate on the entire contaminated process around Agrokor and particularly with regard to the new details that are being leaked to the public every hour," Grmoja told a press conference.He underscored that Bridge was waiting for the outcome of today's meeting between the Croatian Democratic Union (HDZ) and its coalition partners, but nothing happened even though the entire public expected them to make a move, he said. "What else needs to happenbefore we see a normal reaction from the government and prime minister," Grmoja said.Bridge is proud because the difference between them and those who are in the HDZ today can now be seen. "This is one of the biggest scandals in the history of Croatian politics and it requires the resignation of the prime minister and the entire government," Grmoja added.Responding to claims by Prime Minister Andrej Plenkovic that Bridge, as HDZ's coalition partner at the time, knew everything concerning the preparationof Lex Agrokor, Grmoja said that Bridge indeed insisted that experts be called in to analyse the financial situation in Agrokor but that they did not "coordinate or transform those who wrote the law.""We were for experts, but not for those experts to be engaged, which is in fact what happened after we left the government," Grmoja said.Earlier in the day the Social Democratic Party (SDP) reported that they had gathered 30 signatures for a motion in parliament to debate the latest developmentsat Agrokor as the so-called "Hotmail Scandal" has shown that there were elements of criminal offences in the entire process of preparing and writing Lex Agrokor.SDP advised that it would be"tactical that they (Bridge) submit their initiative next week so that Agrokor can be the topic of debate for two weeks running."SDP says has enough signatures for Agrokor debatenext weekZAGREB, May 11 (Hina) - Social Democratic Party (SDP) MPs Pedja Grbin and Arsen Bauk on Friday announced an initiative by 30 lawmakers regarding the latest developments in the ailing Agrokor food and retail conglomerate, which will secure that that issue is debated at a plenary session of parliament next week with Grbin saying that the "Hotmail Scandal," has shown that the entire process of creating and implementing Lex Agrokor contains elements of criminal wrongdoings.Grbin told a press conference in parliament that the offence refers to abuse of position and authority, abuse of privileged information and prior association. He underscored that this "isn't a criminal act that was committed coincidentally in one evening, but something that was prepared two and a half months before Lex Agrokor."Grbin describedthe situation as a conflict of interest whena government official bypasses procedure and together with private persons agrees to the way a law will be prepared, in particular, how the law will be implemented and when private persons in that company syphon a significant amount of money and gain benefit.He warned of the problem of security too considering that the private e-mails of the second in ranking in the government were released, particularly since the SOA intelligence agency had previously checked Dalic's e-mails."When I see that our colleagues in the Croatian Democratic Union (HDZ) say that everything that has been released is 'OK' I wonder then if this that is public is 'OK' what then is secret and what are they possibly hiding," Grbin questioned.Bauk: The most decent way out would be for Martina Dalic to step downBauk sent a message to Prime Minister Andrej Plenkovic that now is no the time to "dedramatise and relax but to call his secretary to write up a notice," and that the most decent thing would be for Deputy Prime Minister and Minister of Economy Martina Dalic to step down.He said that the opposition has used this initiative based on the new provision in the rule book which meant that the matter needn't wait more than 60 days to be debated in parliament and that 30 signatures by MPs was sufficient for a matter to be debated within a week.Bauk: It would be good for Bridge to submit its proposal next week so that Agrokor can be the topic of debate for two weeks runningThe Bridge party too is in the process of collecting 30 signatures to call for a new Inquiry Commission into Agrorkor and Bauk believes that it would be "tactical that they (Bridge) submit their initiative next week so that Agrokor can be the topic of debate for two weeks running."Today's initiative was signed by 28 SDP MPs and independent MPs Mirando Mrsic and Goran Aleksic from the SNAGA party.SOA engaged in efforts to clarify "alleged e-mail scandal", says agency chiefZAGREB, May 11(Hina) - The head of the Security and Intelligence Agency (SOA), Daniel Markic, said on Friday that the agency is engaged in efforts to make the situation surrounding "the so-called e-mail scandal" clear and is giving law enforcement authorities, including the Office of the Chief State Prosecutor, full support."We can say only that SOA is engaged. Thatis our job. We have been clearly instructed by the state leadership to clarify the situation. We are supporting DORH, and it is important that DORH provides afinal 'remedy',"Markic told the N1 commercial broadcaster.Asked about the possible findings, Markic said that the agency would put forward a final report to the state leadership and possibly to the Parliament's National Security Committee.After that the media will be informedof the documents.Asked about the authenticity of some text messages published in media outlets that claim that they came from the Economy Minister Martina Dalic's phonesand people seen to be associated with the preparation of the Lex Agrokor, Markic said that "they seem ridiculous at first glance."However, the agency will deal with the matter to establish what this is about, he added.Const. Court president denies connection to emails scandalZAGREB, May 11 (Hina) - Constitutional Court president Miroslav Separovic said on Friday that his being linked to contentious messages in the Agrokor emails scandal was an attempt to downplay the importance of the Court's recent decision that Lex Agrokor was in line with the constitution.The contentious messages are allegedly contained in documents which Ivica Todoric, the founder of the ailing Agrokor conglomerate, sent to the Croatian Helsinki Committee on Human Rights, asking it to "forward them to the relevant authorities to establish the truth."The documents saySeparovic was contacted by the vice president of the ruling HDZ party, Milijan Brkic, about a "case" linked to former Agrokor financial director Ivan Crnjac. Some media claim the documents are fake and Todoric claims he obtained them anonymously."That's nonsense. Neither did Mr Brkic call me nor did Mr Crnjac have a case at the Constitutional Court," Separovic told reporters, adding that he assumed this was an attempt to downplay the Court's ruling on the law on emergency administration in systemic companies, dubbed Lex Agrokor.Commenting on a reporter's remark that three Constitutional Court judges had dissenting opinions on the law's constitutionality, Separovic said this was normal in the Court's work.Citing unofficial sources, the HRT public broadcaster has said the documents "represent fake communication" between Prime Minister Andrej Plenkovic and Economy Minister Dalic and between her and "many persons."After the contentious correspondence surfaced in the media, the State Prosecutor's Office said on Wednesday it was "considering the relevance of information published in publicly available sources"as part of its probe into severalcriminal complaints filed concerning Agrokor.Conflict of interest commission opens file on DalicZAGREB, May 11 (Hina) - The Commission on the Prevention of Conflict of Interest has opened a file on the Deputy Prime Minister and Minister of Economy, Entrepreneurship and Crafts, Martina Dalic, following media reports on her role in the preparation of a law concerning the indebted Agrokor food and retail conglomerate and a complaint filed on Friday, spokeswoman for the Commission Martina Jurisic told Hina on Friday.Jurisic could not say when the case would be discussed because the Commission first needs to see if any additional documents are required and if any other facts need to be established.The Commission first needs to decide whether the information provided by the media and the complaint is sufficient to open the case or not, the spokeswoman said, adding the file was opened only yesterday and that a decision on the matter will be taken as soon as possible.Farmers' Association demands Dalic's resignationZAGREB, May 11 (Hina) - The Croatian Farmers' Association (HUP) on Friday called on Deputy Prime Minister and Economy Minister Martina Dalic to step down because of her role in the preparation of a law concerning the indebted Agrokor food and retail conglomerate, stressing that she was putting at risk the implementation of the law and the survival of companies operating within the Agrokor group, particularly those from the ***agricultural*** sector.Speaking to reporters outside government headquarters, the HUP president and member of the coordinating body of Agrokor's suppliers, Tihomir Jaic, called for Dalic's resignation, saying she was threatening the reaching of a settlement on Agrokorand the survival of theagricultural sectorwhich employs more than 10,000 people.Dalic gave confidential information to "her boys from the Hotmail group" about Agrokor's business, while at the same time these "boys" were consultants for various brokerage firms that traded in shares of ***agricultural*** companies, Jaic said.The people Dalic corresponded with were also consultants for large suppliers who now occupy leading positions in the coordinating body, Jaic said. "These suppliers had insider information in preparing the settlement, debt repayment and such," he added.Asked to specify who these consultants were, Jaic said that all of them were in Dalic's mailing group, headed by the former government emergency administrator for Agrokor, Ante Ramljak.Jaic said he did not want to reveal any names because last time they did so they received threats of lawsuits from large suppliers. He indirectly confirmed that one of them was confectioner Kras.Portuguese, Croatian presidents push for boost inbilateral tiesZAGREB, May 11 (Hina) - The visiting Croatian president Kolinda Grabar-Kitarovic andher Portuguese counterpart, President Marcelo Rebelode Sousa, met in Lisbon on Friday for the talks ondeepening economic and education cooperation between the two countries."I believe that this visit will mean a new step in our relations. In the past 25 years there has never been any outstanding issues between Portugal and Croatia," Grabar-Kitarovic said after the meeting."We recall that Croatia's international recognition came just as Portugal was chairing the EU," she added.Interest in strengthening economic cooperation with Portugalwas enhanced when Croatia joined the European Union in the summer of 2013.Grabar-Kitarovic is currently on a two-day return state visit to Portugal after President Rebelo de Sousa conducted a state visit to Croatia in May 2017.The governments of the two countries have signed an agreement in the area of language, education, science, culture, sports and youth for the period 2018 to 2020. "That agreement represents a bridge toward the future," Rebelo de Sousa said."We share European values. Relations are excellent. There hasn't been any problemin the past 25 years. We believe in the values of togetherness, human solidarity and development," the Portuguese head of state added.The two presidents discussed current challenges facing the European Union and expressed their joint positions."Our two countries are located on the opposite sides of the European Union but are working toward the aim of EU integration, its stronger cohesion and further democratisation of processes and drawing closer to the EU and our governments toward citizens. That is the only way we can fight against growing populism and other tendencies that we can seetoday in the EU which erode European values," the Croatianleadersaid.She announced Croatia's priorities when Zagreb takes the chair of the European Union in the first half of 2020."When it comes to financing and European funds, Croatia advocates retaining traditional funds like the ***agriculture*** and cohesion funds which enable our countries to attain equal development. The final aim has to be to erase the borders that can still be seen in Europe through the standard of living, economic development and infrastructure development particularly in those countries that did not enjoy democracy and market economies," she said.Other priorities include economic growth and employment, particularly of young people, transport connectivity, energy and security and EU enlargement."We will continue the practice of conducting summits of Western Balkan countries so that we can ensure their progress on the pathway to EU membership," she added.A Portuguese-Croatia economic forum was organised on Friday and the president believes that it will create more room for new cooperation from shipbuilding to high technology. Portugal is one of the fewcountries where Croatia has a trade surplus and exports more to Portugal than it imports from it.Grabar-Kitarovic also met with Prime Minister Antonio Luis Santos da Costa and Parliament Speaker Eduardo Ferro Rodrigues.After her talks with the Lisbon mayor, Fernando Medina, the Croatian president said that the talks with her hosts confirmed the excellent relations between the two countries.On Saturday the Croatian president will conduct a pilgrimage to Fatima.President Grabar-Kitarovic's state visit to Portugal began on Friday witha welcome ceremony in Lisbon's main square, the site where once large sail boats embarked on their voyages to the "new world." Several hundred citizens stood by and watched the hand-shaking ceremony between the two presidents. Later Grabar-Kitarovic laid a wreath in the cathedral at the grave of Luis de Camoes, who is considered to be Portugal's greatest poet.Croatian companies looking for business opportunities in PortugalZAGREB, May 11 (Hina) - Portugal is one of the few countries to which Croatia exports more than it imports from, hearda Portuguese-Croatia economic forum held on Friday in Lisbon where about a hundred Croatian and Portuguese business people met to discuss mutual cooperation and possible joint ventures s in former Portuguese colonies.The economic forum was held during a state visit by President Kolinda Grabar-Kitarovic to that country on the Iberian Peninsula."Croatia and Portugal have excellent political relations and the aim of this visit is for that excellent cooperation to be copied in our economies. Considering alow volume of trade of just over 85 million euro, the direction we have to go in is up andthat is why we are here today," the president of the Croatian Chamber of Commerce (HGK), Luka Burilovic said.In 2017, trade with Portugal amounted to 85.3 million euro which is a 14% increase compared to 2016, HGK data shows.Croatia exported products valued at 57.9 million euro and imported 27.4 millions worth.Croatia mostly exports leather products, socks, medicines and rubber and plastic manufacturing machines while it imports raw paper and cardboard, tyres and pork."Economic relations between our two countries aren'tdeveloped sufficiently. However, there is potential for us to be complimentary, to mutually compliment each other and collaborate on third markets. For example, Portugal can be Croatia's gateway toward Portuguese speaking countries while Croatia can be Portugal's gateway to Southeast Europe," President Grabar-Kitarovic said addressing the forum.Plenkovic on Croatia's progress in EU: From "footnote" to equal partnerZAGREB, May 11 (Hina) - In the five years of its membership of the European Union, Croatia has become an equal actor of European institutions and has progressed economically, whilein 1990 it was just a "footnote" on European integration, Prime Minister Andrej Plenkovic said at a conference at the Zagreb School of Law on Friday.Plenkovic made a keynote speech at the opening of a two-day international conference markingfive years of Croatia's EU membership, called"The Role of Law and Courts in a Changing European Union."Plenkovic described Croatia's achievements during its five years of EU membership as "very solid" and underscored that since 2013 its economy had been growing again."EU accession marked the end of the crisis for us and that can be felt," he said."We are growing economically. We have a low unemployment rate and consequently a higher employment rate, a better credit rating and a budget surplus. We have become actors of European institutions," he said and underscored that the best symbol of the advantages of EU membership is the Peljesac Bridge which will receivea EUR 375 million grant.The real financial benefits from EU membership and Croatia's position will be obvious in about 2023, after ten years of membership, Plenkovic added.He recalled that Croatia joined the EU much later than other Central and Eastern European countries which entered in 2004, and exploited the enthusiasm of Western Europe forenlargement, while Croatia was "practically in the waiting room."It was only in 2014 that Croatia achievedthe level of growth it had in 1990, he said."Central and Eastern European countries had already entered the EU when we just started our negotiations. In 1990 we were practically a 'footnote country'," he said.Plenkovicunderscored that Croatia was alone in its EU negotiations,that it was given a condition to cooperate with the International Criminal Tribunal for the former Yugoslavia (ICTY) in The Hague, and that it had to deal with unjustified meddling in unrelated bilateral issues which set the country back five years."With all due respect, no one said 'sorry'. No one has yet apologised to me for that," he said and added that Slovenia wasn't the only one guilty of that."War, aggression, blockades, 15 years' delay in all. But we managed," he added.Plenkovic underscored two major objectives of Croatia's European policy: joining the Schengen Area, "something we should be technically prepared for by the end of next year", and adoption of the euroin a longer term.The EU is a project of peacePresident of the European Court of Justice (ECJ) Koen Lenaerts said that Croatia's accession to the EU on 1 July 2013 was important for balance in this part of Europe after almost a quarter of a century of turmoil.The European Union is a project of peace founded on democracy, justice and the rule of law, Lenaerts said, comparing it to a builder of bridgesbetween countries and people.EU membership means greater political control and not less. We can't achieve anything on our own. We strengthen the member states, we don't replace them, he said adding that the EU doesn't want to bring their national identity into question.Speaking about European law, Lenaerts underscored that it is the domestic law of all member states, including Croatia, and that it is aimed at ensuring a better life and protection for European citizens.Croatia strongly supports territorial integrity of Ukraine, says PMZAGREB, May 11(Hina) - Croatian Prime Minister Andrej Plenkovic on Friday received the Ukrainian parliament's deputy speakerIryna Herashchenko, and on that occasion he said that Croatia strongly supports the territorial integrity of Ukraine and its journey towards the European Union.Herashchenko informed Plenkovic, who used to be at the helm of the European Parliament's committee for Ukraine-EU relations, of the current security and political state of affairsin her country.She underscored that Ukraine was committed to Europe-oriented reforms and to the implementation ofUkraine-European Union Association Agreement, which took effect in 2017.Plenkovic pledged Croatia's support and assistance to Ukraine on its journey towards the EU bloc, according to a press release issued by the government.The Ukrainian official thanked the working group for Croatian-Ukrainian cooperationfor its activities conducted so far.Croatia intends to provide Ukraine with teams of medical experts who can help Ukrainians suffering from war traumas.Likewise, a certain number of Ukrainian children will be admitted to Croatian hospital facilities for recovery.East European countries back EU enlargement ahead of Sofia summitZAGREB, May 11(Hina) - The foreign ministers of theVisegrad Group consisting of Hungary, the Czech Republic, Slovakia and Poland,and the four Balkan EU member statesincluding Greece, Bulgaria, Romania and Croatia (B4) met in Athens on Friday six days before the forthcoming informal EU summit meeting between the EU bloc and western Balkan aspirants.We, friends of the EU enlargement have come here, Croatian Foreign and European Affairs Minister Marija Pejcinovic Buric said at the meeting held in Greece.This was the second ministerial meeting of the Visegrad Groupand the Balkan EU member states in this format after one in Budapest in 2017.Officials of Slovenia and Cyprus were also invited at the meeting.Western Balkan EU candidate countries-- Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbiawere represented atthe meeting.Pejcinovic Buric in particular underscored the added value of cooperation in this format which enabled the exchange of experiences in seeking a solution to various issues of common interest such as energy, infrastructure, economy, migration and even security, cohesion policies and regional development, the press release said. She stressed the importance of EU enlargement and the fact that the Bulgarian chair of the Council of the EU and Romania's chair in the future have underscored that enlargement is one of their priorities."Enlargement will also be one of Croatia's priorities when it chairs the Council of the EU in the first half of 2020, and Zagreb is ***planning*** to organise a summit dedicated to that topic," Minister Pejcinovic Buric said, according to a press release issued by the Croatian foreign ministry.Participants supportexpansion, but disagree on when accession of newcomers should happenBulgarian Foreign and European Affairs MinisterEkaterina Zaharieva said that it was realistic to expect the accession of the first newcomers -- Serbia and Montenegro-- in 2025.However, her Hungarian counterpartPeter Szijjarto advocated a faster pace of the enlargement, otherwisethe region could have serious security issues.All big players have their strategies for that region, except the EU, he added.Greek Foreign MinisterNikos Kotziascrticised the idea of a multiple-speed Europe as being against the interest of smaller members.Pejcinovic Buric met her Greek counterpart Kotziason the margins of the summit, according to thepress release from the Croatian ministry.EU-Western Balkans summit scheduled for 17 May in SofiaThe EU-Western Balkans summit, which willtake place in the Bulgarian capital of Sofia on 17 May,will aim "to inject new energy in the EU-Western Balkans relationship," according to a statement released on the EU website.The Sofia gathering is supposed "toreaffirm the EU's commitment towards its Western Balkans partners and reiterate the region's belonging to the European family."The EU-Western Balkans summit will bring together the heads of state or government from EU member states from the 6 Western Balkans partners: Albania, Bosnia and Herzegovina, Serbia, Montenegro, Macedonia and Kosovo. The meeting will be hosted by Boyko Borissov, Prime Minister of Bulgaria, which currently holds the Presidency of the Council. The President of the European Council, Donald Tusk, will chair the meeting.Agreement inkedwith WBto develop ***strategic*** ***planning*** systemZAGREB, May 11 (Hina) - The Regional Development and EU Funds Ministry and the World Bank's Croatian office on Friday signed a EUR 4.34 million agreementon consulting services for the establishment of a ***strategic*** ***planning*** system and the preparation of a national development strategy until 2030.The agreement was signed by Minister Gabrijela Zalac and the manager of the World Bank's Croatian office,Elisabetta Capannelli.The money will be used from May 2018 to June 2020 to support the drawing up of the strategy as well asprogrammes for the absorption of EU funds after 2020.Zalac recalled that a law on the ***strategic*** ***planning*** and management of development was adopted at the end of last year and that its application was expected to result in the adoption of the national development strategy until 2030.She said cooperation with the World Bank was expected to help in that as there were over 300 national and 1,700 regional and local ***strategic*** documents, so that development and ***strategic*** ***planning*** could be combined and made more efficient.Capannelli said the World Bank's Croatian office andRegional Development and EU Funds Ministry experts would work on over 20 economic areas.We will unite our global and expert know-how and experience to help Croatian authorities strengthen the national framework for ***strategic*** ***planning***, which is key for a successful implementation of the government's ***programme*** and aneffective absorption of national and EU funds, she said.Asked by reporters how the World Bank assessed Croatia's growth rates,Capannelli said it was happy to see strong fiscal consolidation and economic growth, but that Croatia's potential was much bigger.We are happy with the trendsbut not with the speed, and we believe a lot more can be done, she added.HRK 4.5M provided for improvement ofDubrovnik water networkZAGREB, May 11 (Hina) - Three contracts on co-funding 4.5 million kuna for the construction of water supply infrastructure in Dubrovnik County and a ***programme*** of reducing water losses were signed in Dubrovnik on Friday.The contracts refer to the construction of facilities in the water supply system in the Zaton-Orasac agglomeration and a water loss management ***programme***.The state-run water management company's CEO, Zoran Djurokovic, spoke about other projects under way in the county aimed at improving water provision and water loss management.Environment Protection Minister Tomislav Coric said at the Dubrovnik ceremony that in 2017, Croatia was faced with 49% of water loss in its water supply system, which he described as unacceptable.Therefore, in 2018, 100 million kuna are being invested in efforts to deal with water losses, he said.GEM: Croatia fares badly in terms of entrepreneurship environmentZAGREB, May 11 (Hina) - Despite some progress made in recent years, Croatia is still a non-entrepreneurial country and among the worst in the European Union in terms of the business environment, and for the situation to improve it is necessary to change regulations and the education system, a presentation of the Global Entrepreneurship Monitor (GEM) study for 2017 was told in Zagreb on Friday.The study has been conducted in Croatia since 2002 and provides a picture of the entrepreneurial climate, relations and development. It was carried out on a sample of 2,000 respondents and financed bythe Ministry of Economy, Entrepreneurship and Crafts.The results werepresented by a team of researchers from GEM Croatia and the SMEs and Entrepreneurship Policy Centre (CEPOR), headed by Slavica Singer.Only 48 percent of respondents see a high status for entrepreneurship in Croatia, while the EU average is 67 percent. Only 33 percent of people in Croatia manage to recognise and seize a right business opportunity, compared to 79.5% in Sweden and the EU average of 42.6 percent. Only 9 percent of start-ups in Croatia develop and pay wages, as against 19 percent in Estonia, Singer said among other things."Although Croatian companies are slightly better technically equipped than the EU average, they are slow in developing and launching new product lines. We have very few growing companies that are a source of new employment as only about 20 percent of companies had grown for three consecutive years and the new employment rate was merely 0.73 percent," Singer said.Since employees are very important for measuring entrepreneurial activity, Singer said that they should be given greater attention in the future and should be paid more because the study showed that employees have a great potential, knowledge and will for change and that in this regard Croatia is quite strong in relation to the EU.Economy Minister Martina Dalic agreed that entrepreneurship was extremely important for the GDP, employment, growth and development of both the economy and society in general, but noted that Croatia was not moving forward as fast as it would like."The economy and the standard of living with which we would get closer to the EU are not growing as fast as we would like, which is why reforms are necessary, because they show that we want and know what to change. The government is dealing with not justthe priorities and policies it itself has definedbut also with those imposed by life, such as Agrokor, whose collapse has shown that this company was actually a barrier to many improvements both in the country and in the companies within it because it obstructedcertain business ***plans***, investments and development," Dalic said.She said that the process of restructuring of Agrokor best showed that a successful implementation of reforms required not just knowledge and perseverance, but also social understanding and the capacity of society to accept reform processes.Nearly 3,500 illegal migrants enter Bosnia this yearZAGREB, May 11 (Hina) - Nearly 3,500 illegal migrants have entered Bosnia and Herzegovina this year and the authorities do not know how many of them are still in the country and how many continued their journey to western Europe, the Banja Luka-based Nezavisne Novine newspaper said on Friday.Slobodan Ujic, head of the Department for Alien Affairs at the Ministry of Security, told the newspaper that 3,449 migrants had been registered entering the country since the start of the year.Between 80 and 120 migrants have been registered entering Bosnia and Herzegovina every day since the start of May. Facilities for their accommodation are filled to capacity, so that migrants currently sleep rough. Amake-shift tent settlement has sprung up in a park across from the City Hall.Sarajevo and the northwestern Una-Sana Canton are under the greatest pressure from migrants, while there are almost no migrants in other parts of the country, Ujic said.Migrants mostly pass through Sarajevo to the northwest of the country in attempts to cross the border with EU member Croatia.Ujic said that the situation on the ground was changing by the day, adding that the current situation was "a bit difficult" because Croatia had tightened up border controls, making it more difficult for migrants to leave Bosnia and Herzegovina."We need to ensure alternative accommodation in Una-Sana Canton and relocate the migrants now staying in the park in Sarajevo from the city," Ujic said.The Ministry of Security said earlier they were having difficulty identifying the migrants and could not establish who many of them were and where they came from.Most of the migrants refuse to be fingerprinted because if they were caught by other countries staying illegally on their soil they would be automatically sent back to Bosnia and Herzegovina as the country they were first registered in.Prime Minister Denis Zvizdic has called a meeting of representatives of all levels of government for Monday to discuss the migrant crisis. Ujic said the meeting would discuss two proposed solutions to the existing problems, but declined to go into detail. "I am certain will solve the problem in Una-Sana Canton and shorten (migrants') stay in Bosnia and Herzegovina," he said.In other news:130 exhibitors at 25th Vinistra wine fairZAGREB, May 11 (Hina) - More than 130 exhibitors took part in the 25th edition of the Vinistra wine and wine equipment fair which was officially opened on Friday in the northern Adriatic city of Porec.Wine tasting of the local Malvazia white or the Festiga Cabernet Sauvignon combined with mature Istrian cheeses andcomparing them to world wines are some of the interesting things to do at this year's Vinistra wine fair.Once again this year wines, olive oil and rakia (fruit spirits) will compete for awards.President of the Vinistra fair, Nikola Benvenuti said that wine making was a deep-rooted tradition in Istria, which wasa recognised wine region in the world as couldbe witnessed by the numerous medals and awards at international competitions and excellent reviews by reputable wine critics.Istria County Prefect Valter Flego said that Vinistra has significantly contributed to positioning Istria as an excellent destination for wine lovers from around the globe.Announcingthat a new wine bill was being prepared, Croatian Chamber of Commerce vice president, Dragan Kovacevic underscored that more than 3,000 hectares in Istria are covered in vineyards accounting for 17% of Croatia's total wine production."Annually, we ***produce*** about 60 million litres of wine however, I believe that we are still importing too much wine," Kovacevic said.Assistant ***Agriculture*** Minister Kresimir Ivancic explained that the ministry was intensively working on the new wine bill and that he believes everyone will be satisfied with it in the end.Number of taxi drivers up 14 times in 10 yearsZAGREB, May 11 (Hina) - In the period between 2007 and 2016, the number of taxi businesses increased by 14 times and the number of employers increased twenty-fold, data by the FINA financial agency show.According to FINA data in 2007 there were 18 taxi companies whereas in 2016 there were 260 while the number of employees increased from 44 in 2007 to 886 in 2016, not including Uber.The highest increase occurred in 2011, increasing by almost 7 times compared to the year before - from 96 in 2010 to 670 a year later.Total revenue of taxi companies in 2016 amounted to HRK 138.5 million whereas in 2007 it amounted to HRK 12.1 million. Total expenditure increased from HRK 11.5 million in 2007 to HRK 140.26 million in 2016.Consolidated losses in 2016 amounted to HRK 2.5 million.Cammeo was the top earning taxi company in 2016 with a revenue of HRK 28.9 million or 20.9% of all taxi companies, FINA's data indicates.ZSE indices reboundZAGREB, May 11 (Hina) - The main Zagreb Stock Exchange indices rebounded on Friday with the biggestturnover of 2.3million and 1.35 million kuna being made respectively by two hotel companies: ValamarRiviera and HUP Zagreb.The Crobex increased by 0.77% to 1,845.24 points and the specialised Crobex10 inreased by 0.61% to 1,072.48 points.Regular turnover amounted to HRK 7.65 million or 1.2 million more than on Thursday.The price of the Valamar Riviera hotel group's sharesjumped by 0.71% to HRK 42.50 per share.The only other stock to turn over more than a million kuna was of the HUP Zagreb hotel and tourism group (HRK 1.35 million), and its price increased by 0.51% toHRK 3,920 per share.(EUR 1 = HRK7.386230)THIS BULLETIN INCLUDES NEWS ITEMS RELEASED BY 2100 HRS FRIDAY. (Hina) ms Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulicev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentic, DirectorEditor in Chief: Serdo Obratov Bulletin Editor: Marija Sestan

ZAGREB, May 11 (Hina) - Economy Minister Martina Dalic said on Friday she would not resign, addingthat the leaked emails confirmed that she was the main author of Lex Agrokor and thatin drawing it upshe had consulted many who could help.

ZAGREB, May 11 (Hina) - Prime Minister Andrej Plenkovic said on Friday the government was not a hostage to Economy Minister Martina Dalic and that he would say more about the "emailsscandal" after today's meeting with the ruling coalition partners on this matter.

ZAGREB, May 11 (Hina) - Partners in the coalition government said on Friday after a meeting with Prime Minister Andrej Plenkovic on the emails scandal involving Deputy Prime Minister and Economy Minister Martina Dalic, that the prime minister still had their trust and that talks would continue on Tuesday to discuss progress in reaching a settlement on the indebted Agrokor food and retail conglomerate and whether anyone had taken advantage of the present situation for their own gain.

ZAGREB, May 11 (Hina) - Commenting on the latest developments concerning Deputy Prime Minister Martina Dalic's e-mails about Agrokor, Parliament Speaker Gordan Jandrokovic said that at the moment it wasessential to reach a settlement for Agrokor, while a lot ofeffort was being made to prevent thatsettlement and to incite political instability and crisis in the country.

ZAGREB, May 11 (Hina) - Bridge's political secretary Nikola Grmoja said on Friday that the party had gathered 30 signatures and submitted a motion to reinstate theAgrokor inquiry commission so that parliament could discuss current developments surroundingthe ailing Agrokor food and retail conglomerate.

ZAGREB, May 11 (Hina) - Social Democratic Party (SDP) MPs Pedja Grbin and Arsen Bauk on Friday announced an initiative by 30 lawmakers regarding the latest developments in the ailing Agrokor food and retail conglomerate, which will secure that that issue is debated at a plenary session of parliament next week with Grbin saying that the "Hotmail Scandal," has shown that the entire process of creating and implementing Lex Agrokor contains elements of criminal wrongdoings.

ZAGREB, May 11(Hina) - The head of the Security and Intelligence Agency (SOA), Daniel Markic, said on Friday that the agency is engaged in efforts to make the situation surrounding "the so-called e-mail scandal" clear and is giving law enforcement authorities, including the Office of the Chief State Prosecutor, full support.

ZAGREB, May 11 (Hina) - Constitutional Court president Miroslav Separovic said on Friday that his being linked to contentious messages in the Agrokor emails scandal was an attempt to downplay the importance of the Court's recent decision that Lex Agrokor was in line with the constitution.

ZAGREB, May 11 (Hina) - The Commission on the Prevention of Conflict of Interest has opened a file on the Deputy Prime Minister and Minister of Economy, Entrepreneurship and Crafts, Martina Dalic, following media reports on her role in the preparation of a law concerning the indebted Agrokor food and retail conglomerate and a complaint filed on Friday, spokeswoman for the Commission Martina Jurisic told Hina on Friday.

ZAGREB, May 11 (Hina) - The Croatian Farmers' Association (HUP) on Friday called on Deputy Prime Minister and Economy Minister Martina Dalic to step down because of her role in the preparation of a law concerning the indebted Agrokor food and retail conglomerate, stressing that she was putting at risk the implementation of the law and the survival of companies operating within the Agrokor group, particularly those from the ***agricultural*** sector.

ZAGREB, May 11 (Hina) - The visiting Croatian president Kolinda Grabar-Kitarovic andher Portuguese counterpart, President Marcelo Rebelode Sousa, met in Lisbon on Friday for the talks ondeepening economic and education cooperation between the two countries.

ZAGREB, May 11 (Hina) - Portugal is one of the few countries to which Croatia exports more than it imports from, hearda Portuguese-Croatia economic forum held on Friday in Lisbon where about a hundred Croatian and Portuguese business people met to discuss mutual cooperation and possible joint ventures s in former Portuguese colonies.

ZAGREB, May 11 (Hina) - In the five years of its membership of the European Union, Croatia has become an equal actor of European institutions and has progressed economically, whilein 1990 it was just a "footnote" on European integration, Prime Minister Andrej Plenkovic said at a conference at the Zagreb School of Law on Friday.

ZAGREB, May 11(Hina) - Croatian Prime Minister Andrej Plenkovic on Friday received the Ukrainian parliament's deputy speakerIryna Herashchenko, and on that occasion he said that Croatia strongly supports the territorial integrity of Ukraine and its journey towards the European Union.

ZAGREB, May 11(Hina) - The foreign ministers of theVisegrad Group consisting of Hungary, the Czech Republic, Slovakia and Poland,and the four Balkan EU member statesincluding Greece, Bulgaria, Romania and Croatia (B4) met in Athens on Friday six days before the forthcoming informal EU summit meeting between the EU bloc and western Balkan aspirants.

ZAGREB, May 11 (Hina) - The Regional Development and EU Funds Ministry and the World Bank's Croatian office on Friday signed a EUR 4.34 million agreementon consulting services for the establishment of a ***strategic*** ***planning*** system and the preparation of a national development strategy until 2030.

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[***Jordan's growing coastal city Aqaba continues to attract investment***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-74XC-00000-00&context=1516831)

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**Body**

While most business activity is still concentrated in and around Amman, as Jordan's only seaport city, Aqaba plays an important role in the economy. Since the decision to turn the coastal port city and its surroundings into a special economic zone was announced in 2001, its significance as an economic base and tourist destination has grown.

Aqaba borders both Israel and Saudi Arabia, 360 km to the south of Amman on the Red Sea's north-eastern tip, and extends to the territorial waters of Egypt. The city has a long tradition of being a regional centre for trade going back to 4000 BCE, with the Aqaba Special Economic Zone (ASEZ) serving as the catalyst for recent large-scale expansion.

**Regulatory Bodies**

The Aqaba Special Economic Zone Authority (ASEZA) is responsible for the management and development of the special economic zone, which covers an area of 375 sq km, including the entire 27-km Jordanian coastline. As an administratively and financially independent organisation, ASEZA is empowered with regulatory, managerial, fiscal and economic responsibilities for the zone. The overall aim is to offer one-stop-shop assistance to businesses covering all investment needs.

Another key agency is the Aqaba Development Corporation (ADC). Launched in 2004 with the task of accelerating the economic growth, it is the central development arm of the ASEZ and is owned in equal parts by the central government and ASEZA. The ADC is in charge of the development and has management rights of the Port of Aqaba, Ports Community projects - such as the Sheikh Sabah Al Ahmad Terminal for liquefied natural gas (LNG) launched in 2015 - King Hussein International Airport (KHIA) and ***strategic*** parcels of land in ASEZ. It is also tasked with attracting new investments and implementing the ASEZ's master ***plan***, which runs to 2020.

***Strategic* *Planning***

The initial ASEZ master ***plan*** was adopted in 2001 and divides Aqaba into five special areas for the promotion of urban, tourist, commercial, academic and other investment sectors. The are the Aqaba town, the port areas, the coral coastal zone, the southern industrial zone and the airport industrial zone. The ***plan*** also includes a sixth area pertaining to environmental zones made up of coral and nature reserves, and archaeological and beachfront areas, aimed at preserving natural resources within the development framework.

***Strategic* Goals**

Firm investment and growth targets were established in the initial stages of the master ***plan***'s implementation, but these were quickly surpassed. One of the key goals was to attract $6bn in committed investment by 2020; however, by 2008 it had attracted $18bn, and as of 2017 there was over $20bn of investment in Aqaba. While the latter figure was committed investment with specified obligations, there was $10bn in realised investment - in tourism real estate and port development. In the port alone, $1bn was pledged in the three years through to 2017 to develop the surrounding waterfront community. Having exceeded many of its investment goals, expectations in other areas are well on track to being met. Aqaba authorities set the goal of reaching 250,000 inhabitants by 2020, and in 2017 the population reached 200,000, with the number of residents more than tripling since 60,000 in the late 1990s.

Speaking at an industry conference in October 2017, Nasser Shraideh, chief commissioner of ASEZA, reported that local authorities were currently ***planning*** to attract $10bn worth of investment by 2025, creating an additional 30,000 jobs. Shraideh also said that Aqaba expected to host five logistics hubs by 2025 - up from two today - with ***plans*** to expand the number of tourists from 600,000 in 2017 to 1.5m by 2025. Hotel rooms are expected to increase from 4650 to 12,000 over the same period, while the Port of Aqaba is targeting an annual capacity of 2m containers, up from 875,000. "Bringing more added-value industries and services to Aqaba and across the country will strengthen the backbone of our economy, create jobs and give guarantees to potential investors," Shraideh told OBG.

**Incentives**

One of the key reasons behind the success of ASEZ has been its favourable business environment. Companies established in ASEZ benefit from a corporate income tax rate of 5% on all profits, with the exception of banks and financial institutions, insurance and reinsurance companies, and road transport companies. With ASEZ primarily targeting logistics, warehouses, transportation and tourism, firms operating in these areas are exempt from Customs duties on imports of goods, and general sales taxes related to the import and sale of goods and services. Exemptions are also available for building, land and capital gains taxes. There are no foreign equity restrictions on investments in tourism, industry, retail and other commercial services, with 100% foreign ownership permitted. There are likewise no foreign currency restrictions, with full repatriation of profits and capital possible. More relaxed labour regulations also allow for up to 70% of the workforce to be foreign labour. In February 2017 it was reported that companies offering financial, legal or technical services within ASEZ would be exempted from income tax if 60% of their operations are within the zone.

**Air & Sea**

Aqaba's economic importance is heavily linked to its connectivity within the greater region, with the ASEZ's seaport and airport of particular significance for broader growth. Operated by the Aqaba Company for Ports Operation and Management, the Port of Aqaba has a capacity of 28m tonnes of cargo per year and is able to accommodate 410,000-tonne vessels.

The port has undergone a major modernisation and expansion in recent years, with new facilities and more efficient systems put in place (see analysis). "Aqaba port has been working hard to improve the clearance process, and the next step is to benchmark Dubai and Singapore ports in order to remain a competitive player in the region," Steven Yoogalingam, CEO, Aqaba Container Terminal, told OBG.

Measuring 1.7m sq metres, the port consists of a 12-berth main port, used for general cargo, grain and phosphate exports; a seven-berth middle port, which comprises of a passenger terminal, and container and floating roll-on/roll-off berths; and an industrial port in the southern part of the facility, which has an oil jetty, as well as timber and industrial berths. In late 2016 the government approved a third phase of expansion at the port, which will be built in parallel with ongoing work on the second phase.

**Flying High**

Officially inaugurated in 1972, KHIA is managed by the Aqaba Airports Company (AAC), which was established in July 2006 under the supervision of the ADC. KHIA has an annual capacity of around 2m passengers and is currently home to a 260-sq-metre terminal building, a civil aviation academy, a single runway, a private aircraft hangar, a freight facility and maintenance areas.

In the first nine months of 2017, the airport accommodated 1762 carrier fights, up from 1737 over the same period of 2016, with almost exactly half being domestic flights and half international flights. Meanwhile, 95,120 passengers arrived in the city on a total of 910 chartered flights, up 115% yearon-year (y-o-y). In June 2017 Royal Wings announced it was launching biweekly, direct flights between KHIA and Al Maktoum International Airport in Dubai.

The Jordan Economic Growth ***Plan*** 2018-22 calls for the development of KHIA for both passenger flights catering to the tourism sector and cargo shipments, with around JD100m ($141.1m) having been invested in its upgrade as of June 2017. "Infrastructure improvements conducted since November 2016 have achieved some results. Nowadays, the cost per passenger stands at (EURO)5.50 ($6), which is one of the lowest in the region," Bashar Abu Rumman, CEO of AAC, told OBG. He added that efforts are under way to become a maintenance centre and a hub for spare parts, with the next step being to provide these services for Boeing and Airbus aircraft. In 2015 UAE-based Al Baddad Holding began work on a $75m aircraft maintenance centre at KHIA.

**Industrial**

Despite the regional uncertainty caused by unrest in neighbouring nations, the number of companies setting up shop in Aqaba has been steadily growing over the past few years. One of the key areas for industrial development is the 1.7m-sq-metre Aqaba International Industrial Estate (AIIE). Located east of KHIA, the estate is run by PBI Aqaba Industrial Estate, which is responsible for funding, ***planning***, development and marketing the AIIE under a 30-year concession agreement. Companies operating within the AIIE benefit from the favourable tax incentives offered to companies in the ASEZ, while receiving assistance in obtaining operating and building permits, company registration, employment, and Customs and local partnering guidance services. The AIIE offers open lots, fully serviced land and finished buildings for lease or sale.

Traditionally, companies operating in the AIIE were largely involved in metals, engineering, plastics and food industries; however, these have now been joined by high-tech manufacturing and garments companies. "We have signed over 100 contracts, worth almost $500m in total investment, creating jobs for more than 2000 people.

"When the site is finally completed in about five years' time, we will have 200-250 companies and investment close to $1bn, generating employment opportunities for over 5000 people," Sheldon Fink, CEO of PBI Aqaba Industrial Estate, told OBG. While older parks in Jordan continue to have a larger footprint, according to Fink, the AIIE has led overall performance over the past 5-10 years.

In September 2015 an memorandum of understanding was signed with the Shenzhen Chamber of Investment in China to develop and operate an industrial and logistics estate in the southern area of ASEZ. With an initial investment of $700m, the Shenzhen Aqaba Estate will be managed as an expansion of the AIIE and is targeting the creation of 2500 jobs.

With projects such as these, the expansion of the industrial footprint of Aqaba has lead to a growing need for a steady supply of human resources. "A lot of work still needs to be done in regards to vocational training. In Aqaba we have seen some recent improvements with upskilling the labour force, but this is still a work in progress," Fink told OBG. "There is a real need for modern job training ***programmes***," he added.

**Logistics**

A number of companies are drawn to the region's logistics potential. "Logistics should be the priority in Aqaba, it has the capability and prospects to become a one-stop-shop like Dubai thanks to its location and infrastructure works," Sharif Kamal, CEO of the National Real Estate Company (NREC) Jordan, told OBG.

Formerly known as Aqaba National Real Estate Projects Company, the NREC Jordan was founded in 2006 as the developer of the ADC Warehousing and Industries Park (ADC WIP). Also known as the South Project, the ADC WIP is a 1.5m-sq-metre development focused on logistics and warehousing, located 12 km south-east of downtown Aqaba. It has 60,000 sq metres of warehousing units, as well as 500,000 sq metres of serviced and developed land plots, according to ADC figures. NREC Jordan, which is 70% owned by Kuwaiti company NREC and 30% by the ADC, is also responsible for the North Project, located 2 km east of KHIA, which has a total area of 534,000 sq metres. Work on the project is expected to start by the end of 2018.

**It Takes A Village**

The Aqaba Logistics Village (ALV) also offers warehousing, logistics and cargo support services from a site adjacent to Aqaba Container Terminal. The project was conceived to fulfil a vision of establishing ASEZ as a regional centre for logistics and cargo support services. The project is being developed in phases, with the 140,000-sq-metre Phase I completed in 2009, comprising a container freight station, distribution centre, a hard stand, asphalt open yards and a service centre. Phase II, was completed in 2015 and covers an additional 120,000 sq metres, adding open and shaded storage space, and a multipurpose warehouse for cross-docking, storage and distribution.

Phase II has seen a slower pick up than Phase I, although company officials believe that the potential reopening of trade with Iraq and Syria in the near future could boost this. As such, Phase III, which is in the early stages of ***planning*** and implementation, will cover 220,000 sq metres and potentially include bespoke warehouses and additional tailor-made developments under long-term agreements. "Phase III will include some special warehouse features to help attract major companies to the project. The end goal is to develop Aqaba as a premier cargo hub for Iraq and the Levant," Yazan Al Jalamdeh, sales manager at the ALV, told OBG.

Another development set to bolster Aqaba's image as a logistics centre is the Golden Triangle Logistic City. Being developed by a group of private companies in cooperation with the ADC, the JD20m ($28.2m) project aims to offer comprehensive logistics services. The project is home to a 260,000-sq-metre building and 140,000 sq metres of land for Customs services, making it the biggest development of its kind in the region, according to the project's CEO, Mohammad Shwaikini.

One of ASEZ's main challenges is to promote regional and global awareness of its ***strategic*** position and offerings for businesses, especially those looking to export throughout the region. "The benefits of operating out of Aqaba are still not well known. We provide competitive regulations and benefits, but we have to concentrate more on marketing," ALV's Al Jalamdeh told OBG. "We need more campaigns and events. We have attracted key global names, but we need to boost the number of firms using Aqaba as their centre of operations."

**Regional Role**

Aqaba's ***strategic*** location means that it is a relatively short journey by land or sea to a number of countries. Backed by Saudi Arabia, one flagship regional development is the Neom project, a $500bn, 26,500-sq-km industrial zone along Saudi Arabia's Red Sea and Gulf of Aqaba coastline. The project will connect Asia to Africa by creating a special zone spanning Saudi Arabia's borders to Jordan and Egypt. The zone is expected to strengthen the economies of the three countries, enhance trade and open new markets for their exports.

Aqaba is also hoping to benefit from the future reconstruction of nearby Iraq and Syria. "The perspective rebuilding of these countries could be very positive for Aqaba, as it ***plans*** to assist as a logistics centre for the upcoming reconstruction period," AAC's Rumman told OBG. In August 2017 Jordan's government reopened the Karameh border crossing with Iraq, which had been closed in 2015 due to security concerns. The border will initially be open only to passenger traffic, but there is a hope that trade can resume in the near future.

**Energy**

Aqaba has its own 1250-MW thermal power station, which provides electricity to domestic users and the region, as well as a 13-km underground cable that supplies ASEZ with power from Egypt. In August 2015 the Sheikh Sabah Al Ahmad Terminal opened, which is used to pump LNG from Aqaba to electricity generating stations across the country. The terminal cost $65m and was financed by the Kuwait Fund for Arab Economic Development.

With an output of around 350m standard cu feet per day, the LNG project is expected to further contribute to the development of the local and national economy while securing and diversifying Jordan's supply of gas. Following repeated cuts to the natural gas supply from Egypt, and a complete halt to supplies in early 2014, the country switched to importing diesel and heavy fuel. However, Jordan is still heavily reliant on LNG, and as of August 2016, 82% of its electricity was being generated using imported gas, according to the Ministry of Energy and Mineral Resources. Around the same time, the National Electricity Company estimated that the Aqaba terminal would save Jordan JD600m ($846.4m) by the end of 2016 alone.

**Water**

Rising in tandem with economic and population growth has been water demand. While the nearby Disi sandstone aquifer supplies the region with approximately 17.5m cu metres of water per year, according to the ADC, significant ongoing efforts have been made to develop additional supplies. In March 2017 Jordan's first water desalination plant opened, which will desalinate water from the Red Sea. The Aqaba plant was constructed by Arab Fertilisers and Chemicals Industries on a seven-year build-operate-transfer contract. The facility is expected to ***produce*** 5m cu metres of potable water per year, to be used for domestic consumption as well as ***agricultural*** and industrial needs. According to the Ministry of Water and Irrigation, this will help Aqaba meet its water requirements until 2035, with the largest portion of the water - around 70% - to be pumped into the Aqaba Water Company network and distributed to end consumers.

**Real Estate**

Several major real estate and infrastructure projects are under way to cater to residents needs. These will have major implications for the housing sector and the reputation of Aqaba as a tourist destination. Notable projects include Marsa Zayed, named in memory of the late Sheikh Zayed bin Sultan Al Nahyan, former president of the UAE and ruler of Abu Dhabi. The $10bn redevelopment project is being built on 3.2m sq metres of waterfront property and features a marina, Aqaba's first cruise ship terminal, hotels, apartments, villas, commercial spaces and a 2000-person capacity mosque. Marsa Zayed is being developed by Abu Dhabi-based investment and development firm Eagle Hills Properties.

Eagle Hills is also developing Saraya Aqaba, a $1.5bn mixed-use project with a marina, waterpark, apartments and villas, as well as commercial space and hotels. Being built around an artificial lagoon, Saraya Aqaba will feature upwards of 850 residential units, four five-star hotels operated by Marriott International and Jumeirah Hotels & Resorts. The development will also be home to an open-air amphitheatre and the Al Multaqa Conference Centre to cater to a burgeoning meetings, incentives, conferences and exhibitions industry. Eagle Hills bought out the project's previous developer in 2015, after the project had been hit by more a decade of delays.

Ayla Oasis Development Company is currently working on a $2.5bn waterfront property covering 4.3m sq metres and featuring an artificial lagoon, golf course, hotels, apartments and retail outlets. Meanwhile, the already established $1.2bn Tala Bay Resort, a 2.7m-sq-metre seaside destination, continues to be a draw for visitors and residents, featuring hotels, apartments, retail spaces and a marina.

The growing number of Aqaba residents will require additional services, and in March 2017 the ADC floated a tender for a 100-bed hospital project, as well as a 50-bed private hospital to be located on a 85,000-sq-metre plot of land in the north of the city, adjacent to KHIA. These developments will add to the city's three existing hospitals: the six-storey, 212-bed Prince Hashim Bin Abdullah II Hospital, the Aqaba Islamic Hospital and Aqaba Modern Hospital.

**Hotels & Hospitality**

In addition to developments for permanent residents, significant tourism infrastructure is being built. As of late 2017 the city boasted 45 classified hotels housing 4213 hotel rooms and employing 4000 people. By 2020 there is expected to be an additional 4121 new hotel rooms across more than 12 new hotels. Hotels in Aqaba still primarily cater to domestic tourists, with 274,242 of the 433,408 guests between January and September 2017 being Jordanian. Russians made up the second-highest number with 87,641 visitors, a growth of 148% y-o-y, followed by Israel (18,068), Saudi Arabia (12,076) and Palestine (10,345).

Large-scale residential and retail developments are including hotels in the mix. In July 2017 Swiss-Belhotel International opened its first five-star property in Jordan, the Grand Swiss-Belresort Tala Bay Aqaba. This was followed a month later by the launch of its second hotel in the city, the 260-room Marina Plaza Hotel. In addition to its mixed-use residential properties, Ayla Oasis Development Company is working on two hotels to add to its 300-room Ayla Fort Hotel. The 200-room Ayla Spa Hotel and the 350-room Ayla Beach Hotel are set to open in 2020. Ayla Oasis also built the country's first 18-hole championship golf course, which opened in 2016. The Saraya Aqaba mixed-use development features seven hotels, including the Westin Saraya Aqaba Hotel, which will open in June 2018, and the 1421-room Al Manara, a Luxury Collection Hotel set for completion by the end of 2018.

The area is also looking to promote itself as a cruise ship destination, with 22 vessels docking in the port in the first nine months of 2017. "Diversifying offerings in terms of leisure facilities and high-end real estate is a must to increase the attractiveness of Aqaba as a major tourist destination in the region," Sahl Dudin, managing director, Ayla Oasis Development Company, told OBG.

**Offerings**

Selected as the 2011 Arab Tourism Capital by the Arab Tourism Ministers Council, Aqaba is already capitalising on its beaches, coral reefs and year-round sun. Proximity to the protected desert wilderness Wadi Rum is also a big draw, as is the ancient historical and archaeological city of Petra.

ASEZA is also working on an ambitious ***plan*** to diversify tourism offerings to attract and retain foreign and local tourists. "We have the beach and hotel rooms, which is great, but it's not enough," Hani Al Mulki, then-chief commissioner of ASEZA and current prime minister, told media in May 2015, adding that the goal was to extend the average length of stay, aided by developments like the new golf course and conference centre. In May 2017 it was reported that Aqaba Marine Park would the network of nature sites, becoming the country's first marine nature reserve. In November 2017 a disused military transport plane, donated by the Jordanian Royal Air Force, was lowered into the Red Sea to serve as an underwater reef habitat and dive site.

**Outlook**

Aqaba has expanded at pace since becoming a special economic zone in 2001, and with a number of significant residential, commercial and industrial spaces and tourism projects under development, the economy looks set to continue to experience strong growth in the near future.

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**End of Document**



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**Body**

Brussels: Public Register European Parliament has issued the following document:

[1] EN This action is funded by the European Union ANNEX Commission Implementing Decision modifying Commission Implementing Decision C(2016) 6633 final on the Annual Action ***Programme*** 2016 (Part 2) and Annual Action ***Programme*** 2017 (Part 1) in favour of Egypt to be financed from the general budget of the European Union Action Document for EU Facility for Inclusive Growth and Job Creation INFORMATION FOR POTENTIAL GRANT APPLICANTS WORK ***PROGRAMME*** FOR GRANTS This document constitutes the work ***programme*** for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning calls for proposals: 5.3.4 and 5.3.5 and in the following section concerning grants awarded without a call for proposals: 5.3.3 1. Title/basic act/ CRIS number EU Facility for Inclusive Growth and Job Creation CRIS number: ENI/2016/039-543 financed under the European Neighbourhood Instrument 2. Zone benefiting from the action/location Neighbourhood South, Egypt The action shall be carried out at the following location: Egypt. 3. ***Programming*** document Single Support Framework for European Union (EU) support to Egypt (2014-2016) 4. Sector of concentration/ thematic area Objective 2 'Governance, Transparency and Business Environment' 5. Amounts concerned Total estimated cost: EUR 420,425,000 (this includes the foreseen EU contribution from the Neighbourhood Investment Facility (NIF) and its expected leverage effect from European Finance Institutions (EFIs), which is subject to a separate financing Decision). Total amount of European Union (EU) budget contribution: - The contribution is for an amount of EUR 10,000,000 from the general budget of the EU for financial year 2016 and for an amount of EUR 10,000,000 for financial year 2017, subject to the availability of commitment appropriations following the adoption of the relevant budget.

[2] Under the NIF, an additional contribution of EUR 40 million is expected, subject to the adoption of the relevant NIF financing Decision and subsequent complementary Decisions. This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 425,000 and will unlock an estimated EUR 360,000,000 of European Finance Institution and third party financing. 6. Aid and implementation modalities Project Modality, implemented through indirect management with a Member State and an International Organisation, and direct management of procurement of services, supplies, grants to European public bodies and a call for proposals for Action Grants. Indirect management with European Financial Institutions is envisaged for the implementation of the NIF funding. 7. DAC codes 32130 Small and medium-sized enterprises (SMEs) development 24030 Formal sector financial intermediaries 15114 Tax policy and tax administration support 8. Markers (from CRIS DAC form) General policy objective Not targeted Significant objective Main objective Participation development/good governance ☐ ☐ ☒ Aid to environment ☐ ☒ ☐ Gender equality (including Women In Development) ☐ ☒ ☐ Trade Development ☐ ☒ ☐ Reproductive, Maternal, New born and child health ☒ ☐ ☐ RIO Convention markers Not targeted Significant objective Main objective Biological diversity ☒ ☐ ☐ Combat desertification ☒ ☐ ☐ Climate change mitigation ☒ ☐ ☐ Climate change adaptation ☒ ☐ ☐ 9. Global Public Goods and Challenges (GPGC) thematic flagships Flagship 10: Domestic Revenue Mobilisation for Inclusive Growth and Development SUMMARY Overall objective of the proposed Facility is to contribute to stabilisation in Egypt by promoting sustainable economic development and hence improving the future prospects of its people. The specific objective is to facilitate inclusive economic growth and job creation. The Facility will be articulated through two complementary components focusing on [3] i) improving the enabling environment for business creation and economic development by supporting reforms which will lower the administrative burden on SMEs, facilitate financial inclusion among SMEs in a sustainable manner and strengthen the protection of intellectual property rights; and ii) investing in the potential of SMEs to add value in the economy and to generate jobs by supporting enterprise growth and competitiveness through facilitating SME access to long term financing and know-how and by facilitating business linkages, value chain development and fostering innovation among SMEs, including young entrepreneurs. Resulting from a macro-identification exercise carried out in 2015/16 and given the importance of SME development as an engine for inclusive growth and an avenue to integrate the youth into the economy, this sector will continue to play a central role in our co-operation with Egypt. Hence we propose to conclude a multiannual financing Decision with use of 2016 and 2017 commitment appropriations and to brand this initiative as an EU Facility for Inclusive Growth and Job Creation. The 2016 contribution will focus on supporting improved tax and customs compliance through support to Tax and Customs Authorities as well as on developing Central Bank of Egypt's Access to Finance approach and instrumentarium, promoting the provision of financial services, whilst safeguarding the soundness of the banking system. Further, support will be provided through a blending operation with European Financial Institutions to facilitate SME access to long term financing in a manner that facilitates business linkages, value chain development and competitiveness of the economy as well as the export potential of SMEs. In addition support will be provided to strengthening the analytical capacity of key stakeholders to better participate in policy dialogue on business reform issues, particularly those of relevance for SMEs. The 2017 contribution will focus on supporting simplified and streamlined processes for company registration as well as on strengthening the ecosystem for innovation among SMEs as a driver of enhanced competitiveness. Furthermore, additional support is envisaged to be allocated for SME access to long-term finance and know-how with a focus on enhancing business linkages and value chains through a blending operation. The proposed initiative builds on previous and ongoing EU funded ***programmes***, including the Trade and Domestic Market Enhancement ***Programme***, Technical and Vocational Education and Training (TVET) support ***programme*** and the upcoming ***programme*** on Inclusive growth, providing support services for SMEs. Furthermore, it is complementary to the 'EU Initiative for Financial Inclusion' supported through the Neighbourhood Investment Facility. 1 CONTEXT 1.1 Sector/Country/Regional context/Thematic area Egypt is a lower middle income country with a relatively diversified economy. The political and security turmoil of recent years has taken a toll on confidence, economic activity, investment and tourism. Egypt's real Gross Domestic Product (GDP) per capita growth over the last decade has been low, at around 2.8%, and insufficient to create enough jobs to absorb its young and growing population. Unemployment has been high [4] (currently at 12.7%); and levels of informal employment have been increasing. Egypt also faces significant fiscal imbalances, including a very low tax revenue to GDP rate and a narrow tax base, leading to also high public debt. Severe balance of payments constraints and energy shortages have also affected the business climate. Recently the economy has been driven mainly by consumption, with investment low compared to peer countries at 19% of GDP. Foreign direct investment has decreased, and is mostly geared towards the energy sector. Exports consist mainly of energy and energy-intensive products. The company population is characterized by a limited number of large companies (often with close linkages to the State economy through dependence on subsidized energy) and a great mass of small companies, fully or partially operating in the informal sector. Relatively few SMEs grow beyond certain thresholds that require significant investment and formalisation. The amount of SME's that export is low and decreasing. Existing establishments in Egypt hardly grow over time. The probability that a manufacturing establishment with less than 50 workers in 2007 has grown to employ more than 100 employees in 2011 is less than 2%. The weak economic growth and limited inclusiveness of it has been influenced by the recent political turmoil and unfavourable global economic conditions. But it is also affected by longstanding structural constraints. Diagnostic assessments of the economic environment in Egypt broadly concur on these structural constraints, which include: - low investment rates leading to low productivity increases; - macro-economic risks arising from fiscal and external vulnerabilities. High public debt financed mostly domestically has led to out-crowding of private sector in credit; - micro-economic distortions, linked to government ***interventions*** such as untargeted energy subsidies which bias capital and energy intensive industries; - weak governance and difficult business environment; leading to uncertainty in investment and financing operations, and low incentives to formalisation of companies. This is reflected in the high cost of regulatory compliance for companies, and in particular SMEs; both in term of business registration and licensing; as in terms of tax and customs compliance; - poor complementary factors resulting from inadequate electricity and infrastructure; - high cost of finance for investors and difficult access to finance for SMEs; - limited innovation in the economy and extensive reliance on out-of-date technology; - low skills capital and inefficiencies in the labour market. This difficult business environment is reflected in Egypt's position in different international rankings. Egypt's ranking in the World Bank (WB) Doing Business Index of 2016 was 131st out of 189 countries, marking a substantial fall from 2010. Egypt ranks particularly low in the areas of trading across borders (157th), enforcing contracts (155th), paying taxes (151st) and resolving insolvency (119th). Egypt performs slightly better in getting credit (79th) and starting a business (73rd), although the way of measuring does not fully account for the burdens that SMEs often face, as the procedures are relatively costly and time intensive. [5] Limited access to finance is considered as the third most important problem in doing business in Egypt (World Economic Forum (WEF) Global Competitiveness Report 2014-15). In the WEF Competitiveness index Egypt ranked 119th out of 144, and 129th on 'availability of financial services', 126th on 'affordability of financial services', and 129th on 'ease of access to loans'. Elevated interest rates on government bonds suggest that firms face a high cost of credit. The fact that Egyptian firms rely heavily on their own resources to finance investments is another indication of difficult access to finance. This is exacerbated by general low levels of financial inclusion with few individuals having bank accounts (only 11% of adults), and low bank outreach (below five branches per 100.000 people). The high levels of informality and capacity constraints of companies also influence their demand for credit. Studies point out that credit provision is affected by the conservative nature of banks, with limited focus on SMEs; and high collateral requirements. Combined this has led to a situation where bank credit continues to be dominated by the public sector and large companies. The current ratio of credit provision to private sector (below 30% of GDP) for Egypt is lower than the level suggested by the country's level of development; and within this bank loans extended to SMEs are very low at about 5% of total loans. With regard to innovation, Egypt ranked 120th on the Innovation sub-indicator in the WEF Competitiveness ranking. In relation to innovation ecosystems, the lack of proximity and trust between public and private sector stakeholders, ineffective legal framework for protecting intellectual property rights, rigid administrative frameworks, poorly trained Research & Development (R&D) managers and governance problems all represent major hurdles preventing Egypt from pushing forward dynamic innovation policies. Generally speaking, the private sector still shows relatively low commitment to innovation, but is also undergoing change. A new generation of entrepreneurs and innovative SMEs is coming up, the venture capital industry is developing and a network of incubators and accelerators promoting innovation among SMEs is emerging while in need of both technical and financial resources. Innovation, technology and quality issues are becoming a core concern for leaders of competitive enterprises and pose a major challenge to Micro, Small and Medium Enterprises (MSMEs) which have to operate in the context of a globalised economy. An improvement in the performance of the innovation ecosystems is thus essential for industrial competitiveness and job creation. 1.1.1 Public Policy Assessment and EU Policy Framework The political turmoil of recent years has led to interruptions and sometimes limited consistency in policy initiatives on business environment and inclusive economic growth. With the political roadmap following the ouster of President Morsi now formally finalised, the institutional environment for a more coherent policy should be getting into place. The Government recently adopted a long term ***strategic*** document, 'Sustainable Development Strategy/ 2030 Vision', which puts forward a broad ***strategic*** vision regarding economic development, which commits to supporting a market-driven, competitive, diversified, knowledge-based economy, supported by a stable macroeconomic environment and a focus on maximizing value added and employment generating sectors. The document also acknowledges the importance of transparent and efficient governmental institutions in facilitating development. [6] In recent years the Government has taken a few important measures that start addressing some of the structural constraints mentioned above. Some of these measures still have an ad hoc feel; and some have not been followed through fully, but they nonetheless indicate intent on an economic reform agenda. The measures included: - new investment law, intending to create one-stop shops for licensing; - regulations setting guidelines for micro-credit institutions and new financial instruments; - regulatory changes by the Central Bank of Egypt (CBE) promoting provision of credit to SMEs and particular sectors including a recent initiative that would oblige banks to increase their lending to SMEs to up to 20% of their credit portfolio, partially through subsidized credit; - adjustment to energy and fuel pricing as well as changes to energy market regulations allowing companies to acquire energy independently; - changes to the tax regime, aimed at increasing revenue, but also towards a more simplified tax regime. The introduction of the Value-added Tax (VAT) and a special tax provisions for SMEs are under consideration and changes to customs law are in preparation. The co-ordination of policies at government level has often been suboptimal, due to the high number of involved entities. Positive elements have been the recent establishment of an Economic Advisory Council, albeit so far mainly staffed with external experts, and the recent set- up of an inter-ministerial committee to address the issue of Egypt's low position on the WB Doing Business ranking. It is also hoped that a new SME Law will be adopted which would introduce a new co-ordinating body to oversee the inclusion of SME concerns as a horizontal matter in all policies. The government is also preparing more specific ***strategic*** documents in areas such as industrial development, innovation and financial inclusion. Nonetheless the policy environment will continue to be challenged by ongoing economic constraints and resistance to reforms (both from affected institutions; as from shielded parts of private sector). The reforms will also take place in an institutional environment characterized by a tradition of overlapping and sometimes contradictory regulations, an oversized and often lethargic administration and overlapping and often competing public administration entities. Within the EU Policy Framework, the proposed initiative is aligned with the new European Neighbourhood Policy priority of supporting economic development to improve stability, with a particular focus on economic modernisation and entrepreneurship. Enhancing economic governance, supporting reforms of improved competitiveness and inclusive growth, fostering of innovation and creation of jobs are shared priorities of EU-Egypt partnership. In the context of the EU Single Support Framework for Egypt (2014-16) the Facility falls under Objective 2 'Governance, Transparency and Business Environment' and contributes to the specific objective 2.3 'Improve the legal and regulatory framework for conducting business and investment'. The Facility has been inspired by the Commission Communication of May 2014 on the role of private sector in achieving inclusive and sustainable growth, where the Facility focuses on creating a business environment conducive to private sector initiative (Action 1) as well as on strengthening the access of SMEs to finance and deepening financial inclusion (Actions 4 and 5). The Facility will be co-ordinated with the work ***programme*** on Euro-Mediterranean industrial co-operation - in particular in relation to the goal to [7] improve the business climate and promote entrepreneurship and SMEs on basis of the Small Business Act (SBA) for Europe and builds on the recommendations of the SBA review conducted in 2014. 1.1.2 Stakeholder analysis The Facility will partially focus on supporting reforms in the business enabling environment which will reduce the administrative burden on SMEs (namely on taxation, customs, company registration and Intellectual Property Right (IPR) protection), and on improving the policy framework for credit provision to SMEs. The main direct beneficiaries are therefore the Ministry of Finance, the Egyptian Tax Authority (ETA), the Egyptian Customs Authority (ECA), different agencies involved with company registration (and particularly the Internal Trade Development Authority (ITDA)), the Egyptian Patent Office (EPO) and the Central Bank of Egypt and the Egyptian Banking Institute (EBI), the training institute under the CBE. These are well established institutions, with clearly outlined and stable responsibilities. In addition they are sizeable, with clear absorption capacity for large-scale technical support. The EU has previously worked with these institutions and well established working relations exist, apart from the ITDA with whom co-operation is envisaged to commence only in 2017/18. During the macro-identification and formulation phases extensive dialogue has taken place with the main beneficiaries and the demand for support was clearly established. The Facility also foresees support to the strengthening of the analytical capacity of a number of non-state actors, to enhance their ability to provide a meaningful contribution to policy dialogue on business environment issues, particularly pertaining to SME issues. Furthermore, support will be allocated to non-state actor capacity to foster innovation in the SME sector. The beneficiaries here will be mainly business associations, Non-Governmental Organisations (NGOs), incubators/accelerators, think tanks and research institutions. The framework for supporting non-state actors (NGOs) in Egypt has not been easy due to new and additional restrictions put on NGO registration and foreign funding. However, the envisaged beneficiaries are generally well-established and the call for proposals would focus on their capacity on technical policy matters, and should therefore not be too controversial for the authorities. The final beneficiaries of the Facility are Egyptian companies. Throughout the different Facility components a particular emphasis will be on activities in support of SMEs. Other final beneficiaries are the financial service providers that will benefit from an enhanced policy focus on access to finance and banking supervision. These include banks, credit guarantee institutions and other non-bank entities (such as micro finance entities, co-operative state banks, post office, mobile operators) providing financial services to SMEs. 1.1.3 Priority areas for support/problem analysis The Facility will focus on providing technical support to address the following structural constraints to inclusive economic development and job creation: - the high administrative burdens imposed on companies, and in particular SME's, focusing on easing the tax and customs compliance requirements through support to the tax and customs policy framework and its business friendly implementation, on simplifying and streamlining the process of company registration [8] as well as on lowering the barrier to and ease of protecting intellectual property rights within the Egyptian economy. - the lack of access to finance for companies, and in particular SME's. This will be addressed through technical support to the Central Bank in the development of an Access to Finance policy and a broader set of instruments to promote access to finance for SMEs. In addition, support will be provided to the Central Bank in upgrading its banking supervision framework, to ensure that the soundness of the banking system is maintained. Support will also be provided, through a call for proposals, to improve the analytical capacity of business associations, NGOs, think tanks and academic institutions to be able to provide a more meaningful contribution to policy dialogue on business environment matters, in particularly on issues pertaining to SMEs. The policy level ***interventions*** will be complemented by a component of the Facility which will facilitate the supply of long term financing coupled with know-how to SME's, in selected economic sectors which show strong potential for increasing value addition and/or job creation in Egypt. Particular focus will be given to enhancing business linkages within the economy and to strengthening the competitiveness and the export potential of selected value or supply chains. Further, support will be provided to foster innovation among SMEs and young entrepreneurs. The formulation phase identified manufacturing, agro-processing and tourism as vertical sectors of high potential, while transport and logistics as well as energy efficiency/renewable energy were flagged as horizontal sectors with great potential for driving competitiveness within the economy. These particular aspects were selected because they are consistently identified as binding structural constraints to broad and inclusive economic development and they rank highly in the constraints to doing business identified by Egyptian business and investors in different 'doing business' surveys. The proposed areas have also been identified as government priorities. The proposed focus is also complementary to previous EU activities and interlinked with ongoing ***programmes***; so that interlinkages can be achieved. Finally, the activities focus on areas and beneficiaries where there is at present relatively limited assistance provided by other development agencies. 2 RISKS AND ASSUMPTIONS Risks Risk level (H/M/L) Mitigating measures Increased instability at country and regional level impacting negatively the political, social and economic conditions of the project H Instability is partly rooted in the lack of social and economic development prospects. The situation should improve thanks to the commitment of the Government to and the alignment of stakeholders around the Sustainable Development Strategy/Vision 2030. The situation will be closely monitored by the Delegation of the European Union to Egypt Weak co-ordination between stakeholders M The Facility will strengthen co-ordination in the legislative and policy reforms and dialogue by supporting national strategies and implementation mechanisms. Insufficient ownership, including involvement of the private sector L Continuous dialogue with representatives of the concerned Ministries during implementation: EU Delegation-led monitoring missions and high-level meetings as required. The Facility includes measures to promoted greater participation of the [9] private sector both through the dialogue platforms and through calls for proposals to support policy supporting analytical work by stakeholder representatives. Corruption and fraud H Overall risk for corruption and fraud in Egypt is considered high, as witnessed by low ranking of Egypt in international transparency and corruption perception rankings, high perceived corruption in population corruption surveys, a fragmented institutional framework of anti-corruption entities, incomplete legal framework and inconsistencies in judicial treatment of corruption cases. The government has adopted anti-corruption strategy. The project will mitigate exposure to corruption risks, through centralised implementation according to EU rules. Assumptions  Regional instability does not affect Egypt and national political stability is secured.  The social and economic development agenda, including support to transparency in government operations and development of SMEs is implemented and not reversed.  Momentum within Government to strengthen policy reform and co-ordination is maintained.  The dialogue with the private sector, notably with the representatives of SMEs, remains a priority.  All concerned administrations will collaborate during the implementation and will grant all required permissions. 3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES 3.1 Lessons learnt The EU has previous and ongoing projects related to improvement of business environment and access to finance issues. The EU previously worked with most of the beneficiary entities, and strong operational relations with those entities exist. Experience from these learn that the beneficiary entities are generally in demand of external technical support, even if the institutional complexity in Egypt sometimes complicates a structured implementation of reform measures. Project design therefore needs to allow flexibility over the project implementation period. The project design takes account of challenges experienced in implementation through the decentralised management mode and a centralised management mode is proposed. The technical support will be mainly provided through service contracts, but for the support to the banking supervision function at the CBE it has been deemed that a peer-to-peer co-operation with a European public body active in banking supervision is most useful, building on previous peer-to-peer support in the area. The project will also draw on EU experience in providing support to non-state actors. This type of support is complicated within Egypt's current policy framework for NGOs, but it is felt that the added value of this support is highly relevant and that it should be feasible given the relatively established nature of the envisaged beneficiaries, which will primarily be recognised business associations. 3.2 Complementarity, synergy and donor co-ordination The Facility is highly complementary to ongoing and ***planned*** ***interventions*** in the area of business environment reform and support to access to finance. There is high complementarity between the foreseen support to the supply of long-term credit to SMEs (under the blending component of the ***programme***) and the support to the Central Bank on access to finance; as it will ensure that both the policy framework will be developed as provide support to innovate approaches of providing access to finance with a strong value-chain focus. Complementarity also exists with the ongoing rural [10] SME support ***programme*** (SASME) which includes support to the set-up of financial instruments (credit lines, credit guarantee funds), geared toward the ***agricultural*** sector; as well as with EU Development Finance Institution (DFI) funded SME global loans and NIF supported regional finance facilities. The proposed Facility is a natural continuum to the Inclusive Growth ***Programme*** (IEGP) approved as part of the Annual Action ***Programme*** (AAP) 2015, which has a strong focus on the strengthening of capacities of SMEs. While the IEGP will provide support to the policy level co-ordination of SME support initiatives championed by the Ministry of Industry and Trade as well as facilitate SME access to Business Development Services (BDS), the proposed new initiative will extend the remit of EU support to other important entities which have a high impact on the enabling environment for business development, such as the Customs and Tax Authorities, the Central Bank as well as the Internal Trade Development Authority. In addition the new ***programme*** will also have important synergies with the Trade and Domestic Market Enhancement ***Programme***, which provides technical support to the Ministry of Trade and Industry on economic and industrial development policies as well as the facilitation of some of the administrative processes under the remit of the Ministry, including some import/export procedures that are interlinked with Customs procedures, foreseen to the addressed under the proposed ***programme***. Additionally the ***programme*** is complementary to the EU's Technical and Vocational Education and Training (TVET) ***programme*** which focuses on the quality and productiveness of human resources, another major constraint to inclusive economic development. Synergies will be built and complementary ensured with regional ***programmes*** focusing on improvement of business enabling environment (the 'Enhancement of the Business Environment in the Southern Mediterranean' and the 'Enhancing Investment, Innovation and Growth in South Neighbourhood' ***programmes*** in particular). The proposed Facility is thus part of a holistic and sequential package of EU support to Inclusive Economic Growth in Egypt, capitalising on a broad array of support modalities. The ***programme*** is aligned with the European Neighbourhood Policy (ENP) review priority of supporting economic development to improve stability. Given the importance of SME development as an engine for inclusive growth and an avenue to integrate the youth into the economy, this sector will continue to play a central role in our co-operation with Egypt. A mapping of the activities of the main donors in the broader area of business environment reform, access to finance and SME support has been undertaken as part of the identification of this ***programme***. A number of important support activities are underway, including the business environment ***programme*** (EASE) of WB-Organisation for Economic Co-operation and Development (OECD), BDS support ***programmes*** from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and USAID, and potential future Technical Assistance from WB in a number of areas. In the specific areas proposed for capacity building support under this ***programme***, the support provided by other agencies is so far limited, and if provided quite topical and short-term (for example through topical International Monetary Fund (IMF) and WB support). Therefore there clearly is space and absorptive capacity for EU support in the proposed ***intervention*** areas. With regard to supply of credit there are already a number of European Financial Institution (EFI) funded SME global loans and NIF supported regional 'EU Initiative for Financial Inclusion' in place. However, the proposed [11] operations under this Facility will complement these with their specific innovative financial instrument composition and their particular focus on value-chains. The proposed access to finance component of this Facility will be closely linked to the similar value-chain financing initiatives funded through the NIF in Morocco and Tunisia. 3.3 Cross-cutting issues It is expected that the Facility could have a positive impact on the improvement of the decision-making processes of economic policies, in particular within the MSMEs sector. The Facility will mainstream gender considerations and promote gender equality in the implementation of the activities. This will be partic

ularly prominent in the support to the Access to Finance policy area, where gender aspects will be taken into consideration in the technical support to the definition of a ***strategic*** Access to Finance Approach by the CBE, and the collection of more gender-specific data will play an important role in the support to a financial demand survey and in upgrading of CBE's collection of data on financial service supply. Specific attention will also be paid to targeting women- and youth owned companies in the Access to Finance components and in the innovation support components of the ***programme***. Environmental aspects will be taken into consideration in the support to the Access to Finance, where the possibility of specific financing modalities for 'Green economy' issues and energy efficiency measures could feature. 4 DESCRIPTION OF THE ACTION 4.1 Objectives and Results The overall objective of the action is to contribute to stabilisation of Egypt by promoting sustainable economic development and hence improving the future prospects of its citizens. The specific objective of the action is to facilitate inclusive economic growth and job creation. The Facility will be articulated through two complementary components focusing on i) improving the enabling environment for business creation and economic development and ii) investing in the potential of SMEs to add value in the economy and to generate jobs. Component 1 will focus in particular on reforms which will lower the administrative burden on SMEs, facilitate financial inclusion among SMEs in a sustainable manner and strengthen the protection of intellectual property rights. The expected results of the component include: R1: Improved ease of tax and customs compliance for all tax payers, and in particular for SMEs; R2: Improved access to finance for SMEs while maintaining the soundness of the banking system; R3: Deepened dialogue on the policy framework for business environment, in particular on SME related issues; R4: Business registration processes streamlined and simplified; R5: Improved enabling environment for innovation within the Egyptian economy; [12] Component 2 will be complementary and focus on supporting enterprise growth and competitiveness through facilitating SME access to long term financing and know-how and by facilitating business linkages and fostering innovation among SMEs, including young entrepreneurs. The expected results of the component include: R6: Increased economic performance of the SMEs supported with facilitation of access to long-term finance and know-how (Funding for this result will be subject to separate NIF financing Decisions and complementary Decisions); R7: Enhanced capacity of SMEs and entrepreneurs to innovate. The proposed Facility is relevant in the context of the Sustainable Development Strategy/Agenda 2030 of Egypt. It contributes primarily to the progressive achievement of Sustainable Development Goal 8 'Promote inclusive and sustainable economic growth, employment and decent work for all', which particularly includes targets related to diversification of companies, and in particular SMEs, and improved access to finance. At composite level the Facility will also contribute to the achievement of a number of other ***strategic*** objectives, such as the formalisation of economy, improved government fiscal policy, the fight against corruption through better government procedures and improved government efficiency. 4.2 Main activities EU support to the ***programme*** is sequenced in contributions over two consecutive years. Activities to be supported through the 2016 annual appropriations are outlined below. These activities will contribute the achievement of the Facility's expected results as follows: R1: Improved ease of tax and customs compliance for all tax payers, and in particular for SMEs; - technical assistance and capacity building support to the Ministry of Finance (as entity responsible for tax and customs policies) and to the two implementing agencies: the Egyptian Tax Authority (ETA) and the Egyptian Customs Authority (ECA). A limited budget for supplies in support of ***strategic*** automation and communication processes is envisaged. Particularly important areas for reform in the coming years which can be supported include, inter alia, the introduction of a simplified tax regime for small companies, the introduction of VAT and the updating of the Customs Law; as well as support to allow Egypt to make full use of the international taxation related conventions to which it is party. In addition support to re-engineering of processes involving interaction with taxpayers and traders and improvement of communication practices will feature prominently. R2: Improved access to finance for SMEs while maintaining the soundness of the banking system; - technical assistance and capacity building support to the Central Bank of Egypt, and a number of affiliated entities that are involved in the implementation of CBE policies such as the Egyptian Banking Institute (EBI), for the development and implementation of a financial inclusion strategy by CBE, focusing in particular on the access to finance for SME's aspects, to be complemented by technical advice [13] on the banking supervision aspects, in particular the adoption of Basel III principles1 into Egypt's banking regulations. R3: Deepened dialogue on the policy framework for business environment, in particular on SME related issues; - provision of grants to entities that contribute to policy dialogue on reform of the business environment. The call for proposal will be targeted to representative organisations of businesses, in particular SME's; academic research institutes and think tanks working on business reform issues. The purpose of the call for proposals would be to support them in their analytical work and capacity building around business environment reform initiatives, in particular where it regards issues involving the business environment for SMEs. R6: Increased economic performance of the SMEs supported with facilitation of access to long-term finance and know-how; - channelling of long-term financing and technical advisory services to SMEs in economic sectors which have high inclusive growth potential in Egypt (such as agribusiness, manufacturing, services and energy efficiency). These activities will be implemented through a blending operation with EFIs which will provide long-term financing and targeted technical assistance to SMEs (directly or indirectly) in order to enhance business linkages (value/supply chains, clustering, etc.) and increase the export potential as well as the value added ***produced*** by and the competitiveness of the SME segment of the economy. Funding for this activity will be subject to separate NIF financing Decisions and complementary Decisions. Activities to be supported through the 2017 annual appropriations are outlined below. These activities will contribute the achievement of the Facility's expected results as follows: R4: Business registration processes streamlined and simplified; - technical assistance and capacity building support to different agencies involved in company registration process within the Government of Egypt. A limited budget for supplies in support of ***strategic*** automation and communication processes is envisaged. A particular focus is foreseen to be on the Internal Trade Development Authority, in the design and implementation of a simplified company registration system in order to establish a single company ID. Such a single company ID will have important positive implications on the general business environment as it will also ease payment of taxes, customs duties, social security payments etc. R5: Improved enabling environment for innovation within the Egyptian economy; 1 Basel III is a comprehensive set of reform measures in banking prudential regulation developed by the Basel Committee on Banking Supervision, to strengthen the regulation, supervision and risk management of the banking sector. The Basel III principles should be implemented by all parties by 2019. [14] - technical assistance and capacity building support to the Government of Egypt in strengthening the regulatory framework for protection of intellectual property rights as well as the capacity of the Government to enforce these rights. A limited budget for supplies in support of ***strategic*** automation and communication processes is envisaged. R7: Enhanced capacity of SMEs and entrepreneurs to innovate; - technical and financial support to non-state actors – incubators/accelerators, private sector representative bodies and research community – to foster innovation within the real economy, in particular among SMEs and young entrepreneurs. The support will be channelled through grants to be awarded through a call for proposals. 4.3 ***Intervention*** Logic The Facility aims to achieve its objectives through the provision of technical support to key institutions in the Egyptian context as well as by channelling support to SMEs and entrepreneurs via financial and non-financial intermediaries. The support to the Ministry of Finance, ETA and ECA will have a particular focus on improving the administrative procedures and communication practices of these entities toward tax payers, focusing in particular on their service delivery towards companies and SMEs. At the same time support will also be provided in the policy preparation and regulatory reform related to new and existing tax policies, as these could provide important ways to create a clearer and more simplified taxation approach that could help broaden the tax base in a sustainable manner. In this context support is also foreseen to assist Egypt in making full use of the international taxation related conventions to which is party. The support to the CBE will provide technical assistance to the development of a more coherent and evidence based financial inclusion approach; including through supporting the availability of more data on financial service demand and supply. This is complemented by support to the banking supervision function of the CBE, acknowledging that the expansion of financial services to SMEs and other underbanked segments, needs to accompanied by a continued upgrading of the banking supervision regulations to ensure that the soundness of the banking system is maintained. Support to the government agencies involved in company registration processes and intellectual property rights will be delivered primarily in form of technical assistance The focus will primarily be on improving the company registration processes, in particular through the ITDA which is developing a unique company system; and regulatory, institutional and process re-engineering support to the agencies involved in Intellectual Property Rights registration (ITDA, EPO). Economic reforms, and particularly business environment reforms, should be developed in close interaction with the business community and other stakeholders. The Facility will support policy development capacity at the government side, but through the call for proposal for business associations and think tanks the Facility also aims at strengthening the policy demand side in its policy analysis capacity, so that the overall quality of policy dialogue is ensured. [15] Finally, the institutional level support will be complemented by support to enhancing the competitiveness and productivity of SMEs by facilitating SME access to long-term financing and technical assistance. This will be implemented on the one hand through blending of EU grant financing and EFI loan financing and channelled in particular to value-chain and business linkage initiatives in economic sectors with high growth potential; and on the other hand through non-state actors to strengthen innovation capacities within the SME sector. 5 IMPLEMENTATION 5.1 Financing agreement In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012. 5.2 Indicative implementation period The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 84 months from the date of where financing agreement is concluded. Extensions of the implementation period may be agreed by the Commission’s authorising officer responsible by amending this Decision and the relevant contracts and agreements; such amendments to this Decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014. 5.3 Implementation modalities 5.3.1 Indirect management with a Member State Agency A part of this action may be implemented in indirect management with GIZ in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails the implementation of result 2 'Improved access to finance for SMEs while maintaining the soundness of the banking system' with the Central Bank of Egypt as main beneficiary. This implementation is justified because of the longstanding involvement of GIZ in the area of financial inclusion and access to finance in Egypt and in the region (including previous activities with CBE) which provides assurances for a successful implementation of the activities; as well as offering useful synergies with other activities developed by GIZ in the area of financial inclusion and access to finance. In addition GIZ has a preferential relationship with the Bundesbank, which has emerged as the EU Member State Central Bank most interested in providing support in the area of banking supervision. The entrusted entity would carry out the following budget-implementation tasks: provision of technical assistance, contracting of services and supplies, contracting of expertise from EU public bodies (including Member State Central Banks). If negotiations with the above-mentioned entrusted entity fail, that part of this action may be implemented in direct management in accordance with the implementation modalities identified in section[s] 5.3.5 (twinning grant to a Member State public body) and/or 5.3.6 (procurement of services). [16] 5.3.2 Indirect management with an International Organisation A part of this action may be implemented in indirect management with OECD in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails the implementation of part of result 1 'Improved ease of tax and customs compliance for all tax payers, and in particular for SMEs' with the Ministry of Finance and Egyptian Tax Authority as beneficiary. The particular focus would be on issues of international taxation, exchange of information, fighting tax avoidance and tax statistics. This implementation by OECD is justified because of the specialized expertise of OECD in the area of international taxation and tax avoidance issues; through its coordination of the multilateral conventions on 'Exchange of information between tax agencies' and on 'Measures to combat Base Erosion and Profit Shifting' to which Egypt is party. The entrusted entity would carry out the following budget-implementation tasks: contracting of services and supplies, sub-granting. According to the detailed nature of the action, the implementation modality could also be a direct award of a grant (under direct implementation) to OECD if the final formulation were to indicate that no budget implementation tasks are required for the implementation of the action. Please see section 5.5.3 for details. Alternatively, if negotiations with the above-mentioned entrusted entity fail, that part of this action may be implemented in direct management in accordance with the implementation modalities identified in section[s] 5.3.5 (twinning grant to a Member State public body) and/or 5.3.6 (procurement of services). 5.3.3 Changes from indirect to direct management mode due to exceptional circumstances As mentioned above, direct management alternatives for the activities proposed to be implemented in indirect management mode, include: For section 5.3.2 - direct award of a grant to an international organisation - OECD (see details hereafter) For section 5.3.1 and 5.3.2 - twinning grant to a Member State public body (see details in section 5.3.5); - procurement of services (see details in section 5.3.6). Grant: direct award to OECD (direct management) (a) Objectives of the grant, fields of ***intervention***, priorities of the year and expected results The objective of the envisaged grant is to support Egypt in making full use of the international taxation related conventions to which it is party. Particular focus will be on issues of international taxation, exchange of information, fighting tax avoidance and tax statistics and are linked to result 1 as described in sections 4.1 and 4.2 Implementation of the grant would entail contracting of services and supplies, sub-granting. [17] (b) Justification of a direct grant Under the responsibility of the Commission’s authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because of the specialized expertise of OECD in the area of international taxation and tax avoidance issues; through its coordination of the multilateral conventions on 'Exchange of information between tax agencies' and on 'Measures to combat Base Erosion and Profit Shifting' to which Egypt is party. (c) Eligibility conditions Non applicable. (d) Essential selection and award criteria The essential selection criteria are the financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action. (e) Maximum rate of co-financing The maximum possible rate of co-financing for this grant is 80% of the eligible costs of the action. In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 37 of (EU) regulation n° 323/2015 if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission’s authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management. (f) Indicative trimester to conclude the grant agreement 3rd trimester of 2017 (before n+1). 5.3.4 Grant: 2 calls for proposals - 1) 'Strengthening of analytical capacity of stakeholders participating in policy dialogue on business reform, particularly in relation to SMEs'; 2) 'Strengthening innovation capacities among SMEs' (direct management) (a) Objectives of the grants, fields of ***intervention***, priorities of the year and expected results Related to the third expected result, the objective of the call is to deepen the policy dialogue on the policy framework for business environment, in particular for SME's, through improved input and analytical work by stakeholders. The call will be targeted to representative organisations of businesses, in particular SME's; academic research institutes and think tanks working on business reform issues. The purpose of the call for proposals would be to support them in their analytical work and capacity building [18] around business environment reform initiatives, in particular where it regards issues involving the business environment for SMEs. Related to the seventh expected result, the objective of the call is to enhance the capacities among Egyptian SMEs and entrepreneurs to innovate and through innovation improve the competitiveness of Egyptian enterprises. (b) Eligibility conditions The Calls for Proposals might be open to applicants who are:  legal persons and  specific types of organisations such as: non-governmental organisations and other Non-State actors, public sector operators, local authorities, international organisations, or economic operators working in field of MSMEs development, and  effectively established in an eligible country as defined for the European Neighbourhood Instrument: the Member States of the European Union, the partner countries benefitting from the European Neighbourhood Instrument (Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestinian Authority of the West Bank and Gaza Strip, Syria, Tunisia, Ukraine), the contracting parties to the Agreement on the European Economic Area (Iceland, Lichtenstein, Norway), the Developing countries and territories, as included in the list of Official Development Assistance (ODA) recipients published by the OECD-DAC, which are not members of the G-20 group, the overseas countries and territories covered by Council Decision 2001/822/EC, or in the former Yugoslav Republic of Macedonia, Turkey, Albania, Bosnia and Herzegovina, Montenegro or Serbia, including Kosovo. This obligation does not apply to international organisations, and  directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary. Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is EUR 150,000 – EUR 1,000,000; and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (co-ordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 48 months. (c) Essential selection and award criteria. The essential selection criteria are financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action. (d) Maximum rate of co-financing. The maximum possible rate of co-financing for grants under this call is 90% of the eligible costs of the action. In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified [19] by the Commission’s authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management. (e) Indicative timing to launch the calls The call related to result 3 is to be launched during the 1st trimester of the first year of implementation, following the signing of the Financing Agreement while the call related to result 7 will indicatively be launched within 12 months from signature of an addendum to the Financing Agreement, subject to allocation of 2017 commitment appropriations. 5.3.5 Grants: call for proposals for Twinning projects (direct management) (a) Objectives of the grant, fields of ***intervention***, priorities of the year and expected results For part of expected result 1 'Improved ease of tax and customs compliance for all tax payers, and in particular for SMEs', it is expected that two twinning grants will be concluded in order to provide technical assistance and capacity building support to the Ministry of Finance, the Egyptian Tax Authority and the Egyptian Customs Authority. (b) Eligibility conditions In line with Article 4(10)(b) of Regulation (EU) No 236/2014, participation in Twinning calls for proposals is limited to public administrations of the EU Member States, being understood as central or regional authorities of a Member State as well as their bodies and administrative structures and private law bodies entrusted with a public service mission under their control provided they act for the account and under the responsibility of that Member State. (c) Essential selection and award criteria The essential selection criteria are the financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action. (d) Maximum rate of co-financing The rate of co-financing for Twinning grant contract is 100%2. (f) Indicative trimester to conclude the grant agreement The indicative timing for the awarding of the grant is 2nd trimester of Year 2. If a twinning procedure cannot be launched for reasons outside of the control of the Delegation, or if the twinning contracting procedure would be unsuccessful, this part of the action may be implemented through a duly justified direct grant with selected public entities or international organisations in the field of taxation and customs while in such occasion the maximum possible rate of co-financing for this grant would be 80% of the eligible costs of the action. 2 As per Twinning Manual. [20] 5.3.6 Procurement (direct management) Subject in generic terms Type (works, supplies, services) Indicative number of contracts Indicative trimester of launch of the procedure Supplies for ETA and ECA Supplies 1 Year 2, 3rd trimester Support to relevant GoE entities on Company registration and IPR Services 2 Year 2, 3rd trimester Supplies for company registration and /or IPR Supplies 1 Year 3, 2nd trimester Procurement is also foreseen as an alternative implementation modality to those described above in sections 5.3.1, 5.3.2 and 5.3.5, as follows. Subject in generic terms Type (works, supplies, services) Indicative number of contracts Indicative trimester of launch of the procedure Alternative to indirect management with GiZ (section 5.3.1) Services 1 Year 2, 1st trimester Alternative to indirect management with OECD (section 5.3.2) Services 1 Year 2, 1st trimester Alternative to Twinning grants (section 5.3.5) Services 2 Year 2, 3rd trimester 5.4 Scope of geographical eligibility for procurement and grants The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply. The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult. [21] 5.5 Indicative budget AAP 2016 and AAP 2017 EU contribution in 2016 (EUR) EU contribution in 2017 (EUR) Indicative third party contribu-tion (in EUR) 1. Component 1 – Improved enabling environment for business creation and economic development 9 100 000 6 000 000 5.3.1 Indirect management with GIZ – banking supervision and access to finance support to CBE 3 200 000 N/A 5.3.2 Indirect management with OECD – International Taxation support to MoF and ETA 1 200 000 N/A 5.3.5 Twinning grant to EU Public Entities (direct management) – Support to MoF, ETA and ECA 3 500 000 5.3.6 Procurement (direct management) – Call for tenders/Supplies: Support to MoF, ECA, ETA, CBE, ITDA/EPO 400 000 6 000 000 5.3.4 Call for proposals (direct management) – Strengthening of analytical capacity of stakeholders participating on policy dialogue on business reform, particularly in relation to SMEs 800 000 90 000 2. Component 2 – Increased potential of SMEs to add value in the economy and generate jobs (please see separate table below for NIF contribution) 0 3 000 000 5.3.4 Call for proposals (direct management) – Strengthening innovation capacities among SMEs 0 3 000 000 335 000 3. Other 900 000 1 000 000 3.1 Evaluation and Audit 200 000 200 000 N/A 3.2 Communication and Visibility 200 000 300 000 N/A 3.3 Contingencies 500 000 500 000 N/A Sub-Total 10 000 000 10 000 000 425 000 NIF EU contribution in 2016 (EUR) EU contribution in 2017 (EUR) Indicative third party contribu-tion (in EUR) 2. Component 2 – Increased potential of SMEs to add value in the economy and generate jobs Component 2.1 Contribution to the Neighbourhood Investment Facility3 40 000 000 TBD 360 000 000 Overall total (AAP + NIF) 50 000 000 10 000 000 360 425 000 3 Subject to the approval of the relevant NIF financing Decision and subsequent complementary Decisions. [22] 5.6 Organisational set-up and responsibilities The ***programme*** will be implemented through a combination of direct and indirect management modes. Indirect management will be delegated to a European Member State and to an International Organisation. In addition, the blending component of the action is to be implemented in indirect management with the EBRD and the EIB (activities related to result area 6). Other actions will be directly managed by the European Commission through its Delegation in Egypt. All contracts and payments are made by the Commission on behalf of the Beneficiary. In order to ensure leadership and ownership, the technical assistance teams will be located at relevant beneficiary administrations and these administrations will be consulted in all stages of ***programme*** implementation. The ***programme*** will be governed by a Steering Committee, which will oversee and guide the overall direction and policy of the ***programme***. It shall meet twice a year as a general principle and can be convened whenever the project's implementation requires ***strategic*** decision or changes. The project steering committee shall be chaired by the Ministry of International Co-operation (MoIC) and made up of representatives of the following entities: • The Ministry of Finance, Egyptian Tax Authority and Egyptian Customs Authority • Ministry of Internal Trade and Supplies, Internal Trade Development Authority, Egyptian Patent Office • Central Bank of Egypt • Representative of the EU Delegation (observer). The Steering Committee has the right to invite further members of any of the stakeholders whenever deemed appropriate. Operational steering committees will be set up at the level of the different ***programme*** components for the practical management of the contracts; and will consist of representatives of the beneficiary organisation, the contractor and the EU Delegation and MoIC. 5.7 Performance monitoring and reporting The day-to-day technical and financial monitoring of the implementation of the Facility will be a continuous process and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation. The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews). [23] 5.8 Evaluation Having regard to the nature of the action, a mid-term, final and/or ex-post evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. The mid-term evaluation may be carried out for problem solving, learning purposes, in particular with respect to the gathering of information, review of the Results Oriented Framework (RoF – Annex I) and assessing the project's implementation progress towards the objectives. A final or ex-post evaluation may be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the impact and sustainability of the ***Programme***. The Commission shall inform the implementing partner at least 15 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. Indicatively, one contract for evaluation services shall be concluded under a framework contract in the second year and one in the sixth year of the implementation of the ***programme***. 5.9 Audit Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements. Indicatively, one contract for audit services shall be concluded under a framework contract the sixth year of implementation of the ***Programme***. 5.10 Communication and visibility Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility ***Plan*** of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above. In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements. [24] The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility ***Plan*** of the Action and the appropriate contractual obligations. The different implementation contracts under this Facility will include funding for visibility and communication actions. In addition a budget of EUR 500 000 for communication and visibility actions at the level of the overall Facility is foreseen, to be implemented via procurement contracts. Indicatively, two contracts shall be concluded under a framework contract during the first and third year of implementation of the Facility. [25] 6 ANNEXES Annex 1: Results Oriented Framework (ROF) Results chain Indicators Baseline (incl. Ref. year) Targets (incl. reference year) Sources & verification Assumptions Overall obj: Impact Contribute to stabilisation of Egypt by promoting sustainable economic development and hence improving the future prospects of its citizens.  Economic Growth – GDP growth rate  Unemployment  Youth unemployment  4.2% ('14-15)  12.7% (2016)  26.3% (2016)  avg rate of 7%  5 – 10 % Improved CAPMAS WB Political and security risks remain under control despite the volatile security environment in the region Specific objective Facilitate inclusive economic growth and job creation by focusing on the specific objective of improving the enabling environment for business creation and economic development and investing in the potential of SMEs to add value in the economy and to generate jobs.  Doing Business Ranking  SBA Policy Index  SME employment in overall employment  SME contribution to GDP  131st (2016)  2.6 (2013)  TBA  TBA  improved (GoE target)  improved  increased  increased  WB EU/OECD CAPMAS CAPMAS [26]  Component 1: Improved enabling environment for business creation and economic development Outputs 1.Improved ease of tax and customs compliance for all tax payers, and in particular for SMEs  (non state) corporate tax revenue/GDP  Doing Business Rank (Paying Tax)  Doing Business Rank (Trading Abroad)  OECD Trade Facilitation Indicator  5.4%  151st (2016)  157th (2016)  0.4 - 1.1 (2015)  Increased  Improved ranking  Improved ranking  Improved score  2.Improved access to finance for SME's; while maintaining the soundness of the banking system  Financial Inclusion / AtF Approach  Share of SME loans in total bank balance sheets  # of SMEs that obtain financial services  Basle III principles adapted  E-banking Regulations in line with international best practice allowing for increased banking instruments safely available to the market  Not existing  9% (estimate)  n/a  under development  some regulations but in need of development  Adopted and institutionally anchored in CBE  Ratio to reach 20% at end of 2020  Measured and increased  The Basle III principles adapted to Egypt environment through new or improved circulars.  E-Banking regulation have been up-graded by end 2020 CBE 3.Deepened dialogue on the policy framework for business environment, in particular for SME's, through improved input and analytical work by stakeholders  Quality of stakeholder input in policy dialogue on business environment  Number and intensity of policy dialogue on business environment matters  Qualitative assessment  Qualitative assessment Stakeholder papers, dialogue initiatives [27] 4. Business registration processes streamlined and simplified  Number of procedural steps to register a company  8 (2016)  reduced WB DBI 5. Improved enabling environment for innovation within the Egyptian economy  Intellectual Property Rights Subindex of the International Property Rights Index  4.3 (2015)  improved Property Rights Alliance Component 2: Increased potential of SMEs to add value in the economy and generate jobs 6. Increased economic performance of the SMEs supported with facilitation of access to long-term finance and know-how  % of supported SMEs reporting increase in turnover during period of investment  % of supported SMEs reporting increase in employment during period of investment  % of supported SMEs are established or have significant operations outside of Cairo  % of supported SMEs are owned/ operated by female or youth entrepreneurs  75%  50%  20%  20% Reporting by implement-ting EFIs 7. Enhanced capacity of SMEs and entrepreneurs to innovate  Number of SME innovation clusters/ initiatives supported  Number of young or women entrepreneurs supported  % of supported SME innovation clusters/initiatives reporting increase in turnover after 2 years of receiving support  Proposals submitted through the calls for proposals will define the baseline  Proposals submitted through the calls for proposals will define the targets Reporting by beneficiaries

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**End of Document**



[***P8\_TA(2016)0049 Special situation of islands European Parliament resolution of 4 February 2016 on the special situation of islands (2015/3014(RSP))***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RK3-P7W1-JDG9-Y0WD-00000-00&context=1516831)

Impact News Service

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**Body**

Brussels: Official Journal of the European Union has issued the following notice:

P8\_TA(2016)0049

Special situation of islands

European Parliament resolution of 4 February 2016 on the special situation of islands (2015/3014(RSP))

(2018/C 035/14)

The European Parliament,

—

having regard to Articles 174 and 175 of the Treaty on the Functioning of the European Union (TFEU),

—

having regard to Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013, on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006,

—

having regard to Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European ***Agricultural*** Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006,

—

having regard to Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European ***Agricultural*** Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005,

—

having regard to the Commission’s Sixth Report on Economic, Social and Territorial Cohesion (COM(2014)0473),

—

having regard to the European Economic and Social Committee’s opinion on ‘Specific problems facing islands’ (1229/2011),

—

having regard to the question to the Commission on the insularity condition (O-000013/2016 — B8-0106/2016),

—

having regard to Rules 128(5) and 123(2) of its Rules of Procedure,

A.

whereas islands, classified as NUTS-2 and NUTS-3 regions, have common and permanent specific features, which clearly distinguish them from mainland areas;

B.

whereas Article 174 of the TFEU recognises the permanent natural and geographical handicaps specific to the situation of islands;

C.

whereas the reduction in economic, social and environmental disparities between regions and polycentric harmonious development are the main objectives of cohesion policy, in close connection with achieving the objectives of the Europe 2020 strategy;

D.

whereas the economic crisis has impacted dramatically on the national and regional budgets of many Member States by limiting the availability of financing in many sectors and leading to a 20 % collapse of public investment; whereas, as also pointed out in the Sixth Report on Economic, Social and Territorial Cohesion, the impact of the crisis has seriously affected the potential development of many disadvantaged regions, including islands; whereas the economic crisis has reversed the long-term trend of convergence of GDP and unemployment rates across the EU, resulting in increased poverty and social exclusion and preventing the achievement of the Union’s long-term objective of economic and territorial cohesion;

E.

whereas EU islands are also peripheral regions situated in some cases on the EU’s external borders and are particularly vulnerable to the challenges which Europe is currently facing, such as globalisation, demographic trends, climate change, energy supply and, especially for the southern areas, exposure to increasing migration flows;

F.

whereas European islands contribute to the diversity of the Union in both environmental terms (specific habitats and endemic species) and cultural terms (architectural heritage, sites, landscapes, ***agricultural*** and non-***agricultural*** features and geographical identities);

G.

whereas European islands can contribute to strengthening sustainable development in the Union, given their high potential for ***producing*** energy from renewable sources due to specific exposure to wind streams, ocean swell and sunlight;

H.

whereas the accessibility of regions and connections within islands are key factors in making island areas more attractive for skilled workers and businesses; whereas there is a need to attract investment, to create new jobs and to reduce maritime and air transport costs for people and goods, in accordance with the principle of territorial continuity, while also making efforts to reduce emissions and pollution deriving from maritime and air transport;

I.

whereas ***agriculture***, breeding and fisheries constitute an important element of local island economies, which are a source of supply for a significant part of the agro-industrial sector, and whereas these sectors suffer due to lack of accessibility, particularly for SMEs, a low level of product differentiation, and climate conditions;

J.

whereas intensive tourism is, for most islands, an important part of their local economy but tends normally to be concentrated only in certain periods of the year and not adequately ***planned*** outside the season, and this may entail risks for the environmentally sustainable development of island regions;

1.

Encourages the Commission to provide a clear definition of the type of geographical, natural and demographic permanent handicaps that insular regions can suffer from, with reference to Article 174 of the TFEU;

2.

Asks the Commission how it intends to implement the wording of Article 174 of the TFEU regarding the permanent handicaps of insular regions that hinder their natural development and prevent them from achieving economic, social and territorial cohesion;

3.

Recognises the importance of providing support to tackle the significant depopulation trend in island regions; recalls that certain handicaps are more difficult to cope with for islands, in proportion to their small size and their remoteness from the European continental coasts;

4.

Requests that the Commission launch an in-depth study/analysis on the extra costs incurred as a result of being islands, in terms of the transport system for people and goods, energy supply and access to markets, in particular for SMEs;

5.

Is of the opinion that islands should have a proper definition/categorisation that will take into account not only their differences and specificities but also their specific situation; invites the Commission, on the basis of Article 174 of the TFEU, which recognises the special situation of islands, to set up a homogeneous group made up of all island territories; calls on the Commission, furthermore, to take into account, besides GDP, other statistical indicators that can reflect the economic and social vulnerability arising from natural permanent handicaps;

6.

Recalls that, in accordance with Council Directive 2006/112/EC, certain European islands have been granted special tax arrangements as a counterbalance to their natural and demographic permanent handicaps; stresses the importance of those special tax arrangements for local communities and economies, and calls for their continuation, especially in those Member States that are under economic adjustment ***programmes***;

7.

Recalls especially the need for better connectivity through maritime routes, improved access to ports and better air transport services; considers that particular emphasis should be placed on transport hubs, inter-modal transport and sustainable mobility; stresses also the need to support balanced territorial development of island regions by promoting innovation and competiveness in these regions, which are remote from the major administrative and economic centres and do not benefit from ease of access to transport, and by strengthening local production for local markets;

8.

Stresses that digital capacity is a vital means of counterbalancing the connectivity handicaps of island regions; emphasises that investments in infrastructure are required in order to ensure broadband access on islands and the full participation of islands in the digital single market;

9.

Recalls that many islands in the Mediterranean have seen huge numbers of migrants arriving and are having to deal with this situation; underlines the need for a holistic EU approach, which should include EU support and a joint effort by all Member States;

10.

Underlines the importance of providing education at all levels, where necessary also by making more use of distance education systems; recalls that islands are also facing serious climate change impacts, with particularly serious consequences, including increasing numbers of natural hazards;

11.

Emphasises that, while islands face constraints, they also benefit from a territorial potential, which should be used as an opportunity for development, growth and job creation; stresses the importance of low tax and red tape reduction policies as key incentives for attracting investment; mentions, in this context, the development of sustainable tourism in addition to seasonal tourism, focusing on the promotion of cultural heritage and specific artisanal economic activities; stresses also the huge potential of ocean, wind and solar energy and the potential of islands to become important sources of alternative energy, to be as energy-autonomous as possible and, above all, to guarantee cheaper energy supplies for their inhabitants;

12.

Stresses, in this connection, the importance of using all possible synergies between the European Structural and Investment Funds and other Union instruments with a view to counterbalancing the handicaps of islands and enhancing their economic growth, job creation and sustainable development situation;

13.

Calls on the Commission to establish an ‘EU ***Strategic*** Framework for Islands’ with a view to linking up instruments that can have a major territorial impact;

14.

Calls on the Member States and regional and local authorities to play an important role in the development strategies of islands on the basis of a vertical approach that involves all levels of government, in accordance with the principle of subsidiarity, with a view to ensuring the sustainable development of EU islands;

15.

Suggests that the Commission establish an ‘islands desk’ linked to the Commission’s Directorate-General for Regional and Urban Policy (DG REGIO) and made up of a small group of officials in order to coordinate and analyse issues relating to island regions;

16.

Calls on the Commission to submit a communication containing an ‘Agenda for EU Islands’ and, subsequently, a White Paper to monitor the development of islands, based on best practice and involving local, regional and national authorities and other relevant actors, including economic and social partners and representatives of civil society;

17.

Calls on the Commission to propose a European Year of Islands and Mountains;

18.

Invites the Commission to bear in mind the specific situation of islands when preparing the proposal for the next multiannual financial framework;

19.

Instructs its President to forward this resolution to the Council, the Commission, the Committee of the Regions and the Member States.

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**End of Document**



[***BRIEF NEWS BULLETIN NO. 10279***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R62-9K81-F12K-R4XX-00000-00&context=1516831)

HINA Digest

15 December 2017

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**Body**

Zagreb, 15 December 2017 (Hina) - Slovenian PM to visit Zagreb TuesdayZAGREB, Dec 15 (Hina) - Croatian and Slovenian Prime Ministers Andrej Plenkovic and Miro Cerar, who held talks on the margins of an EU summit in Brussels on Friday, agreed that Cerar would pay a visit to Zagreb on Tuesday, 19 December, for a discussion on efforts to solve the border dispute.After their two-hour-long talks in Brussels, Plenkovic told the press that that they had agreed for the continuation of the talks on the border demarcation "in a bid to try define the elements about which both the Croatian and Slovenian side can agree."Plenkovic called for developing good neighbourly relations on positive experiences such as this summer's agreement on targeted controls at the border crossings.We want to show that we are mature and responsible countries that understand the positions of each other and we strive for seeking the solution to the border issue, the Croatian premier said.This is the essential element of the talks we held today and the basis for the talks in Zagreb on Tuesday, he added.This autumn, the two premiers held a few meetings on the margins of European and international meeting, and in Brussels it was the seventh time for the two to hold talks.Asked about the points on which they can agree now, Plenkovic said that "we primarily agree on the method, and it is essential to maintain a cooperative atmosphere of dialogue.""This is extremely important for prevention of any unilateral moves, incidents or moods not conducive to efforts to find the solution."Plenkovic reiterated the the boundary lines such were on 25 June 1991 should be the starting point for further talks on how to make the two countries' positions closer, and other things would be tackled in dialogue that would ensue, first with the meeting in Zagreb, next week.Cerar was due to have visited Zagreb on 27 September, but cancelled his travel in protest at Plenkovic's speech in the UN General Assembly in New York when the Croatian head of government commented on the contamination of arbitration process before the Permanent Court of Arbitration that handed down a ruling on 29 June.

Croatia refused to accept the arbitration award stemming from the contaminated process."Compromising the impartiality or independence of international adjudicators and tribunals, as was the case in the terminated arbitration process between Croatia and Slovenia, makes their decisions legally void and left Croatia with no choice other than to withdraw from the arbitration process," the Croatian prime minister said in his speech in New York on 21 September.Croatian PM says border issue with Slovenia outstanding since independenceEarlier on Friday Plenkovic said thatCroatia saw the border demarcation with Slovenia as an issue that had been outstanding since the day they declared independence and that they would make progress if they put on the table the positions that were not contentious for either country and arranged a visit by Slovenian PM Miro Cerar to Zagreb."We look on that as an outstanding border issuethat has been with us since 25 June 1991. Our principle is clear, the republics' borders from that time should become state borders. We want to resolve this issue. The Croatian parliament's position is clear, the policyposition too," Plenkovic told Croatian reporters in Brussels."However, I think there are many aspects where we are very close to an agreement, so today we will see first, in an open talk, when Mr. Cerar couldcome to Zagreb. The deadlines by the end of the year that have been mentioned are related to the arbitration ruling, given that Croatia withdrew from that process. (Croatia) doesn't look on them as Slovenia does," he added."What's important in my opinion isthat we arrangehis visit to Zagreb, that we put on the table our and Slovenia'spositions and that we try to meet half way on those aspects of the border issue where the positions of neither country are contentious. That would be progress at this moment," Plenkovic said.Cerar told reporters a "very intensive dialogue" was taking place and that there had been no progress so far. "Our position is that we have to talk about the implementation of the arbitration. I insist on that. And I expect Croatia to make a step towards that position and to eventually recognise it."Croatian PM for protecting external EU borders, cooperating with migrant-generating countriesZAGREB, Dec15(Hina) - Prime Minister Andrej Plenkovic said on Friday Croatia believedthe protection of the European Union's external borders and an effective policy towards countries from which migrants came, while respecting the principle of solidarity, was the best approach to the migration policy."We believe that for Croatia it is especially important that all the measures be directed at the external dimension of the migration policy, the protection of the EU's external borders. The stronger, the more nonporous they are, the more effective the policy towards the countries from which migrants come is, the less relevant will be the issue of the internal migration policy, both legally and politically," Plenkovic told Croatian reporters ahead of the second day of an EU summit in Brussels.EU leaders discussed the migration policy during a working dinner on Thursday. There is no full agreement between the member states and a consensus seems far.Some member states are against binding refugee allocation quotas ad this is the main hurdle to an agreement on a new asylum system. Last night's discussion ended without formal conclusions. The goal is to reach by June 2018an agreement which would solve migration management in the long term.Plenkovic said the 2015 refugee crisis in the EU causes legal, political and financial consequences in the member states, slowing down movement in a project which hasfree movement as one of its fundamental ideas, leading to barriers on the borders and raising the question of solidarity.He reiterated that Croatia respected the solidarity principle, saying it was fundamental for participating in the European project, and that it was willing to participate in refugee relocation and resettlement in line with its size and possibilities.A euro area summit was taking place on Friday morning. Plenkovic said Croatia wanted to join the area. "The goal is to enter the Exchange Rate Mechanismby 2020 and to enter the euro area during the term of the next government."He saidthat next week the Croatian government wouldinitiate the ratification of the Fiscal Compact, the 2012Treaty on Stability, Coordination and Governance in the Economic and Monetary Union. Under it, national budgets must be in balanceor surplus, the structural deficit must not exceed 0.5% of GDP and thedebt‑to‑GDP ratio must not exceed 60%. It is a legally binding treaty for signatories whose currency is the euro.Plenkovic sure Croats in Britain will have same rights as other EU citizens after BrexitZAGREB, Dec 15 (Hina) - Croatian Prime Minister Andrej Plenkovic said in Brussels on Friday that he was sure that Great Britain would not extend restrictions for Croatian nationals on its labour market and that Croats would be entitled to the equal rights which other EU citizens had in that country.Great Britain, which will leave the EU on 29 March 2019, is one of the five EU member-states that have used the possibility of imposing transitional periods with restrictions for access to its labour market for citizens from EU newcomers, and those restrictions may apply to workers from EU member countries for a transitional period of up to 7 years after they join the EU.For the first two years after a country joined the EU, national law and policy of the countries that were already part of the EU determines access to the labour market of workers from that country so that they may need a work permit. If a country wants to continue to apply these restrictions for three more years, it must inform the Commission before the end of the first two years. After that, countries can continue to apply restrictions for another two years if they inform the Commission of serious disturbances in their labour marketAt the end of next June, the five-year period of restrictions expires for Croatia, which joined the Union in mid-2013.Plenkovic said today that he did not believe that Great Britain would extend the transitional period for two more years.He said that he had discussed with EU negotiator for Brexit, Michel Barnier, the efforts to equate Croatian nationals with other EU citizens in Britain before Brexit.PM says write-off of part of debt token of support to Croats in Bosnia and HerzegovinaZAGREB, Dec 15 (Hina) - Croatian Prime Minister Andrej Plenkovic said on Friday that the decision of his cabinet to take over a part of the debt which the Catholic Archdiocese of Sarajevo had in the Croatian Reconstruction and Development Bank (HBOR) was an act of Zagreb's support to the Croats in Bosnia and Herzegovina, and dismissed criticism from a nongovernmental organisation."We have made the decision in the interest of the support to the Croatian people in Bosnia and Herzegovina. There is the Croatian government's ***strategic*** interest in taking care of the Croats as a constituent nation in Bosnia and Herzegovina," the premier told the press in Brussels after the Centre for Peace Studies, a nongovernmental organisation in Croatia, took a grudge against Croatia's authorities for taking over the part of the debt which HBOR had given to the Archdiocese of Sarajevo. The NGO also criticised the terms and conditions under which the HBOR granted the loan to the Archdiocese that offered its property in Dubrovnik as collateral.Sarajevo Archbishop, Cardinal Vinko Puljic, said on Friday that the accusations from the NGO were part of "negative campaign against the Church", and explained that the debt had not been cancelled. We have given our property in exchange for our debt, and all other things are negative campaign, the dignitary said, adding that critics have not seen the matter in its entirety.Issues of education for minorities should be resolved reciprocally, says ministerZAGREB, Dec 15 (Hina) - The principle of reciprocity and equal opportunities in resolving all outstanding issues should be the starting point on which to base care for minorities in both Croatia and Serbia in the sector of education and science, was the message at Friday's meeting between Croatia's Education and Science Minister Blazenka Divjak in Subotica with the president of the Croatian National Council (HNV) in Serbia, Slaven Bacic.Minister Divjak was attending celebrations by the Croatian community in Serbia marking 15 years of lessons in Croatian and members of the HNV pointed out the problems and expectations in the field of education, underscoring among other things, the issue of text books, expanding the network to secondary schools and verification of language competencies of Croatian language teachers.The problem of text books in elementary schools has been resolved however there is still a problem with text books for secondary schools, ethnic Croat representatives underscored."This anniversary is an important date and it is important to know what challenges are awaiting us...problems need to be resolved on the principle of reciprocity and equal opportunities for the Serb minority in Croatia and the Croat minority in Serbia," Minister Divjak said.In addition to discussing the problem of lacking text books, she underscored the need to extend the network of Croatian language subjects in secondary schools, and of the "issue of establishing an instructorship as a step toward a Croatian Language department at a university in Serbia.""That is an important step because it enables the Croatian language to become standard and helps language teachers to improve their competencies. There is a Serbian language department at the University of Zagreb and in that regard, I expect reciprocity here in Serbia," she said.Minister Divjak will meet with her Serbian counterpart Mladen Sarcevic later in the day for bilateral talks, which will be an opportunity to give some impetus to resolving the problems indicated by the Croatian community in Serbia.Since the introduction of Croatian in schools in Serbia in 2002, 400 students in five elementary and two secondary schools in Subotica attend these classes and since this year, the subject is taught in Backi Monostor.Croatian is also taught as an elective subject with elements of national culture and 500 students in 16 schools in nine cities in Vojvodina attend this subject.Textbooks for secondary school Croat students in Serbia to be digitalZAGREB, Dec 15 (Hina) - Textbooks will be digital for secondary school students of Croat background who attend lessons in their mother tongue in schools in Serbia, and the digital textbooks should be provided to those pupils by the start of the next school year, said Croatia's Education Minister Blazenka Divjak after meeting her Serbian counterpart, Mladen Sarcevic, in Subotica in the northern Serbian province of Vojvodina on Friday.The two ministers, who met for the first time, agreed that the Croatia and Serbia would solve issues of respective ethnic communities on the principle of reciprocity.Thus, Serbia is now expected to establish an instructorship as a step toward a Croatian Language department at a university in Serbia, since there is a Serbian language department at the University of Zagreb.That is an important step because it helps language teachers to improve their competencies, the visiting Croatian minister said, while her Serbian counterpart added that all children had the same rights and the state authorities had the obligation to provide all children with increasingly good education.Minister Divjak was attending celebrations by the Croat community in Serbia marking the 15th anniversary of the start of education in Croatian, and leaders of the ethnic Croat community pointed out the problems and expectations in the field of education, underscoring among other things, the issue of textbooks, expanding the network to secondary schools and verification of language competencies of Croatian language teachers.The problem of textbooks in elementary schools has been resolved, however, there is still a problem with textbooks for secondary schools.The Serbian minister said that "we are on the good track towards solving many issues by the start of the next school year."Police probing Croats' involvement in Belgrade football match fight, says ministerZAGREB, Dec15(Hina) - Croatia's Minister of the Interior Davor Bozinovic said on Friday that he could not say at the moment if Croatian nationals who on Wednesday took part in amassive fan brawlduring a football match between Partizan and Crvena Zvezda in Belgrade had criminal records as hooligans but added that Croatian police were in touch with Serbian police and were investigating the Croatian nationals' motives for involvement in the events in Belgrade.Asked if he had information on reports that the rioting in Belgrade involved Croatian football fans and what the ministry was doing in that regard, Bozinovic said that the matter was being dealt with by the Foreign and European AffairsMinistry."As far as I know, the Foreign Ministry has been in touch with the Serbian authorities through the (Croatian)embassy in Belgrade and you will have to put additional questions to them," Bozinovic told reporters in Zagreb at an event on the prevention of hooliganism.Information of interest to both countries being exchanged Bozinovic said that the Croatian Police Directorate had an office for sports as did other countries' police forces."I believe that certain information that is of interest to both countries' police forces is being exchanged between those contact points," said Bozinovic.Asked if the Croatians in question had criminal records ashooligans, he said that he could not talk about it at the moment."We have been in touch with the Serbian police and our police, too, are investigating the motives for the involvement (of the Croatian football fans) in the events in Belgrade," he said."According to information received so far from the relevant Serbian services, four Croatian nationals on 13 December took part in a fight at a football match between Partizan and Crvena Zvezda in Belgrade," the Croatian Foreign and European Affairs Ministry said in a statement following Hina's query about the incident.The statement also said that "two Croatian nationals did not seek medical help, one did and was released from hospital in the meantime, while one Croatian national is at the neurology ward of the Military Medical Academy in Belgrade."None of the four Croatians sought the consular assistance of the Croatian Embassy in Belgrade.The Serbian media reported on Thursday that of 26 persons arrested after violence erupted between Partizan and Crvena Zvezda fans, six wereCroatian nationals.Several people were injured in the mass fight that broke out on the southern stands of the Partizan stadium during the first half of the game, after which a group of fans was escorted out of the stadium under tight police security.According to media reports, the fight was a conflict between factions of Partizan fans.Also today, Belgrade media reported and the Croatian Foreign and European Affairs Ministry confirmed that five of the six Croatians who took part in the fight would be interviewed by Serbian prosecutors.The sixth Croatian has been hospitalised due to grave injuries but his condition is stable.The Belgrade press said the Croatian nationals were from Split and had been paid to take part in the rioting.The Serbian Beta news agency said they would have to be interviewed until the end of the day as the 48-hour detention, set upontheir arrest, expires on Friday evening.After they are interviewed, the prosecutors will decide whether to bring criminal charges against them and place them ininvestigative custody, or if they should be deported to Croatia.Prevention key to fighting hooliganismZAGREB, Dec 15 (Hina) - The Croatian Interior Ministry on Friday held a preventativeprogramme against hooliganism for secondary school students and on that occasion Minister Davor Bozinovic underscored that the ***programme*** was beingorganised in all police departments as prevention was the key to dealing with the problem of violence at sports events.In addition to Bozinovic the ***programme*** was presented by Education and Science Minister Blazenka Divjak, State Secretary Janica Kostelic and popular athletes. The ***programme*** included the screening of a film ***produced*** by the Baden-Wuerttemberg police and dealing with the topic of hooliganism and hate talk.Prior to theevent, Minister Bozinovic conducted a bilateral meeting with the Baden-Wuerttemberg state police chief, Gerhard Klotter, andthey agreed on concrete cooperation between the two police forces and exchanged experience onmeasures that have or could reduce or prevent socially unacceptable behaviour at public events.The Interior Ministry said that with this ***programme***, it has shown that it is working intensively on the prevention of violence and hooliganism and that the aim of the ***programme***, called "Together against hate talk," is the promotion of a culture of tolerance, dialogue, non-violence and non-discrimination and the prevention of all forms of hate talk.President advocates more state involvement in resolving acute problemsZAGREB, Dec 15 (Hina) - Summing up her visit to Bjelovar-Bilogora and Koprivnica-Krizevci counties this week, President Kolinda Grabar-Kitarovic on Friday held a joint press conferencewith her hosts, county prefects Damir Bajs and Darko Koren respectively.Grabar-Kitarovic welcomed an initiative proposed by five northwestern county prefects to submit joint projects in an effort to better absorb European funds and once again underscored that the greatest problem was emigration, advocating greater involvement by the state in resolving burning issues.Bajs expressed his satisfaction that the president had provided an opportunity for local business people to present their potential to the heads of diplomatic missions and international organisations accredited in Croatia.Koren said that he was aware of the scope of the presidentialpowersand that he did not doubt that she would make a significant contribution toward removing problems affecting the populationof these counties and beyond.The President once again highlighted the negative demographic trends as the issue of all issues."Unfortunately, both counties are recording a drain of the population. I have to commend city and municipal authorities for doing what they can to change that dramaticdemographic situation. However, the state has to take a more systematic and resolute approach to that problem. Post offices and various institutions are closing down because people are leaving, while savings achieved in that wayare minimal" she said.She underscored the need for a comprehensive reform in education which will be conducive to efforts to keep young people in Croatia after completing a quality education that will facilitate employment.The president advocated road and rail connectivity of smaller cities and municipalities and in that context, expressed support for the continuation of the construction of the fast roads to Bjelovar and Koprivnica as well as the overhaul of the railway along the Zagreb - Koprivnica - Hungary route.She supported the initiative of five counties jointly applying for European funds."The new development index will enable some cities and municipalities to withdraw EU funds more easily. However, horizontal cooperation is essential in implementing joint projects," she said and added that she would continueto help business people find new markets outside the state borders."An example of stimulating economic activity can be seen in Bjelovar which, as of next year will be tax free, a city that will provide business people with free utility and other fees," she said.Grabar-Kitarovic support ***plans*** for further exploration and exploitation of geothermal sources that have shown economic potential in both counties."Local entrepreneurs and small businessesare encountering too much red tape, poor cooperation with state institutions and excessive tax burdens," she said and underscoredthe excessive number of inspections which often act repressively instead of being a corrective, which doesn't go in favour of developing the economy.Grabar-Kitarovic: Ban on unfair trade practice expected tobringorder to marketReferring to the situation in ***agriculture***, Grabar-Kitarovic warned of alow buying price of milk and added that the law on the ban of unfair trade practice should bring order to that market."There are exceptions however, that could become the rule. They could be used for example for dumping prices on importing cheap products with a use by date that is about to expire. That isn't agreeable for us as consumers.Instead of quality, healthy domestic products, we are getting suspicious products," she added.The President expressed her support for the timber industry. "Croatian timber should be manufactured into Croatian products. We need to concentrate on exporting wood products and not timber," Grabar-Kitarovic said.Parliament amends Minimum Wage Act, adopts HSU-sponsored lawZAGREB, Dec15(Hina) - On the last day of its autumn session on Friday, the Croatian parliament amended the Minimum Wage Act to ensure extra payments for overtime work, night shifts and work on Sundays and holidays, and it also passed a law that will enable the payment of three years of pension supplement arrears to clients of the Royal Osiguranje insurance company, which was moved by Silvano Hrelja of the Croatian Pensioners Party (HSU).The government sent the amendments to the Minimum Wage Act to the parliament last week, proposing a 5% increase in the minimum wage (net amount of HRK 131). As of next year the minimum wage will thus amount to 43% of the average wage.As a measure to compensate employers for the increase in the minimum wage, the government proposed reducing, by 50%, the minimum rate for health insurance contributions, which are paid by employers. This will result in employers paying HRK 103.85 less monthly in contributions for the minimum wage.To be entitled to compensation, an employer must be paying a minimum wage for at least 12 months.The gross minimum wage will thus increase as of next year from HRK 3,276 to 3,439.80, which is a net amount of HRK 2,752 while employers' costs will decrease from HRK 3,839.47 to 3,735.62.The opposition amendments to the Minimum Wage Act were rejected."You did not define the amount of the minimum wage in the law. We proposed that it should amount to 60% of the average wage. You are trying to convince people that it is possible to live on HRK 2,700. The law punishes employers who pay higher wages and rewards those who give their workers a pittance," said SDP leader Davor Bernardic.With a majority vote, the parliament passed a law on the continuation of payment of pensions from a scheme where workers who had to retirebefore their statutory retirement age were enabled to buy the remaining required years of service.The bill on the matter was put forward by the opposition parties GLASand HSU and it will enable the payment of pension supplements which 3,860 insurees of Royal Osiguranje have not been receiving for three years.The government has estimated that this will cost HRK 35.3 million in 2018 and HRK42.3 million in 2019 and 2020.The parliament also passed laws on ***strategic*** investment projects andservices in the tourism sector, as well as amendments to the Act on the Protection of the Population from Infectious Diseases andthe Act on Radiologicaland Nuclear Safety. The Bill on Vocational Education will receive a second reading.Inflation in Nov stays at 1.4%ZAGREB, Dec15 (Hina) - In November 2017, consumer prices in Croatia went up 1.4% on the year, the same as in the two previous months, which is the highest inflation rate since August 2013, after three years of deflation, the national statistical office said on Friday.Food prices, which account for nearly 30% of the consumer basket, remain the biggest generator of consumer price rises on the yearly level, Raiffeisenbank Austria (RBA) analysts say.In November 2017, food prices went up 2.8% on the year.On the monthly level, consumer prices remained stable last month, while over 11 months of this year they went up 1.1% from the same time in 2016.RBA analysts forecast that consumer prices will continue to grow in December and that the average inflation rate in 2018 will rise to 1.4% from 1.2% at the start of 2017.Koncar's revenue in 2017 lower than ***planned***, double-digit growth expected in 2018ZAGREB, Dec 15 (Hina) - The Koncar Group's revenue in 2017 is lower than ***planned*** while in 2018 the group expects a growth of 11% as well as an accelerated digitisation process, Darinko Bago, the CEO of this electrical, transport and energy company, said at the company's annual function with representatives of media outlets.Bago said that the group generated 2.8% less revenue comparedto the year before, but that the profit of one of its components, Koncar Electrical Industry, would be somewhat higher. Consolidated sales revenues in 2017 areestimated at HRK 2.76 billion.The reason for the lower revenue is primarily the fact that the implementation of some contracts has been moved to 2018 and the years after, Bago said.He explained that Koncar hadembarked on a joint project with Strabag and Elektroprivreda BiH for the construction of the Vranduk power plant valued at 57 million euro. For some reason, however, Strabag has asked to withdraw from the consortium and a solution is still being sought for this situation."Having in mind that this project is valued at 57 million euro, it was not easy to compensate for it with other jobs. We've managed to compensate for a large part, however, we haven't for a smaller share. Nevertheless, that hasn't impacted either the shareholders' profit or the employees'wages,which proves Koncar's strengthand stability," Bago said.Koncar expects its revenue in 2018 to grow by11% to HRK 3.06 billion, while exports are expected to increase by13% and domestic sales by9%. The company also expects a significant increase in profit.The process of digitisation in the company started in April and quite intensively and it covers three segments - the production process and processes within companies themselves, includingaccounting, sales and supplies;the digitisation of standard products; and the creation of new products and value for buyers, it was said.As far as contracts completed in 2017 are concerned, they include the Brezice power plant in Slovenia, forwhich Koncar ***produced***, delivered and installed three generators, and an overhaul of the Mulungushi and Lunsemfwa hydro power plants in Zambia.Croatian MEP presents new EU guidelines for food donationZAGREB, Dec15(Hina) - More than 88 million tonnes of food is wasted annually in the European Union and in Croatia more than 400,000 tonnes of food goes to waste while food pantries are empty, it was said at a presentation on new EU guidelines for food donation in Zagreb on Friday.The new guidelines, aimed at reducing the problem of food wasting, were adopted in late October.They were presented by European Parliament member Biljana Borzan of the Social Democratic Party, who is the EP's rapporteur on reducing food wasteand increasing food donation, and the head of the European Commission Representation, Branko Baricevic.The new guidelines integrate for the first time in one place instructions and recommendations as to how to organise food donation systems while respecting all European regulations and without risking food safety or endangering the health of those receiving food donations. The guidelines are intended for all member-states, agencies, humanitarian organisations and other stakeholders in the food donation chain.They are not legally binding but based on them Croatia is expected to draw up national guidelines, adapted to the situation in the country and national legislation, the goal, adopted at the level of the United Nations, being to reduce food wasting by 50% until 2030.Situation in CroatiaWhile some EU member countries have a well-regulated system of food donation, including food banks, in Croatia it is based on humanitarian organisations, volunteers and the good will of the real sector.Two years ago VAT on food donations was abolished and new food donation rules were adopted, but there has been no significant progress, the reasons being manifold, from a weak infrastructure to complicated procedures and contradictory regulations.Borzan said Croatia could introduce different tax breaks for food donation, something that is done in many other European countries.She also warned that Croatia did not sufficiently use European funds for the financing of food storage and transport.She believes that the nongovernmental sector could work more closely for the purpose of food donation, and that labels "best used before" could be interpreted in a more flexible way.Borzan warned that more than 50% of wasted food in Croatia was discarded by households.She recalled that in November she launched a national drive to present annual awards to leading food donors in the country.The first awards will be presented atthe European Parliament in Brussels in the spring of 2018, the main competition categories being big food ***producers*** and retailers and bakers.NGO points to barriers for migrants seeking employmentZAGREB, Dec 15 (Hina) - The Centre for Peace Studies (CMS) on Friday informed reporters of the topic of employing migrants in Croatia, underscoring that apart from high unemployment, challenges for migrants seeking jobs are not knowing the language, discrimination on the labour market, qualifications that aren't accredited and limited access to retraining and obtaining new qualifications.When migrants do find a job, those are often low-income jobswhich do not correspond to their qualifications. They work in inadequate conditions and their rights as workers are often violated,CMC's Sara Kekus said during the briefing on employing migrants.She said that according to the Croatian Employment Service in the first half of 2017 there were 916 foreigners registered seeking employment, 124 weregiven asylum, while threewere under subsidiary protection. This refers to migrants who do not qualify for asylum, however, they are provided with protection as their lives would be threatened if they were to return to their county of origin.A total of 448 foreigners have been employed, 36 asylum seekers and 1 person under subsidiary protection.Protest "STOP to fundamentalist violence against women" held in Zagreb, SplitZAGREB, Dec 15(Hina) - Some 20 women dressed as handmaids protested outside the parliament building in Zagreb on Friday calling on the parliament to urgently ratify the Council of Europe Conventionon preventing and combating violence against women and domestic violence.The protest, held under the slogan "STOP to fundamentalist violence against women", was organised by the Croatian Women's Network, the Autonomous Women's House Zagreb, the lesbian group Kontra and the Domine Split association.A similar rally was also held in Split.The protesting women, dressed as handmaids from the TV series "The Handmaid's Tale",carried banners that read "Workers, not servants", "Stop fundamentalism", "Women have had enough", "Plenkovic, you made a promise", "Who is running the country?".Neva Toelle of the Autonomous Women's House Zagreb said that women were being put in the role of "a reproductive machine, a walking uterus and servant" and that the protest was a way to say that women would not tolerate that."We are here because the government led by Andrej Plenkovic promised, on several occasions during this year, that the parliament would ratify the Istanbul convention," said Toelle.She called on members of parliament to propose on their own the ratification of the Istanbul conventionif the government failed to sendthe parliament a request for its ratification.Toelle underlined that the convention was a powerful tool against violence against women and femicide, describing as lies "stories told by Zeljka Markic and far-right, conservativeand fundamentalist church organisations."Bojana Genov of the Croatian Women's Network saidthe government should take the leadership of the country rather than letting bishops and ultra-clerical and far-right groups do it.Media clientelism index negative in Croatia and 5 other S-E European countriesZAGREB, Dec15(Hina) - The third survey on media clientelism in Southeast Europe signals negative trends in all countries covered by the survey, including Croatia, the Partnership for Social Development nongovernmental civil society organisation said at a news conference on Friday, pointing to burning problems such as non-transparent media ownership, stifling of pluralism and the entry of people suspected of organised crime into media ownership structures.None of the six countries covered by the project "Media Clientelism Index: Measuring Media Realities" was close to zero, the starting positive grade, with -1 being the worst and 1 being the best grade of the media scene.With an index of -0.32 Croatia is ranked first of the six countries, followed by Serbia (-0.50), Montenegro (-0.55), Macedonia (-0.58), Romania (-0.67) and Bosnia and Herzegovina (-0.67).Being the best amongthe worst is not something to take pride in, and according to index values, Croatia is far from optimal and desired values,Partnership for Social Development director Munir Podumljak said, warning that index values in the monitored countries had been declining over the past three years, which considerably affected the general state of democracy.Podumljak warned that information distributed by the media was under the major influence of politicians and nontransparent stakeholders, which, he said, resulted in polarisation.Pointing to the issue of media ownership transparency in all monitored countries, Podumljak said that the real owners of any of the major media companies in Croatia, such as RTL and Nova TV,could not be identified.As for the print media, such as Hanza Media and Styria, their individual owners and the source of financing are not known, while in the case of the regionalNovi List daily, the financiers behind the investment by the JOJ company arenot known, Podumljak said.The situation on the local level is also worrying, with TV broadcasting licences being given to people suspected of organised crime, said Podumljak.Speaking about web portals, Podumljak said that it had been noticed that portals' owners engaged in activities other than media activities thus additionally shunning responsibility, which resulted in a chaotic situation that contributedto radicalisation, divisions and social polarisation, as could be seen in the last two years.Also noticed was the stifling of pluralism, cancellation of government grants or their allocation to local government units which increasingly invest in local media, thus rendering them uncritical towards local authorities, said Podumljak, mentioning in that context Zagreb Mayor Milan Bandic.Speaking of the HRT public broadcaster, Podumljak said that it had been treated for a long time as thespoils of the party or coalition that won elections and that today the HRT was the public relations service of interest groups.Croatia must start dealing immediately with the issue of media ownership and financing and the impact of advertisers on media, and it must do so with an integral and comprehensive set of laws, he said.Attending the presentation of the survey were representatives of ministries, including Assistant Culture Minister Marica Mikec, who said that media laws had to be changed and that for 2018 a set of bills was ***planned*** to regulate the media scene, from one on a media strategy to laws on the media and electronic media.Justice Ministry State Secretary Kristian Turkalj said that citizens had the right to know the ownership structure of the media so that they could know which interests they promoted and advocated.Information Commissioner Anamarija Musa said that the right to information could not be exercisedif the key disseminators of information were not good."The media have traditionally always been on the side of ordinary people, they are detectives of democracy and without them any development is impossible," she said.The survey was financed by the European Union and the Croatian government's Office for NGOs.Bosnian parliament passes new law on excise taxes after heated debateZAGREB, Dec 15(Hina) - The House of Representatives of Bosnia and Herzegovina early on Friday morning passed a law introducing new road toll taxes and biofuelexcise taxes, thus paving the way for a new investment cycle in road construction worth more than EUR 500 million.The law, which envisagesthe introduction of a road toll tax in the amount of 0.15 Bosnian marks or around EUR 0.075 per kilometre of motorway travelled or per litre of biofuel, was endorsed last week by the other chamber of the national parliament, the House of Peoples,and it is now officially in effect. However, its adoption was marked by a fierce argument between its proponents and opponents, which was why the parliamentary session lasted more than ten hours and the vote was taken only at 4 am on Friday.Of the 42 members of the House of Representatives, 22 voted for the law while the others were against. The law was yet another proof of the lack of any solid coalition to run the country,with coalitions forming from case to case.The law was supported by a part of the parties that make the formal ruling majority, but some of them were against, such as the Serb Democratic Party (SDS).The law was passed by a tight majority owing to the votes of the SNSD party of Milorad Dodik, which is formally an opposition party.Before its adoption, different versions of the law were rejected four times in separate parliamentary debates held since the spring.The introduction of new taxes and excise taxes wasa demand put before Bosnia and Herzegovina authorities by creditors such as the European Investment Bank, the European Bank for Reconstruction and Development, as well as the International Monetary Fund and the Wold Bank.They consider the law to be a guarantee that Bosnia and Herzegovina will be able to pay the already granted loans in the amount of EUR 538 million, which are to be used for the construction of motorways, primarily sections of the 5c corridor.Now that the law has been adopted, the funds should become operational and work on highway construction that hasbeen blocked for almost two years is expected to resume at the start of next year.The opponents of the law said the new taxes and excise taxes would lead to an increase in the cost of living.Mogherini, Hahn welcome Bosnia's adoption of excise taxes lawZAGREB, Dec15(Hina) - The EU's High Representative for Foreign and Security Policy, Federica Mogherini and enlargement Commissioner Johannes Hahnon Friday welcomed the adoption of a law on new road toll taxes and biofuel excise taxes by Bosnia and Herzegovina's House of Representatives, stressing that it would give new impetus to reforms needed to ensure the country's financial stability."The adoption by the House of Representatives in Bosnia and Herzegovina of amendments to the set of excise laws this morning is an important achievement. This decision will give a renewed impetus to the reforms that are necessary to secure the long-term financial stability of the country," Mogherini and Hahn said in a statement.The House of Representatives of Bosnia and Herzegovina early on Friday morning passed a law introducing new road toll taxes and biofuel excise taxes, thus paving the way for a new investment cycle in road construction worth more than EUR 500 million.The law, which envisages the introduction of a road toll tax in the amount of 0.15 Bosnian marks or around EUR 0.075 per kilometre of motorway travelled or per litre of biofuel, was endorsed last week by the other chamber of the national parliament, the House of Peoples, and it is now officially in effect. However, its adoption was marked by a fierce argument between its proponents and opponents, which was why the parliamentary session lasted more than ten hours and the vote was taken only at 4 am on Friday.Before its adoption, different versions of the law were rejected four times in separate parliamentary debates held since the spring.The introduction of new taxes and excise taxes was a demand put before Bosnia and Herzegovina authorities by creditors such as the European Investment Bank, the European Bank for Reconstruction and Development, as well as the International Monetary Fund and the Wold Bank.PM says Slovenia won't recognise Palestine on its ownZAGREB, Dec15(Hina) - Slovenian Prime Minister Miro Cerar said in Brussels on Friday that all the three parties in the ruling coalition were in favour of recognising Palestine as a state, but Slovenia would not recognise Palestinian independence on it own and would do so only in cooperation with a few European Union member-states."The time is not right yet to discuss recognising Palestine," Prime Minister Miro Cerar was quoted by the STA news agency as saying after attending an EU summit debate in Brussels on the US recognition of Jerusalem as Israel's capital.He believes that the time would be right with the formation of a group of EU members ready for that move.Thus, Cerar distanced himself fromSlovenian Foreign Minister Karl Erjavec who said on Wednesday that in his opinion the time had come to recognise Palestine and that it was essential to prepare the necessary steps.Erjavec was speaking to reporters in Ljubljana after a meeting of the ruling coalition partners.According to Slovenian media, PMCerar's SMC party is hesitant about a proposal to recognise Palestine, which the coalition is mulling after the European Union unanimously decided that it would not follow the US in recognising Jerusalem as Israel's capital, while Dejan Zidan's Social Democrats (SD) are in favour, although they propose connecting with a few other EU member states so that Slovenia does not remain alone in this move.Cerar said on Friday that he expected Erjavec to provide information about how much he hasdone in diplomatic circles to convince his counterparts about the need to recognise Palestine, for if Slovenia were to do this alone, that would not have any great effect.In other news:Vlado Galic new adviser to president for defence and national securityZAGREB, Dec 15 (Hina) - President Kolinda Grabar-Kitarovic has appointed Vlado Galic as her adviser for defence and national security, the President's Office reported on Friday.Galic, born 1965, volunteered and joined defence forces in 1991 during the Homeland War as a member of the Armed Forces special units and later worked in the defence ministry's intelligence department.He graduated at the Ban Josip Jelacic war academy and attended NATO seminars in organisation, management and command.He attended a course at the Faculty of Political Sciences in security management in business and national security.He lectured at the Blago Zadro military schoolin national security strategy and was a staff officer in the training department at Armed Forces command.He was retired in January 2007 with the rank of a colonel.Galic was appointed after his predecessorMaja Cavlovic wasappointed as the head of the National Security Office.President of Chinese Academy of Sciences visits HAZUZAGREB, Dec 15 (Hina) - President of the Chinese Academy of Sciences Chunli Bai on Friday visited the Croatian Academy of Sciences and Arts (HAZU) and was received by HAZU president Zvonko Kusic for the first encounter between the two presidents and their associates.The two presidents agreed to continue talks to define future cooperation.The Chinese academy in Beijing was established in 1949 and has an important role in China's economic and scientific development. It has 777 members in the field of natural sciences and 82 foreign members and comprises 104 institutes and three universities and has an annual budget of 10 billion dollars.The Chinese academy is very interested in developing partnerships with countries in central and southeast Europe and already has a cooperation agreement with the Czech Republic and Slovenia, HAZU's public relations office said.Bai is also the president of the World Academy of Sciences (TWAS) for the advancement of sciences in developing countries which was founded in 1983 and has about 1,000 members in 96 countries.During the talks, it was concluded that HAZU would recommend two of its members, one for natural sciences and one for social-humanities sciences to be members of TWAS.Croatia's annual wine consumption per capita 22 litresZAGREB, Dec 15 (Hina) - Croatia's national statistical office has reported that 21.3 litres of wine were polished off per person in the 2016/2017 wine-growing year in Croatia.In that period, the country consumed a million hectolitres of this beverage.In the said period, 760,000 hectolitres of wine was ***produced***. Of that amount, 449,800hectolitres (59.2%) were of protected geographical indications. Quality wines followed with 48,400 hectolitres (6.4%), and table wines accounted for 34.4% (261,800 hectolitres).Locally ***produced*** winecovered 75% of demand in Croatia.According to an article released by The Telegraph under the headline "Revealed:The countries that quaff the most wine per capita" released in mid-February, "the proud title of most fervent vino guzzler goes to Andorra" whereas the Vatican City, Croatia, Portugal and France are also among the top five countries in terms ofof wine consumptionper capita.Annual beer consumption in Croatia reaches 80 litres per capitaCroatia ***produces*** 3.4 million hectolitres of beer annually, which ranks it 22nd in the European Union, the Croatian Chamber of Commerce (HGK) said in a reportthis June.As regards annual beer consumption, Croatia ranks 8th in the EU with about 80 litres per capita if consumption by foreign tourists is included. Excluding foreign tourist consumption, it ranks 20th, with about 64 litres per capita, which is the EU average. The largest quantities of beer are sold during the peak tourist season, in July and August.Croatia has six large breweries and about 30 small craft breweries, and that number is increasing.Croatia's death stats in 2016 exceed number of newborns by 14,000ZAGREB, Dec15(Hina) - In 2016, the number of deaths in Croatia exceeded the number of births by 14,005 and this was slightly better than in 2015, when there were 16,700 more deaths than births, according to figures provided by the national statistical office (DZS).2016 continued a six-year streak of negative natural population growth. The outgoing 2017 has bleak prospects in this regard as well, given that in the first ten months thenegative population growth reached 16,050.In 2016, 37,537 children were born, whereas 51,542 inhabitants died, which means that there werenine births per 1,000 inhabitants and 12.3 deaths per 1,000 inhabitants.Data on births and deaths are based on the systematic collection of information entered into the state registries of births and deaths.HT only stock to cross HRK 1 mn markZAGREB, Dec 15 (Hina) - The Zagreb Stock Exchange Crobex index dropped on Friday by 0.02% to 1,859.34 points while the specialised Crobex10 increased by 0.17% to 1,087.41 points.Regular turnover amounted to HRK 4.5 million or HRK 1.76 million more than on Thursday.The highest turnover was generated by the HT telecommunications company and amounted to HRK 1.04 million with the price of its shares jumping by 1.21% to HRK 167,75. This was the only stock to cross the million kuna mark.(EUR 1 = HRK7.550997)THIS BULLETIN INCLUDES NEWS ITEMS RELEASED 2100HRS FRIDAY. (Hina) ms Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

Croatian PM says border issue with Slovenia outstanding since independence

Earlier on Friday Plenkovic said thatCroatia saw the border demarcation with Slovenia as an issue that had been outstanding since the day they declared independence and that they would make progress if they put on the table the positions that were not contentious for either country and arranged a visit by Slovenian PM Miro Cerar to Zagreb.

ZAGREB, Dec15(Hina) - Prime Minister Andrej Plenkovic said on Friday Croatia believedthe protection of the European Union's external borders and an effective policy towards countries from which migrants came, while respecting the principle of solidarity, was the best approach to the migration policy.

ZAGREB, Dec 15 (Hina) - Croatian Prime Minister Andrej Plenkovic said in Brussels on Friday that he was sure that Great Britain would not extend restrictions for Croatian nationals on its labour market and that Croats would be entitled to the equal rights which other EU citizens had in that country.

Great Britain, which will leave the EU on 29 March 2019, is one of the five EU member-states that have used the possibility of imposing transitional periods with restrictions for access to its labour market for citizens from EU newcomers, and those restrictions may apply to workers from EU member countries for a transitional period of up to 7 years after they join the EU.

For the first two years after a country joined the EU, national law and policy of the countries that were already part of the EU determines access to the labour market of workers from that country so that they may need a work permit. If a country wants to continue to apply these restrictions for three more years, it must inform the Commission before the end of the first two years. After that, countries can continue to apply restrictions for another two years if they inform the Commission of serious disturbances in their labour market

At the end of next June, the five-year period of restrictions expires for Croatia, which joined the Union in mid-2013.

Plenkovic said today that he did not believe that Great Britain would extend the transitional period for two more years.

He said that he had discussed with EU negotiator for Brexit, Michel Barnier, the efforts to equate Croatian nationals with other EU citizens in Britain before Brexit.

ZAGREB, Dec 15 (Hina) - Croatian Prime Minister Andrej Plenkovic said on Friday that the decision of his cabinet to take over a part of the debt which the Catholic Archdiocese of Sarajevo had in the Croatian Reconstruction and Development Bank (HBOR) was an act of Zagreb's support to the Croats in Bosnia and Herzegovina, and dismissed criticism from a nongovernmental organisation.

"We have made the decision in the interest of the support to the Croatian people in Bosnia and Herzegovina. There is the Croatian government's ***strategic*** interest in taking care of the Croats as a constituent nation in Bosnia and Herzegovina," the premier told the press in Brussels after the Centre for Peace Studies, a nongovernmental organisation in Croatia, took a grudge against Croatia's authorities for taking over the part of the debt which HBOR had given to the Archdiocese of Sarajevo. The NGO also criticised the terms and conditions under which the HBOR granted the loan to the Archdiocese that offered its property in Dubrovnik as collateral.

Sarajevo Archbishop, Cardinal Vinko Puljic, said on Friday that the accusations from the NGO were part of "negative campaign against the Church", and explained that the debt had not been cancelled. We have given our property in exchange for our debt, and all other things are negative campaign, the dignitary said, adding that critics have not seen the matter in its entirety.

ZAGREB, Dec 15 (Hina) - The principle of reciprocity and equal opportunities in resolving all outstanding issues should be the starting point on which to base care for minorities in both Croatia and Serbia in the sector of education and science, was the message at Friday's meeting between Croatia's Education and Science Minister Blazenka Divjak in Subotica with the president of the Croatian National Council (HNV) in Serbia, Slaven Bacic.

Minister Divjak was attending celebrations by the Croatian community in Serbia marking 15 years of lessons in Croatian and members of the HNV pointed out the problems and expectations in the field of education, underscoring among other things, the issue of text books, expanding the network to secondary schools and verification of language competencies of Croatian language teachers.

The problem of text books in elementary schools has been resolved however there is still a problem with text books for secondary schools, ethnic Croat representatives underscored.

"This anniversary is an important date and it is important to know what challenges are awaiting us...problems need to be resolved on the principle of reciprocity and equal opportunities for the Serb minority in Croatia and the Croat minority in Serbia," Minister Divjak said.

In addition to discussing the problem of lacking text books, she underscored the need to extend the network of Croatian language subjects in secondary schools, and of the "issue of establishing an instructorship as a step toward a Croatian Language department at a university in Serbia."

"That is an important step because it enables the Croatian language to become standard and helps language teachers to improve their competencies. There is a Serbian language department at the University of Zagreb and in that regard, I expect reciprocity here in Serbia," she said.

Minister Divjak will meet with her Serbian counterpart Mladen Sarcevic later in the day for bilateral talks, which will be an opportunity to give some impetus to resolving the problems indicated by the Croatian community in Serbia.

Since the introduction of Croatian in schools in Serbia in 2002, 400 students in five elementary and two secondary schools in Subotica attend these classes and since this year, the subject is taught in Backi Monostor.

Croatian is also taught as an elective subject with elements of national culture and 500 students in 16 schools in nine cities in Vojvodina attend this subject.

ZAGREB, Dec 15 (Hina) - Textbooks will be digital for secondary school students of Croat background who attend lessons in their mother tongue in schools in Serbia, and the digital textbooks should be provided to those pupils by the start of the next school year, said Croatia's Education Minister Blazenka Divjak after meeting her Serbian counterpart, Mladen Sarcevic, in Subotica in the northern Serbian province of Vojvodina on Friday.

The two ministers, who met for the first time, agreed that the Croatia and Serbia would solve issues of respective ethnic communities on the principle of reciprocity.

Thus, Serbia is now expected to establish an instructorship as a step toward a Croatian Language department at a university in Serbia, since there is a Serbian language department at the University of Zagreb.

That is an important step because it helps language teachers to improve their competencies, the visiting Croatian minister said, while her Serbian counterpart added that all children had the same rights and the state authorities had the obligation to provide all children with increasingly good education.

Minister Divjak was attending celebrations by the Croat community in Serbia marking the 15th anniversary of the start of education in Croatian, and leaders of the ethnic Croat community pointed out the problems and expectations in the field of education, underscoring among other things, the issue of textbooks, expanding the network to secondary schools and verification of language competencies of Croatian language teachers.

The problem of textbooks in elementary schools has been resolved, however, there is still a problem with textbooks for secondary schools.

The Serbian minister said that "we are on the good track towards solving many issues by the start of the next school year."

ZAGREB, Dec15(Hina) - Croatia's Minister of the Interior Davor Bozinovic said on Friday that he could not say at the moment if Croatian nationals who on Wednesday took part in amassive fan brawlduring a football match between Partizan and Crvena Zvezda in Belgrade had criminal records as hooligans but added that Croatian police were in touch with Serbian police and were investigating the Croatian nationals' motives for involvement in the events in Belgrade.

ZAGREB, Dec 15 (Hina) - The Croatian Interior Ministry on Friday held a preventativeprogramme against hooliganism for secondary school students and on that occasion Minister Davor Bozinovic underscored that the ***programme*** was beingorganised in all police departments as prevention was the key to dealing with the problem of violence at sports events.

ZAGREB, Dec 15 (Hina) - Summing up her visit to Bjelovar-Bilogora and Koprivnica-Krizevci counties this week, President Kolinda Grabar-Kitarovic on Friday held a joint press conferencewith her hosts, county prefects Damir Bajs and Darko Koren respectively.

ZAGREB, Dec15(Hina) - On the last day of its autumn session on Friday, the Croatian parliament amended the Minimum Wage Act to ensure extra payments for overtime work, night shifts and work on Sundays and holidays, and it also passed a law that will enable the payment of three years of pension supplement arrears to clients of the Royal Osiguranje insurance company, which was moved by Silvano Hrelja of the Croatian Pensioners Party (HSU).

ZAGREB, Dec15 (Hina) - In November 2017, consumer prices in Croatia went up 1.4% on the year, the same as in the two previous months, which is the highest inflation rate since August 2013, after three years of deflation, the national statistical office said on Friday.

ZAGREB, Dec 15 (Hina) - The Koncar Group's revenue in 2017 is lower than ***planned*** while in 2018 the group expects a growth of 11% as well as an accelerated digitisation process, Darinko Bago, the CEO of this electrical, transport and energy company, said at the company's annual function with representatives of media outlets.

ZAGREB, Dec 15 (Hina) - The Centre for Peace Studies (CMS) on Friday informed reporters of the topic of employing migrants in Croatia, underscoring that apart from high unemployment, challenges for migrants seeking jobs are not knowing the language, discrimination on the labour market, qualifications that aren't accredited and limited access to retraining and obtaining new qualifications.

ZAGREB, Dec 15(Hina) - Some 20 women dressed as handmaids protested outside the parliament building in Zagreb on Friday calling on the parliament to urgently ratify the Council of Europe Conventionon preventing and combating violence against women and domestic violence.

ZAGREB, Dec15(Hina) - The third survey on media clientelism in Southeast Europe signals negative trends in all countries covered by the survey, including Croatia, the Partnership for Social Development nongovernmental civil society organisation said at a news conference on Friday, pointing to burning problems such as non-transparent media ownership, stifling of pluralism and the entry of people suspected of organised crime into media ownership structures.

ZAGREB, Dec 15(Hina) - The House of Representatives of Bosnia and Herzegovina early on Friday morning passed a law introducing new road toll taxes and biofuelexcise taxes, thus paving the way for a new investment cycle in road construction worth more than EUR 500 million.

ZAGREB, Dec15(Hina) - The EU's High Representative for Foreign and Security Policy, Federica Mogherini and enlargement Commissioner Johannes Hahnon Friday welcomed the adoption of a law on new road toll taxes and biofuel excise taxes by Bosnia and Herzegovina's House of Representatives, stressing that it would give new impetus to reforms needed to ensure the country's financial stability.

ZAGREB, Dec15(Hina) - Slovenian Prime Minister Miro Cerar said in Brussels on Friday that all the three parties in the ruling coalition were in favour of recognising Palestine as a state, but Slovenia would not recognise Palestinian independence on it own and would do so only in cooperation with a few European Union member-states.

ZAGREB, Dec 15 (Hina) - President Kolinda Grabar-Kitarovic has appointed Vlado Galic as her adviser for defence and national security, the President's Office reported on Friday.

ZAGREB, Dec 15 (Hina) - President of the Chinese Academy of Sciences Chunli Bai on Friday visited the Croatian Academy of Sciences and Arts (HAZU) and was received by HAZU president Zvonko Kusic for the first encounter between the two presidents and their associates.

ZAGREB, Dec 15 (Hina) - Croatia's national statistical office has reported that 21.3 litres of wine were polished off per person in the 2016/2017 wine-growing year in Croatia.

In that period, the country consumed a million hectolitres of this beverage.

ZAGREB, Dec15(Hina) - In 2016, the number of deaths in Croatia exceeded the number of births by 14,005 and this was slightly better than in 2015, when there were 16,700 more deaths than births, according to figures provided by the national statistical office (DZS).

ZAGREB, Dec 15 (Hina) - The Zagreb Stock Exchange Crobex index dropped on Friday by 0.02% to 1,859.34 points while the specialised Crobex10 increased by 0.17% to 1,087.41 points.

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JANUARY

THE YEAR kicked off with calls for radical action to improve the delivery of Scottish farmers' CAP support, after 2016 proved a year of financial frustration for farmers and crofters up and down the country. Computer problems had left many payments running late or incomplete, and industry leaders warned that these shortfalls had taken the rural economy to the brink of collapse.

The New Year Honours list saw a new farming knighthood, with Glenrath Farms founder, John Campbell, becoming a Sir - one of only two Scots to pick up the accolade, the other being tennis champ Andy Murray. Sir John said: "I am surprised, delighted and completely honoured. Not only am I delighted to receive this title, it has also been wonderful to make my wife a lady."

First Milk started the new year with confirmation that it's 'A' milk price increase for January would be 2p per litre, the dairy co-op's seventh milk price rise in a row, reflecting both the improvement in market returns and performance after a major shake-up turned the troubled co-op around.

Scottish Association of Meat Wholesalers president, Allan Jess, announced its view that Brexit would, unsurprisingly, be top of the meat trade agenda for 2017. He pointed out that gaining access to the opportunities on offer would depend on politicians and regulators delivering favourable conditions for the industry to prosper...

Defra secretary of state, Andrea Leadsom, promised that cutting back the regulations facing farmers would be a key government priority for the ***agricultural*** sector as Britain left the European Union. Speaking at the Oxford Farming Conference, Ms Leadsom specifically mentioned that her ***plan*** included ending the 'three-crop-rule' - a greening measure designed to promote biodiversity on larger farms. She said: "Now, as we prepare to leave the EU, I will be looking at scrapping the rules that hold us back, and focusing instead on what works best for the UK."

As candidates ramped up their efforts in NFU Scotland's leadership elections, the union's hustings meetings took place, with  Gary Mitchell, Martin Kennedy, Rob Livesey, Allan Bowie, Andrew McCornick and Tom French all travelling the length and breadth of the country, explaining why they thought they were the best men for the jobs being contested.

Controversial Crofting Commission convener, Colin Kennedy, announced that he would stand again in the next round of crofting elections. Having survived resignation calls during the stramash over the administration of common grazings on the Isle of Lewis, Mr Kennedy announced that he wanted re-elected as he believed the job he started in 2012 was not complete.

It was announced that Scotland's Avian Influenza Prevention Zone would remain in place until at least the end of February. Having been in place since the start of December, the ruling meant poultry farms had to continue to keep their birds indoors, or take practical steps to keep them separated from wild birds.

Meanwhile, the National Sheep Association stressed that it did not support the UK walking away from the European single market. The association said that an immediate move away from the single market at the point of departure from the EU could be disastrous, with a devastating impact on the country's ***agricultural*** sustainability, environmental protection and rural communities and infrastructure.

There was good news for Muller ***producers***, with the company following its 2.5p per litre rise from the start of the month, with the announcement that a further 1.25p per litre rise would apply from February 1.

ScotMoves - the new system for recording the movement of cattle between 'linked' farm holdings - geographically separate farms operated under the same business - found itself under early attack, as the Scottish Conservative ***agriculture*** spokesman Peter Chapman questioned the logic of its 48-hour time limit.

Rural businesses in the Highlands and Islands were being deprived of funding that could help put the local economy on a more solid footing - this was the topic of a letter signed by NFUS Highland regional chairman, Martin Birse; Orkney and Shetland chairman Paul Ross; Argyll and the Islands chairman John Dickson and Sandy Murray, who chairs the union's Crofting, Highlands and the Islands committee, sent to Highlands and Islands chairman, Professor Lorne Crear. The group believed that the area's lack of access to the Rural Leadership ***Programme*** was hugely detrimental and disadvantaging potential rural leaders, compared to those in other areas of the country.

It was announced that, after 11 years, Uel Morton was to step down as chief executive of QMS. Mr Morton, 59, decided to hand the reigns over in the summer, following the recruitment process to find his successor. QMS chairman Jim McLaren said; "QMS is very much indebted to Uel for his hard work and attention of the past 11 years."

Glasgow's University of Strathclyde was announced as a partner in the four year Internet of Food and Farm project, co-funded to the tune of (EURO)30 million by the EU through Horizon 2020. The project aims to encourage farmers to take up 'Internet of Things' technologies - the interconnection, via the internet, of computing devices embedded in everyday objects, enabling them to send and receive data - offering real-time stock and crop monitoring, better decision making and improved management.

FEBRUARY

Scotland's largest livestock auction company, United Auctions, rang in major changes, as it was bought out by four of its own management team. The deal saw recently-installed chief executive George Purves, alongside John Roberts, Christopher Sharp and Donald Young, buy the company for an undisclosed sum.

The deal involved the entire issued share capital of the business and included all auction markets in the group, as well as the substantial property holding at the Stirling ***Agricultural*** Centre.

ScotGov released figures that showed that Scotland's Total Income from Farming was estimated to have increased by £96million in 2016, up to £749million, after two years of decline. The figures showed that income fell by 16% in 2015 compared to the previous year, but initial estimates for 2016 showed an increase of 15%.

UK farm minister George Eustice confirmed that Westminster's post-Brexit ***plans*** could include extra support for farmers using free-range and pasture-based grazing systems. Speaking during a House of Commons debate on the future of farm animal welfare, Mr Eustice said that the government believed leaving the EU offered an opportunity to improve welfare standards in areas such as slaughter, farm support systems and labelling.

Dairy UK also came under attack from farmers leaders after insisting that, despite the last few years of disastrous milk prices, there was nothing wrong with the current balance of power in the milk market. Responding to the government's consultation on the possible new powers for the Grocery Code Adjudicator, Dairy UK had rejected any suggestion that it's remit should be extended to cover relations between dairy farmers and milk purchasers.

Over reliance on farm supports and being 'presumptuous' about what they can expect outwith the single market could cause Scottish farmers and crofters serious problems post-Brexit, was the warning from Scotland Food and Drink chief executive James Withers speaking at the SAOS conference at Dunblane.

There was relief from Scottish free-range egg ***producers*** as it was announced that they will be allowed to let their birds outside at the end of the month, provided they adhered to strict biosecurity rules. The Avian Influenza Prevention Zone would remain in place until April, but the requirements of the zone would be amended after February 28.

Weights and speed limits on ***agricultural*** tractors and trailers travelling on public roads were once again under scrutiny. The National Association of ***Agricultural*** Contractors voiced its frustration at the Department for Transports decision not to proceed with the promised 'Phase 2' roll-out of increases to the combination weight limits of road-going vehicles.

A single minimum level of pay for ***agricultural*** workers was agreed by the Scottish ***Agricultural*** Wages Board. The new rate of £7.50 was for all ***agricultural*** workers, irrespective of age and duties, and is equal to the UK Government's national living wage.

Only a quarter of eligible Scottish farmers had joined the much-trumpeted Beef Efficiency Scheme, according to the most up to date figures. Letters of invitation were originally sent out to 8000 ***producers*** that could have taken up the scheme, but Scottish Government figures suggest that only 2000 farmers signed up. This equates to approximately 176,000 reference animals which, although not including the 2017 Young Farmers and new entrants who started the scheme this year, accounted again for roughly a third of the calves registered in 2016.

Professor Eleanor Riley was appointed as the new director of Edinburgh University's Roslin Institute.Taking over from Professor David Hume, Professor Riley would take up her role later in the year, leaving her role as Professor of Infectious Disease Immunology at the London School of Hygiene and Tropical Medicine.

A row over who is responsible for fencing at the side of railway tracks rumbled on, in the wake of a cow compensation case. Network Rail came under fire after Plockton crofter Iain MacLennan lost one of his cows when it wandered through poorly maintained fencing, and was hit by a train. Kate Forbes MSP called for Network Rail to both pay compensation for the animal, and to sort the area of fencing in question.

NFUS proposed that spare Rural Development funding from the EU should be redirected towards Scotland's new generation of farmers and crofters.

Cash allocated to the Environmental Co-operation Action Fund was suspended to allow for the redesign of its delivery scheme to meet EU audit requirements, with a view to a future re-launch. Ministers considered how funding could be allocated, prompting NFUS to suggest that rural economy CabSec Fergus Ewing use it to bolster the new entrants components of the SRDP 2014-2020 - the Young Farmers and New Entrants Start Up Grants Scheme and the New Entrants Capital Scheme.

The Scottish Farmer's very own Ken Fletcher celebrated a milestone, as he hit his 40-year-anniversary of working for the paper. Stirling Bull sales hosted his celebrations, with a presentation in the sale ring by publisher Darren Bruce, and managing director of the Herald and Evening Times Newsquest Group, Graham Morrison.

Sheep worrying figures hit a seven-year-high, prompting NFUS to write to the public urging them to keep their dogs on leads near farmland. Figures showed 179 instances of dog worrying where animals were hurt or killed, up by 46 incidents on the previous year.

Muller bit the bullet and offered its 1900 dairy farmers the opportunity to set up a dairy ***producer*** organisation to strengthen their bargaining position. The decision whether to do so would be taken by a newly elected Milk Group Farmer Forum, which would represent the company's 1100 members on supermarkets contracts and the 900 non-aligned ***producers*** on its books.

MARCH

Stress in the farming community was a hot topic this month, as it was announced that a survey by NHS Grampian had recorded it as a growing problem throughout the industry. The survey showed that 46% of respondents in the 56-74 year old age bracket said that they would like more information and support with stress, anxiety and depression.

Brexit was back at the forefront of Andrea Leadsom's mind, as she met with Scotland's top rural politicians who were hoping to hear what budget Holyrood will have to spend on post-Brexit farm support, and what powers it will have to shape future support schemes for Scottish farming outside the CAP. Emerging from the summit, Rural Economy CabSec Fergus Ewing said he had asked questions on the continuation of ***agricultural*** subsidies and the transfer of agri-policy powers from Brussels, but received no 'satisfactory' answers.

Turmoil hit the Aberdeen-Angus Cattle Society with the sudden resignation of its chief executive, Johnny Mackey. His departure came hot on the heals of the resignation of the society's communication manager, Chrissie Long, who was set to leave the society in May, after working her resignation. Mr Mackey's departure surprised breed president Alex Sanger - but not former breed president, Colin Davidson, who claimed that the society was in 'meltdown' and questioned the need for a replacement chief executive.

An amnesty to allow tenant farmers to declare undocumented farm improvements and potentially have landlords recognise them as eligible for compensation was announced as beginning in June. Both landlords and tenants were at pains to talk up the prospect of a fair and friendly process, with Scottish Land and Estates holding out a significant olive branch by making it clear that improvements to farmhouses would be included.

Ayrshire sheep farmer Davie Morrison found his flock the victim of a serious dog attack, that saw two domestic dogs kill 15 of his pedigree sheep, and injure a further 17 so badly that they had to be euthanised by a vet. Davie, of Dalwyne at Girvan, discovered devastating scenes in his fields as the dogs attacked his in-lamb Blackface ewes. The devastation would be further felt, he explained, as the deaths killed out the possible progeny of these ewes, and decimated carefully established bloodlines in his flock.

Brian Hosie retired from his role as head of SAC Consulting Veterinary Services, ending a 40-year-career in veterinary surveillance and investigation. A presentation was held at Oatridge to mark Brian's achievements and to allow friends and colleagues the opportunity to wish him well. SRUC principle and chief executive and SAC Consulting managing direction Wayne Powell wished Brian well for the future.

Scotland needed an all-new Crofting Bill to clear up the muddle of legislation currently governing the crofting counties - and it should be written, scrutinised and introduced in the lifetime of the current Holyrood parliament. That was the message from Holyrood's cross party Rural Economy and Connectivity Committee chairman, Ed Mountain, as he called for a concerted effort from all parties to make legislation that will stand the test of time.

The future of dairying on Bute was called into question, as nine dairy farmers resigned from First Milk to try and find a new buyer. The breakaway group held discussions with both Lancashire-based Yew Tree Dairy, and Stranraer-based Lactalis, but nothing was agreed, and First Milk's door still seemed to be open. The resignations were prompted by the continual erosion of the First Milk prices in 2015 and 2016, which saw Bute ***producers*** down to 13p per litre at one point.

Europe's chemical watchdogs gave key herbicide glyphosate a clean bill of health. To the delight of both farmers and the crop protection industry, the European Chemicals Agency concluded that the scientific evidence on glyphosate 'did not meet the criteria to classify glyphosate as carcinogenic, as a mutagen or as toxic for reproduction.'

Former convenor of the Crofting Commission, Colin Kennedy called for a recount of the votes cast at the crofter elections in Stornoway, in which he lost his seat by just two votes. Mr Kennedy claimed the election was riddled with 'skullduggery': "That is the word I would use" he told The Scottish Farmer. "I was concerned that the outcome may have been rigged, hence the reason why myself and my agent Hugh McLean attended the count."

Primrose Beaton took up the role of lead cattle auctioneer at Lawrie and Symington, Lanark. Mrs Beaton moved into the role after 30 years of service at United Auctions, Stirling. She told The Scottish Farmer: "I was sad to leave United Auctions, especially as I had been there for 30 years. It was all I had ever known, but I felt the time was right to make a new start."

There were more apologies from ScotGov over support payment delays - which was the last thing Scottish farmers needed, as the bills continued to mount up.

Tenant farmers caught up in the legal repercussions of the Salvesen/Riddell court case scored a partial victory in their own court case against the Scottish Government, with the Court of Session ruling that they should receive 'some' compensation for the loss of their farms. Lord Clark ruled in favour of the principle that the current ScotGov administration had some responsibility to make amends for the impact of the defective legislation passed by the previous administration.

APRIL

***PLANS*** were unveiled for improvements to the infrastructure at Ingliston, home of the Royal Highland ***Agricultural*** Society of Scotland, and the Royal Highland Show. Describing it as 'future-proofing' the site for years to come, directors of the society hosted a site visit highlighting the improvements that were already underway - and suggested that, come show time, most of the £2.5m worth of work would go unnoticed by the public.

Scotland's growing population of sea eagles and the threat they pose to the sheep sector were highlighted as the industry entered a new lambing season. Awkward questions were asked of the Scottish Government and Scottish National Heritage who, in the opinion of sea eagle management groups in the Highlands and Islands, had failed to deliver an acceptable management ***plan*** for the reintroduction of the species. SNH and RSPB Scotland were also queried over why they failed to monitor the impact of the sea eagle population on native avian and mammal species in the release areas, amidst local reports that the supposedly pescatarian predators were eating anything they could catch.

A new breed of sheep hit the fields of Scotland, as Jim Kennedy, of Lyonston, Maybole, imported the first Arbex sheep from the Black Forest region of Germany.

***Plans*** were revealed for a 2018 'parachute' payment that looked likely to the last gasp of Scotland's Less Favoured Area Support Scheme. EU rules wouldn't permit LFASS to continue unchanged after this year, as the last CAP reform agreement required member states to replace such schemes with systems based on the new 'Area Facing Natural Constraint' definitions.

Farmers and crofters waiting for their 2016 LFASS payments were also given a glimmer of hope as it was announced that they would be offered a Scottish Government funded loan. Fergus Ewing confirmed that this would provide around £50m support to businesses operating in Scotland's most marginalised areas. The loan aimed to provide financial security for farmers and crofters until the EU payments were made later in the year.

Powers over the revenue and management of the Crown Estate resources in Scotland were transferred to the Scottish Government. Scottish ministers took control over thousands of hectares of rural land, approximately half of Scotland's foreshore and leasing the seabed rights to renewable energy.

As Easter weekend approached, Scottish supermarkets and their failure to stock Scottish lamb was once again thrust into the spotlight. The majority of supermarkets were continuing to stock lamb sourced mostly from Australia and New Zealand, regardless of the fact that home-***produced*** Scottish lamb was available, and it was traditionally the favoured meat for an Easter Sunday roast.

Collessie Jennifer, a Clydesdale mare, was announced as being the 2017 face of the Royal Highland Show. From esteemed Clydesdale breeder Ronnie Black, from Newton of Collessie Farm, Fife, Jennifer was the fourth generation of best of breed at the RHS with her mother, grandmother and great-grandmother all having worn the prestigious rosette. Jennifer was to feature on billboards, buses, social media and television, in the run up to this year's event.

Farmers for Action called on UK farmers to use the imminent General Election to select politicians that will put the nation's food security at the top of their agenda. Prime Minister Theresa May had so far failed to mention farming or farm incomes, noted the radical rural organisation, and had not ruled out post-Brexit trade deals where farming would be made the 'sacrificial lamb'.

With the EU's politicians and civil servants once again preparing to consider the fate of glyphosate, NFUS called on its members to make it clear to the public that the chemical was one they could not do without. The union wanted to see glyphosate - which reaches  the market marked as 'RoundUp' - re-authorised for a full 15 years, with continuing approval for use pre-harvest.

Sheep farmers, mainly in the north of the country, were counting the cost of their lambing time losses following an unseasonal Arctic blast which brought snow and hailstones sweeping across the area. The official Met Office statement from spokesman Grahame Madge said simply: "The areas affected include Caithness, West Highlands, and Cairngorm" - but 'a year's work gone in one night' was how farmer David Stewart described the situation.

It was the end of an era at The Scottish Farmer, as Alasdair Fletcher stepped down as editor after 23 years in the top job. Stepping up to the plate to take over was Ken Fletcher, becoming the sixth editor in the paper's 124-year-history. Further promotions went to news editor Gordon Davidson, who had online editor added to his job description, and to Patsy Hunter, whose business role was extended to cover technical topics.

Tenant farmers' 'rights to buy' had to be scrapped if Scotland's farming industry was to thrive and survive, a leading land agent claimed. Malcolm Taylor, a rural land management partner for Bell Ingram, said that the chronic shortage of farms to let was being exacerbated by legislation that punished landlords and squeezed available land.

MAY

Farm landlords were advised to carefully consider the impact of reviewing farm rents before the implications of Brexit become clearer. Scotland's tenant farming commissioner Bob McIntosh stated that the consideration of the 'prevailing economic conditions' in ***agriculture*** had to be an important component of rent review discussions. Mr McIntosh explained: "Rent reviews initiated this year will fix rents until 2021 and that period will overlap with the UK's ***planned*** withdrawal from the EU. Given the uncertainty over the impact of Brexit, there is a risk that rents fixed now may turn out to be significantly out of kilter with the market place within two years."

As farmgate milk prices once again came under pressure, milk buyers were urged to provide stability to Scottish dairy farmers. According to NFU Scotland, all the market signals - commodity prices, international production levels and dairy auction results - were still positive, so milk buyers owed milk suppliers a strong sign that any price cuts will only be temporary.

Ravens were causing strife again, as a farm in Caithness came under attack, with the farmer describing the birds as killing lambs "for fun, and not for food". Selena Swanson, who runs 40 pure Cheviot and 300 commercial ewes to Farmside, near Thurso with her husband John, told The SF that they had been under attack from ravens for the last five years, with the situation getting worse every year.

Arable farmers in parts of the country were looking skyward and praying for rain in order to help their crops survive weeks of drought. While there was no immediate panic, with no sustained rainfall forecast, farmers in the east of the country down to the Borders were starting to worry. Colin MacGregor, who farms at Coldstream Mains, said: "From January to April this year, we had 184mm of rain, and we have had a lot drier years that this over the past decade. In 2015 we had 130mm; 2012, 160mm; 2011, 162mm and in 2009, 147mm."

Concern was growing among beef farmers in the North-east over the difficulty in sourcing the distillery by-products which were a staple of their feed regime. Alastair Nairn, who farms Clashnoir, in the Braes of Lenlivit, told The SF: "We really have reached crisis point and are extremely worried how we are going to feed our cattle in the future, with the growth of anaerobic digesters and biomass plants consuming what is essentially a valuable source of protein feed for livestock."

RSPB Scotland declared itself 'appalled and extremely frustrated' that court proceedings against a former gamekeeper accused of shooting a hen harrier were dropped. After a lengthy series of pre-trial hearings, video evidence provided by the conservation charity was ruled inadmissible as prosecution evidence.

Ayr Show found its overall champion in a Jersey cow, Bluegrass Vindications Harp. Owned by a consortium of three Irish herds, she was brought out by Michael Yates, from Castle Douglas.

Meat fraud could only be combated if more 'whistle-blowers' came forward to report it. That was the message from Food Standards Scotland chief executive, Geoff Ogle, as he spoke at the food safety agency's annual press briefing. Although he was careful to stress that no 'detailed' investigations were currently being carried out, he did confirm that the Scottish Food Crimes Incidents Unit was busy.

One of Northern Ireland's leading pedigree breeders was in the midst of a dispute with the Department of ***Agriculture***, Environment and Rural Affairs regarding the early testing of TB in his prize herd and the resulting culling of positive reactors.

Farmers were advised to increase the security of their machinery following a sharp rise in insurance claims for theft. According to the latest claims data from NFU Mutual, the cost of farm thefts doubled in March compared to the same month in 2016, rising to over £800,000.

Following a hearing of the Scottish Parliament's Environment. Climate Change and Land Reform Committee, organisations representing the game shooting community expressed disappointment that the committee had voted narrowly in favour of a course of action which includedexamining the possibility of a licencing scheme for game shooting in Scotland. A joint statement from Scottish Land and Estates, the Scottish Gamekeepers Association, BASC Scotland, the Scottish Association for Country Sports, the Scottish Countryside Alliance, and the Scottish Moorland Group read: "It is widely acknowledged across the political spectrum that only a tiny minority of people engage in wildlife crime and further regulation will impact on communities where game shooting is of vital social, economic and environmental importance."

Poultry classes at the Royal Highland Show were cancelled, with the show manager David Jackson maintaining that and risk of health issues, however slight, must be taken seriously. This came after outbreaks of avian influenza were recorded in England last year, and after an Avian Influenza Prevention Zone was declared by the Scottish Government in December, requiring all poultry and captive birds to be kept indoors.

JUNE

Progression and ***planning*** for the future would be key to the success of the Scottish Land Commission. That was the message from Dr Sally Reynolds, one of the six commissioners selected for the new body; created to take forward the Scottish Government's land reform agenda. Dr Reynolds, who is also a development officer for the Carloway Estate Trust and co-ordinator of the Lewis and Harris Greylag goose management scheme, was speaking at Scottish Land and Estates annual conference. She said: "Our long-term objective is to be beneficial to all, and we want to see more diverse and disaggregated ownership, and more of an emphasis on both rural and urban areas, so that nobody is missing out."

Scotland achieved the lowest risk level status available for Bovine Spongiform Encephalopathy. Notification of Scotland and Northern Ireland's risk classification upgrade to 'negligible risk' status - the safest level available anywhere in the world - was confirmed by the World Organisation for Animal Health (OIE) in Paris.

One of Scotland's biggest landowners, Buccleuch Estates, got into advanced discussions with a number of its limited partnership agreement tenant farmers with a view to either them purchasing the farms they rent, or converting to alternative long-term arrangements.

The Buccleuch announcement followed concerns raised by the Scottish Tenant Farmers Association over reports that some of Scotland's largest estates have been taking steps to bring limited partnership tenancies to an end, allegedly with a view to replacing farmers with trees.

Hamish Trench was appointed as the permanent chief executive of the Scottish Land Commission. He joined SLC from the Cairngorms National Park Authority and will be responsible for the ***strategic*** leadership and operational management of the organisation supporting commissioners in fulfilling their functions.

Questions were still being asked over the Beef Efficiency Scheme, after a number of farmers chose to leave the scheme rather than put up with its demands. When first launched, the initiative, which offers financial help in return for the introduction of efficiency measures in suckler herds, had a reported uptake of around 2000 beef ***producers*** - but there has since been rumours of ***producers*** backtracking and dropping out in their hundreds.

ScotGov's troubled farm support system was also still presenting 'significant risks and costs', according to the newly-published report from Audit Scotland.

The independent body reviewed the progress made in resolving the serious issues that plagued the £178m CAP Futures ***programme***, and acknowledged that, over the last year, significant changes in leadership have been introduced bringing about a renewed effort to stabilise this. Regardless of this, its verdict remained that, to date, the ***programme*** has not delivered either value for money for the taxpayer or the expected benefits for farm support applicants.

In the wake of the General Election, which resulted in a hung parliament at Westminster - and a diminished mandate for Prime Minister Theresa May's approach to the Brexit negotiations - NFU Scotland's president Andrew McCornick's immediate reaction was that Scottish farmers had been left in an 'uncertain place'. One fact that was confirmed was that Scots-born pro-Brexit Tory, Michael Gove, was now the man in charge at Defra, ousting Andrea 'leave the hills to the butterflies' Leadsom, and sparking heated debate over whether or not the former education minister's famous intellect - and political ambition - can crack the problem of farm support outwith the CAP.

Dairy co-op First Milk appointed Mark Robertson as its new operations direction, replacing Kenny Bain, who has decided to step down from the role. Mr Robertson had more than 30 years experience in the dairy industry and held senior executive positions with Milk Link and Glanbia. Latterly, he was vice-president for Arla Foods, responsible for 12 cheddar and mozzarella manufacturing sites across the UK and Denmark.

Concerns were raised over the viability of livestock haulage from the Scottish islands, following the disqualification of an Oban-based haulier for falsifying his driving hours. While moving stock for United Auctions, Donald Mackay used another driver's digital card to allow himself extra hours on the road, but was caught out at a roadside inspection.

Problems with the rules around livestock haulage also became the focus of a crisis meeting at the Road Haulier Associations headquarters in Livingston.

Jim McLaren, chairman of QMS, was awarded an MBE in the Queen's birthday honours list. Chairman since 2011, and previously president of NFUS from 2007 to 2011, he said he was 'surprised and delighted' to have received the award, adding: "It has been a great privilege for me to have worked in, and for, the Scottish ***agricultural*** industry for the various roles I have carried out to date."

Meanwhile, Rod MacKenzie was appointed as the new convenor of the Crofting Commission by rural secretary, Fergus Ewing. A life-long crofter, Mr MacKenzie was one of six commissioners recently appointed to the board by crofters from across the Highlands and Islands. The board also includes two commissioners recently appointed by ministers and one reappointed position set to serve the crofting community in the coming years.

It was a sad - but happy - occasion, as The Scottish Farmer's outgoing editor, Alasdair Fletcher was (finally) presented with his official leaving gift, a specially commissioned shepherd's crook, at the Royal Highland Show. After 23 years in the top job Alasdair will be missed by readers and his staff alike, but everyone at The SF hopes he is enjoying his well-earned retirement - chasing after his grandchildren, Clydesdale horses, and Blackie sheep, instead of us in the office!

Fergus Ewing helped Lawrie and Symington celebrate its 150-year anniversary. L and S chairman, Brian Dickie, and managing director, Hamish McCall welcomed Mr Ewing to the company's RHS stand, where he was presented with a specially-commissioned 150-anniversary tie to mark the occasion.

The gunge tank was out again at the RHS and our new SF editor Ken Fletcher was one of its victims. As one of many industry figures to sportingly sit in the infamous chair, Ken was very much 'in the pink' as he was covered in slime to raise funds for the SAYFC's 'are ewe okay?' rural mental health campaign. An excellent cause, and an excellent excuse to see your boss looking a bit daft!

JULY

It was announced that the applications for the next round of AECS funding would open in January, 2018, and farmers, crofters and landowners were urged to look at how this might benefit them. Environment secretary Roseanna Cunningham noted that the scheme had committed £99m to 1431 businesses since 2015.

A group of 26 dairy farmers in Aberdeenshire pledged their support to the newly-formed North-east Milk ***Producers*** Association, which held its first meeting. The formation of the association followed a study into the future of dairying in the region, jointly funded by Opportunity North East and Aberdeenshire Council, and prompted by the closure of Muller-Wiseman's Aberdeenshire plant in 2016.

Researchers identified key genetic markers in barley which could help growers meet malting specifications and lead to more efficient whisky production. The AHDB-funded research, carried out by the James Hutton Institute and SRUC, aimed to identify genetic markers for diastatic power, which is the ability of a malt to break down starches into simpler, fermentable sugars, during the mashing process.

UK laws on dangerous animals should prevent the proposed release of wild lynx into the UK, the National Sheep Association claimed. A formal application to begin reintroduction of the species was expected 'imminently' from rewilding enthusiasts Lynx UK Trust, but in an attempt to head that off, the NSA highlighted the Eurasian Lynx are classified as "dangerous wild animals" under the Dangerous Wild Animals Act 1976, and releasing them outwith local authority license would therefore be a criminal offence.

Scotland's harvest got underway, with some growers out with their combines slightly earlier than usual - although the majority were happy that they were in a position to gear up to going out in the coming weeks. Asking farmers from the north of Scotland to the south, the mood was upbeat and - although the outcome was as weather dependant as ever - there was every hope of a successful year.

However, the country's spring barley area remained at a multi-year low, virtually unchanged from 2016. Last year, the area under the crucial distilling industry crop fell to a 10-year-low, partly in response to a large carryover supplies from previous years and a temporary decline in malting barley demand in some areas during the 2015/16 season. With little area recovery reported this year, final output levels would depend on yields.

Key figures in the UK's food industry called for a substantial 'transitional period' in the country's move to outside the EU, warning that a chaotic 'cliff edge' Brexit could cause serious damage to UK food and farming businesses. In a joint letter to the Government, signatories from 26 UK food and drink supply chain bodies laid out their key priorities for the ongoing negotiations with the EU, stressing the need to protect the UK's food security.

Leaders from across Scotland's farming and rural sector were urged to engage with the National Council of Rural Advisors brought together by the Scottish Government to consider the future of ***agricultural*** policy in Scotland. However, there was a lukewarm reception from some of the industry's elected representatives, who made it clear that their willingness to engage with the council did not necessarily mean that they accepted it as the key route to achieving their policy ambitions.

It was reported that consumers in Britain are eating two thirds less vegetables than recommended by health experts. According to government guidance on a healthy diet, 20% of our shopping should be made up of veg, but in reality, the average UK shopper only fill 7.2% of their basket with the green stuff - and Scottish consumers are even worse, with their veg shopping percentage only sitting at 6.6%!

AUGUST

Migrant labour plays an 'integral' role in many Scottish farming businesses - so the UK's post-Brexit immigration system must include an effective seasonal ***Agricultural*** Workers Scheme or "crops will go unharvested". This was the key message to emerge from a meeting between NFUS and UK government minister Robin Walker, from the Department for Exiting the EU and Dr Ian Duncan, of the Scotland Office.

The Royal Welsh Show supreme sheep champion was disqualified. It was found that the winning ewe lamb was not registered to the Texel Sheep Society, due to it being shown under a name not affiliated to the society, and was therefore in breach of eligibility rules at the show. A statement issued by the RWS livestock department said: "We confirm that there has been a change of winner in the sheep champion of champions award."

A confirmed case of bovine tuberculosis (TB) in Cumbria caused concern for livestock farmers north of the Border. The case, discovered in a badger, raised fears over the impact any spread could have an impact of Scotland's bovine TB-free status. The Animal and Plant Health Agency discovered the disease in badgers for the first time in 30 years while investigating 16 cases in cattle in east Cumbria.

A fire at a pig abattoir in Brechin was treated by police as 'unexplained'. Quality Pork, on Montrose Road just outside of the town had been new-refurbished before the blaze and was said to be worth £10m. The alarm was raised about the fire at 4:06am on Saturday, August 5, and it was initially thought that the pig production line was left unaffected and the main damage was in staff canteens, offices and a storage shed.

One of Scotland's biggest dairy regions, Dumfries and Galloway, began the process of setting up a group aimed at encouraging all women who contribute and play key roles in the dairy industry to come together and share their wisdom, ***produce*** ideas, inspire and support each other. The network, supported by NFUS, was launched at the Union's stand at the Stewartry Show.

Lynx UK Trust hit out at the National Sheep Association and what they described as their 'reality defying' claims that six lynx will threaten the UK's sheep industry and food security. This came on the back of the trust's application  for a trial reintroduction of Eurasian lynx in Kielder Forest region of England and Scotland. The trust outlined a sheep welfare ***programme***, aimed at providing farmers with grants aimed at boosting flock health and reducing sheep predation.

Britain's two biggest supermarkets came under fire as they were accused of backsliding on their commitment to sourcing locally ***produced*** lamb. As the sheep sector entered peak lamb season, and farmers started to look toward market returns that might provide some cheer amid the political uncertainty, a shelf watch study by NFUS revealed that 11% of the lamb on supermarket shelves is imported - and that almost all of this imported meat was found on Tesco and Asda shelves.

Following the TB outbreak in Cumbria, there were positive reactor test results for the dreaded disease on the Isle of Skye. The farmed affected didn't want to speak directly to the press, but offered a statement via NFUS, saying: "This is an extremely worrying and very difficult time for me. The cattle that tested positive on the farm have been slaughtered, and further laboratory tests are now underway to see if they have TB. Waiting for those results is very stressful, but I want to get to the bottom of this, get my herd restrictions lifted and get my TB-free status back as quickly as possible and I will work with authorities to do that."

Voluntary work by Scotland's farming community underpins the many ***agricultural*** shows that happen the length and breadth of the country, boosting tourism and bringing money into rural areas - but some authorities have been less appreciative than others. This was the point highlighted but NFUS vice-president Martin Kennedy as he spoke at his local Aberfeldy Show. He said: "'Feldy show is always extremely grateful to their sponsors but there is no question that the biggest sponsors are those who give up their time to officiate and run the event."

Not a moment too soon, ScotGov moved in its greening rules and offered several 'very positive and hard-worn changes' that farmers might yet have time to take account of their autumn planting ***plans***. However, while welcoming the move, NFUS noted that the 'significant' list of changes quickly needed clarified so that farmers could identify the right greening measures for their farms. Announcing the new guidance for CAP 2018, Fergus Ewing explained that it had been endorsed by Professor Russel Griggs' expert group, and included changes introduced by the European Commission's own simplification agenda.

Keith Brooke announced that he was to step down as chairman of the Royal Highland and ***Agricultural*** Society of Scotland. A RHASS director for 30 years, Keith was appointed chairman in July 2016 and oversaw the £5million infrastructure investment in the showground and presided over a record-breaking Royal Highland Show. Citing personal reasons for the move, Keith will remain a director of the show.

SEPTEMBER

Refusal by the Scottish Government to make changes to the Scottish Upland Sheep Support Scheme drew criticism from both NFUS and the National Sheep Association. For the second year in a row, despite intensive lobbying, there were to be no changes to the rules of the scheme, which was put in place by ScotGov, to assist active hill farmers and crofters through a payment coupled to the number of ewe hoggs they keep as breeding replacements for their flock. It has a budget of £6m. NFUS recommended 'budget neutral' changes to the scheme's application periods, retention periods and targeting payments. Vice-president Martin Kennedy commented: "As a union, we had unanimous backing from our membership to pursue, for a second consecutive year, changes to the SUSSS to target this valuable pot of funding more effectively."

Outstanding bank debts on Scottish farms had increased 5% over recent years, according to the latest figures released by Scotland's chief statistician. A survey of the main banks and other lending institutions revealed that outstanding loans to Scottish farms rose by £113 million in the year to May 31, 2017. Total outstanding loans to the ***agricultural*** sector amounted to £2.32bn. Accounting for inflation, this was an increase of 3% since May, 2016.

Vets raised the alarm over the growing number of animals being slaughtered without pre-stunning in UK abattoirs - but the Scottish meat sector insisted that this was only a problem south of the border. According to analysis of the latest UK Food Standards Agency figures by the British Veterinary Association, the number of livestock going through the non-stun route into the food chain had risen sharply - a trend that the vets said 'unnecessarily compromises' the welfare of animals at the time of their death.

NFUS president Andrew McCornick took a trip to Orkney, and was given an insight into just how reliant the farming community was on the sometimes unpredictable island transport system. Mr McCornick saw both sides of the livestock movement coin on the trip; witnessing both the slick operation of Northlink Ferries, who transport livestock from Orkney to the mainland, and experiencing the less predictable inter-island ferries, which are used to move stock between mainland Orkney and the surrounding islands.

Scottish farmers using 'brisket tags' on their cattle were doing so illegally and faced penalties if such tags were found during official inspections. But a plea for the Scottish Government to grant a moratorium to those farmers who had already inserted brisket tags - to avoid the welfare issues arising from removing them - fell on deaf ears. A ScotGov spokesperson said: "Brisket/dewlap tags are understood to have been supplied by a single UK supplier and have been advertised for sale in a number of ***agricultural*** publications - however, using brisket/dewlap tags is an illegal form of animal identification."

Lynx reared their heads again, as it was announced that every sheep in the UK would be insured against attack by lynx if the campaign to have the predatory species reintroduced here was successful. In yet another publicity blitz, the Lynx UK Trust announced an agreement with a specialist division of Lloyds of London to insure the entire UK sheep population against lynx attacks throughout the period of any trial reintroduction. It was said that the cover would also extend to attacks on pets and humans - while stressing that the insurance was only possible because the risk of such attacks was judged to be very low.

Jaagsiekte was also back in the limelight, as sheep farmers were urged to 'be more honest' about the levels of the disease in their flocks, if Scotland was to have any chance of tackling the problem. This was the clear message from around the sheep industry as breeding sale season once again got into full swing. "Basically, as far as I can see, the sheep world has a major problem to deal with when it comes to jaagsiekte," explained concerned Ayrshire sheep breeder, Jim Kennedy. "From what I hear, it is rife in many breeds, but I feel that the biggest problem we have is that those with infection in their flocks aren't being upfront enough about it."

Following outbreaks of avian flu at the end of last year and the beginning of this, the government's chief vet announced that the UK had met international requirements to declare itself once again free from the disease - but added that all poultry keepers must remain vigilant, due to a 'real and constant threat' that it will return.

Scotland's almost non-existent summer started to hit home. The prolonged spell of wet weather from June through to September was continuing to cause countrywide delays in key tasks like harvesting, silage-making, baling, planting and spreading. Farmers from every Scottish region outlined a growing list of problems being created by the persistent rainfall, at NFU Scotland's board meeting in Edinburgh, with the most pressing being the substantial amount of harvest still to be completed, and ground conditions that were making ploughing and planting crops difficult, if not impossible.

Fergus Ewing was in the sheep sector's good books, following his decision to extend the deadline for applying to the Scottish Upland Sheep Support Scheme until November 30. The move, made in recognition of the difficult time sheep farmers were having following the recent atrocious weather, was hailed by both NFUS and NSA Scotland.

After two years in the job, Highland Cattle Society secretary, Sian Sharp, announced that she was to step down. Mrs Sharp, who cited personal reasons for her departure will not be leaving the organisation until February 28, 2018 - but she used the announcement to issue a call to arms to the Highland breed, which she said needed to seize the opportunities offered by Brexit, capitalise where other breeds could not, and move into new areas that have shown interest in the breeds attributes.

OCTOBER

UK export negotiators were accused of dropping the ball by failing to include key 'protected' Scottish food products in the latest international trade deals. Quality Meat Scotland sounded the alarm after the UK government omitted Scotch Beef PGI and Scotch Lamb PGI - alongside a host of other Protected Geographic Indication products, like Arbroath smokies, Stornoway black pudding, Orkney cheddar and Ayrshire Dunlop cheese - from the final text of the EU-Canada Comprehensive and Economic Trade Agreements, and other trade deals with Japan and Mexico. The omission was particularly baffling because other EU member states with PGI products - iconic local brands like Parma ham, Feta cheese and Nurnberger bratwurst - made sure that they were included in the trade deals, while UK trade secretary, Liam Fox, apparently dodged calls from opposition parties to openly debate his negotiating priorities.

Lanarkshire farmer, Jimmy Warnock, was announced as the new chairman of the Royal Highland and ***Agricultural*** Society of Scotland. Replacing Keith Brooke, who stepped down in August, Jimmy was appointed chairman designate in July this year, and is currently in his third term as a director of the RHASS. He has been chairman of the RHASS PR and education committee and chairman of RHET national for eight years. He also serves on his local committee as a farmer host and classroom speaker.

Jaagsiekte stayed in the spotlight, being described as a 'disease iceberg' threatening the Scottish sheep sector. Caused by a virus with infects cells in the lung, leading to tumours, Jaagsiekte has been recognised by generations of flock managers as a cause of sheep losses - but surveys at sheep abattoirs and of fallen stock had demonstrated that the reach and severity of OPA is increasing, and according to Livestock Health Scotland, the disease is now being diagnosed in all regions of Scotland and is probably impacting on all breeds.

Hexham Auction Mart was hit with a £12,000 bill after for flouting livestock movement rules. The business was fined £10,000 and ordered to pay £2065 in costs when representatives pleaded guilty to 16 offences when they appeared before Newcastle Magistrates Court. Northumberland Trading Standards animal health inspectors found the company had not only breached livestock standstill rules when moving cattle in to and out of fields and lairage sheds it owned, but had failed to record cattle movements and provided false information to the British Cattle Movement Service.

Genetic modification of plants will be essential to avert future food shortages - but crop scientists will need to build a much better understanding of fundamental plant processes first. An international group of agri-scientists reviewed how biotechnology had shaped the efficiency of crop production over the past 35 years, and concluded that, while GM has been of great benefit, it was now being limited by the boundaries of crop science.

Farmers in swamped Nitrate Vulnerable Zones in Scotland were given a lifeline by the Scottish Government to allow them to empty over-flowing slurry tanks. The deadline for emptying tanks expired, meaning that if they were to spread slurry in an NVZ designated area, they could face large cross compliance penalties, but the government opted to change the general deadline to the end of November, and said it would look sympathetically at cases of NVZ where horrendous weather has stopped many farmers from spreading slurry in time. The decision to grant leniency would be made on a case by case basis as to whether derogation will be granted to those who missed the deadline.

Bankfoot JAC was announced as this years winners of the SAYFC bale art competition. The Perthshire clubs' creation was made using straw bales, to create the shape of a teddy bear band. Picked as the winner by TV personality, Lorraine Kelly, the artwork was situated in a field adjacent to the A9, near Bankfoot. SAYFC chairman, Suzie Dunn, said: "Well done to Bankfoot and all of the clubs who made it to the final six."

Livestock auctioneers Lawrie and Symington welcomed HRH The Princess Royal to Lanark Market, as the company marked its 150th year anniversary in auctioneering. The Princess was shown round the company - just prior to the Blackface sale kicking off - by L and S chairman, Brian Dickie, and managing director, Hamish McCall.

Farmers were advised to be alert for the signs of bluetongue virus, following concerns over a batch of cattle imported here from France. Attention focused on a lorryload of Montbeliarde dairy cattle that entered the UK earlier in the month destined for four farms in England, in Preston and Kendal, and in Scotland, in Dumfries and Stirling. Presence of the virus was found in some of those animals through its post import testing regime, and movement restrictions were immediately placed on all premises that received cattle from the consignment.

Glyphosate once again fell foul of the European Parliament, where MEPs voted in favour of a resolution to have it phased out over a five-year-period, while the agro-chemical industry was to be given extra funding to work on alternatives. Some Scots MEPs insisted that this five-year 'last chance saloon' for the manufacturers of Roundup was a better outcome than the immediate ban that had been sought by some factions of the parliament, but NFUS found it hard to see the outcome as anything more than disappointing.

NOVEMBER

November started with Brexit negotiators pursuing an abrupt 2019 end to UK farming's involvement in the Common ***Agricultural*** Policy. While Prime Minister Theresa May had sought to calm business jitters with her ***plan*** for a two-year 'transition period' from the official April 2019 Brexit date, offering status quo stability into 2021, a throwaway comment by Scotland Office Under Secretary of State Lord Ian Duncan has revealed that Westminster wants UK farming out of Europe on April 1, 2019. Speaking at the NFUS autumn conference, Lord Duncan stated, in answer to a question from the floor that, 'beyond 2019, it will fall to ScotGov to decide how farm subsidies can be paid.'

Vets welcomed new targets for reducing antibiotic use in eight livestock sectors - beef, dairy, eggs, fish, gamebirds, pigs, poultry, meat and sheep. Responding to the new government endorsed targets, BVA senior vice president Gudrun Ravetz said: "Antimicrobial resistance is a top concern for vets in the UK, with almost half listing is as the most pressing animal health and welfare issue we face. These evidence-based targets, developed with vital industry and veterinary input, offer significant and timely benchmarks for each livestock sector in their ongoing efforts to further reduce, refine or replace antibiotics."

As a matter of urgency, the UK dairy industry needed to know where it sood in relation to Brexit - and not least the 2500 UK milk ***producers*** who are members of the European milk co-op, Arla. This call came from the managing director of Arla Foods UK, Tomas Pietrangeli, addressing the IDF dairy summit in Belfast. "The farmers that own Arla and the dairy industry as a whole need to know urgently what the government ***plans*** look like for the future of food and farming," said Mr Pietrangeli. "That means the early publication of a new ***agricultural*** policy next year. Any delays will be detrimental to our industry due to our long-term ***planning*** cycles."

In the wake of seven sheep being killed by a runaway lynx in Wales, ***plans*** to reintroduce lynx into the Scottish Highlands came to light. The horrific sheep loss in the Welsh countryside did not seem to have deterred these ***plans***. The chief scientific advisor for the Lynx UK Trust, Dr Paul O'Donoghue told The SF: "The current release ***plans*** will be expanding in the very near future, with a second release area in the Highlands. I'm not at liberty to disclose full details at this stage, but what I will say is that the ***plans*** for the second site already have a significant level of landowner support. Lynx UK Trust is currently awaiting a response from Natural England to its application for a license to release Eurasian lynx into Northumberland's Keilder Forest."

Tractors of all shapes, sizes and ages took over Lauder and the surrounding area, in aid of a foundation set up to fund research into Motor Neuron Disease, in the wake of famed rugby player, Doddie Weir's diagnosis with the disease. The machines, which ranged from a wee 1940s grey Fergie to state-of-the-art giants, formed up at the Thistlestane Castle, Lauder, before a spectacular 'grand parade of tractors' set off around the area, led off by a newly launched John Deere tractor that had come to Thirlestane straight from the factory in Germany. Crowds lined the streets to see the 178 machines rumbling past.

There is 'no excuse' for not eradicating BVD in Scotland, but efforts were being held up by a minority of farmers. That was the strong message given by Sheila Voas, the Scottish Governments chief veterinary officer, at the Moredun seminar, attended by HRH Princess Anne. She explained that persistently infected (PI) cattle remained the root of the problem and it was those that farmers needed to get rid of. Ms Voas said: "PIs are the problem and they are the ones which need to be eradicated. The average cost of BVD to a Scottish beef herd is £5000 and around £16,000 for a Scottish dairy herd, so it makes sense to get rid of this disease."

The issue of animal welfare was also brought to the forefront of the Brexit debate after the UK Government voted to dismiss a clause recognising animal sentience when the EU withdrawal bill returned to the Commons. Both the Scottish Government and NFUS took issue with the move. A ScotGov spokesman said: "We fully accept the principle of animal sentience, which underlines our current welfare legislation. We may consider formally recognising this in future Scottish legislation, if required."

Castle Sinniness, near Glenluce, run by the Fleming family, was named as the winner of 2017 AgriScot Scotch Beef Farm of the Year award, run by AgriScot and QMS.  The farm is one of three, extending to a total of 240 hectares, run in partnership by Robert Fleming with his father, John and mother, Racheal, with support from part-time member of staff, Frazer Mitchell. The family run a low-input grass and forage-based system which supports the main herd of 220 Aberdeen-Angus and Angus cross suckler cows and followers.

DECEMBER

***Plans*** to establish a new dairy in Aberdeenshire were put on hold until the New Year, amidst doubts over the level of support the venture might attract from both milk ***producers*** and processors. This was confirmed by North-east Milk ***Producers*** Association chairman, Roy Mitchell, who said that the ***plan*** could not proceed without concrete support from a consortium of Scottish-based food manufacturers. On the input side, two of the area's biggest ***producers*** had made it clear that they were not currently ***planning*** to supply any new local dairy that might emerge to fill the void left by Muller-Wiseman's retreat from the North-east.

Tenant farmers and their landlords also got news of a new tenancy format, as the Modern Limited Duration Tenancy came into force from November 30. This new type of tenancy was included in the Land Reform (Scotland) Act 2016, and replaced the Limited Duration Tenancy option, which had been available since 2003. The new MLDT has a minimum term of 10 years duration, although tenants and landlords looking for a shorter term let will be able to continue using the Short-Limited Duration Tenancy option. Existing LDTs will continue unaffected until their term date.

Farming industry efforts to secure the formal re-authorisation of the herbicide glyphosate paid off this month, with the appeals committee in Brussels approving the product for a further five years. but NFUS - which had been lobbying for a full 15-years reauthorisation of what it described as an 'essential' product for Scottish ***agriculture*** - was lukewarm in its welcome for the outcome, saying that it had been a "hugely frustrating process, which saw politics rather than scientific evidence" delay the decision. Based on the verdicts of the European Food Safety Authority and the European Chemicals Agency, which had both long ago deemed glyphosate safe, NFUS suggested that the reauthorisation should have proceeded much more quickly, and been for the maximum term.

A Scottish farmer's daughter got good news, as Christine Middlemiss was appointed as the UK's next Chief Veterinary Officer, taking over from Nigel Gibbens, who is stepping down at the end of February following 10 years in the post. Glasgow-trained Ms Middlemiss comes from a farming family in the south of Scotland, with a background in beef cattle and sheep, and worked for a number of years in private practice in Scotland and the north of England, before joining Animal Health - now part of the APHA - in 2008 as a divisional veterinary manager in Scotland.

The country's new ***Agricultural*** Weather Advisory Panel met for the first time, presumably to stand together looking out a window into the December mirk, whilst tutting and shaking their heads. Commenting on the first meeting, Fergus Ewing said: "Having announced the formation of the new ***agricultural*** weather advisory panel at AgriScot, I am delighted to confirm that the panel met for the first time earlier today. Drawing on expertise from across our ***agricultural*** sector, the panel, when triggered, will act as a taskforce for rapidly sharing information, best practice and encouraging cooperation across industry to help farmers and crofters respond effectively to challenging weather conditions, both in the short term and in building longer term resilience," said Mr Ewing.

Professor Julie Fitzpatrick, scientific director of the Moredun Research Institute, voiced her concerns over the yearly budget cuts being imposed by the Scottish Government: "Since I have been at the helm for the past 13 years I have witnessed 12 years of government funding cuts and despite maintaining the staff we have, we haven't had the funds to bring in new scientists when current staff retire. If it wasn't for a step up in external income, we wouldn't have survived," she told The Scottish Farmer.

Jonathan Ovens, the farmer joint chairman of Arla's UK operation, was shown the door. Speculation was rife that Mr Ovens' removal was part  of a coup, with the suggestion that six of 10 current UKAF board members had a secret meeting plotting to oust him.

Scotland's 2017 cereal harvest was estimated to have increased 4% on the 2016 harvest. Scottish farms ***produced*** 2.9million tonnes of cereals this year, including 1.8million tonnes of barley and 900,000 tonnes of wheat.

The dairy industry in Scotland was facing a labour crisis, farmers warned in the run up to Christmas. It was noted that the sector relies heavily on immigration to fill roles on farms and that many farmers found an attitudinal difference between their foreign workers as opposed to their local staff.

Two young farmers won an NFU Scotland letter-writing competition, earning themselves a seat at the prestigious Oxford Farming Conference, being held in January at Oxford University. The winners were Jen Craig from Lanarkshire, and Ben McClymont from Dumfries.

A five-year project to help increase the number of golden eagles in Scotland was launched by environment secretary, Roseanna Cuningham. The South of Scotland Golden Eagle Project would recruit four members of staff to work with local communities, landowners and gamekeepers.

**Load-Date:** January 15, 2018

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[***Planners' perceptions of the influence of leadership on coordinating plans***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BGY-HK51-JBMY-H3SP-00000-00&context=1516831)

Environment and Planning C: Politics and Space

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**ABSTRACT**

Based on interviews with 92 planners in five Canadian city-regions, we explore planners' perceptions of the ways that leadership affects their ability to coordinate land-use ***planning*** activities in the context of sometimes divergent or conflicting priorities and policies. Practitioners describe conditions where transformational leadership – with organizational leaders building followership around values set by political leaders – has become common, and planners have often settled into managerial roles as agent of municipal councils. Planners identify two other roles they may play: as facilitator of communication and collaboration, and as leader for smart growth strategies. The evidence suggests that planners align their role expectations not only with preferred theories in the discipline, but also with the leadership regimes they encounter.

**FULL TEXT**

Canadian communities today have large numbers of ***plans*** to manage, complicating the task of coordinating land-use ***planning*** objectives (Burns and Grant, 2014; Taylor and Grant, 2015). Municipalities are complex organizational systems whose parts may pull in different directions. Hatzopoulou and Miller (2008) note that institutional relationships affect ***planning*** integration. Others describe the challenges of ‘departmentalization’ (Argote et al., 2000) – sometimes known as ‘silos’ – and lack of trust (Willem and Buelens, 2007) within and among governments. Municipal decision-makers often must deal with conflicting priorities: e.g. improving transit systems or keeping tax rates low; renewing older neighbourhoods or maintaining housing affordability. Various departments may push for different outcomes. Ensuring that ***planning*** priorities are achieved requires effective leadership to allow planners to execute their roles effectively to shepherd ***plans*** through the process.

It is hardly original to say that ***planning*** is political: Altshuler (1965) confirmed that half a century ago. Forester (1989) noted that practitioners must think and act politically to be effective because they are ***planning*** in the face of power. Planners’ interactions (re)***produce*** social and political relations within organizations (Forester, 1989: 71). Power is inevitably at work in ***planning*** contexts (Flyvbjerg, 1998; Van Assche et al., 2014), as planners cooperate with political leaders, developers, and residents to shape urban outcomes and to define their own roles. Metzger et al. (2017) considered the ways power is ***produced***: they suggested that power is the outcome of social processes, a phenomenon explained within patterns in social networks. ‘[I]t is precisely the study of how such power is performatively *enacted*, how power is harnessed or generated in the process, that becomes the interesting object of research’ (Metzger et al., 2017: 211). As planners work to coordinate disparate policies and ***plans***, we find power socially constructed and exercised through practices of leadership and role execution.

In this paper, we explore how practitioners socially construct leadership – and their own roles as planners – in the organizations and networks within which they operate as they describe the challenges they face in coordinating ***plans*** and implementing policies within and across municipalities. Reporting on the results of interviews conducted with a large sample of Canadian planners, we seek to shed light on planners' perceptions about the way that institutional arrangements and leadership practices affect their work and their understanding of their own roles. An exploration of practitioners' views cannot fully account for outcomes – whether ***plans*** do indeed get well coordinated – but it can illuminate the context within which planners explain the challenges and opportunities they face, and within which they succeed or fail to meet their own and community expectations for better coordinated results.

We begin by briefly reviewing the literature on leadership and the role of the planner before presenting the results of interviews from five Canadian city-regions. In the final sections, we comment on the implications of our findings. Operating in a context where both large ‘P’ and small ‘p’ politics shape their daily practices, planners find the task of ensuring ***plan*** coordination and implementation challenging: dozens of ***plans*** with diverse and sometimes conflicting policies are in effect in many cities, while ***planning*** departments find themselves short-staffed and pushed in many directions (Burns and Grant, 2014; Hall et al., 2017). Planners interviewed value strong leadership, but defined that in ways that matched their own interests in advancing ***planning*** agendas. By identifying the constellations of leadership styles that practitioners described encountering, and arguing that planners aligned their own role expectations with preferred and possible options, we offer useful insights for theories that seek to explain ***planning*** practice.

**Leadership in *planning***

Yukl (2008) suggested that a strong corporate culture backed by shared beliefs and values can facilitate organizational performance. As Yukl and Lepsinger (2005) noted, however, achieving coordination across different parts of an organization proves difficult, especially when subunits have different functions, subcultures, and expertise. Within governments, departments may pursue their own policies or agendas oblivious to the consequences for other departments, the organization, or the community at large (Froy and Giguère, 2010). The siloed, or distributed, nature of duties in local government can impede communication, thereby undermining cooperation in pursuing objectives, including land-use ***planning*** (Mills et al., 2007). Thus, organizations such as local governments need effective leaders at all levels to build support for core ideologies and missions to coordinate actions and outcomes (Yukl and Lepsinger, 2005).

Organizational leaders employ varying styles of leadership (Yukl, 1998). Some prefer a transactional style: the traditional boss who shapes the exchange process (rewards and penalties for behaviour) to ensure task completion and reinforce bureaucratic authority (Bass, 1990; Stone et al., 2004). Some may believe in transformational leadership, building commitment to organizational goals and empowering followers to achieve them, with a clear focus on organizational outcomes (Bass, 1990; Stone et al., 2004). Transformational leaders prove extraordinarily effective as they build trust and loyalty through supporting and encouraging employees (Bass, 1990). Others endorse servant leadership, ‘demonstrated by empowering and developing people’ within the organization (van Dierendonck, 2011: 1229), and generating trust among followers by focussing on their interests (Russell and Stone, 2002). Organizational leaders shape and exercise power through social interactions, relationships, and institutions, creating shared understandings of the roles of leader and follower (Foucault, 1975).

In the context of developing and implementing land-use ***planning*** policies, departments and agencies need to work together. Organizational leaders such as city managers or chief administrative officers (CAOs) and ***planning*** directors play critical roles in ensuring that coordination occurs. The city manager system of local government originated in the United States and became commonplace in Canada during the 1970s (Siegel, 2015). Chief administrators serve at the pleasure of city councils, and are often promoted from within organizations: for instance, from chief financial officer or head of public works. Few have specialized training for leading municipal organizations in ways that supplement their specialized disciplinary backgrounds (Siegel, 2015). By controlling resources and setting priorities, city managers have considerable power to shape and implement urban ***planning*** agendas.

While city managers bring different leadership styles and philosophies to their roles, many follow elected officials in embracing the values of the new public management (NPM): that is, they aim to increase effectiveness, efficiency, innovation, and adaptability by adopting organizational practices that pervade the private sector (Glor, 2001; Kearney et al., 2000; Olesen, 2014). Canadian local government managers have embraced NPM, with the desire to see ‘public sector organizations becoming more capable, responsive and innovative’ (Molloy and Johnson, 2010: 130). With the growth in NPM in ***planning*** practices (Gerber, 2016), we might expect to find notions of transformational leadership becoming more common in local practice as city managers seek to align staff priorities with council's values.

Leaders influence organizational cultures by the ways they interact with others. Power games and lack of trust among co-workers can affect interdepartmental knowledge sharing (Willem and Buelens, 2007), but trust can engender effective cooperation among individuals, groups, and organizations (Nilsson and Mattes, 2013). Organizational research indicates that an open atmosphere and high levels of sociability allow spontaneous and voluntary knowledge sharing (Constant et al., 1994). Leaders can create contexts within which trust develops, for instance, by encouraging the exchange of information and developing positive attitudes among workers (Jones and George, 1998). Constant et al. (1994) found that experts are more likely to contribute to coworkers who need, respect, and thank them: personal touches may mean more than technologies such as information-sharing software. Informal networks and interactions can enhance opportunities for collaboration and policy coordination within organizations (Taylor, 2014).

Planners must operate within the political culture of their organizations (Wheeler, 2015). Although they come to practice bearing professional and personal values, they find they ‘work in contexts of fluid and contested power relations’ (Forester, 1989: 177) where they are embedded in power networks with other ends (Booher and Innes, 2002). Sager (2009) described Nordic planners as torn between two possible roles: the collaborative or communicative planner endorsed by contemporary ***planning*** theory (Forester, 1999; Healey, 1997), and the professionally efficient and effective planner envisioned by NPM and neoliberal rhetoric (see also, Puustinen et al., 2017). A recent study explored planners’ self-perceptions of their roles in practice: ‘such insights are critical in determining the extent to which ***planning*** practitioners serve to challenge, maintain, or reinforce existing power imbalances in the ***planning*** system’ (Fox-Rogers and Murphy, 2016: 74). Fox-Rogers and Murphy (2016: 74) suggested that Irish planners saw their roles as reflecting ‘traditional pluralist and managerialist perspectives … shaped by dominant discourses in current ***planning*** ideology – namely, collaborative and participatory approaches.’ Irish planners talked about trying to ‘balance’ or achieve the public interest (pluralism) but also saw the planner as mediator facilitating collaboration. In the managerial perspective, planners emphasized their technical roles as experts. Less commonly, planners took reformist perspectives, performing as advocates for the disadvantaged, or took neoliberal perspectives, identifying their roles as entrepreneurs or agents of growth in efficient bureaucratic systems (Fox-Rogers and Murphy, 2016). Nelson (2006) argued that planners need to take on roles as leaders, shaping built environments and policies in ways that respond effectively to contemporary and future challenges. The rise of smart growth in North American ***planning*** gave planners renewed faith in their mastery of tools for urban improvement, while key voices in the new urbanism movement pushed planners to seize opportunities to lead (Duany et al., 2000; Grant, 2009a). Thus, planners have several role options to consider as they negotiate daily practice. The next sections present the empirical findings of our study of how Canadian planners view leadership as an influence in their work of trying to coordinate ***plans***, and how those views affect practitioners’ perceptions of their own roles.

**Leadership in practice: A comparative case study**

To evaluate how planners in Canada are coordinating ***plans***, we initiated a comparative case analysis of five urban regions (Table 1). Metro Vancouver in British Columbia and the Alberta Capital Region, which includes Edmonton and other communities, are rapidly growing agglomerations in Western Canada. The Greater Toronto Area (GTA) in Ontario in Central Canada includes Canada's largest city, Toronto, along with multi-tiered regional municipalities and towns. Halifax Regional Municipality in Nova Scotia and the Northeast Avalon Region, which includes St John's and other small communities, are the largest urban regions in Atlantic Canada, but growing more slowly than those in the other regions. We selected the regions to reflect a range of locations and sizes, organizational arrangements, and experiences with coordinating ***plans***. Table 1.Overview of the five urban regions studied.

|  | **Communities included** | **Area, approximate population 2011 (growth 2001–2011)** | **Structure for regional coordination** |
| --- | --- | --- | --- |
| Metro Vancouver, British Columbia | Vancouver, Surrey, Burnaby, Coquitlam, and others. (Total of 21 municipalities, one First Nation, one electoral territory) | 2900 sq km 2.3 million people (16.4%) | Formerly Greater Vancouver Regional District, renamed Metro. Regional growth strategy adopted in 2011. |
| Alberta Capital Region, Alberta | Edmonton, Fort Saskatchewan, Spruce Grove and 21 other municipalities (including First Nations' reserves) | 9400 sq km 1.2 million people (23.7%) | Capital Region Board formed in 2008. Regional growth ***plan*** adopted 2010. |
| Greater Toronto Area, Ontario | City of Toronto, and the Regions of Durham, Halton, Peel, and York (and lower-tier municipalities within them) | 7100 sq km 6 million people (19.2%) | Province of Ontario adopted Growth ***Plan*** for Greater Golden Horseshoe 2006, 2016. |
| Halifax Regional Municipality, Nova Scotia | Unified regional municipality containing two former cities, a town, and county | 5500 sq km 390,000 people (8.7%) | Amalgamated municipality created by Province 1996. Regional ***plan*** adopted in 2006; revised 2014 |
| Northeast Avalon Peninsula Region, Newfoundland and Labrador | St John's, Mount Pearl, Conception Bay South, Paradise, and 11 other small municipalities | 1350 sq km 195,000 people (13.9%) | Regional ***plan*** for St John's area adopted 1976. (New process initiated in 2009 by province, but stalled.) |

Governed by a regional board, Metro Vancouver municipalities voluntarily collaborate around ***planning*** and infrastructure issues such as water treatment and waste management (Metro Vancouver, 2016a). Limited in opportunities for urban expansion because of the province's protected ***agricultural*** lands in the narrow coastal plain and river valleys, the cities of Vancouver, Surrey, and others began collaborating in regional ***planning*** in the late 1940s (Metro Vancouver, 2016b). Although member communities range from under 1000 to over 600,000 residents, each community representative has one vote on decisions. Member communities ***produce*** regional context statements that indicate how local ***plans*** will comply with the 2011 regional growth strategy.

***Planning*** in Alberta's capital city, Edmonton, is coordinated at the regional level by the Alberta Capital Board, established in 2008 (Capital Region Board, 2016). Leaders of constituent communities serve on the board, with one vote per community. A ministerial order in 2010 gave the board authority to approve municipal ***plans*** for compliance with the regional growth ***plan***, thus facilitating policy coordination. Administrators within Edmonton, the largest city, coordinated production of a suite of ***plans*** during the 2000s. ‘The Ways’ ***plans*** share common branding and a vision of where the city intends to go, exemplifying highly coordinated ***planning*** practice (Edmonton, 2016; Taylor and Grant, 2015).

With more than 6 million residents, the GTA is Canada's most populous city-region (Toronto, 2016). Discussions about regional ***planning*** began in earnest in 1943, with the first regional ***plan*** (White, 2007). In the 1970s, the Province of Ontario created upper-tier regional governments in York, Durham, Halton, and Peel with authority over ***planning*** (White, 2007). In 1998, the Province amalgamated Toronto with Scarborough, North York, York, East York, and Etobicoke to create the new City of Toronto. In the 2000s, the Province passed several acts that legislated smart growth in the Toronto area. The Places to Grow Act of 2005 set the stage for the 2006 Growth ***Plan*** for the Greater Golden Horseshoe, an area that includes the GTA (White, 2007). Provincial policy effectively substitutes for regional cooperation on ***planning*** and enforces compliance with smart growth priorities.

The largest city in Atlantic Canada, Halifax has experienced slow but steady growth over the years. The first regional ***plan*** in 1975 had relatively little effect on competition for industrial and residential growth (Grant, 1989). When the Province of Nova Scotia created Halifax Regional Municipality from four constituent communities in 1996, some authors saw evidence of efforts to coordinate systems and improve efficiencies (Vojnovic, 1998); others thought government was exemplifying the need for fiscal restraint (Sancton, 2004). In 2006, Halifax adopted its first regional ***plan***, but 20 years after amalgamation, many pre-amalgamation ***plans*** remain in effect, hampering coordination. Differences in development philosophies among councillors from urban and less urban parts of the region feature in animosity over ***planning*** decisions (Berman, 2016).

The Northeast Avalon Region includes 15 communities, some very small. The City of St John's is the largest, with just over 106,000 in 2011. The St John's Urban Region ***Plan*** adopted in 1976 remains in effect (Municipal Affairs, 2016), but does not address contemporary concerns. The Province of Newfoundland and Labrador initiated work on a Northeast Avalon Regional ***Plan*** 2009, but progress stalled with a change in provincial government (White, 2013). In the absence of an effective structure for regional ***planning*** and growth management, municipalities compete for investment and are not easily able to coordinate ***planning*** activities with their neighbours. Official ***plans*** are supposed to comply with the regional ***plan***, but non-compliance is common.

Each municipality within these five city-regions has its own political representatives and administrative staff. The cities have city managers or CAOs, with varying reporting requirements for ***planning*** staff. Smaller communities have leaner staffing, with a town clerk or engineer. Organizational charts for communities are similar, with the city manager reporting to council, and other departments reporting either directly to the manager or to a deputy city manager. The Vancouver area communities typically put citizens or customers – rather than city council – at the apex of their organizational charts (e.g. Surrey, 2016).

To understand the challenges of coordinating ***plans*** in these regions, we conducted semi-structured interviews with 92 practitioners across the regions between June and September 2014. We recruited participants through purposive and snow-ball sampling methods: most interviews were conducted in person, with an average length of 55 minutes. All but one of the interviews were recorded and transcribed verbatim for analysis by thematic coding.1 The sample included 58 males and 34 females. Respondents' level of experience varied from under one year to 44 years, with an average of over 17 years (Table 2): Vancouver planners had the greatest average level of experience, Edmonton planners the lowest. Almost two-thirds of respondents were municipal planners (Table 3). Some 65% of those interviewed reported that they had earned ***planning*** degrees. Table 2.Respondents' years of ***planning*** experience.

|  | **Number of respondents** | **Average years of experiencea** |
| --- | --- | --- |
| Metro Vancouver | 15 | 20.3 |
| Alberta Capital Region | 18 | 13.2 |
| Greater Toronto Area | 31 | 19.8 |
| Halifax Regional Municipality | 15 | 15.8 |
| Northeast Avalon Peninsula | 13 | 16.0 |
| Total for sample | 92 | 17.4 |

a1 planner in Northeast Avalon and 3 in Halifax did not report years of experience.Table 3.***Planning*** roles of respondents.

|  | **Municipal** | **Provincial** | **Regional** | **Consultant** | **Other** | **Total** |
| --- | --- | --- | --- | --- | --- | --- |
| Metro Vancouver | 7 | 0 | 4 | 2 | 2 | 15 |
| Alberta Capital Region | 16 | 0 | 1 | 0 | 1 | 18 |
| Greater Toronto Area | 26 | 0 | 0 | 0 | 5 | 31 |
| Halifax Regional Municipality | 7 | 2 | 2 | 2 | 2 | 15 |
| Northeast Avalon Peninsula | 5 | 5 | 0 | 3 | 0 | 13 |
| Total | 61 | 7 | 7 | 7 | 10 | 92 |
| Percentage | 66.3% | 7.6% | 7.6% | 7.6% | 10.9% | 100% |

The interviews gave planners the opportunity to share their perspectives on the challenges and opportunities to better coordinate ***plans*** in a context where Canadian municipalities have large numbers of ***plans*** to manage. We asked respondents their thoughts on the role of political leadership and departmental hierarchies in influencing the success of ***plan*** coordination, but discovered in analysis that the topic of leadership often emerged spontaneously elsewhere during the interviews. Given the nature of the sampling and interview methods, we provide excerpts from interviews rather than statistics to illustrate our findings.

**What planners say about political leaders**

Mayors and city councils affect the ability of planners to coordinate policies and ***plans*** because they focus the attention of departments on the need for action. Planners in all regions suggested that effective leadership can clarify directions for staff. A Vancouver planner (VAN03f) said, ‘Political leadership inevitably is huge, right.’ A Toronto planner (GTA04f) agreed: ‘Political leadership is also key. … if it's a mayor's priority or council has articulated something is a priority, and there's leadership being shown in the particular area, obviously, there's going to be great inter-divisional coordination.’

Planners often noted that they need political support to make their work practical and meaningful. For instance, a planner in a smaller community in the Toronto area said, GTA21m: We have a very good cohesive council here that has generally backed our ***Planning*** Department as they've gone through the process. So we don't see a lot of pushback from members of council saying, you know, ‘I don't like this…’. The mayor makes sure that there's consensus—that things are well thought out. … We don't see those contentious debates that you see in some other municipalities.On the one hand, planners valued effective political leadership. Some respondents, like one Halifax planner, acknowledged the influence of political leaders who generated council unity and policy clarity. ‘Certainly, under the new mayor, there's good leadership. The new mayor in Halifax has corralled the latent and/or dispersed good impulses amongst the council, and sort of corralled them into a coherent voice, which has been really great’ (HRM09m).

On the other hand, planners sometimes lamented political interference or councillors bending to powerful community interests. A planner in St John's (STJ10f) talked about lands being re-designated to accommodate development following pressure from a powerful former provincial premier: such policy changes undermined policy coordination. A Toronto-area planner described the way that councillor interference in ***planning*** studies can affect staff work. GTA15m: Some councillors take certain positions of how they want a study to proceed. We'll talk to them, but sometimes they're interfering in the process under the ***Planning*** Act. So we try to separate the politics from the ***planning*** technical side. … We've got one councillor now, a regional councillor, trying to insert himself in all the technical meetings on studies for this area. And we've respectfully declined. And he's not happy about it. But for the most part, our council is good. They let us do things. We keep them updated.At the time of the interviews, controversial Mayor Rob Ford had been sidelined, but was running for office again (Warnika, 2016). Not surprisingly, we heard frequent comments from Toronto city planners about political dysfunction. Several planners for the city described challenges related to ineffective political leadership. One explained the problem: GTA06m: I think in general, and this is just even before the recent political issues in Toronto, there's always been political involvement and directing of work. And that's really what their job is, is to direct staff to do work in certain directions. … So in some respects, you know, we don't always just go off on our own and do what we want. We're doing our work at the direction of city council. And the challenge can be if the political leadership is either weak or ineffective or if they can't coordinate themselves properly to push in a certain direction, then it's difficult for us to do that as well. You know, our role also is to lead them in the aspect of providing sound ***planning*** advice, technical expertise on ***planning*** matters.… But if they can't function well together then it definitely can limit the success of coordinating between ***plans***, especially different departments.The relationship with political leaders is challenging for practitioners: planners need direction but sometimes resent the exercise of power in directions they do not advise; planners also try to lead through demonstrating expertise. Although political leadership came up often in the interviews, the central role played by those in a municipality's administrative hierarchy in facilitating policy coordination proved even more salient.

**What planners say about administrative leaders**

Respondents commonly mentioned city managers, CAOs, departmental directors, or commissioners as playing pivotal roles in the success of ***plan*** coordination because those leaders set agendas and organizational priorities. A Vancouver-area planner explained. VAN07m: I think one thing is a clear corporate direction. And if you know that ‘Listen, guys, this is the direction of the city. This is what's important, and we're all going to row together on it,’ that really helps. Without that, you're left with good will. … clear corporate direction and saying, ‘we are one city, we have one objective’. It's not about different departments scrapping for their piece of the pie or getting their oar in the water. There's no substitute for that kind of leadership from the senior management team. And, of course, that's facilitated by a council that has a clear and consistent direction.Managers and administrators were sometimes praised for leading processes to generate common corporate values or strengthen connections among departments. A large proportion of respondents spoke of the need for strong administrative leadership, especially to link planners with political masters. For instance, a planner from the St John's area said, STJ01f: … from my experience working in municipal government, what it takes is a very strong CEO [chief executive officer], somebody that's got their finger on the pulse of what's happening within the various units of the municipal government, and can keep council on track as to each of these different ***plans*** that are in place and the initiatives that are coming out of them, and how they are all connected or can be connected.Some respondents suggested that creating a culture or processes that valued collaboration facilitated planners' work in coordinating ***plans***. GTA13m: But I think more important than [political leadership] is corporate leadership. So quite frankly if you don't have a strong, respected and committed CAO, you're not going to get any of this. … I can't speak enough about the support and direction we get from the very highest levels here in terms of not only allowing the coordination to happen but insisting the coordination happen, and doing whatever needs to be done to facilitate that… I guess it's a culture. The culture of cooperation, collaboration, getting together, sharing, it runs through the corporation and it starts at the senior management level. And if you don't have that, this interdepartmental policy and ***plan*** coordination would never happen. It starts culturally and it starts at the top.Respondents believed the most effective managers create a positive climate for teamwork, collaboration, and action. A Vancouver-area planner (VAN02m) noted, ‘one of the main challenges is at the staff level, you have to have respect for the different disciplines and you have to have a team-oriented attitude. And management has to build that team-oriented attitude’. A Vancouver city planner (VAN01m) described the desire for action: ‘we have a very strong city manager. She is very involved in ensuring that staff reports really turn the dial on the objectives we're trying to do and set clear goals’. Comments on the Edmonton city manager's leadership approach often praised his impact on coordination. One planner (EDM10f) noted, ‘the city manager, when he came, instituted a really proactive cultural shift in our organization. So we have five leadership principles, and one of them is we are one city. And so there's a huge emphasis on breaking down silos, on working collaboratively.’ The city manager initiated processes for coordinating the ‘The Way’ ***plans***: The Way We Move, The Way We Grow, etc. (Edmonton, 2016). The significance of corporate culture – positive or negative – came across in many interviews.

One Toronto respondent (GTA21m) appreciated senior staff's willingness to give department heads discretion: ‘We have a new CAO who has a more modern management style. So he allows the department heads to be department heads. … He says, “you're getting paid fairly well so I expect you to do the job”.’ In large cities, however, organizational hierarchies can be multi-layered, adding to the complexities of coordination. Managers at varying levels can facilitate or hinder communication and coordination, as a Toronto planner noted. GTA06m: …In a large organization like Toronto… it's not like you're in a smaller municipality or a smaller town where, you know, to get all the people in the room in a small town, it could be … five people. And between the five of them, as long as they can make a decision together, it's easy to get agreement or discussion… But between 25 people is very difficult. And so it starts with leadership at all the different levels of those different groups. So those departments, … they all need to have excellent leadership in order to work together well and communicate effectively together, and to coordinate that work.Respondents sometimes sounded ambivalent about the role of lower-level managers. They infrequently mentioned ***planning*** directors. A few well-known ***planning*** directors in Vancouver and Toronto received considerable praise from their staffs, but in certain cases planners identified problems with intermediary managers. For instance, one planner said, ‘I want to be careful not to say that there's no leadership [on that issue in our city]. So I'm speaking particularly in the division I'm working in, I don't see that leadership’ (GTA02f). Similarly, the heads of other municipal departments weren't discussed often: when they were, it was usually to imply that Engineering or Transit did not understand the role of ***planning***. Planners saw organizational leaders as necessary, but not always effective in promoting coordination.

**What troubles planners about leaders**

Planners interviewed suggested that leaders make mistakes that frustrate coordination because they do not understand ***planning***. A Vancouver-area planner gave an example. VAN08f: It was like a big joint environmental sustainability-type ***plan***. And the CAO wanted his sustainability people to run it. And they were not planners… I think there was one planner, and she was about maybe two years into her career… way over their heads. …Eventually they came to the ***Planning*** Department because we knew what to do. And as soon as we got it then it just completely went off in a totally different situation, and actually progressed properly. Because we had the expertise, we knew what we were doing.Some practitioners noted that administrative leaders brought in from private practice or from other government agencies disrupted organizations by changing procedures or structures. A St John's-area planner (STJ04m) described his manager: ‘He knows nothing about ***planning***. That's the sad part.’ A Toronto-area planner provided details. GTA23f: … Maybe some senior staff in the past that were used to spearheading projects and not including others. I'm not going to say control issues but that's sort of where it falls from. … In ***Planning*** at least, we had a director who came in from the consulting world. And he was used to taking projects and running with them at his own speed and his own taste, and that was the way he liked to do things. We do have other staff that have come in, a different director of ***Planning*** and a different director of Development and Engineering that are… more of the mindset of who should be involved and what needs to be done to implement a project, to implement a space. So I think we've gotten past some of the challenges in the last few years.Changes in leadership may redirect departmental focus and municipal agendas. Many respondents talked about organizational restructurings that altered planners' power relationships with departments such as engineering, economic development, or transportation. Some cities, including Halifax and Edmonton, have been through several restructurings in recent years. Reorganization of hierarchies creates uncertainty about the place and importance of ***planning***, especially in situations where new departmental leaders are not planners. A St John's-area planner explained. STJ10f: Recently the past city manager reorganized the internal city department structure to tuck ***Planning*** back under Engineering. I think it used to be its own department. And now all the ***planning*** staff respond to engineers as their managers. … it's really hard to advocate for ***planning*** when you don't have a senior planner that's equal to a senior engineer.Competition among departments and the perception of silos, or rigid divides of responsibility and ideology among departments, came up frequently as perceived problems that leaders need to overcome. One Vancouver-area respondent explained the challenge for leaders: VAN12m: But the reality is there are reasons for silos. These are complex bureaucracies with a huge amount of technology that we take for granted that requires systems management… And we're human beings so we need clarity and leadership. And leadership tends not to work well if from day-to-day, you never know (a) who's in charge, (b) what they want, and (c) are able to correct direction.Planners recognized that leaders vary in personalities and leadership styles. Respondents praised those who added personal touches, echoing Constant et al.'s (1994) observations. GTA16f: I'm really lucky, I have a great manager. He's one of those types of people who is very determined and very aware of whether or not people have responded back to him. And he's willing to go forward with the personal touch to get away from email, to actually walk down a flight of stairs to the other department and go see if that manager is around to just chat with them, to try to make sure that there's understanding and communication.While being cautious about criticizing their bosses, those interviewed often suggested that leaders' effectiveness depends on how they act with staff. GTA01m: Our past CAO, he had actual focus groups … of different persons throughout the organization. All the different departments, we met monthly as a sounding board as to see what the feelings are and what the needs are. This was a way for our CAO to be more educated as to what's happening within the organization. I was actually part of that. But that didn't carry over into our current CAO because he has a different leadership personality.Planners in Halifax and St John's proved most critical of leaders' styles, especially around communication. One noted, HRM03f: In our own business unit, I think there's a lack of communication between the managers and staff. But that may be just us specific to HRM, right. … The manager is not communicating with the staff … So that would be a barrier or a challenge for sure. Even amongst staff, even amongst planners, there are not regular meetings, which is very frustrating. …Depending on who your supervisor is, the supervisor may want to have regular meetings. And then you've got another supervisor, and that person doesn't want regular meetings. It's very… inconsistent.One former planner with Halifax suggested that a previous ***planning*** director and the CAO disempowered planners: ‘One [problem] is having that innovative urge beaten out of them by a ***planning*** director who, for many years, didn't like people popping up with new big ideas. You know, similar to how the CAO is now, I guess you’d say. And so creativity was stifled.’ The same planner described ‘a culture of obedience’ among staff. By contrast, planners in the cities of Vancouver and Edmonton more often described themselves as empowered by leaders committed to coordinated ***planning*** and implementation.

A developer in Vancouver compared the leadership styles of three City of Vancouver ***planning*** directors, and considered their effects on ***planning*** outcomes. VAN09m: …when [Director A] was director of ***planning***, he was bright enough and articulate enough and intelligent enough that the politicians generally listened to him and took his advice. But we have had other planners who weren't as bright or as articulate or intelligent, and they allowed the politicians to basically tell them what they wanted to see happen. And so there is no doubt that it is a reflection of both the quality and respect for the planners and the quality of the politicians, and some of the other administrators… And [Director B], who is a very nice fellow …, is not as strong or forceful as [Director A] was. [Director C], who was there before, was in fact quite strong and forceful, but managed to alienate a number of people. And as a result, I think there wasn't as much respect for the role of a planner as there might have been.Municipalities frequently change administrative managers. For instance, Vancouver, Surrey, Burnaby, Edmonton, City of Toronto, Vaughan, Oshawa, Halifax, and St Johns had different city managers by 2016 than they had in 2014. Planners in many other communities also mentioned the negative consequences of recent leadership changes. Major changes, whether political or administrative, can shift policies or priorities, as well as leadership styles. A Halifax planner (HRM06m) explained: ‘Council changes next time, the mayor changes next time, the CAO changes, and it shakes everything up. You know, the CAO in a municipality, the change of a CAO or a change of approach of a CAO… what happens throughout the corporation during those moments… should not be under-estimated.’

Councils in Edmonton and Vancouver dismissed their city managers in the Fall of 2015 (Stolte, 2015; Sundstrom, 2015). According to online news articles, each manager was let go because of leadership style and council's desire for a ‘fresh perspective’. By contrast with their political masters, respondents interviewed generally praised the leadership styles of the two city managers forced out. The kinds of leadership traits that appeal to planners may not sustain political support.

**What planners say about the role of the planner**

In many ways, planners' views of leadership aligned with their philosophies of their own roles. Some of the debates that animate the literature on leadership emerged in the comments we heard. Should civil servants operate as agents of the state (directed by city council), as facilitators of community engagement, or as visionary leaders? Although planners' remarks often suggested they aspired to lead on policy matters, they also reflected the power restraints that limit their scope of practice.

Several respondents, especially those working in smaller communities or who occupied management positions, suggested that planners serve council and public. The role of **planner as agent** of political leaders may be associated with transformational leadership styles that see civil servants as enabling political agendas and advancing the interests of the organization (Stone et al., 2004). A planner in the St John's area opined, ‘Council has too much power. And we're all given our marching orders by council’ (STJ07m). In Halifax, several planners indicated that their managers operated under a philosophy that reflected ideas associated with transformative leadership styles, serving the agenda set by political leaders instead of encouraging independent staff initiative. One explained, HRM14m: It's the role of council to have that initiative in its relationship with the public. We're here to support them, we're not here to drive or give direction to the organization… Staff don't initiate any recommendations out-of-the-blue anymore. That's what regional council does… The CAO sees the role of regional council [as] seeing what the values in the community are and bringing that forward. And staff are there to implement that, not be the drivers of that.Even in Edmonton and Vancouver, with their progressive organizational cultures, managers sometimes reflected the same sentiment. For instance, an Edmonton ***planning*** manager (EDM02f) acknowledged, ‘We can write whatever we want, as many thousands of pages as we want to and bring them forward, but at the end of the day, we work for our councils who work for our citizens. So we work for our citizens.’

Practitioners were well-attuned to the organizational and political hierarchies within which they worked. In some cases, their self-deprecating remarks revealed perceptions of subservience. A Halifax planner (HRM12m) feared that ‘a lowly planner’ may not have power to make things happen, but could get support from superiors. A Vancouver-area planner (VAN07m) said, ‘I hopefully know what's going on’ when discussing strategies for collaborating with colleagues. An Edmonton city planner illuminated the power difference between council and planners, using cautiously optimistic language.: ‘Council has to have the leadership to say, “I recognize how you're feeling but this is the direction we're going in”. … We make our recommendation to council but we hope they are going to stick with our city policy’ (EDM06f). In general, planners with fewer years of experience and authority in civic hierarchies expressed less optimism in their ability to shape outcomes.

A consultant planner in Halifax noted that some managers create poor working conditions for staff. HRM06m: So often a CAO will come in and hire somebody quite quickly to come in and determine where are the managers that kind of sync into her vision and where are the senior staff or senior management that don't sync into their vision … Some will use fear. … Which is ‘I want this, and my firing will be fast and furious’. …The first CAO I worked with was very much about sitting down, explaining expectations, measuring those expectations on a regular basis, and encouraging outcomes by celebrating those that are doing it in the direction he's wanting to go in, or holding up examples for us as a municipality to move towards. So he created a very proactive, positive, ‘I will stay overtime, we're doing really interesting things here’, kind of attitude. Then… he was let go quite suddenly and a new CAO from another municipality was moved in. Exact opposite approach. Within the first week or two, he just started – every Friday for about 2 months at 3:00, an email would arrive outlining the senior management throughout the corporation who had been let go that week. … Meetings were held where expectations were outlined, but you were never sure… The positive reinforcement was never being given. The strategy there was to develop fear to keep you on your toes so that when the CAO said ‘jump’, you jumped …because you wanted to keep your job.In using fear as a motivator, some managers exhibited a transactional leadership style.

Not all planners accepted limited roles without commentary. A Toronto-area planner articulated a normative understanding of the planner's role and responsibilities, revealing the way that practitioners may rationalize perceived obligations and relative powerlessness. GTA17m: … I think most municipal staff understand that the political winds will change, depending on what the public is saying. Sometimes you have to get through all that B.S. to get to a final ***plan*** that actually makes sense. Sometimes it is influenced by the politics. Sometimes you have to ignore it and still work your way through it… Because from our point of view, just from a pure ***planning*** point of view, we have, I would say, not less shackles but different shackles on us compared to other departments, because we have an ethical obligation to recommend to council what's in the public interest versus what's in the political interest. Other departments don't always necessarily have that freedom. … From a ***planning*** point of view, we can acknowledge that council may say that they don't like something. That's fine. ‘Our recommendation to you in the public interest is to do X even though [the public] said Y.’ At the end of the day, that's their decision. If they want to go in a different direction from what staff are going to advise them, that's what they're elected to do. It's no skin off your nose. We recommend something; they choose what they want to do with it.Some practitioners – especially managers and senior planners in the City of Vancouver, Metro Vancouver, and the City of Edmonton – frequently used the language of collaboration to reveal their view of the role of the **planner as facilitator**. This role draws on communicative and collaborative ***planning*** (Forester, 1999; Healey, 1997; Sager, 2009), which has influenced ***planning*** theory over the last two decades. An Edmonton branch manager noted, EDM09m: You've got a vision that sets up where we want to head. You've got a culture of shared oversight, of shared leadership, of shared vision obviously, and collaboration. You've got a structure which is not necessarily hierarchical or siloed. If you've got that basis inside your organization where you can freely communicate and perhaps share responsibilities, and also share some leadership, you've got the right foundation for getting around the problem of having projects that are shared interdepartmentally or inter-branch.A regional planner in Vancouver explained, ‘We're able to really work together in a kind of collegial way to advance policy and make sure it's as robust as can be before we hit the political ground. … I think that there's a real corporate culture here as well around building the ***plan*** collaboratively’ (VAN03f). Respondents often used the verb ‘collaborate’ in association with words such as ‘coordinate’, but also alongside ‘corporate culture’.

In the GTA, several respondents identified Markham as an area of strong ***planning***. The community is well known in Canada for promoting smart growth and new urbanism ***planning*** principles (Gordon and Vipond, 2005). A manager described the context: ‘Markham has always had very strong political leadership. Very balanced but also pro-development in many ways… as long as it's quality development’ (GTA11m). Another manager elaborated: GTA27f: Markham stands out head and shoulders above the other [communities in York Region]. And it started long [ago]. … There was true collaboration there between the mayor at the time, one of the most significant developers, and the commissioner, and the province on a couple of key projects that set that municipality off in a different direction.Only a few planners in other communities identified their local councils as pro-***planning***. For instance, a planner in a ***planned*** town in the St John's area suggested that council listened to the planners in ways that facilitated good choices: ‘And new guys on council – after a while they begin to realize “hmm, maybe I should listen a bit more [to the planners] before thinking I know the answer.” So in my municipality we have a very strong pro-***planning*** council that provides leadership’ (STJ04m). As the planner intimates, collaboration depends on council's interest in promoting a long-term ***planning*** agenda.

Some of those interviewed discussed the idea of **planner as leader** in urban development. Most often, this role was idealized, and linked to specific expertise – usually in urban design. Such respondents, usually with a mid-range of experience under their belts, suggested that councils and senior managers should respect planners’ expertise. A St John's-area planner (STJ07m) said, ‘I think that there's plenty of opportunity for politicians to listen to their staff and not be reactionary.’ A planner in the suburban region of the Toronto area called for planners to lead: ‘If some ***planning*** is not done very well, [the professional planners’ institute] should take the lead and we should do some proactive ***planning*** here. That's lacking here in Canada’ (GTA19m). Another St John's area planner opined at length. STJ11m: [***Planning*** is] an extremely reactive profession…. There are definitely cities in Canada that are showing leadership and that are not just enabling their planners but they're enabling the full force of their professionals across the board, and are getting where they want to go as a result. You know, not everybody wants to live in Vancouver, and I understand that. But the people who want to live in Vancouver often like the decisions that their council makes because council is able to show a vision, and they have a bureaucracy that seems capable of seeing that vision through. In contrast, a lot of councils … seem to tolerate their administration and their bureaucracy and their consultants, putting this high-minded ideal language in their policy documents, and then leaving out any ways of enforcing that.Some practitioners advocated forceful leadership from planners, informed by ideas of ‘good ***planning***’. A Halifax-area planner (HRM09m) explained, ‘Policy should never trump a better solution. You should be able to do the right thing and not have some section 44b in a book somewhere prevent you from doing the smart thing, the better outcomes for the community’. Practitioners who wanted to be visionary leaders often expressed commitment to values aligned with smart growth and new urbanism approaches. When they offered examples of good practice, they typically pointed to Vancouver and Calgary.

Planners interviewed in Vancouver proved most positive about their roles, and most likely to intimate that they, or the planners who preceded them, were leaders. Talking about the Livable Region ***Plan*** adopted in Greater Vancouver in the 1970s, one manager explained the ***planning*** and political consensus around ideas that have come to be known as smart growth: VAN13m: I can't say the issue of lack of coordination was a very big issue for us ever. And that's because we were kind of philosophically on the same wavelength. We all believed in the Liveable Region ***Plan***. We believed in the idea of town centres. We believed in the idea of a strong downtown. We believed in the idea of mixed use densification. We believed in rapid transit, alternates for the car. On all fronts, we were kind of in accord. So the ***plan*** was just sort of naturally consistent.With political and leadership changes within the City of Vancouver in recent years, the new corporate culture may have constrained the power of planners somewhat. A senior planner in Vancouver clarified his understanding that planners offer leadership and make decisions within a policy framework set by those above. VAN02m: … the director of ***planning*** has played a primary role in setting policy and ***planning***. I think the other thing that very much distinguishes our role, which is fundamental: council passes the bylaws, council approves the policies, but we as staff… administer the ***plans*** and we make decisions.

**Linking leadership and planners' roles**

Our analysis of five urban regions in different parts of Canada has the potential to contribute both to theory and to practice in ***planning***. Our investigation of what Canadian ***planning*** practitioners say as they talk about the significance of leadership in enabling or preventing the coordination of ***plans*** has offered useful insights into perceptions of the functioning of organizational cultures and of the role of the planner. Planners’ comments offer a glimpse into the way that practitioners socially construct power relationships to account for their successes or failures in achieving desired outcomes and implementing policies. We see that although planners often aspire to leadership roles in shaping urban outcomes, they more commonly find themselves working as agents of political interests that may not share their commitment to ‘good ***planning***’. They describe the challenges of negotiating relationships with powerful city managers and council members. The real politics of ***planning*** practice come across in practitioners’ critiques of reactionary decisions, administrative silos, and the mechanics of fear. For the most part, planners aligned their role expectations with the leadership regimes they encountered; those who advocated greater leadership from planners typically worked outside municipal practice.

These cases suggest that the model of transformational leadership described by Bass (1990) and Stone et al. (2004) is influencing municipal practice in Canada. Planners appreciated leaders with charisma who engaged in practices to build common commitment to organizational goals because that facilitated ***plan*** and policy coordination while addressing mandates expressed by council and enacted by city managers and department leaders. For instance, managers who implemented ***programs*** and practices promoting core values (Halton Hills) or ‘one city’ (Edmonton) enhanced opportunities for coordination.

Although few respondents spoke explicitly about the NPM, evidence of a push for efficiency, accountability, and clear lines of responsibility was clear. Many of the practitioners revealed a certain allegiance to what Fox-Rogers and Murphy (2016) called a managerialist role, aligned with the NPM approach (Sager, 2009).

We found little evidence that theories of servant leadership (Russell and Stone, 2002) currently influence the organizational cultures within which planners work. Historic references that respondents made to earlier ***planning*** activities with the Greater Vancouver Regional District or under previous Vancouver ***planning*** directors Larry Beasley and Ann McAfee implied that planners there were practice leaders, enabled by servant leadership from councils and administrators who gave practitioners authority to act; however, histories of the time noted the progressive political climate and dynamic growth that enabled planners to initiate innovative directions (Hutton, 1998; Punter, 2003), while current practice seems more constrained. Respondents revealed their longing for contexts in which planners enjoy the respect and power to act on their expertise to create places exhibiting the attributes they value. Nostalgia for an imagined past of empowered planners cast a halo over Vancouver even as organizational changes may mean in practice that traditional leadership practices have made a return, and planners have less ability to lead and innovate than they desire. Some practitioners certainly aspired to the planner/leader role that Nelson (2006) espoused. Canadian planners have become firm adherents to smart growth ideas (Grant, 2009b) and hope to find ways to implement them in their practice with the aim of enhancing coordination through corporate commitment to that agenda.

This paper provides a window into how a large sample of practitioners understand the exercise of power in contexts where ***planning*** work has become increasingly complex because of the large number of ***plans*** in operation. Planners’ comments suggested that they appreciated strong leadership when that entailed support for ***planning*** policies and when leaders built trust and commitment within organizations: in other words, they liked transformational leadership styles. When powerful leaders did not support the ***planning*** agenda, or when leadership styles changed dramatically within organizations, planners kept their heads low and did what was requested. Although what planners say may not fully reflect what happens in practice, practitioners' perceptions offer useful insights into the way they conceive of their work and account for why coordinating large numbers of ***plans*** – whether within organizations or across political borders – proves so challenging.

**Notes**

1.Respondent codes indicate the region, the sequence of the interview in that region, and the respondent’s gender. [GTA – Greater Toronto Area, VAN = Metro Vancouver Area, EDM = Alberta Capital Region (including Edmonton), HRM = Halifax Regional Municipality, STJ = St John’s urban region or Northeast Avalon Peninsula. Gender codes: m = male, f= female.]

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Environment and Planning C: Politics and Space

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**ABSTRACT**

In the face of energy security and climate change, and with technological advances, many industrial countries have embraced the transition to a bioeconomy – an economy based on energy, chemicals and materials obtained from biomass. However, the policy and academic discourses on a bioeconomy transition suggest growing controversy around its social, environmental and ethical impacts. In this article, we apply an epistemic forms framework to better understand the scope and extent of the bioeconomy debate. We find that industry and governments take a narrow approach to a bioeconomy and tend to view it exclusively as a technical concept. We argue that the discursive and practical dimensions of the transition would shed light on the issues of what type of a bioeconomy to strive for, through which procedures and with what impacts for diverse stakeholders. We conclude with a set of recommendations related to a bioeconomy transition.

**FULL TEXT**

**Introduction**

Governments and industry around the world pay increasing attention to a bioeconomy amid increasing concerns over energy security, looming climate change and the promise of economic benefits of new technologies. A bioeconomy has been discussed in Europe since the 2005 publication of the European Commission Framework ***Programme***-7 research agenda (Directorate General Research, 2006; Langeveld et al., 2010).

One definition of a bioeconomy depicts it as an ‘economy using biological resources from the land and sea as well as waste, including food wastes, as inputs to industry and energy production’ (European Commission, 2012a). We treat such terms as ‘bioeconomy’, ‘bio-economy’, ‘bio-based economy’, ‘bio-based society’, and ‘knowledge-based bioeconomy’ as synonymous (McCormick and Kautto, 2013; Paula and Birrer, 2006; Scarlat et al., 2015). We approach a bioeconomy as a socio-technological transition which can be defined as ‘a gradual continuous process of change when the structural character of a society (or complex subsystems of society) is transformed’ (Dewulf et al., 2009: 27). Transitions are characterized by systemic changes in modes of production and consumption, accompanied by changes in beliefs, values and governance (Kern and Smith, 2008).

One aim of this article is to explore how various actors constitute and discuss a bio-economy. We apply the epistemic forms framework to evaluate the diversity of knowledge claims in public and policy debates, including scientific, value-based and practical forms of knowledge. We argue that in the pursuit of such a large-scale socio-technological transition, both policy and public discourses need to reflect knowledge versatility. The second aim of this article is to characterize the major policy challenges in steering a bioeconomy transition, and provide recommendations for policy-makers and scholars to facilitate this transition. Although many actors contribute to the steering of complex socio-technological transitions, we focus on policy-makers, in a generic and not country-specific context, as they can play a leading role in structuring such steering. We agree with Loorbach and Rotmans (2005: 5) who argue that ‘transitions… can be managed in terms of influencing and adjusting’ and are interested in how policy-makers at multiple levels can shape the bioeconomy transition by supporting democratic and participatory processes. Finally, we attempt to offer broader implications of epistemic pluralism for public policy scholarship and future research.

This examination begins with a review of the policy and academic discourses on a bioeconomy transition. We then discuss the epistemic forms framework for discourse analysis and position it within interpretive policy analysis. In Understanding bioeconomy debates section, we delve into the major bioeconomy debates in greater detail in order to characterize it applying the epistemic forms framework. In Missing links: Discursive and practical forms of bioeconomy section, we diagnose the debate as largely lacking discursive and the practical knowledge forms. In Broadening of a bioeconomy debate section, we offer conceptual and practical advice to policy-makers to help inform the debate and promote a more democratic and participatory bioeconomy transition.

**Emerging bioeconomy transition: Headed towards polarization?**

The academic and policy literature on a bioeconomy has proliferated in the last decade including a number of review articles (de Besi and McCormick, 2015; Pfau et al., 2014; Schmidt et al., 2012; Staffas et al., 2013). We draw from this academic scholarship as well as the policy writings from international and country-specific perspectives of how a bioeconomy may be put in practice, and what challenges this may present to policy-makers and other stakeholders. Most of the policy reports, national strategies and guidelines that we refer to come from the European Commission (EC), the Organization for Economic Cooperation and Development (OECD) and European Union countries, where some of the earliest discussions of a bioeconomy can be found. We complement these with experiences from the United States of America (US), Canada, Brazil and other countries. Perhaps the most outspoken proponent of a bioeconomy transition is the OECD (Goven and Pavone, 2015; Staffas et al., 2013). In its push towards a bioeconomy, the OECD has emphasized the role of economic growth and business opportunities, and underplayed the aspects of sustainability and resource availability (Staffas et al., 2013). The European Commission (EC) published a bioeconomy strategy in 2012 stating the need for new partnerships between industry, universities, the government and civil society (European Commission, 2012a). In addition to the efforts at EC level, a number of individual European Union member states have crafted their own bioeconomy strategies, such as Sweden, Finland, Germany and Belgium (de Besi and McCormick, 2015) as well as the US, Canada, Brazil and Malaysia (Langeveld et al., 2010; Staffas et al., 2013).

These actors view the bioeconomy transition as a means to fight the global climate change and growing energy insecurities, and to incentivize the slowed growth in the global financial crisis economy (Asveld et al., 2011). The economic stakes are high as the annual turnover of this sector in the European Union (EU) is about €2.4 trillion with more than 22 million people employed, approximately 9% of the total EU workforce (Danish Center for ***Strategic*** Research, 2012; Scarlat et al., 2015). A bioeconomy includes ***agriculture***, food and beverage production, pharmaceuticals, agro-industrial products, fisheries and aquaculture, forest logging, wood-based industries, biomass for bio-heat and electricity production and industrial biotechnology products, such as enzymes and bio-plastics (Scarlat et al., 2015).

However, concerns about the potential negative ‘side-effects’ for society and the environment make the topic of a bioeconomy controversial. A number of international NGOs, environmental and bioethics related advocacy groups, and academics have opposed an uncritical transition to a bioeconomy (Asveld et al., 2011; Bang et al., 2009; ETC Group, 2000). A strongly worded report of ETC Group referred to the industry-driven bioeconomy as establishing ‘biomassters’, and a number of widely cited academic pieces discussed the extension of capitalism to life itself (e.g. Birch, 2012; Birch and Tyfield, 2012; Rajan, 2006). As Richardson (2012) pointed out, not all NGOs are outright critics of a bioeconomy. The World Wildlife Fund (WWF), for example managed to affect positive change through its cooperation with industry and governments (Richardson, 2012: 26). However, in some instances, WWF also criticized the large-scale investment in ***agriculture*** for biofuel production based on monoculture, ‘land grabbing’, and the conversion of forests into pastureland due to expansion of ***agriculture*** into the existing pastures (Bang, 2011).

Scholars have questioned the quick and almost universal embrace of a bioeconomy by governments, and emphasized the implicit assumptions and values promoted by a particular vision of a bioeconomy at the expense of alternative visions, such as conservation ***agriculture*** (Goven and Pavone, 2015). Butler et al. (2015) and Gamborg et al. (2014) raised concerns about the ethical and environmental implications of large-scale biofuel production. Concerns about the use of genetically modified organisms (GMOs) in both ***agricultural*** and industrial biotechnology have also surfaced (e.g. Levidow et al., 2012a). For example annual marches against Monsanto have mobilized thousands of people in 400 cities across 40 countries in 2015 alone (The Guardian, 2015). To what extent sentiments regarding GMO’s or uncertainties about biofuels are likely to impact public opinion on a bioeconomy remains to be seen.

This stark divergence of views, the zeal with which the government-industry coalition in various countries promotes a bioeconomy on the one hand, and the backlash from environmental activists, critics of neoliberalism and non-governmental organizations on the other, suggests the emergence of a more polarized discourse (Levidow et al., 2012a, 2012b; Schmidt et al., 2012). Like earlier commentators, we observe that the current debate on a bioeconomy is fraught with controversies and deep disagreements on terms, the end-point of transition, the desirability and future effects on social and environmental systems (Birch, 2012; McCormick and Kautto, 2013; Pfau et al., 2014; Scarlat et al., 2015; Schmidt et al., 2012). These terms of the debate are, in part, determined by the framing of what a transition to a bioeconomy involves, and further contributes to the polarization of the discourse (Pierce, 2012).

Also aggravating the increasing danger of polarization of the bioeconomy discourse is the abstract nature of the concept, which makes mobilization of public engagement and discussion a challenge for policy-makers. We strive for a better understanding of the underlying causes for these dynamics through the application of the epistemic forms framework. The next section introduces our analytical framework, followed by an analysis of the deep ruptures or debates in the discourse briefly mentioned above.

**Epistemic forms for public policy**

To avoid polarization of the discourse and a resulting policy stalemate, we argue for an epistemic forms framework to help broaden the debate by emphasizing and grounding appreciation for multiple types of knowledge for designing and implementing good policies (Mukhtarov and Gerlak, 2014). Mukhtarov and Gerlak (2014) proposed a framework to distinguish between three epistemic forms, namely, *prescriptive* which is grounded in scientific-technical knowledge and has an imperative element to it; *discursive*, which is derived from values of and power relations among various stakeholders; and *practical*, which is based on the direct experience of implementing a policy concept in an interaction with multiple stakeholders, multiple values and worldviews, and in a particular context. They approach epistemic forms as relatively stable forms of knowledge with one or more of identifiable sources. These three epistemic forms are not mutually exclusive, and indeed, can refer to different types of knowledge that share attributes characteristic of more than one category. An obvious commonality between practical and discursive will call attention to the political realities of a given locality that may be highly relevant to policy decisions. The type of knowledge set forth in each category can be viewed as a way of anchoring complex information by calling attention to the source from which such knowledge emerges.

Initially applied in water governance, this framework has a broader appeal for public policy making and analysis (Mukhtarov and Gerlak, 2014). Multiple epistemic forms would promote the view of a bioeconomy beyond the scientific knowledge, and highlight considerations of ethics, intuition, values, emotions and indigenous and traditional knowledge (Feldman et al., 2006; Ingram and Endter-Wada, 2009). It builds on the ideas of ‘metis’, ‘habitus’, ‘ways of knowing’ and practice research in order to emphasize the distinct, context-dependent, pragmatic, and equally legitimate and valuable types of knowledge (Cook and Wagenaar, 2012; Dawes et al., 2009; Flyvbjerg, 2006; Scott, 1998; Weber and Khademian, 2008).

A cornerstone of the epistemic forms framework is the claim that all three epistemic forms are necessary for a policy to be legitimate, stable and ultimately effective (Flyvbjerg, 2006). Articulation of multiple epistemic forms in the public sphere and policy circles would allow for a more rounded discussion of not only ‘how to get there’, but also on ‘where do we want to get’ and ‘what aspects of life are to be governed by competitiveness logic’ in the first place (Flyvbjerg, 2001; Tenbensel, 2006). It is premised on a deliberative democratic ideal, in which a political and policy deliberation about interests and values is necessary (Dewey, 1916; Ingram and Rathgeb-Smith, 1993; Thiel et al., 2015).

Table 1 outlines the major differences between these three epistemic forms. These differences pertain to the source of knowledge claims, common outputs in which such knowledge manifests itself and the purpose of such claims in public policy. For the prescriptive form, the legitimacy of knowledge claims comes from science and technology. For the discursive, legitimacy stems from values shared in a society, ethical considerations or power issues, which make one or another claim more appropriate. By contrast, in the practical form, the source of legitimacy comes from experience, tacit knowledge and understanding the context. Similarly, though not exclusively, prescriptive forms are most often articulated in written form in policy documents, guidelines and legislation; discursive, in deliberative documents such as evaluation reports or public consultations; and the practical, in project documents, public hearing minutes and on the ground assessments. Finally, the prescriptive form aims at defining and resolving policy problems, the discursive is concerned with defining the direction of travel and desirability of the end-point of policies, and the practical aims at the ‘reality-check’ in terms of contextual relevance and practical viability. Table 1.Prescriptive, discursive and practical ways of knowing in public policy.

|  | **Prescriptive** | **Discursive** | **Practical** | **Bio-economy illustrations** |
| --- | --- | --- | --- | --- |
| Essence | - Clear definitions of problems and solutions - Prescription of action - “good practice” examples | - Values and ethics - Symbolism in policy - Power dynamics | - Contextual relevance - Learning through experimentation | An economy which is less dependent on fossil fuels and provides opportunities to integrate industry, ***agriculture*** and science for ‘green growth’ |
| Form of expression | - Bio-economy development ***plans*** - Legislation, - Participation guides - Policy documents | - UN reports - Declarations, guidelines - Donor projects | - Participatory ***planning*** models - Joint ***planning*** approach - Evaluation reports | Policy reports, web-sites, subsidy ***programs***; biorefineries where multiple products are derived from biomass |
| Logic | - Logic of instrumentality | - Logic of appropriateness | - Logic of concreteness | Instrumental and market-based where the private sector and profit-making are the key drivers; technologies and supportive governmental policies are asked for |

Source: Based on Mukhtarov and Gerlak (2014).

The epistemic forms framework fits well within the emerging tradition of interpretive policy studies. Policy arguments based on technical and analytical knowledge alone are insufficient to gain public legitimacy and achieve effective implementation. The cases of controversies over GMOs (Schneider and Ingram, 2007), biofuels (Butler et al., 2015; Knox and Marston, 2013: 314) and freshwater reclamation (Lejano and Leong, 2012; Lejano and Shankar, 2013) illustrate this point vividly. These cases demonstrate that unless value conflicts are considered and discussed publicly, policy stalemates may occur later on and be very difficult to resolve.

Policy actors need to ensure that various value-positions are debated openly and in this process of deliberation, some key policy options emerge as well as some common understanding on action (Arendt, 1970). As a result, policy work becomes an exercise in the ability to engage multiple epistemic forms in an open debate and to draw important lessons from such debates (Ingram and Endter-Wada, 2009). It is akin to what some commentators called ‘collaborative capacity’ building in attempts to conceptualize and resolve public policy issues (Weber and Khademian, 2008).

Various scholars in public policy have emphasized the shift away from positivism and the importance of interpretation of policy problems and solutions (Feldman et al., 2006; Yanow, 2009; Yanow, 1996). Our deployment of epistemic forms, however, is distinct from other evocations of value and knowledge pluralism. For example our work has been partly inspired by the innovative and path-breaking ‘ways of knowing’ approaches to public policy (e.g. Feldman et al., 2006; Ingram and Lejano, 2009; Lejano et al., 2013). These scholars contend that ‘ways of knowing’ are fluid and differ from one knowledge holder to another. These are necessarily embedded and situated types of knowing which emerge from various associations and translations between various stakeholders (Weber and Khademian, 2008). For us, unlike ‘ways of knowing’, epistemic forms are fixed to particular sources of knowledge claims, and are stable across agents and contexts. Once all three epistemic forms are brought together, purposefully and openly, ‘ways of knowing’ will start interacting with each other, if skilfully managed by public official and policy-makers.

It is also important to distinguish epistemic forms from policy frames, as epistemic forms do not offer a perspective on a policy issue, or a particular linguistic or cultural angle (Dewulf et al., 2013). Rather, epistemic forms indicate the source of a knowledge claim. For example if OECD suggests that governments pursue bio-cascading in their transition to a bioeconomy, this knowledge claim is based on scientific and rational expertise and falls within the *prescriptive* form. In turn, if an NGO opposes bio-cascading on the premise that markets alone cannot decide on what biological resource is more valuable than another, such claim is a *discursive* one as it is based on values as a reference point. Thus, we utilize the epistemic forms framework for two purposes: first, to analyse the public and policy discourse on the subject of knowledge versatility in public policy; and second, to provide the normative push for the transition debate to include all three epistemic forms of a bioeconomy. In the next section, we analyse the bioeconomy discourse and demonstrate the value of the epistemic forms framework.

**Understanding bioeconomy debates**

Here we focus on what we see as three major debates that have emerged in the academic and policy literatures: (1) debate on the neoliberal underpinnings of a bioeconomy; (2) debate on the sustainability of a bioeconomy; and (3) debate on societal embedding of a bioeconomy. Other discussions include economic and production structures for the bioeconomy transition (Asveld et al., 2011), and emerging global governance of bio-products (Bastos Lima, 2012; Mukhtarov et al., 2014). However, we see the three abovementioned debates as most referenced and contentious. Our goal is to examine whether knowledge claims made in these three debates correspond to one or more epistemic forms.

**The debate on neoliberal underpinnings of bioeconomy**

Visions and definitions of what a bioeconomy may look like, and who may benefit from such a transition, dramatically diverge. First, the use of the term ‘bioeconomy’ as a desired destination of a transition underscores the economic aspects of the transition. As Paula and Birrer (2006) note, the term ‘bio-society’ may be more appropriate to emphasize the social, environmental and economic aspects of the transition which move beyond the boundaries of economic growth and acknowledges the spectrum of affected domains. This issue is currently debated in what can be called ‘definitional politics’ with various groups emerging with different definitions of a bioeconomy. While the narrow industry definition reduces the output of ***agriculture*** to the ‘biomass’ and emphasizes the functional characteristics of good food, broader definitions emphasize the role of farmers in rural development and cultural and traditional aspects of human–land relationships (Schmidt et al., 2012).

The European Community advocates policy language in their reports, and provide strategy and a set terms of discussion of a bioeconomy as a policy concept (Schmidt et al., 2012). Bioeconomy discussion is mostly based on the ‘golden triangle’ of the government, universities and industry that are perceived as the major drivers of a bioeconomy with civil society on the margins. A bioeconomy can be seen as an umbrella policy-term that has the effect of writing into consensus opposing views of stakeholders to provide policy language that is politically acceptable to diverse stakeholders (Conca, 2006; Walther, 1987).

One of the key models in making a bioeconomy work is bio-cascading (Schmidt et al., 2012). The Cologne paper authored by the European Commission (2007) proposed the bio-cascading model for a bioeconomy. While most references to bio-cascading specify the principle of sequential value extraction from biomass, such value is discussed in terms of global economy and markets (Scarlat et al., 2015). Bio-cascading is thus justified on the grounds of resource efficiency and cost-recovery (e.g. Keegan et al., 2013; Scarlet et al., 2015). Potential conflicts may arise between market value and possible intrinsic or bequest values of ***agricultural*** practices and biomass products. This is illustrated in Figure 1 below. Figure 1.The cascade model of a bio-refinery. Source: LNV (2007: 19).

Such market-orientation and commodification of bio-mass has been criticized by some scholars as an extension of neoliberalism to nature, and life itself (Birch, 2012; Rajan, 2006; Levidow et al., 2012a, 2012b). Neoliberalism can be defined as ‘mobilization of state power in the contradictory extension and reproduction of market (-like) rule’ (Tickey and Peck, 2003: 166). From a neoliberal perspective, the value of resources is determined by their market value, while market-based instruments are often favoured to those of regulation. McAffee (2003) argued for the dangers of neo-liberalism in devising policies may disregard domestic ***agricultural*** sector, cultural autonomy and environmental conservation, which are not easily judged in monetary terms in favour of other policies that are market-oriented and can be measured in monetary terms. In a similar vein, the ETC group (2010: 16), an international NGO, claimed that with the mainstream vision of a bioeconomy promoted by the governments, industry and international actors, economic and social structures may be erected to transfer biological resources into commercial commodities, such as ‘electricity, biofuels, bulk chemicals, pharmaceuticals and textiles’. These considerations remain largely ignored and unexplored in the policy documents on bioeconomy.

**The debate on sustainability of a bioeconomy**

Many scholars and civil society organizations have questioned the sustainability of the transition to a bioeconomy, especially in the context of biofuels as an alternative energy source (Asveld et al., 2011). While the shift away from fossil fuels is welcome as a means of finding sustainable alternatives, mitigating climate change, and enhancing energy security, the sustainability outcomes of bio-fuels as well as integrated bio-refineries and further industrialization of ***agriculture*** remain unclear (Templer and van der Wielen, 2011).

Two divergent paradigms collide here: the agro-industrial vision for large scale production of crops for bio-fuels and bio-based materials and the agro-ecological vision which is based on the internal input and local production and integrated farming (Levidow et al., 2012a, 2012b). The potential benefits of an agro-industrial bioeconomy for rural development are often cited, however, these links are not easy to establish (Schmidt et al., 2012). For example a social ***programme*** run by the Brazilian government with an ambition to link rural development in the North-east of the country through linking smallholder farms with biodiesel ***producers*** has not reached its stated goals (Bastos Lima, 2012). The argument of some scholars that rural development may be enhanced through allowing the ***agricultural*** cooperatives run bio-refineries located in the rural areas still needs to be tested in practice (Paula and Birrer, 2006). Alternatively, agro-ecology as an attempt to deal with the environmental and social issues through ***agriculture*** could be an answer, but it has been under-valued in policy circles, arguably because it does not rely on emerging life science technologies and therefore does not promote economic growth (Birch, 2006; Levidow et al., 2012a).

Scholars have argued that sustainable development can be possible only if democratic requirements of public consultation and deliberation are satisfied, adding the political dimension to the otherwise technocratic focus of socio-technical transitions (Roseland, 2005). In the evaluation of bio-based production against sustainability criteria, attention is often focused on the reduction of greenhouse gas emissions and direct and indirect land use change (Ostergard et al., 2010), with growing calls for consideration of indirect land use change triggered by bio-fuels, such as deforestation and conversion of pasture land (Asveld et al., 2011). The Cramer Commission in The Netherlands put the issue of sustainability of a bioeconomy on the European agenda, but has not managed to get its criteria as a reference point more widely (Cramers and Koenders, 2008). Furthermore, the Roundtable on Sustainable Fuels, included eleven themes of sustainability that cover issues such as human and labour rights, and rural and social development (Ostergard et al., 2010). Life cycle analysis, scenario modelling and sustainability principles have all been discussed in relation to this debate (Ostergard et al., 2010) as ways of working towards greater certainty regarding the impacts of a bioeconomy.

A stand-alone publication in this regard is the review by The Nuffield Council on Bioethics, which developed an ethical framework consisting of six principles within which bio-fuels need to be considered in the contemporary zeal of achieving energy security and economic growth (Nuffield Council on Bioethics, 2011). These principles range from the welfare of bio-fuel ***producers*** and their employees to the impacts on the environment made by the production and consumption of bio-fuels (Nuffield Council on Bioethics, 2011). However, the lack of universally agreed sustainability criteria makes sustainability assessment a contextually dependent process to be applied on a case-by-case basis and relies on often voluntary schemes led by public–private partnerships.

Linked to the debate on sustainability of a bioeconomy are the policy controversies around biofuels, specifically the issue of ‘land-grabbing’, which for some evokes images of a new form of colonialism, as well as the long-standing and highly polarized debate of ‘food versus fuel’ (Asveld et al., 2011). Furthermore, in light of the complex links elucidated by integrated resource management discourse (Mukhtarov, 2008), scholars studying the environment suggested that land-grabbing is always also ‘water and ecosystem’ grabbing, extending therefore the potential negative impacts of bio-fuels (Mehta et al., 2012). Thus, the issue of sustainability of bio-fuels and a bioeconomy remains controversial. The nature of this debate, unlike the issue of neoliberal underpinnings of a bioeconomy, is more open and multiple perspectives are heard with regard to what counts as ‘sustainable’. However, the unresolved nature of the debate and the stalemate in the fields of global governance of bioenergy shows the necessity to continue efforts of consensus-building at multiple levels regarding the nature and extent of acceptable trade-offs and identification of non-negotiable aspects.

**The debate on societal embedding of a bioeconomy**

This necessity to build consensus at the local level is paramount in our understanding of a successful transition to a bioeconomy. Public participation and societal embedding are important elements in socio-economic transitions and their legitimacy (Huitema and Meijerink, 2007). Some scholars argue for ‘multi-stakeholder partnerships involving a broad range of civil society groups, including farmers, scientists, SMEs and consumers’ in order to achieve a greater understanding and acceptance of the novel technologies (Schmidt et al., 2012: 60). These scholars have warned about the potential of a bioeconomy to reinforce the ‘top-down’ and technocratic decision making with the seeds of centralization as opposed to the co-production of knowledge and empowerment of farmers and decentralization (Sleenhoff et al., 2015). The European Commission’s recent report on a bioeconomy further urges approaches that ‘foster participation of researchers, end-users, policy-makers and civil society in an open and informed dialogue throughout the research and innovation process of a bioeconomy’ (European Commission, 2012b: 8). However, it remains unclear how the actual *practice* of societal embedding of a bioeconomy should be implemented. While public deliberation is still clearly seen as one strong requirement of democratic policy process (Brugnach and Ingram, 2012; Mukhtarov, 2008), how such deliberation is going to be conducted in the case of a bioeconomy needs to be articulated in greater detail (Sleenhoff et al., 2015).

Two possible solutions for societal embedding have been put forth – participatory models and tools to engage stakeholders in joint problem definition and fact-finding; and the greater recognition of farmers as providers of services in a bioeconomy. Schmidt et al. (2012: 60) argued that farmers should be seen as ‘providers of quality food, as managers of the ***agricultural*** eco-system and landscape and as contributors to rural development’. In this regard, a number of recent initiatives from the Netherlands deserve attention. The Constructive Technology Assessment and Interactive Learning and Action (ILA) approaches have been suggested to engage stakeholders in the development of emergent technologies in ecogenetics (Roelofsen et al., 2010). Furthermore, a series of public debates run in 2012 and entitled ‘My 2030s’ took place in The Netherlands providing an opportunity for members of the public to engage in a debate on a possible bio-based future (van der Berg et al., 2013). Sleenhoff et al. (2015) have sought to engage the public through affective means, and discuss a ‘bio-based dinner’ in the city of Delft in The Netherlands, where an abstract concept of a bioeconomy was made explicit in the bio-based nature of the food and surroundings of the meal, thus provoking interest, awareness and engagement with practical aspects of a bioeconomy.

While the importance of societal embedding and public deliberation is often mentioned in the policy circles in The Netherlands and European Commission, concrete mechanisms and commitment from industry and governments need to follow. An example of such change is the recently signed Dutch Bio-based Manifesto, which also included various civil society organizations, such as the International Union for Conservation of Nature and World Wildlife Fund (IUCN, 2015). More of such examples would be welcome.

**Missing links: Discursive and practical forms of bioeconomy**

Based on our review of three key debates on a bioeconomy, we find that a bioeconomy has been mostly framed as a prescriptive concept in the academic and policy scholarship which seeks to advance a particular vision of a bioeconomy which is technology-based, capital intensive and neo-liberal in how it determines the value of resources. We observe that the dominant focus has been on how to make a bioeconomy transition happen and not on whether such transition is necessary, and if so, what form it should take. The technocratic imaginaries of a bioeconomy ‘utopia’ are envisioned and promoted in the OECD and EC publications with little discussion of alternatives (Goven and Pavone, 2015), which is in line with observations of other commentators of this field (e.g. McCormick and Kautto, 2013; Schmidt et al. 2012).

In contrast, we find little discussion reflecting either bioeconomy as a discursive or a practical concept. As a discursive concept, a bioeconomy is not an objective socio-technical transition which can be managed by a road-map and leads to a destination agreed by all stakeholders – rather it is a discourse that is influenced by the ideologies of neoliberalism and in which actors have incentives to ***produce*** knowledge and norms that favour them over others (Birch, 2006; Rajan, 2006). The open discussion with diverse stakeholders is necessary for a discursive epistemic form to emerge. As Norgaard (2011: 97) stated in her discussion of the climate change discussions ‘… when people get together and talk, a number of important things happen’. One of the major outcomes of such conversations and debates is the sharing of values, the creation of social norms and the building of a community.

By engaging with the discursive epistemic form, we ask the following questions: *how can we make the underlying assumptions behind certain knowledge claims on a bioeconomy explicit? How can a policy scientist understand the diversity of values at play? How can these be communicated to all stakeholders in a manner that is meaningful to them?* In such a way, the civil engagement for the transition to a bioeconomy is open-ended and ‘includes encounters with civic society that does not engage the way the initiator of the engagement intended them to engage, incorporating the unexpected, eventful incidents and emotions’ (Sleenhoff et al., 2015: 81).

The core of a practical epistemic form is recognition that practice gives rise to knowledge which is contextually dependent and could not be derived otherwise. This form of knowledge requires interaction and is developed in networks and collaborative spaces. Similar to tacit knowledge, it is developed through practice and experience and is usually hard to articulate analytically. The practical epistemic form does not emerge from the application of certain analytical principles in practice, but rather emerges from practice itself during the process of ‘doing’ (Weber and Khademian, 2008).

In the case of Europe, the European Commission recommends reinforcing policy interaction and stakeholder engagement include ‘a bioeconomy panel’ at the EU level, regular ‘bioeconomy stakeholder conferences’, and ‘a bioeconomy observatory’ (European Commission, 2012b). One recent initiative of the European Commission along these lines is the creation of the ‘bioeconomy observatory’, a Europe-wide database of research projects, investment, tools and practices in this sector of the economy (M’barek et al., 2014).

In addition, Langeveld et al. (2010) also addressed the practical epistemic form in four case studies: Brazil, Germany, The Netherlands and Canada, unearthing the great diversity of approaches united under the banner of a ‘bioeconomy’. The case of Brazil underlines the importance of land use change and sustainability, to a great extent to satisfy the conscious energy importers in EU. In Germany, drafting consistent legislation regarding biofuels, biobased materials and chemicals is claimed as pivotal. In Canada, the use of residues and waste as stock for biofuels seems the most important for the transition, as well as and putting a bioeconomy on the agenda of all policy-makers and public. Malaysia, the second country in Asia after China to announce a national Bioeconomy Initiative, aims to utilize their substantial palm oil resources, a non-food raw material (Kamal, 2013). This diversity of approaches stresses the challenge of cataloguing and learning from the multitude of parallel practical efforts in making a bioeconomy happen.

Thus, there is a need for more case studies, stand alone and comparative, of a bioeconomy being put in practice and in various contexts (European Commission, 2012a, 2012b). Moving beyond ideas towards *ideas in practice*, and reflecting on the knowledge that emerges from practice is necessary for understanding what a bioeconomy means to the diverse actors, and how coordinated action forward can be taken. In the next section, we provide some possible strategies and directions for policy-makers to achieve versatility of knowledge in transitions.

While this analysis has shown that all three forms of epistemic knowledge have informed the policy debate, the relative weight and attention given to these three forms are vastly disparate. Isolated attempts to engage and educate the public are but a nod in the direction of the robust societal exchange that is necessary for meaningful engagement with the public such that both tacit knowledge and values can be credibly reflected in policy.

**Broadening of a bioeconomy debate**

From a policy perspective, we argue that a focus solely on the question of ‘how’ to make a bioeconomy transition happen is inadequate. Rather, a more democratic starting point would be examination of the possible trade-offs involved in transition to a bioeconomy and to what extent and whether a move to a bioeconomy is a viable and appropriate solution. By broadening the debate in this way, a community of practice can emerge.

We acknowledge that a successful socio-technical transition takes more than enlightened policy-makers; however, we focus on the necessary element of effective policy making which any transition demands. Indeed it requires commitment to shift the policy making culture away from a predominant focus on analytical knowledge, often coded in economics and management, to include considerations of discursive and practical dimensions of knowledge-creation.

In order to aid policy workers in these tasks, we propose several potential directions in which policy-making process may be engaged in order to account for multiple epistemic forms. Our first set of recommendations is more conceptually oriented and geared towards new areas of research that are needed to help move beyond a polarized debate. Our second set of recommendations is more action-oriented recommendations for policymakers, practitioners and educators.

**Recommendations for scholars**

First, we suggest the need for policy scholars studying a bioeconomy to address issues of values, power and value conflicts and the importance of political and social context in research on transitions. Academic debates have agenda-setting and practical value. Policy workers make decisions based on a range of inputs, and mostly through certain interpretations of problems and solutions. Power is key to this process of interpretation (Flyvbjerg, 2001). In analysing the role of power in the framing of problems and definitions, political analysts need to ask such questions as ‘who gains, and who loses, by which mechanisms of power?’ (Flyvbjerg, 2001: 145).

Although some research around bioeconomy addresses the current political nature of framing a bioeconomy, this type of research remains under-represented in the technical literature on how to ensure a bioeconomy (Levidow et al., 2012a, 2012b; Schmidt et al., 2012). There are a growing number of initiatives at the level of individual countries, to create an environment for entrepreneurs to engage with a bio-based economy. For example, in The Netherlands, efforts are being made to bring parties together and build business ties (Hees et al., 2013); and improve the business environment for optimal use of biomass (Platform Landbouw, 2014).

However, further discussion is needed on what sort of a bioeconomy or bio-based future we want. This is important because scientific controversies around the sustainability of biofuels, their impact on land use ***planning*** and carbon dioxide emissions, are not resolved by science alone (Pierce, 2013). One can reasonably anticipate that the answer to some of these questions will emerge through an iterative process as not all contingencies can be fully foreseen. Nevertheless, engagement that leaves room for challenging certain assumptions would serve the building of a more democratic foundation for decisions regarding a bioeconomy.

At the heart of the potential polarization about a bioeconomy transition are diverging values and worldviews (Levidow et al., 2012a). The calls for societal embedding are lodged in the hope to make the transition more acceptable in terms of reflecting the values and multiple perspectives of the society and allowing for their interaction (e.g. Pierce, 2013). A constructive dialogue among stakeholders is possible only if we can move away from relying solely on the prescriptive format of the ‘predict and prepare’ paradigm onto more reflexive and deliberate policy practices (Forester, 2012). The approach of instrumental public engagement and ‘management’ of the debate and transition is helpful in getting the process started and outlining the major targets and challenges in this process. While useful as an action-oriented and pragmatic approach, it must be clear to policy makers that the complexity of the socio-technical transition to a bioeconomy requires deliberative processes, nuanced policy approaches, and respect for multiple ways of knowing.

Ultimately, the resolution of political tensions and value conflicts around a bioeconomy calls for ‘advances in political process, rather than scientific research’ (Sarewitz, 2004: 399). A major challenge today with the bioeconomy transition is not that it is political or politicized, but that it is not political enough. An initiative from the Dutch government illustrates a possible manner in which governments can politicize the subject and open it for a societal debate. On an interactive website, the Dutch state regulator for the environment provides information about the debates on bio-based economy in lay-person’s language (Planbureau voor de Leefomgeving, 2014), thus contributing to a better informed and more meaningful debate in society. More initiatives of this sort are needed.

**Recommendations for policy makers**

In addition to these conceptually oriented recommendations, we offer a set of policy-oriented recommendations. First, for policy-making reforms to better account for multiple epistemic forms, there is a need for skilled intermediaries. We see intermediaries as individuals and groups who provide services for bridging divides between various sectors, disciplines and political cultures. These may be political consultants whose role is to negotiate between universities, governments, industrial groups and societal organizations. These also may be individuals hired by private companies or universities to assume roles in negotiation and communication like public relations experts. In addition, government actors and institutions may organize regular roundtables with various stakeholders to discuss positions in the open.

A good example of an intermediary, or a boundary organization, in the bioeconomy context is *Tertium*, an organization in The Netherlands that studies public opinion, facilitates workshops, and attempts to bridge society, science, government and industry (van der Berg et al., 2013). In 2012 and 2013, *Tertium* organized a series of public debates around the issues of bio-based future called ‘My 2030’ which brought together different stakeholders in discussions of possible bioeconomy scenarios in various aspects of lives experienced by the members of public (van der Berg et al., 2013). One interesting result of this project’s study was that the public generally views ‘biofuels’ positively, but ‘bio-energy’ less so; and in general, the public (as represented by this small sample) remains largely unaware about the concept of a bioeconomy. This knowledge provides an important input into the strategy of those who target transition management. To be successful, such debates and workshops need to be ongoing as much more is gained through such networks and collaborations. The intangible effects of sharing knowledge, ways of knowing and building consensus are very important in such networks (Dawes et al., 2009).

Second, beyond advancing and promoting new, unique skill sets, intermediaries require policy space in which ‘boundary work’ can be performed and ‘boundary experience’ can emerge (Feldman et al., 2006; Guston, 2001; Weber and Khademian, 2008). Boundary organizations may provide a place in which scientists may keep their own integrity, yet engage with public policy actors (Lejano and Ingram, 2009). At the same time, boundary organizations may facilitate blurring of boundaries between multiple perspectives and allow for an easier policy compromise on controversial issues. Examples from the field of environmental governance suggest that such organizations can be effective (Schneider and Ingram, 2007).

However, such boundary organizations cannot be created for all public policy issues on an individual basis. A less formalized and efficient mechanism for intermediaries to enter and work to ‘stitch together’ different epistemic forms is also required. An example of a boundary organization for socio-technical transitions, including a bioeconomy, is the Rathenau Institute in The Netherlands, which bridges the divide between the general public, experts and policy-makers (The Rathenau Institute, 2014). Another transnational example is the Public and Regulation Initiative (PRRI), also hosted in The Netherlands, but with membership of public researchers from all over the world with a mission to connect life scientists, international regulators and the public (Public Research and Regulation Initiative, 2014).

Finally, there is a need for reflexive and deliberative practitioners and public managers in policy departments, NGOs, universities and companies, who ‘can be more critical and self-critical, more attuned both to how others claim and frame what they do and to the ways that our own claiming and framing can get us in trouble too’ (Forester, 2012: 23). Such self-reflection is often challenging. Freeman (2007: 490), also in this vein, claimed that policy practitioners are typically narrowly trained in ‘rational, scientific epistemology’, and that this training needs to be complemented by others types of epistemology and knowledge. In the context of the bioeconomy transition, this would help train practitioners to move beyond the narrow focus on economic inputs for bioeconomy, and shift toward the non-economic inputs and the ability to interpret these inputs.

Hess and Adams (2002) argue that emphasizing such skills as listening, diplomacy and negotiation could enhance the capacity for integration of various types of inputs. For them, the management of policy paradoxes, puzzles and fragmentations is what constitutes the key aspect of the future policy work (Hess and Adams, 2002: 76). Such skills relate more to the processes by which policies are generated, legitimated and publicly valued as opposed to the tool-boxes of the knowledge itself.

We acknowledge the challenges of the boundary work of skilled intermediaries, such as the contested nature of knowledge claims, the embedded character of knowledge in particular experiences and contexts, differences in norms, ideologies and professional ethos among multiple stakeholders, among others (e.g. Dewes et al., 2009). The further research will identify and develop optimal implementation practices that capture these different types of knowledge and foster collaborative decision-making. Successful small scale public engagement has yielded important results (see e.g. Tertium, supra), but this endeavour is rarely systematic or truly representative. Moreover, in the case of a bioeconomy, the lack of familiarity of the public with this concept poses the additional challenge of engaging to educate and acquire better understanding of relevant societal sensibilities and values.

**Conclusions**

A bioeconomy can be known in three distinct ways – as a *prescriptive* concept with clear definitions and guidelines how to achieve it; as a *discursive* concept with contested and negotiated definitions, meanings, goals and effects of a bioeconomy; and as a *practical* concept which recognizes the inherent contingencies of the policy process and that a bioeconomy takes on specific meanings and forms in a specific context. Collectively, these three epistemic forms can help to broaden and prevent polarization of the bioeconomy debate.

In our analysis of three debates on a bioeconomy and multiple scholarly and policy literature, we find that a bioeconomy has been narrowly framed as a prescriptive concept in the policy debates and academic literature. As a result of this, there is far less discussion about the underlying values and the power relations at play. It may well be that discursive and practical epistemic forms are less suited to being analytically articulated, which may explain the domination of the prescriptive epistemic form in policy literature. This is regrettable considering the importance of public debates and engagement of multiple stakeholders for socio-technical transitions (Dewulf et al., 2009; Huitema and Meijerink, 2009).

In arguing for the place of multiple epistemic forms for informing the transition to a bioeconomy, we offer a set of recommendations for public policy. Our recommendation for scholars suggests the need for addressing issues of values and power, and the importance of political and social context in research on transitions, in studying a bioeconomy. For policymakers, practitioners and educators, we offer action-oriented recommendations that emphasize the importance of a nuanced skill set for policy-makers that can accommodate the importance of discursive processes which would better fit the needs of an interpretive policy analysis and policy-making. These recommendations highlight specialized intermediaries who may play a greater role in translating across epistemic forms in a policy space. It also includes the policy space for boundary organizations to facilitate bringing together different epistemic forms. Finally, policy-makers should ensure integration of approaches to engage in networking, reflexive practice and ***planning***.

Policy making that acknowledges the equal standing of discursive and practical epistemic forms alongside the prescriptive one is more likely to result in sustainable and viable approaches. Our recommendations can provide a roadmap for the greater inclusion of the issues of values and power and attention to practice in policy circles.

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**Body**

block-time published-time 1.27am BST

Summary

* Conservative MPs have warned Theresa May that their support for her government's Brexit legislation is not unconditional, as they demanded significant changes to the EU withdrawal bill within minutes of backing it. As Anushka Asthana reports, parliament's post-midnight vote resulted in the prime minister facing no rebellion from within her party, as the government secured a victory of 326 to 290. The result handed May an effective "Brexit majority" of 36 after seven Labour MPs - Ronnie Campbell, Frank Field, Kate Hoey, Kelvin Hopkins, John Mann, Dennis Skinner and Graham Stringer - defied their own party whip to support the government, arguing that the referendum demanded the legislation be passed. The prime minister called it a "historic decision to back the will of the British people" and said the vote would give clarity and certainty through the Brexit process.

Related: Senior Tories warn May over Brexit bill after MPs vote for second reading

That's all from me for tonight.

Thanks for the comments.

block-time published-time 1.24am BST

Here is Stephen Gethins, the SNP's international affairs spokesman, on tonight's votes.

The passing of the bill to the committee stage this evening marks a dark day for devolution and democracy in the UK, and another step closer towards the damaging impact the Tory government's Brexit strategy - or lack of - will have on the UK's economy, jobs and living standards.

Despite the disappointment, I am pleased to see Labour's shift in stance towards backing the SNP's long-standing position on the importance of securing the best possible legislation and deal, and the dangers if opposition parties remain divided in their approach in holding this Tory government to account.

This is echoed by yesterday's welcome comments by Jeremy Corbyn on seeking a deal whereby the UK stays in the single market.

The challenge now is for MPs across the chamber to unite behind a common purpose in ensuring that this UK government is prevented from railroading further Brexit legislation through that risks the very foundations of devolution.

block-time published-time 1.21am BST

Ken Clarke votes against government on ***programme*** motion

And here are the figures showing how MPs voted by party on the ***programme*** motion.

For the progamme motion

Conservatives: 308

DUP: 10

Against the ***programme*** motion

Labour: 248

SNP: 34

Lib Dem: 12

Plaid Cymru: 4

Green: 1

Conservative: 1 (Ken Clarke)

Independent: 1 (Lady Hernon)

* Ken Clarke, the Conservative former chancellor, voted against the government on the ***programme*** motion. He was the only Conservative to vote against the government in any of the three votes on the bill tonight. On the main second reading vote he abstained.

block-time published-time 1.09am BST

Full list of 290 MPs who voted against bill at second reading

And here is the full list of the 290 MPs who voted against the bill at second reading.

Ms Diane Abbott (Labour - Hackney North and Stoke Newington) Debbie Abrahams (Labour - Oldham East and Saddleworth) Heidi Alexander (Labour - Lewisham East) Rushanara Ali (Labour - Bethnal Green and Bow) Dr Rosena Allin-Khan (Labour - Tooting) Mike Amesbury (Labour - Weaver Vale) Tonia Antoniazzi (Labour - Gower) Jonathan Ashworth (Labour (Co-op) - Leicester South) Mr Adrian Bailey (Labour (Co-op) - West Bromwich West) Hannah Bardell (Scottish National Party - Livingston) Margaret Beckett (Labour - Derby South) Hilary Benn (Labour - Leeds Central) Luciana Berger (Labour (Co-op) - Liverpool, Wavertree) Mr Clive Betts (Labour - Sheffield South East) Ian Blackford (Scottish National Party - Ross, Skye and Lochaber) Kirsty Blackman (Scottish National Party - Aberdeen North) Dr Roberta Blackman-Woods (Labour - City of Durham) Paul Blomfield (Labour - Sheffield Central) Tracy Brabin (Labour (Co-op) - Batley and Spen) Mr Ben Bradshaw (Labour - Exeter) Tom Brake (Liberal Democrat - Carshalton and Wallington) Kevin Brennan (Labour - Cardiff West) Deidre Brock (Scottish National Party - Edinburgh North and Leith) Alan Brown (Scottish National Party - Kilmarnock and Loudoun) Lyn Brown (Labour - West Ham) Mr Nicholas Brown (Labour - Newcastle upon Tyne East) Chris Bryant (Labour - Rhondda) Ms Karen Buck (Labour - Westminster North) Richard Burden (Labour - Birmingham, Northfield) Richard Burgon (Labour - Leeds East) Dawn Butler (Labour - Brent Central) Liam Byrne (Labour - Birmingham, Hodge Hill) Sir Vince Cable (Liberal Democrat - Twickenham) Ruth Cadbury (Labour - Brentford and Isleworth) Dr Lisa Cameron (Scottish National Party - East Kilbride, Strathaven and Lesmahagow) Mr Alan Campbell (Labour - Tynemouth) Dan Carden (Labour - Liverpool, Walton) Mr Alistair Carmichael (Liberal Democrat - Orkney and Shetland) Sarah Champion (Labour - Rotherham) Douglas Chapman (Scottish National Party - Dunfermline and West Fife) Jenny Chapman (Labour - Darlington) Bambos Charalambous (Labour - Enfield, Southgate) Joanna Cherry (Scottish National Party - Edinburgh South West) Ann Clwyd (Labour - Cynon Valley) Vernon Coaker (Labour - Gedling) Ann Coffey (Labour - Stockport) Julie Cooper (Labour - Burnley) Rosie Cooper (Labour - West Lancashire) Yvette Cooper (Labour - Normanton, Pontefract and Castleford) Jeremy Corbyn (Labour - Islington North) Ronnie Cowan (Scottish National Party - Inverclyde) Neil Coyle (Labour - Bermondsey and Old Southwark) Angela Crawley (Scottish National Party - Lanark and Hamilton East) Mary Creagh (Labour - Wakefield) Stella Creasy (Labour (Co-op) - Walthamstow) Jon Cruddas (Labour - Dagenham and Rainham) John Cryer (Labour - Leyton and Wanstead) Judith Cummins (Labour - Bradford South) Alex Cunningham (Labour - Stockton North) Mr Jim Cunningham (Labour - Coventry South) Sir Edward Davey (Liberal Democrat - Kingston and Surbiton) Wayne David (Labour - Caerphilly) Geraint Davies (Labour (Co-op) - Swansea West) Martyn Day (Scottish National Party - Linlithgow and East Falkirk) Marsha De Cordova (Labour - Battersea) Gloria De Piero (Labour - Ashfield) Thangam Debbonaire (Labour - Bristol West) Emma Dent Coad (Labour - Kensington) Mr Tanmanjeet Singh Dhesi (Labour - Slough) Martin Docherty-Hughes (Scottish National Party - West Dunbartonshire) Anneliese Dodds (Labour (Co-op) - Oxford East) Stephen Doughty (Labour (Co-op) - Cardiff South and Penarth) Peter Dowd (Labour - Bootle) Dr David Drew (Labour (Co-op) - Stroud) Jack Dromey (Labour - Birmingham, Erdington) Rosie Duffield (Labour - Canterbury) Maria Eagle (Labour - Garston and Halewood) Ms Angela Eagle (Labour - Wallasey) Jonathan Edwards (Plaid Cymru - Carmarthen East and Dinefwr) Clive Efford (Labour - Eltham) Julie Elliott (Labour - Sunderland Central) Mrs Louise Ellman (Labour (Co-op) - Liverpool, Riverside) Chris Elmore (Labour - Ogmore) Bill Esterson (Labour - Sefton Central) Chris Evans (Labour (Co-op) - Islwyn) Paul Farrelly (Labour - Newcastle-under-Lyme) Tim Farron (Liberal Democrat - Westmorland and Lonsdale) Marion Fellows (Scottish National Party - Motherwell and Wishaw) Jim Fitzpatrick (Labour - Poplar and Limehouse) Colleen Fletcher (Labour - Coventry North East) Paul Flynn (Labour - Newport West) James Frith (Labour - Bury North) Gill Furniss (Labour - Sheffield, Brightside and Hillsborough) Hugh Gaffney (Labour - Coatbridge, Chryston and Bellshill) Mike Gapes (Labour (Co-op) - Ilford South) Barry Gardiner (Labour - Brent North) Ruth George (Labour - High Peak) Stephen Gethins (Scottish National Party - North East Fife) Patricia Gibson (Scottish National Party - North Ayrshire and Arran) Preet Kaur Gill (Labour (Co-op) - Birmingham, Edgbaston) Mary Glindon (Labour - North Tyneside) Mr Roger Godsiff (Labour - Birmingham, Hall Green) Helen Goodman (Labour - Bishop Auckland) Patrick Grady (Scottish National Party - Glasgow North) Peter Grant (Scottish National Party - Glenrothes) Neil Gray (Scottish National Party - Airdrie and Shotts) Kate Green (Labour - Stretford and Urmston) Lilian Greenwood (Labour - Nottingham South) Margaret Greenwood (Labour - Wirral West) Nia Griffith (Labour - Llanelli) John Grogan (Labour - Keighley) Andrew Gwynne (Labour - Denton and Reddish) Louise Haigh (Labour - Sheffield, Heeley) Fabian Hamilton (Labour - Leeds North East) Emma Hardy (Labour - Kingston upon Hull West and Hessle) Ms Harriet Harman (Labour - Camberwell and Peckham) Carolyn Harris (Labour - Swansea East) Helen Hayes (Labour - Dulwich and West Norwood) Sue Hayman (Labour - Workington) John Healey (Labour - Wentworth and Dearne) Mr Mark Hendrick (Labour (Co-op) - Preston) Drew Hendry (Scottish National Party - Inverness, Nairn, Badenoch and Strathspey) Mr Stephen Hepburn (Labour - Jarrow) Lady Hermon (Independent - North Down) Mike Hill (Labour - Hartlepool) Meg Hillier (Labour (Co-op) - Hackney South and Shoreditch) Wera Hobhouse (Liberal Democrat - Bath) Dame Margaret Hodge (Labour - Barking) Mrs Sharon Hodgson (Labour - Washington and Sunderland West) Kate Hollern (Labour - Blackburn) Stewart Hosie (Scottish National Party - Dundee East) Mr George Howarth (Labour - Knowsley) Dr Rupa Huq (Labour - Ealing Central and Acton) Imran Hussain (Labour - Bradford East) Christine Jardine (Liberal Democrat - Edinburgh West) Dan Jarvis (Labour - Barnsley Central) Diana Johnson (Labour - Kingston upon Hull North) Darren Jones (Labour - Bristol North West) Gerald Jones (Labour - Merthyr Tydfil and Rhymney) Graham P Jones (Labour - Hyndburn) Sarah Jones (Labour - Croydon Central) Susan Elan Jones (Labour - Clwyd South) Mike Kane (Labour - Wythenshawe and Sale East) Barbara Keeley (Labour - Worsley and Eccles South) Liz Kendall (Labour - Leicester West) Afzal Khan (Labour - Manchester, Gorton) Stephen Kinnock (Labour - Aberavon) Peter Kyle (Labour - Hove) Lesley Laird (Labour - Kirkcaldy and Cowdenbeath) Ben Lake (Plaid Cymru - Ceredigion) Norman Lamb (Liberal Democrat - North Norfolk) Mr David Lammy (Labour - Tottenham) Ian Lavery (Labour - Wansbeck) Chris Law (Scottish National Party - Dundee West) Ms Karen Lee (Labour - Lincoln) Mr Chris Leslie (Labour (Co-op) - Nottingham East) Mrs Emma Lewell-Buck (Labour - South Shields) Clive Lewis (Labour - Norwich South) Mr Ivan Lewis (Labour - Bury South) David Linden (Scottish National Party - Glasgow East) Stephen Lloyd (Liberal Democrat - Eastbourne) Tony Lloyd (Labour - Rochdale) Rebecca Long Bailey (Labour - Salford and Eccles) Caroline Lucas (Green Party - Brighton, Pavilion) Ian C. Lucas (Labour - Wrexham) Holly Lynch (Labour - Halifax) Angus Brendan MacNeil (Scottish National Party - Na h-Eileanan an Iar) Justin Madders (Labour - Ellesmere Port and Neston) Mr Khalid Mahmood (Labour - Birmingham, Perry Barr) Shabana Mahmood (Labour - Birmingham, Ladywood) Seema Malhotra (Labour (Co-op) - Feltham and Heston) Gordon Marsden (Labour - Blackpool South) Sandy Martin (Labour - Ipswich) Rachael Maskell (Labour (Co-op) - York Central) Christian Matheson (Labour - City of Chester) Steve McCabe (Labour - Birmingham, Selly Oak) Kerry McCarthy (Labour - Bristol East) Siobhain McDonagh (Labour - Mitcham and Morden) Andy McDonald (Labour - Middlesbrough) Stewart Malcolm McDonald (Scottish National Party - Glasgow South) Stuart C. McDonald (Scottish National Party - Cumbernauld, Kilsyth and Kirkintilloch East) John McDonnell (Labour - Hayes and Harlington) Mr Pat McFadden (Labour - Wolverhampton South East) Conor McGinn (Labour - St Helens North) Alison McGovern (Labour - Wirral South) Liz McInnes (Labour - Heywood and Middleton) Catherine McKinnell (Labour - Newcastle upon Tyne North) Jim McMahon (Labour (Co-op) - Oldham West and Royton) Anna McMorrin (Labour - Cardiff North) John McNally (Scottish National Party - Falkirk) Ian Mearns (Labour - Gateshead) Edward Miliband (Labour - Doncaster North) Carol Monaghan (Scottish National Party - Glasgow North West) Layla Moran (Liberal Democrat - Oxford West and Abingdon) Jessica Morden (Labour - Newport East) Stephen Morgan (Labour - Portsmouth South) Grahame Morris (Labour - Easington) Ian Murray (Labour - Edinburgh South) Lisa Nandy (Labour - Wigan) Gavin Newlands (Scottish National Party - Paisley and Renfrewshire North) Alex Norris (Labour (Co-op) - Nottingham North) Brendan O'Hara (Scottish National Party - Argyll and Bute) Jared O'Mara (Labour - Sheffield, Hallam) Fiona Onasanya (Labour - Peterborough) Melanie Onn (Labour - Great Grimsby) Chi Onwurah (Labour - Newcastle upon Tyne Central) Kate Osamor (Labour (Co-op) - Edmonton) Albert Owen (Labour - Ynys Môn) Stephanie Peacock (Labour - Barnsley East) Teresa Pearce (Labour - Erith and Thamesmead) Matthew Pennycook (Labour - Greenwich and Woolwich) Toby Perkins (Labour - Chesterfield) Jess Phillips (Labour - Birmingham, Yardley) Bridget Phillipson (Labour - Houghton and Sunderland South) Laura Pidcock (Labour - North West Durham) Jo Platt (Labour (Co-op) - Leigh) Luke Pollard (Labour (Co-op) - Plymouth, Sutton and Devonport) Stephen Pound (Labour - Ealing North) Lucy Powell (Labour (Co-op) - Manchester Central) Yasmin Qureshi (Labour - Bolton South East) Faisal Rashid (Labour - Warrington South) Angela Rayner (Labour - Ashton-under-Lyne) Mr Steve Reed (Labour (Co-op) - Croydon North) Christina Rees (Labour (Co-op) - Neath) Ellie Reeves (Labour - Lewisham West and Penge) Rachel Reeves (Labour - Leeds West) Emma Reynolds (Labour - Wolverhampton North East) Jonathan Reynolds (Labour (Co-op) - Stalybridge and Hyde) Ms Marie Rimmer (Labour - St Helens South and Whiston) Mr Geoffrey Robinson (Labour - Coventry North West) Matt Rodda (Labour - Reading East) Danielle Rowley (Labour - Midlothian) Chris Ruane (Labour - Vale of Clwyd) Lloyd Russell-Moyle (Labour (Co-op) - Brighton, Kemptown) Joan Ryan (Labour - Enfield North) Liz Saville Roberts (Plaid Cymru - Dwyfor Meirionnydd) Naz Shah (Labour - Bradford West) Mr Virendra Sharma (Labour - Ealing, Southall) Mr Barry Sheerman (Labour (Co-op) - Huddersfield) Tommy Sheppard (Scottish National Party - Edinburgh East) Paula Sherriff (Labour - Dewsbury) Mr Gavin Shuker (Labour (Co-op) - Luton South) Tulip Siddiq (Labour - Hampstead and Kilburn) Andy Slaughter (Labour - Hammersmith) Ruth Smeeth (Labour - Stoke-on-Trent North) Angela Smith (Labour - Penistone and Stocksbridge) Cat Smith (Labour - Lancaster and Fleetwood) Eleanor Smith (Labour - Wolverhampton South West) Jeff Smith (Labour - Manchester, Withington) Laura Smith (Labour - Crewe and Nantwich) Nick Smith (Labour - Blaenau Gwent) Owen Smith (Labour - Pontypridd) Karin Smyth (Labour - Bristol South) Gareth Snell (Labour (Co-op) - Stoke-on-Trent Central) Alex Sobel (Labour (Co-op) - Leeds North West) Keir Starmer (Labour - Holborn and St Pancras) Chris Stephens (Scottish National Party - Glasgow South West) Jo Stevens (Labour - Cardiff Central) Jamie Stone (Liberal Democrat - Caithness, Sutherland and Easter Ross) Wes Streeting (Labour - Ilford North) Mr Paul J Sweeney (Labour (Co-op) - Glasgow North East) Jo Swinson (Liberal Democrat - East Dunbartonshire) Mark Tami (Labour - Alyn and Deeside) Alison Thewliss (Scottish National Party - Glasgow Central) Gareth Thomas (Labour (Co-op) - Harrow West) Nick Thomas-Symonds (Labour - Torfaen) Emily Thornberry (Labour - Islington South and Finsbury) Stephen Timms (Labour - East Ham) Jon Trickett (Labour - Hemsworth) Karl Turner (Labour - Kingston upon Hull East) Stephen Twigg (Labour (Co-op) - Liverpool, West Derby) Liz Twist (Labour - Blaydon) Chuka Umunna (Labour - Streatham) Keith Vaz (Labour - Leicester East) Valerie Vaz (Labour - Walsall South) Thelma Walker (Labour - Colne Valley) Tom Watson (Labour - West Bromwich East) Catherine West (Labour - Hornsey and Wood Green) Matt Western (Labour - Warwick and Leamington) Dr Alan Whitehead (Labour - Southampton, Test) Martin Whitfield (Labour - East Lothian) Dr Philippa Whitford (Scottish National Party - Central Ayrshire) Dr Paul Williams (Labour - Stockton South) Hywel Williams (Plaid Cymru - Arfon) Chris Williamson (Labour - Derby North) Phil Wilson (Labour - Sedgefield) Pete Wishart (Scottish National Party - Perth and North Perthshire) John Woodcock (Labour (Co-op) - Barrow and Furness) Mohammad Yasin (Labour - Bedford) Daniel Zeichner (Labour - Cambridge)

There were also two tellers for the noes, Vicky Foxcroft (Labour - Lewisham, Deptford) and Nic Dakin (Labour - Scunthorpe).

block-time published-time 1.06am BST

Full of MPs who voted for EU withdrawal bill at second reading

Here is the full list of the 326 MPs who voted for the EU withdrawal bill at second reading.

Nigel Adams (Conservative - Selby and Ainsty) Bim Afolami (Conservative - Hitchin and Harpenden) Adam Afriyie (Conservative - Windsor) Peter Aldous (Conservative - Waveney) Lucy Allan (Conservative - Telford) Heidi Allen (Conservative - South Cambridgeshire) Stuart Andrew (Conservative - Pudsey) Edward Argar (Conservative - Charnwood) Victoria Atkins (Conservative - Louth and Horncastle) Mr Richard Bacon (Conservative - South Norfolk) Mrs Kemi Badenoch (Conservative - Saffron Walden) Mr Steve Baker (Conservative - Wycombe) Harriett Baldwin (Conservative - West Worcestershire) Stephen Barclay (Conservative - North East Cambridgeshire) Mr John Baron (Conservative - Basildon and Billericay) Guto Bebb (Conservative - Aberconwy) Sir Henry Bellingham (Conservative - North West Norfolk) Richard Benyon (Conservative - Newbury) Sir Paul Beresford (Conservative - Mole Valley) Jake Berry (Conservative - Rossendale and Darwen) Bob Blackman (Conservative - Harrow East) Crispin Blunt (Conservative - Reigate) Mr Peter Bone (Conservative - Wellingborough) Sir Peter Bottomley (Conservative - Worthing West) Andrew Bowie (Conservative - West Aberdeenshire and Kincardine) Ben Bradley (Conservative - Mansfield) Karen Bradley (Conservative - Staffordshire Moorlands) Mr Graham Brady (Conservative - Altrincham and Sale West) Jack Brereton (Conservative - Stoke-on-Trent South) Andrew Bridgen (Conservative - North West Leicestershire) Steve Brine (Conservative - Winchester) James Brokenshire (Conservative - Old Bexley and Sidcup) Fiona Bruce (Conservative - Congleton) Robert Buckland (Conservative - South Swindon) Alex Burghart (Conservative - Brentwood and Ongar) Conor Burns (Conservative - Bournemouth West) Alistair Burt (Conservative - North East Bedfordshire) Alun Cairns (Conservative - Vale of Glamorgan) Mr Gregory Campbell (Democratic Unionist Party - East Londonderry) Mr Ronnie Campbell (Labour - Blyth Valley) James Cartlidge (Conservative - South Suffolk) Sir William Cash (Conservative - Stone) Maria Caulfield (Conservative - Lewes) Alex Chalk (Conservative - Cheltenham) Rehman Chishti (Conservative - Gillingham and Rainham) Mr Christopher Chope (Conservative - Christchurch) Jo Churchill (Conservative - Bury St Edmunds) Colin Clark (Conservative - Gordon) Greg Clark (Conservative - Tunbridge Wells) Mr Simon Clarke (Conservative - Middlesbrough South and East Cleveland) James Cleverly (Conservative - Braintree) Geoffrey Clifton-Brown (Conservative - The Cotswolds) Dr Thérèse Coffey (Conservative - Suffolk Coastal) Damian Collins (Conservative - Folkestone and Hythe) Alberto Costa (Conservative - South Leicestershire) Robert Courts (Conservative - Witney) Mr Geoffrey Cox (Conservative - Torridge and West Devon) Stephen Crabb (Conservative - Preseli Pembrokeshire) Tracey Crouch (Conservative - Chatham and Aylesford) Chris Davies (Conservative - Brecon and Radnorshire) David T. C. Davies (Conservative - Monmouth) Glyn Davies (Conservative - Montgomeryshire) Mims Davies (Conservative - Eastleigh) Philip Davies (Conservative - Shipley) Mr David Davis (Conservative - Haltemprice and Howden) Caroline Dinenage (Conservative - Gosport) Mr Jonathan Djanogly (Conservative - Huntingdon) Leo Docherty (Conservative - Aldershot) Julia Dockerill (Conservative - Hornchurch and Upminster) Nigel Dodds (Democratic Unionist Party - Belfast North) Sir Jeffrey M. Donaldson (Democratic Unionist Party - Lagan Valley) Michelle Donelan (Conservative - Chippenham) Ms Nadine Dorries (Conservative - Mid Bedfordshire) Steve Double (Conservative - St Austell and Newquay) Oliver Dowden (Conservative - Hertsmere) Jackie Doyle-Price (Conservative - Thurrock) Richard Drax (Conservative - South Dorset) James Duddridge (Conservative - Rochford and Southend East) David Duguid (Conservative - Banff and Buchan) Mr Iain Duncan Smith (Conservative - Chingford and Woodford Green) Sir Alan Duncan (Conservative - Rutland and Melton) Mr Philip Dunne (Conservative - Ludlow) Michael Ellis (Conservative - Northampton North) Mr Tobias Ellwood (Conservative - Bournemouth East) Charlie Elphicke (Conservative - Dover) George Eustice (Conservative - Camborne and Redruth) Mr Nigel Evans (Conservative - Ribble Valley) David Evennett (Conservative - Bexleyheath and Crayford) Michael Fabricant (Conservative - Lichfield) Sir Michael Fallon (Conservative - Sevenoaks) Suella Fernandes (Conservative - Fareham) Frank Field (Labour - Birkenhead) Mark Field (Conservative - Cities of London and Westminster) Vicky Ford (Conservative - Chelmsford) Kevin Foster (Conservative - Torbay) Dr Liam Fox (Conservative - North Somerset) Mr Mark Francois (Conservative - Rayleigh and Wickford) Lucy Frazer (Conservative - South East Cambridgeshire) George Freeman (Conservative - Mid Norfolk) Mike Freer (Conservative - Finchley and Golders Green) Mr Marcus Fysh (Conservative - Yeovil) Sir Roger Gale (Conservative - North Thanet) Mark Garnier (Conservative - Wyre Forest) Mr David Gauke (Conservative - South West Hertfordshire) Ms Nusrat Ghani (Conservative - Wealden) Nick Gibb (Conservative - Bognor Regis and Littlehampton) Mrs Cheryl Gillan (Conservative - Chesham and Amersham) Paul Girvan (Democratic Unionist Party - South Antrim) John Glen (Conservative - Salisbury) Zac Goldsmith (Conservative - Richmond Park) Mr Robert Goodwill (Conservative - Scarborough and Whitby) Michael Gove (Conservative - Surrey Heath) Luke Graham (Conservative - Ochil and South Perthshire) Richard Graham (Conservative - Gloucester) Bill Grant (Conservative - Ayr, Carrick and Cumnock) Mrs Helen Grant (Conservative - Maidstone and The Weald) James Gray (Conservative - North Wiltshire) Chris Grayling (Conservative - Epsom and Ewell) Chris Green (Conservative - Bolton West) Damian Green (Conservative - Ashford) Justine Greening (Conservative - Putney) Mr Dominic Grieve (Conservative - Beaconsfield) Mr Sam Gyimah (Conservative - East Surrey) Kirstene Hair (Conservative - Angus) Robert Halfon (Conservative - Harlow) Luke Hall (Conservative - Thornbury and Yate) Mr Philip Hammond (Conservative - Runnymede and Weybridge) Stephen Hammond (Conservative - Wimbledon) Matt Hancock (Conservative - West Suffolk) Greg Hands (Conservative - Chelsea and Fulham) Mr Mark Harper (Conservative - Forest of Dean) Richard Harrington (Conservative - Watford) Rebecca Harris (Conservative - Castle Point) Trudy Harrison (Conservative - Copeland) Simon Hart (Conservative - Carmarthen West and South Pembrokeshire) Mr John Hayes (Conservative - South Holland and The Deepings) Sir Oliver Heald (Conservative - North East Hertfordshire) James Heappey (Conservative - Wells) Chris Heaton-Harris (Conservative - Daventry) Peter Heaton-Jones (Conservative - North Devon) Gordon Henderson (Conservative - Sittingbourne and Sheppey) Nick Herbert (Conservative - Arundel and South Downs) Damian Hinds (Conservative - East Hampshire) Simon Hoare (Conservative - North Dorset) Kate Hoey (Labour - Vauxhall) George Hollingbery (Conservative - Meon Valley) Kevin Hollinrake (Conservative - Thirsk and Malton) Mr Philip Hollobone (Conservative - Kettering) Adam Holloway (Conservative - Gravesham) Kelvin Hopkins (Labour - Luton North) John Howell (Conservative - Henley) Nigel Huddleston (Conservative - Mid Worcestershire) Eddie Hughes (Conservative - Walsall North) Mr Jeremy Hunt (Conservative - South West Surrey) Mr Nick Hurd (Conservative - Ruislip, Northwood and Pinner) Mr Alister Jack (Conservative - Dumfries and Galloway) Margot James (Conservative - Stourbridge) Sajid Javid (Conservative - Bromsgrove) Mr Ranil Jayawardena (Conservative - North East Hampshire) Mr Bernard Jenkin (Conservative - Harwich and North Essex) Andrea Jenkyns (Conservative - Morley and Outwood) Robert Jenrick (Conservative - Newark) Boris Johnson (Conservative - Uxbridge and South Ruislip) Dr Caroline Johnson (Conservative - Sleaford and North Hykeham) Gareth Johnson (Conservative - Dartford) Joseph Johnson (Conservative - Orpington) Andrew Jones (Conservative - Harrogate and Knaresborough) Mr David Jones (Conservative - Clwyd West) Mr Marcus Jones (Conservative - Nuneaton) Daniel Kawczynski (Conservative - Shrewsbury and Atcham) Gillian Keegan (Conservative - Chichester) Seema Kennedy (Conservative - South Ribble) Stephen Kerr (Conservative - Stirling) Julian Knight (Conservative - Solihull) Sir Greg Knight (Conservative - East Yorkshire) Kwasi Kwarteng (Conservative - Spelthorne) John Lamont (Conservative - Berwickshire, Roxburgh and Selkirk) Mark Lancaster (Conservative - Milton Keynes North) Mrs Pauline Latham (Conservative - Mid Derbyshire) Andrea Leadsom (Conservative - South Northamptonshire) Dr Phillip Lee (Conservative - Bracknell) Jeremy Lefroy (Conservative - Stafford) Sir Edward Leigh (Conservative - Gainsborough) Sir Oliver Letwin (Conservative - West Dorset) Andrew Lewer (Conservative - Northampton South) Brandon Lewis (Conservative - Great Yarmouth) Dr Julian Lewis (Conservative - New Forest East) Mr Ian Liddell-Grainger (Conservative - Bridgwater and West Somerset) Mr David Lidington (Conservative - Aylesbury) Emma Little Pengelly (Democratic Unionist Party - Belfast South) Jack Lopresti (Conservative - Filton and Bradley Stoke) Mr Jonathan Lord (Conservative - Woking) Tim Loughton (Conservative - East Worthing and Shoreham) Craig Mackinlay (Conservative - South Thanet) Rachel Maclean (Conservative - Redditch) Mrs Anne Main (Conservative - St Albans) Alan Mak (Conservative - Havant) Kit Malthouse (Conservative - North West Hampshire) John Mann (Labour - Bassetlaw) Scott Mann (Conservative - North Cornwall) Paul Masterton (Conservative - East Renfrewshire) Mrs Theresa May (Conservative - Maidenhead) Paul Maynard (Conservative - Blackpool North and Cleveleys) Sir Patrick McLoughlin (Conservative - Derbyshire Dales) Stephen McPartland (Conservative - Stevenage) Esther McVey (Conservative - Tatton) Mark Menzies (Conservative - Fylde) Huw Merriman (Conservative - Bexhill and Battle) Stephen Metcalfe (Conservative - South Basildon and East Thurrock) Mrs Maria Miller (Conservative - Basingstoke) Amanda Milling (Conservative - Cannock Chase) Nigel Mills (Conservative - Amber Valley) Anne Milton (Conservative - Guildford) Mr Andrew Mitchell (Conservative - Sutton Coldfield) Damien Moore (Conservative - Southport) Penny Mordaunt (Conservative - Portsmouth North) Nicky Morgan (Conservative - Loughborough) Anne Marie Morris (Independent - Newton Abbot) David Morris (Conservative - Morecambe and Lunesdale) James Morris (Conservative - Halesowen and Rowley Regis) Wendy Morton (Conservative - Aldridge-Brownhills) David Mundell (Conservative - Dumfriesshire, Clydesdale and Tweeddale) Mrs Sheryll Murray (Conservative - South East Cornwall) Dr Andrew Murrison (Conservative - South West Wiltshire) Robert Neill (Conservative - Bromley and Chislehurst) Sarah Newton (Conservative - Truro and Falmouth) Caroline Nokes (Conservative - Romsey and Southampton North) Jesse Norman (Conservative - Hereford and South Herefordshire) Neil O'Brien (Conservative - Harborough) Dr Matthew Offord (Conservative - Hendon) Guy Opperman (Conservative - Hexham) Ian Paisley (Democratic Unionist Party - North Antrim) Neil Parish (Conservative - Tiverton and Honiton) Priti Patel (Conservative - Witham) Mr Owen Paterson (Conservative - North Shropshire) Mark Pawsey (Conservative - Rugby) Mike Penning (Conservative - Hemel Hempstead) John Penrose (Conservative - Weston-super-Mare) Andrew Percy (Conservative - Brigg and Goole) Claire Perry (Conservative - Devizes) Chris Philp (Conservative - Croydon South) Christopher Pincher (Conservative - Tamworth) Dr Dan Poulter (Conservative - Central Suffolk and North Ipswich) Rebecca Pow (Conservative - Taunton Deane) Victoria Prentis (Conservative - Banbury) Mr Mark Prisk (Conservative - Hertford and Stortford) Mark Pritchard (Conservative - The Wrekin) Tom Pursglove (Conservative - Corby) Jeremy Quin (Conservative - Horsham) Will Quince (Conservative - Colchester) Dominic Raab (Conservative - Esher and Walton) John Redwood (Conservative - Wokingham) Mr Jacob Rees-Mogg (Conservative - North East Somerset) Mr Laurence Robertson (Conservative - Tewkesbury) Gavin Robinson (Democratic Unionist Party - Belfast East) Mary Robinson (Conservative - Cheadle) Andrew Rosindell (Conservative - Romford) Douglas Ross (Conservative - Moray) Lee Rowley (Conservative - North East Derbyshire) Amber Rudd (Conservative - Hastings and Rye) David Rutley (Conservative - Macclesfield) Antoinette Sandbach (Conservative - Eddisbury) Paul Scully (Conservative - Sutton and Cheam) Mr Bob Seely (Conservative - Isle of Wight) Andrew Selous (Conservative - South West Bedfordshire) Jim Shannon (Democratic Unionist Party - Strangford) Grant Shapps (Conservative - Welwyn Hatfield) Alok Sharma (Conservative - Reading West) Alec Shelbrooke (Conservative - Elmet and Rothwell) David Simpson (Democratic Unionist Party - Upper Bann) Mr Keith Simpson (Conservative - Broadland) Chris Skidmore (Conservative - Kingswood) Mr Dennis Skinner (Labour - Bolsover) Chloe Smith (Conservative - Norwich North) Henry Smith (Conservative - Crawley) Julian Smith (Conservative - Skipton and Ripon) Royston Smith (Conservative - Southampton, Itchen) Sir Nicholas Soames (Conservative - Mid Sussex) Anna Soubry (Conservative - Broxtowe) Dame Caroline Spelman (Conservative - Meriden) Andrew Stephenson (Conservative - Pendle) John Stevenson (Conservative - Carlisle) Bob Stewart (Conservative - Beckenham) Iain Stewart (Conservative - Milton Keynes South) Rory Stewart (Conservative - Penrith and The Border) Mel Stride (Conservative - Central Devon) Graham Stringer (Labour - Blackley and Broughton) Graham Stuart (Conservative - Beverley and Holderness) Julian Sturdy (Conservative - York Outer) Rishi Sunak (Conservative - Richmond (Yorks)) Sir Desmond Swayne (Conservative - New Forest West) Sir Hugo Swire (Conservative - East Devon) Mr Robert Syms (Conservative - Poole) Derek Thomas (Conservative - St Ives) Ross Thomson (Conservative - Aberdeen South) Maggie Throup (Conservative - Erewash) Kelly Tolhurst (Conservative - Rochester and Strood) Justin Tomlinson (Conservative - North Swindon) Michael Tomlinson (Conservative - Mid Dorset and North Poole) Craig Tracey (Conservative - North Warwickshire) David Tredinnick (Conservative - Bosworth) Mrs Anne-Marie Trevelyan (Conservative - Berwick-upon-Tweed) Elizabeth Truss (Conservative - South West Norfolk) Tom Tugendhat (Conservative - Tonbridge and Malling) Mr Edward Vaizey (Conservative - Wantage) Mr Shailesh Vara (Conservative - North West Cambridgeshire) Martin Vickers (Conservative - Cleethorpes) Theresa Villiers (Conservative - Chipping Barnet) Mr Charles Walker (Conservative - Broxbourne) Mr Robin Walker (Conservative - Worcester) Mr Ben Wallace (Conservative - Wyre and Preston North) David Warburton (Conservative - Somerton and Frome) Matt Warman (Conservative - Boston and Skegness) Giles Watling (Conservative - Clacton) Helen Whately (Conservative - Faversham and Mid Kent) Mrs Heather Wheeler (Conservative - South Derbyshire) Craig Whittaker (Conservative - Calder Valley) Mr John Whittingdale (Conservative - Maldon) Bill Wiggin (Conservative - North Herefordshire) Gavin Williamson (Conservative - South Staffordshire) Sammy Wilson (Democratic Unionist Party - East Antrim) Dr Sarah Wollaston (Conservative - Totnes) Mike Wood (Conservative - Dudley South) Mr William Wragg (Conservative - Hazel Grove) Jeremy Wright (Conservative - Kenilworth and Southam) Nadhim Zahawi (Conservative - Stratford-on-Avon)

There were also two tellers for the ayes, Andrew Griffiths (Conservative - Burton) and Mark Spencer (Conservative - Sherwood).

block-time published-time 1.00am BST

How MPs voted at second reading - including the seven Labour MPs who backed government

We now have the breakdown of how MPs voted, by party, at second reading.

Voting for the second reading

Conservatives: 308

DUP: 10

Labour: 7

Independent: 1

The Labour MPs voting in favour were: Ronnie Campbell, Frank Field, Kate Hoey, Kelvin Hopkins, John Mann, Dennis Skinner and Graham Stringer.

The independent was Anne Marie Morris (in reality a Conservative - see 12.30am.)

* Seven Labour MPs vote with government for EU withdrawal bill at second reading.

Voting against the second reading

Labour: 238

SNP: 34

Lib Dem: 12

Plaid Cymru: 4

Independent: 1

Green party: 1

This independent was Lady Hernon, the MP for North Down and the one proper independent in the Commons.

* No Tory MPs rebel against government by voting against bill at second reading.

block-time updated-timeUpdated at 1.02am BST

block-time published-time 12.52am BST

There were two further motions relating to the bill on the order paper - a money motion, authorising spending arising from the bill, and a ways and means motion, authorising taxation required by the bill. Both went through on the nod (ie, by acclamation - because no MPs shouted "no" when given the chance.)

That was not because MPs opposed to the bill favour these particular measures. It was because they are auxiliary to the bill itself, and so any votes would just have been seen as a re-run of the ones we have already had.

block-time published-time 12.47am BST

MPs back ***programme*** motion by majority of 17

MPs have voted for the ***programme*** motion by 318 votes to 301 - a majority of 17.

block-time published-time 12.44am BST

Labour says vote for bill will 'lead to division and chaos' for Brexit

And here is a statement from Sir Keir Starmer, the shadow Brexit secretary, on the result.

This is a deeply disappointing result.

This bill is an affront to parliamentary democracy and a naked power grab by government ministers. It leaves rights unprotected, it silences parliament on key decisions and undermines the devolution settlement.

It will make the Brexit process more uncertain, and lead to division and chaos when we need unity and clarity.

Labour will seek to amend and remove the worst aspects from the bill as it passes through parliament. But the flaws are so fundamental it's hard to see how this bill could ever be made fit for purpose.

block-time published-time 12.41am BST

May says vote for bill will provide 'certainty and clarity' for Brexit

Theresa May has issued this statement following about the bill getting its second reading.

Earlier this morning parliament took a historic decision to back the will of the British people and vote for a bill which gives certainty and clarity ahead of our withdrawal from the European Union.

Although there is more to do, this decision means we can move on with negotiations with solid foundations and we continue to encourage MPs from all parts of the UK to work together in support of this vital piece of legislation.

block-time published-time 12.35am BST

MPs are now voting on the ***programme*** motion, which says eight days will be set aside for the debate on the bill at committee stage (when MPs go through it line by line) and another two days for the bill's remaining stages in the Commons.

block-time published-time 12.31am BST

MPs vote to give EU withdrawal bill second reading by majority of 36

MPs have voted to give the EU withdrawal bill a second reading by 326 to 290 - a majority of 36.

block-time published-time 12.30am BST

And here is the breakdown of MPs, by party, who voted against the Labour amendment.

Conservatives: 308

DUP: 9

Independent: 1

The independent is Anne Marie Morris, who is a Conservative but who has been suspended from the party for using a racist phrase and so now counts as an independent.

block-time updated-timeUpdated at 12.36am BST

block-time published-time 12.28am BST

How MPs voted, by party, on the Labour amendment

Here is the breakdown of how many MPs, by party, voted for the Labour amendment.

Labour: 244

SNP: 34

Lib Dem: 12

Plaid Cymru: 4

Independent: 1

Green: 1

block-time published-time 12.24am BST

The Conservative Anne-Marie Trevelyan says Dennis Skinner, the veteran Labour MP and a Brexit supporter, has been voting with the government.

enltrAs we vote on the #EUwithdrawalbill it was a pleasure to see Dennis Skinner joining us in the Aye lobby. @BrexitCentral

- Anne-Marie Trevelyan (@annietrev) September 11, 2017

block-time published-time 12.19am BST

MPs are now voting on whether to give the bill a second reading. The result is likely to be very similar to the result of the first vote.

block-time published-time 12.16am BST

Government wins first EU withdrawal bill vote by majority of 22

The government has won the vote by 318 to 296 - a majority of 22.

block-time published-time 12.11am BST

Here is my colleague Anushka Asthana 's story about the debate.

Related: Senior Tories issue warning to PM over Brexit bill after vote

And this is how it starts.

Conservative MPs have warned Theresa May that their support for her government's Brexit legislation is not unconditional, as they prepared to demand significant changes to the EU withdrawal bill minutes after backing it in parliament.

Despite no expected Tory rebellion during the midnight vote of the bill's second reading, senior backbenchers were among those racing to lay down critical amendments immediately afterwards.

Their calls for change come alongside those of MPs from across the House of Commons, including a series of demands from opposition frontbenches.

Significantly, the former attorney general Dominic Grieve, who has been highly critical of the legislation. teamed up with John Penrose MP to warn against a power grab by ministers through so-called Henry VIII powers.

block-time published-time 12.08am BST

Here is the full text of Labour's reasoned amendment - explaining why it does not think the bill should get a second reading.

That this House respects the EU referendum result and recognises that the UK will leave the EU, believes that insisting on proper scrutiny of this bill and its proposed powers is the responsibility of this sovereign parliament, recognises the need for considered and effective legislation to preserve EU-derived rights, protections and regulations in UK law as the UK leaves the EU but declines to give a second reading to the European Union (withdrawal) bill because the bill fails to protect and reassert the principle of parliamentary sovereignty by handing sweeping powers to government ministers allowing them to bypass parliament on key decisions, allows for rights and protections to be reduced or removed through secondary legislation without any meaningful or guaranteed parliamentary scrutiny, fails to include a presumption of devolution which would allow effective transfer of devolved competencies coming back from the EU to the devolved administrations and makes unnecessary and unjustified alterations to the devolution settlements, fails to provide certainty that rights and protections will be enforced as effectively in the future as they are at present, risks weakening human rights protections by failing to transpose the EU charter of fundamental rights into UK law, provides no mechanism for ensuring that the UK does not lag behind the EU in workplace protections and environmental standards in the future and prevents the UK implementing strong transitional arrangements on the same basic terms we currently enjoy, including remaining within a customs union and within the single market.

block-time published-time 12.04am BST

MPs are now voting on the Labour amendment.

block-time published-time 12.02am BST

Lidington says government willing to allow MPs more time to debate bill at committee stage

Lidington says, despite these safeguards, sincere concerns were expressed by MPs.

There have been constructive comments from a range of MPs, he says.

He says between second reading and the committee stage David Davis and his team intend to discuss the suggestions made with MPs from all sides of the House.

For example, they will look at whether the right balance is struck between the negative and affirmative procedure (two mechanisms for passing secondary legislation - the bill favours the negative procedure, the only allowing the least scrutiny).

Dominic Grieve asks if the government is willing to extend the eight days allowed for the debate on the bill at committee stage.

Lidington says 64 hours have been set aside. That is more than the 39 hours set aside by the Blair government for the equivalent debate on the Lisbon treaty, he says. But he goes on:

Where there is good reason to extend debate further, we are willing to consider that very seriously and carefully indeed. I hope he will take that assurance in the spirit in which it has been intended.

* Lidington says government willing to allow MPs more time to debate bill at committee stage.

block-time published-time 11.57pm BST

Lidington is now turning to delegated powers.

There are "significant safeguards" in the bill, he says. MPs have overlooked those in the debate. Each of the clauses giving ministers powers to make law specifies that those powers can only be used in certain circumstances.

For example, the powers in clause nine can only be used for implementing the withdrawal agreement.

And clause 17 can only be used for "consequential" purposes. He says "consequential" has a long-established and tightly-defined meaning in parliamentary terms.

block-time published-time 11.54pm BST

Turning to devolution, Lidington says the UK government wants to ensure that after Brexit a Scottish farmer can sell his ***produce*** throughout the UK without having to worry about two sets of regulations.

But he is confident that the devolved administrations will get more powers are Brexit, he says.

block-time published-time 11.51pm BST

Lidington says EU treaties will cease to apply to the UK when the UK leaves the EU. But, under the bill, EU law will continue to apply.

For example, all the rights available under the working time directive or the Equality Act will remain in force.

Dominic Grieve, the pro-European Conservative former attorney general, says:

I wonder if what [Lidington] says can be correct.

(Grieve is being tactful; he means Lidington is wrong.) Grieve says under the bill specific rights to challenge government decisions to go.

(Grieve is referring to Francovich damages. There is more on that issue here.)

Lidington says those rights will continue to apply in the abstract. But he concedes that Grieve has a point in some respects.

block-time updated-timeUpdated at 11.52pm BST

block-time published-time 11.46pm BST

Lidington says he wants to start by saying why the bill is needed.

Ken Clarke and Sir Keir Starmer, who are both strongly pro-remain - and Lidington says he puts himself in that category too - accepted that the bill is not about taking the UK out of the EU, he says. He says it is about ensuring that, when the UK does leave, the process will be smooth because EU law will have been imported into UK law.

He says, if Labour vote against the bill, they will be voting against people continuing to enjoy the rights they have under EU law.

Ken Clarke, the Conservative pro-European and former chancellor, intervenes. He asks for an undertaking that the government will ***produce*** "substantial amendments" at committee stage to address the concerns raised about the discretionary powers given by the bill to ministers. He says he would accept assurances from Lidington and David Davis because they are two members of the government he would trust (implying he would not say the same about some of their colleagues.)

Lidington says he will address this point in due course.

block-time published-time 11.41pm BST

David Lidington winds up for the government

David Lidington, the justice secretary, is winding up now. He says 107 MPs have spoken in the two-day debate.

He wants to address the three main criticisms of the bill raised by MPs, he says.

They are: the underlying principles of EU law; the issues relating to devolution; and the proposals for delegated powers.

block-time published-time 11.38pm BST

Pennycook says the bill is "fundamentally flawed". Parliament should not accept it, and that is why Labour will vote against, he says.

block-time published-time 11.38pm BST

Pennycook says ministers should not have asked MPs to support such a flawed bill. Labour raised concerns about the proposals after the white paper was published, and again after the bill itself was ***produced***.

Many other committees and organisations have raised similar concerns.

The government has had plenty of time to change its ***plan***. But only now are ministers promising to listen.

He says MPs are being asked to take ministers on trust when they say they will accept changes.

But in his opening speech David Davis, the Brexit secretary, defended the bill in its current form, he says.

block-time published-time 11.35pm BST

Pennycook is still speaking.

The sweeping powers in the bill are not the only problem, he says.

The bill would also prevent a smooth transition. In ruling out the charter of fundamental rights, the bill could deny people the rights it is seeking to maintain.

And its implications for the devolved bodies could undermine the union, he says.

He quotes Dominic Grieve's Evening Standard article criticising the bill approvingly.

block-time published-time 11.33pm BST

The shadow Brexit minister, Matthew Pennycook, is winding up now for Labour from the front bench.

The bill is one of the most constitutionally important in history. And transferring EU law into UK law will be one of parliament's biggest undertakings.

Pennycook says Labour accepts that EU law will have to be transferred into UK law to facilitate Brexit.

The bill is not about whether Brexit takes place, he says. He says Brexit will happen because of article 50 - which Labour overwhelmingly supported, he says.

Quoting Ken Clarke, he says the issue is not whether the bill is necessary - but whether in its current form it is acceptable.

Many MPs have identified flaws in the bill. As Sir Keir Starmer said in his opening speech, those problems are fundamental, he says.

He says the powers given to ministers in clauses seven to nine are "extraordinary in their constitutional potency and scope".

And he says clause 17 is so extensive it could extend to every aspect of national life.

block-time updated-timeUpdated at 11.52pm BST

block-time published-time 11.28pm BST

Labour's Mike Hill, who represents Hartlepool, says most people in his constituency want Brexit. He says he accepts he needs to honour that. But voting against the bill does not amount to blocking Brexit, he says.

block-time published-time 11.26pm BST

The Conservative MP Dan Poulter has not been impressed by the debate.

enltrThe EU Bill debate tonight is not Parliament at its best - a repeat of arguments that were had during the referendum a year ago 1/2

- Dr Dan Poulter MP (@drdanpoulter) September 11, 2017

block-time published-time 11.23pm BST

Labour's James Frith tells MPs he has come to parliament to oppose the bill 36 hours after the birth of his baby, Bobby James. In a jibe at the Tory Jacob Rees-Mogg, he says MPs on his side of the House change nappies as well as serving in parliament.

block-time published-time 11.22pm BST

Joanna Cherry, the SNP's justice and home affairs spokeswoman, is speaking now. She quotes from a Law Society of Scotland briefing saying the bill would remove from Scotland legislative competence for EU law that is being repatriated to the UK. This would cover issues like fisheries, that are devolved, she says.

block-time published-time 11.16pm BST

Good evening. I'm Andrew Sparrow and I'm taking over from Nicola, who has been driving the blog for the last five hours or so.

If, like me, you are quickly catching up, you might want to read today's online Hansard. As I write it has the whole of the debate up to just after 8pm, and Victoria Atkins' speech. You can read it here. It will update as the night goes on, although it is normally about three hours behind the actual debate.

block-time published-time 11.08pm BST

Labour MP Alex Norris compares the Brexit strategy with that of a stag do.

He says:

We're wandering around the continent wondering who's with us - that's the strategy of a stag do, not a negotiation.

block-time published-time 10.57pm BST

-webkit-user-select: auto;For anyone who enjoys reading threads on Twitter, here's one that is getting a lot of attention tonight.

-webkit-user-select: auto;It's by Schona Jolly, a London-based international human rights and equalities lawyer.

enltrSimply incorrect to keep suggesting a vote against #EUWithdrawalBill is a vote to frustrate Brexit. It's about our constitutional future. /1

- Schona Jolly QC (@WomaninHavana) September 11, 2017

block-time published-time 10.53pm BST

SNP MP Pete Wishart points out that there will only be seven days to make changes during the committee stage.

He says technically there will be eight days of debate but because the parliamentary day is four hours shorter on two of the days reserved for debate, there will only be seven in reality.

He says:

Seven days to practically rewrite the whole of the law system for the United Kingdom. What an absolute embarrassment.

To put it into perspective, the Maastricht treaty had 22 days for debate during the committee stage.

"The clowns are in charge of the Brexit circus," Wishart adds.

block-time updated-timeUpdated at 10.58pm BST

block-time published-time 10.45pm BST

"This bill is flawed," says Labour's Gareth Snell.

"Look at the way government has treated this House," he says, referring to how the government tried avoid consulting parliament when activating article 50.

"The writing of the bill is an affront to the democratic ideals which we hold dear," he says in a passionate speech.

block-time updated-timeUpdated at 10.59pm BST

block-time published-time 10.32pm BST

This is from the Daily Mirror's Mikey Smith. Just 90 minutes left!

enltrA spirited speech from Gareth Snell in the #Brexitbill debate. Only 90 minutes to go...

- Mikey Smith (@mikeysmith) September 11, 2017

block-time updated-timeUpdated at 10.36pm BST

block-time published-time 10.22pm BST

Suella Fernandes, a Tory MP, says that membership of the EU has had a "corrosive effect on democracy".

She says voting against the bill could lead to chaos and calls the bill an "integral part of machinery that will make Brexit a reality and give parliament back its power".

She says that Brexit is "a birth, and a chance for new beginnings, not a death".

block-time updated-timeUpdated at 10.23pm BST

block-time published-time 10.19pm BST

Big Ben got a mention earlier - of course - from Tory backbencher Nusrat Ghani. Here's a little more from her speech.

She said:

Without the iconic and much-loved bongs of Big Ben, the Palace of Westminster may appear diminished, but the EU withdrawal bill, however, will ensure that this palace is more sovereign and more accountable with or without its hourly chimes.

block-time updated-timeUpdated at 10.59pm BST

block-time published-time 10.13pm BST

-webkit-user-select: auto;Here's more from Stephen Kinnock 's speech.

-webkit-user-select: auto;He said:

-webkit-user-select: auto;Lady Macbeth knew that as long as her husband was on the throne, that they would escape punishment for their crimes, because there was no check on their power.

-webkit-user-select: auto;This bill seeks to strip Parliament of its sovereign power, create a cabinet of kings and transform the flow of this House from the beating heart of our democracy into a spectators' gallery, turning us from legislators into bystanders wholly dependent on the benevolence of ministers.

-webkit-user-select: auto;Let us make no mistake, this bill is not about delivering the will of people, rather it's about gagging our democracy and this House by the way of a false discourse. It is a silent coup d'etat, masquerading as technical necessity.

block-time published-time 9.55pm BST

Sir Ed Davey, the Lib Dem MP, says the bill is "tantamount to the temporary abolition of this House".

The Independent's John Rentoul is not impressed with either Davey or Stephen Kinnock's choice of language.

enltrOverblown rhetoric from Remain MPs Stephen Kinnock and Ed Davey. Silent coup d'etat, elective dictatorship...

- John Rentoul (@JohnRentoul) September 11, 2017

block-time updated-timeUpdated at 9.56pm BST

block-time published-time 9.50pm BST

Stephen Kinnock, the Labour MP, says the bill "frustrates the will of the British people" and would lead to the "degradation of our fundamental constitutional rights".

He says it will turn parliament into "a spectators gallery" while MPs watch on.

It would give ministers "the absolute power of feudal lords", he warns, and "emasculate this House".

block-time updated-timeUpdated at 10.13pm BST

block-time published-time 9.46pm BST

-webkit-user-select: auto;This is from my colleague Anushka Asthana.

enltrAfter midnight vote we are going to see a race to lay down amendments to EU withdrawal bill including from some interesting Tories.

- Anushka Asthana (@GuardianAnushka) September 11, 2017

enltrAnd had some interesting chats with high profile Brexiteers quite sympathetic to some of the coming amendments.

- Anushka Asthana (@GuardianAnushka) September 11, 2017

block-time published-time 9.38pm BST

-webkit-user-select: auto;The BBC's Esther Webber reminds followers on Twitter that there are still hours of debate to go until the actual vote.

enltrNot saying it's getting late but I think Charlie Elphicke just invented the word "scrutinisation"

- Esther Webber (@estwebber) September 11, 2017

block-time published-time 9.28pm BST

Plaid Cymru's Hywel Williams warns Westminster could be "lurching towards constitutional crisis".

He says the government is seeking to reclaim powers which all parties backed being devolved to the Welsh assembly "as carelessly as it might throw a cigarette end into a pail of petrol".

block-time updated-timeUpdated at 9.56pm BST

block-time published-time 9.24pm BST

Neither Stella Creasy or Tulip Siddiq - both MPs for Labour - seem to mind the idea of staying late as suggested by Alex Burghart earlier.

enltrdeffo with you on that @TulipSiddiq - though maybe next time I'll bring a packed lunch....;-) [*https://t.co/oY50EQisWN*](https://t.co/oY50EQisWN)

- stellacreasy (@stellacreasy) September 11, 2017

block-time published-time 9.20pm BST

-webkit-user-select: auto; Charlie Elphicke, Conservative MP for Dover & Deal, received a lot of support for making this comment about the EU divorce bill.

enltrUK not legally obliged to pay EU 'divorce bill' and strong argument the EU owes UK £10bn says @CharlieElphicke

- PARLY (@ParlyApp) September 11, 2017

block-time published-time 9.16pm BST

Conservative MP Nusrat Ghani says the bill is "a logical step" in the process of leaving the EU.

"Where were your objections when the laws were enacted in Brussels and forced on us in the first place?" she asks opposition MPs.

She adds that she will be "supporting democracy, respecting the will of the people" and voting for the bill.

block-time updated-timeUpdated at 9.57pm BST

block-time published-time 9.14pm BST

SNP MP Hannah Bardell said "this deficient bill" is an "act of complete recklessness" by the government.

She says the bill seeks to "undermine the devolution settlement and the guarantees given to devolved nations on the protections of their power" and is "a wrecking ball to Britain's democracy".

block-time updated-timeUpdated at 9.57pm BST

block-time published-time 9.05pm BST

Labour MP Mary Creagh says she will vote against the law because of "the unprecedented Henry VIII powers".

She says the bill would turn Theresa May into "a female version of Louis XIV - the Sun King", who reportedly said on his deathbed: "l'etat, c'est moi" (the state is me.)

The MP says instead it should be "l'etat, c'est nous." (the state is us.)

"There will be no Sun Queen created on our watch," she added.

block-time updated-timeUpdated at 9.07pm BST

block-time published-time 8.54pm BST

Here's more from the Tory MP for Brentwood and Ongar, Alex Burghart 's speech. He said MPs should sit until their work is done, as he hit out against "family friendly" hours for parliamentarians.

Burghart questioned how many MPs manage to put their children to bed at night and said the importance of the repeal bill "goes way beyond those concerns".

The newly-elected MP said it would take time to get the necessary "give and take" on particular clauses and powers in the legislation.

He told the Commons:

If this House finds that it does not have enough time at committee stage it must have more. And call me boring, Mr Speaker, but I was a little disappointed on Thursday when the House didn't sit past five and it was very sad to see such big beasts manacled to a five minute time constraint.

I heard the father of the house quite rightly pooh-pooh the Blairite family friendly hours under which we labour. Family friendly - is someone yanking my chain? Who of us here gets to put our children to bed of a night, as it is?

We should carry on sitting until our work is done - if we have to sit late, if we have to sit some Fridays, if we have to think about the length of recess, then we must. The importance of getting this Bill right goes way beyond those concerns - this is a job that requires sacrifice.

Giving his backing to the bill, Burghart said the government must be afforded "a degree of plasticity".

"We do not yet know how the final deal will turn out, we do not yet know when such a deal will be available for this House," he said. "This bill must be adaptable to permit that process to proceed as best it can and to allow for a multitude of outcomes."

block-time updated-timeUpdated at 9.57pm BST

block-time published-time 8.48pm BST

-webkit-user-select: auto;Watch Chris Bryant attack the government's European Union (withdrawal) bill in House of Commons, saying it is fundamentally un-British and based on falsehoods, and authoritarian leaders such as Recep Tayyip Erdogan or Vladimir Putin would be proud of the bill.

Labour's Chris Bryant criticises 'pernicious' EU withdrawal bill - video

block-time published-time 8.28pm BST

-webkit-user-select: auto;This is from the FT's David Allen Green.

enltrLet's see how the vote goes. Expect government to win but likely to be heavy amendments at Committee stage.

- David Allen Green (@davidallengreen) September 11, 2017

block-time published-time 8.14pm BST

Former Labour frontbenchers Daniel Zeichner and Vernon Coaker said they ***plan*** to vote against the bill, citing wider concerns about Brexit.

Zeichner said:

Although it's been increasingly said in parts of the country, actually we should not be withdrawing from the European Union at all, because it is not in our national interest to do so.

I fully understand the opprobrium that will probably be heaped on me for saying this, but I think I'm actually only stating the obvious.

As the farcical non-negotiations continue to fail to proceed, it is clearer and clearer that the most likely outcome is a last-minute fudge that will satisfy no one.

Coaker added:

My constituency voted to leave, and I respect that. But what they didn't vote for was leaving at any cost to jobs, to business, to workers' rights, to the environment, to welfare, to the unity of our country.

I have absolutely no problem going back and arguing in my constituency yes, to respect what they said, and how they voted, but also to say to them I cannot as your representative stand up in this parliament and say what is on offer from the government with this EU withdrawal bill is something that will be of benefit to you and your families.

block-time updated-timeUpdated at 8.17pm BST

block-time published-time 8.07pm BST

Labour's Stephen Doughty says the bill has to be seen in a wider context of recent actions by the government.

The delays in setting up committees, the ***programme*** motion that wants limit time spent on the bill, restrictions on judicial review, the Charities Act seeking to muzzle organisations and the trade union bill.

It is all part of a similar agenda by the government to shut down democratic debate.

block-time updated-timeUpdated at 8.17pm BST

block-time published-time 7.55pm BST

Antoinette Sandbach, a Tory MP, said in her speech that her government's bill was an "unacceptable attempt to demean the role of parliament."

block-time updated-timeUpdated at 8.17pm BST

block-time published-time 7.53pm BST

Conservative MP Alex Burghart raised eyebrows by criticising the family-friendly hours of the Commons, saying it should be allowed to sit as late as necessary, adding: "Who of us gets to put our kids to bed anyway?"

He said MPs should "carry on sitting until the job is done" and being an MP "requires sacrifice".

block-time updated-timeUpdated at 8.18pm BST

block-time published-time 7.28pm BST

Derek Thomas, the Tory MP for St Ives joined colleagues in suggesting changes could be made to the bill at a later stage.

He labelled the draft legislation the "only game in town" in a bid to achieve a "smooth" Brexit by March 2019.

However, he added:

I would like to hear how and when ministers intend to ensure full parliamentary process when deciding future UK laws.

block-time updated-timeUpdated at 7.30pm BST

block-time published-time 7.25pm BST

Conservative MP Richard Drax was enjoying himself during his speech not long ago.

Here's a tweet, featuring a clip worth watching, from the BBC's Esther Webber.

enltrConservative Richard Drax asks critics of delegated powers - "where were you?" before this bill pic.twitter.com/QCS8slkqAf

- Esther Webber (@estwebber) September 11, 2017

block-time updated-timeUpdated at 7.25pm BST

block-time published-time 7.18pm BST

Labour's Heidi Alexander, a former shadow minister, said the bill paved the way for a minister to "sit behind their desk in Whitehall and take us out of the single market at a stroke of a pen".

She said:

On the most important issue facing this country - our continued membership of the single market - this Bill could mean no direct vote in parliament, no say for MPs, no voice for our constituents.

When we talk about a power grab, it doesn't get much bigger than that.

Alexander said she would table an amendment at committee stage to ensure parliament rather than ministers decides the UK's future in the European Economic Area.

block-time updated-timeUpdated at 7.46pm BST

block-time published-time 7.09pm BST

The Green party co-leader, Caroline Lucas, described the bill as "deeply dangerous and undemocratic" as she warned that Britain would be left with "zombie legislation".

Lucas said the bill was a "constitutional outrage" regardless of people's views on Brexit, and lambasted the "governance gap" on environmental protection.

She said:

Cutting and pasting laws from the EU statute book into the UK one simply isn't enough because laws are only as effective as the mechanisms to implement and enforce them in practice.

And in the absence of mechanisms to replace the monitoring and enforcement roles of the Commission and the ECJ [European Court of Justice] we're effectively going to be left with zombie legislation. It might be on the statute book but it's not enforceable.

block-time updated-timeUpdated at 7.47pm BST

block-time published-time 6.59pm BST

Conservative MP for Totnes Sarah Wollaston said she would support the government but only in the "expectation that they will support sensible amendments".

She said:

The point of this is not that the government wants to obstruct sensible debate, I genuinely feel that, but that we should all of us, both as members across this House, working together with ministers, put in place something that genuinely works.

We know delegating legislation needs to be reformed even if we didn't have this bill before us so let's use this as an opportunity, because as we've heard there's going to be up to 1,000 of these coming before this house, and we need this house to decide whether or not there's going to be a negative or an affirmative procedure, we need to reform the way so that we can genuinely develop expertise along the lines suggested by the Hansard Society, with MPs with genuine interest scrutinising these proposals.

But also the point is that that committee would have the power to send it to a committee of the whole House, not just a small delegated legislation committee sitting in a committee room but all of us here as we're doing today.

block-time updated-timeUpdated at 7.00pm BST

block-time published-time 6.49pm BST

-webkit-user-select: auto;Tory MP, Conor Burns, has criticised Labour's confused position over Brexit, saying they were perhaps getting their inspiration from Heinz by having 57 varieties of Brexit on offer.

-webkit-user-select: auto;The shadow home secretary supports free movement. The leader of the opposition and the shadow Brexit secretary say it must end.

-webkit-user-select: auto;The deputy leader says we would stay in the single market forever. The shadow chancellor says we should leave the single market to respect the referendum.

-webkit-user-select: auto;The shadow trade secretary has described staying in the customs union as 'a disaster', and the shadow Brexit secretary supports staying in a customs union, while the deputy leader of the Labour Party says we could stay in the customs union indefinitely.

-webkit-user-select: auto;One could be forgiven for thinking that honourable gentlemen opposite and their ladies on the front bench are getting their inspiration from Heinz, the 57 varieties of Brexit that are on offer.

-webkit-user-select: auto;And while the government introduce a sunset clause into this Bill, to make sure that the measures and provisions laid out in it can't last for more than two years, the policy of the Labour Party on Brexit can barely last two days, and if it lasts two weeks it appears to be a long-term policy indeed.

block-time published-time 6.40pm BST

This is Nicola Slawson taking over for the next few hours. Here's a little more from Chris Bryant 's speech. He raised concerns about so-called Henry VIII powers, which would allow secondary legislation to be passed with little parliamentary scrutiny.

Ministers believe between 800 and 1,000 such statutory instruments will be required as Brexit legislation makes its way through parliament.

On the whole, the Tudor exercise was not a proud demonstration of democracy. These are clauses that Erdogan, Maduro and Putin would be proud of.

He told MPs the powers would allow ministers to alter the bill itself - "a dangerous spiral of autocracy".

He added:

This bill is utterly pernicious, it is dangerous, it is fundamentally un-British and I think that it has at its heart a lie. It pretends to bring back power to this country, but it actually represents the biggest peace time power grab by the executive over the legislature, by the government over parliament, in 100 years.

Bryant said the government should "triage" the new powers, setting up a system to decide which laws can be decided under the clauses.

He said major changes to students, student nurses and benefits had already been made by the government through secondary legislation "which should never have been used for such measures".

He said:

Look at the track record of this government. Because what they've done recently, they've engaged in what I would, frankly, call jiggery-pokery with the DUP to try and make sure that they have a majority, and let's hope we do end up having a vote when it comes to an estimates day on the 1 billion for the DUP.

They delayed the setting up of select committees until now, so that it will be impossible for people to scrutinise many of the things that are going through during the summer months.

Tomorrow, they're trying to make sure that for the first time in our history, the government which doesn't have a majority in this House has a majority on every single committee. If that doesn't make you question the bona fides of this government, nothing will.

block-time updated-timeUpdated at 7.19pm BST

block-time published-time 6.12pm BST

Afternoon summary

* Conservative MPs have renewed their call for amendments to the EU withdrawal bill at the start of its second day of debate. The Commons will vote at midnight. The bill seems certain to get a second reading and, with some reports suggesting around 20 Labour MPs will defy the whip and refuse to vote against the bill, it seems likely that Jeremy Corbyn will be hit by a larger rebellion than Theresa May. But many Conservative speaking in the debate have stressed that their support for the bill is conditional, and that they expect to see significant amendments to the bill when it goes through committee. They are concerned about the sweeping powers it will give to ministers to amend primary legislation by order ("Henry VIII" powers) and they wanted tougher parliamentary oversight. Some have also complained that only eight days have been set aside for the committee stage debate. In an unusual move, the debate is being wound up this evening not by a junior Brexit minister but by David Lidington, the justice secretary. Lidington is a pro-European who is liked and respected by those Tories most likely to rebel on this, and the Conservative MP Bob Neill said that he hoped when Lidington spoke, he would commit the government to giving more time for the committee stage debate if that proved necessary. (See 4.47pm.) A colleague will be taking over the blog for now, but I will be back after 11pm to cover the end of the debate and the votes. There could be five in all: on the Labour amendment, then the second reading, and then the ***programme*** motion (which allocates eight days for the committee stage), the money resolution (authorising spending required by the bill) and the ways and means resolution (authorising taxation and fees required by the bill).

1. Jeremy Corbyn has said Labour is open to the idea of staying in the single market, in an apparent softening of the party's position on Brexit.
2. MEPs will debate creating a pan-EU list of candidates for the first European parliament election after Britain leaves, in an attempt to bolster pro-European forces.
3. The government equalities office is to investigate growing evidence that EU nationals in the UK are being blocked from renting or buying properties, getting jobs and booking holidays.
4. Nicola Sturgeon, Scotland's first minister, has clashed with opposition leaders after urging them to compromise over Brexit without dropping her ***plans*** for a second independence vote.
5. Theresa May will hold an emergency Cobra meeting about Hurricane Irma amid calls for her to visit the British overseas territories devastated by the storms.

block-time published-time 5.52pm BST

Labour's Chris Bryant is speaking now. On the basis of his opening, this is probably the stand-out speech of the debate so far. He starts by saying the bill "utterly pernicious", "dangerous", ultimately a lie. He says it amounts to the biggest power grab for 100 years and it would herald a "dangerous spiral of autocracy". Referring to some of the clauses in the bill giving ministers powers to amend law "by fiat", he says:

These are clauses Erdogan, Maduro and Putin would be proud of.

He says that since 1950 only 11 statutory instruments (items of secondary legislation, of which around 1,000 are expected to be passed under the powers in the bill) have been rejected by the Commons.

block-time published-time 5.40pm BST

The former Liberal Democrat leader Paddy Ashdown has said his party is facing the fight for its existence and said his party had not managed to convince people it could be the home for liberal centrists.

Ahead of the party's conference this weekend, Ashdown said the party had not managed to have "one big, dangerous idea" since the coalition ended in 2015 and said new leader Vince Cable had to forge a new path for the party where they were no longer seen as the establishment.

"The biggest danger for our party at the seaside next week lies in glossing over the existential challenges which now face us," he wrote in a blog for Lib Dem Voice.

Unless we are prepared to be realistic about where we are, return to being radical about what we propose, recreate ourselves as an insurgent force and re-kindle our lost habit of intellectual ferment, things could get even worse for us.

Ashdown, who said he would lay out four ideas of his own over the coming days, said the Lib Dems under Tim Farron had failed to advance in conditions that had never been more favourable.

The vast sea of people who share our beliefs, find themselves voiceless and silent. Not all of them, sadly, are Liberal Democrats or want to be. If we cannot, or will not be the gathering point for these, the new left out millions, then who will and what are we for?

Ashdown said the party had advanced when people saw them as outsider.

Now people see us, not as a force for change but as a part of the establishment.

Whether we could have been insurgents in government is a question for history. The question for now is; there is a hunger for change out there, why don't we any longer look or sound like the people to bring it?

There may be many reasons for that. But the biggest one is that we are doing very little new thinking and ***producing*** very few new ideas.

block-time updated-timeUpdated at 7.23pm BST

block-time published-time 5.34pm BST

Craig Mackinlay, the Conservative MP and a one-time acting Ukip leader, says fishing is one area where the public are demanding a clean Brexit. He says reimposing a 200-mile border around the coast for the British fleet around where that is possible, and a border at the halfway point where other countries have territorial water, will ensure the revival our Britain's coastal communities.

block-time updated-timeUpdated at 7.25pm BST

block-time published-time 5.29pm BST

This is from the New Statesman's George Eaton.

enltrIn Labour, "soft Brexit" being resisted by those who don't like free movement (the right) and those who don't like free markets (the left).

- George Eaton (@georgeeaton) September 11, 2017

block-time published-time 5.28pm BST

Labour's David Lammy is speaking now. After Anna Soubry, the pro-European Conservative intervenes, Lammy says that her bark has been loud, but that "her actions have been far less loud" (ie, that she talks about fighting the government over Brexit, but that she does not follow it through).

Soubry rejects this. She says that there would not have been a white paper on Brexit if it had not been for people like her. She says the Tory pro-Europeans have achieved more than Labour.

block-time published-time 5.20pm BST

Intervening on Peter Bone, Labour's Chris Bryant points out that under the negative procedure, the weakest of the various mechanisms used to scrutinise secondary legislation (measures go through automatically unless MPs or peers object), it is up to the government to decide whether a measure gets to a vote. He says the government often refuses to allow a vote when the government calls for one.

(As Pat McFadden pointed out early, at 4.46pm, the bill proposes giving ministers extensive powers that would be exercised using the negative procedure.)

Bone accepts there is a problem with the negative procedure.

block-time published-time 5.13pm BST

Peter Bone, the pro-leave Conservative, says he will be very surprised if the bill leaves the Commons without being amended. But the principle behind the bill is important, he says.

block-time published-time 5.09pm BST

Dame Margaret Beckett, the Labour former foreign secretary, says the time set aside for debate on the bill is not remotely appropriate given the serious of what is at stake.

She says the government should find new measures to enable the "Henry VIII" powers in the bill to be properly scrutinised by parliamentarians. These mechanisms could be time-limited, she says.

She also says the government has a duty to bring forward proposals to improve the bill.

And she says the bill reads as if it was drafted for a government with a majority.

It sets a very dangerous precedent, she says. Labour is right to vote against it.

block-time published-time 5.02pm BST

The Conservative MP Vicky Ford says she will vote for the bill. It is necessary, she says. But she says Britain and other EU countries tell developing democracies that they must ensure laws are properly scrutinised. The government must follow that principle, and give parliament the ability to scrutinise the "Henry VIII" powers being exercised by ministers as they bring EU law into UK law.

She says on Thursday last week David Davis, the Brexit secretary, floated the idea of a "triage system", that would allow particularly sensitive measures to be flagged up for higher scrutiny. She says that was a helpful suggestion.

block-time published-time 4.58pm BST

The Labour MP Sir Kevin Barron has posted a tweet saying he will be abstaining on the bill.

enltrI will be abstaining on EU Withdrawal Bill as vote against would be a contradiction of the promises I was elected on, only a few months ago. pic.twitter.com/LZGqXGxppy

- Kevin Barron MP (@KevinBarronMP) September 11, 2017

block-time published-time 4.56pm BST

Labour's Pat McFadden is speaking now. He says the bill will not give parliament any special ability to scrutinise the extensive powers it would give to ministers to change law by secondary legislation. Most of the powers would be exercised using the negative procedure, involving the weakest level of scrutiny, he says.

He says it is important to oppose it at second reading because that is where parliament has maximum leverage.

And he does not accept that voting down the bill would create a chaotic Brexit. You only need two cabinet ministers in the same room to get a chaotic Brexit because they all disagree, he claims.

block-time published-time 4.47pm BST

Bob Neill, the Conservative chair of the Commons justice committee, is speaking now. He says he will back the bill, but he says it "needs improvement in a number of areas". He agrees with the criticisms made by Ken Clarke (here) and Dominic Grieve (here) in Thursday's debate, he says. He says clause 7 and clause 9, which deal with the "Henry VIII" powers being given to ministers, "go beyond that which is acceptable or necessary".

On the subject of the ***programme*** motion, which gives eight days for the committee stage, he says he can support this, but that he wants assurances that the government will allow more time if that turns out to be necessary.

He says he hopes he will hear assurances on this point when David Lidington, the justice secretary, winds up the debate for the government tonight.

block-time published-time 4.37pm BST

Stephen Gethins, the SNP's Europe spokesman, is speaking now. In comments released by the SNP in advance, he said the party wanted to work with other parties to challenge the bill. He said:

There is a very real and extraordinary risk that on the very day Scotland celebrates the 20th anniversary since the Scottish devolution referendum, the Tory government will seek to pass the second reading of its flawed EU Bill that will not just take back control from Brussels, but from Edinburgh, Belfast and Cardiff as well.

The Brexit process is bigger than any party, and it is certainly bigger than any of Theresa May's cabinet. The reality is that unless MPs from across the chamber unite around the common purpose of securing the best possible legislation, then the devolved administrations risk falling foul to a Westminster power grab and the Leave campaign's mantra of 'taking back control'.

That is why the time for adopting a new cross-party and cross-nations approach is now - that means we all have to work together. It will be a challenge for the UK government but it is also a challenge for opposition parties and we will have to work constructively - if the government is willing to listen.

block-time published-time 4.34pm BST

The pro-leave Conservative Zac Goldsmith said that any attempt to block Brexit would trigger an extreme backlash. He paid tribute to the role played by the EU in raising environmental standards. But he said leaving the EU would enable the UK to reform the common ***agriculture*** policy in line with the wishes of environmentalists.

block-time published-time 4.27pm BST

Labour's Caroline Flint is speaking now. She says she shares many of the concerns about the bill expressed by Sir Keir Starmer, the shadow Brexit secretary. She said it should be possible for the government to differentiate between routine bits of secondary legislation, which can go through with little scrutiny, and the important bits of Brexit-implementing secondary legislation which will need much more thorough scrutiny, she says.

But she says she is not opposing the bill because she accepts that Brexit has to be implemented. She told her constituents she would accept the result of the referendum, she says. She says she does not back a second referendum.

block-time updated-timeUpdated at 5.17pm BST

block-time published-time 4.24pm BST

Edward Leigh, the Conservative pro-leave MP, said the government should be generous to remainers and listen to their concerns about the bill. But he had a joke about the proposal to give ministers extensive "Henry VIII" powers. Henry VIII was a bastard, "but he was my kind of bastard".

block-time published-time 4.08pm BST

Cheryl Gillan, the Conservative former Welsh secretary, says she will back the bill because it "does what it says on the tin" and enables the UK to leave the EU.

block-time published-time 4.05pm BST

Frank Field, the Labour former welfare minister and a pro-leave MP, says he will back the bill to implement the results of the referendum. He says he will table an amendment intended to replace the bill with a simple, four-clause version.

He says his four proposed clauses are: setting a firm exit date; incorporating all EU law into EU law; creating a mechanism to allow parliament to decide what it wants to keep and jettison; and creating a "safe haven" from which the UK can negotiate its new relationship with the EU.

block-time published-time 4.01pm BST

Bernard Jenkin, a leading pro-leave supporter, accused Labour of engaging in "professional outrage". He said the Labour vote against the bill did not deserve to be taken seriously.

block-time published-time 3.56pm BST

Labour's Angela Smith said in her speech that, although she would be voting against the bill, she was not voting against Brexit. She was voting against "Brexit badly handled".

block-time published-time 3.54pm BST

Maria Miller, the Conservative MP who chairs the women and equalities minister, opened the debate. She said it was important for the bill to get a second reading, but that she wanted to see it amended to ensure that rights aren't lost when the UK leaves the EU.

Under the terms of the bill, the provision of the EU charter of fundamental rights will not longer be part of UK law. Miller said she was not necessarily asking for it to be retained.

But what I am saying is that we need to ensure that its effect is captured. To do otherwise would mean the current backstop on equality rights is removed, and that is not the status quo that the secretary of state is demanding.

She called for an explicit commitment to be included in the bill saying that the current level of equalities protection would be retained.

block-time published-time 3.39pm BST

MPs resume debate on EU withdrawal bill

MPs are now resuming their debate on the EU withdrawal bill.

John Bercow, the Commons speaker, says there will be a six-minute limit on speeches.

He says 90 MPs want to speak. He says he will try to accommodate them all, but some might be be called.

block-time published-time 3.31pm BST

Corbyn's World at One interview - Summary and analysis

In a Guardian article last month Sir Keir Starmer, the shadow Brexit secretary, said that "constructive ambiguity" - a term David Davis used in reference to the government's negotiating strategy - can only get you so far. That may be true, but Labour has not necessarily got to that point yet. This afternoon's Jeremy Corbyn 's office has put out a statement saying party policy has not changed (see 2.35pm), but Corbyn's tone certainly has. In a major interview at the start of the summer he implied that he would find the "Norway option" unacceptable as a long-term post-Brexit settlement. This afternoon he implied that he would be up for this. For those campaigning for a soft Brexit, this is an important tonal shift.

One argument - made here, for example, by Guido Fawkes - is that this is a bit of a shambles. But ambiguity often has its uses in politics, particularly for a party that does not have to make the choices facing a government, and Labour's gradual move into softer Brexit territory may turn out to be propitious. It certainly has not done it any harm so far.

If Corbyn's Brexit stance was a fudge, he laid it out quite well. But it was noticeable that he became much more animated during the interview talking about two other subjects: banning arms sales to Saudi Arabia, and his allotment. On both topics, he was really very good - passionate, human and very likeable. When Corbyn first became Labour leader he was often a very awkward interviewee, but over the last year in particular he has become much better. If anyone has been giving him media training, they deserve a bonus.

Here are the main points.

* Corbyn would not rule out Labour keeping the UK in the single market permanently. His office said later that Labour policy had not changed, but Corbyn's comments (see 1.07pm) implied that he would be happy to the UK to have a Norway-style relationship with the EU, as a member of the European Economic Area (EEA) or the European Free Trade Association (Efta). In July, in an interview with Andrew Marr (pdf), Corbyn said that if the UK left the EU, it would be leaving the single market because "the two things are inextricably linked".

1. Corbyn signalled that he would stay on as Labour leader until the next election, even if it was in 2022. "I'm absolutely fine," he said, referring to his age and health. "I'm fit and healthy, don't worry about that."
2. He said he thought that the government would not last and that the next election would come before 2022.
3. He said that he wanted UK to remain a member of many EU-related agencies after Brexit.
4. He rejected Caroline Flint's argument that Labour should be voting for the EU withdrawal bill. He said:

[Flint] and I both voted to implement article 50. That means respecting the result of the referendum. It doesn't mean handing over all our powers of scrutiny in parliament, all our decision making on how the negotiations proceed, to one secretary of state away from parliamentary scrutiny. This is a power grab by the government at the expense of our democratically-elected parliament.

* He said the Labour conference in Brighton would be be "probably the biggest conference we've ever had".

1. Corbyn said the UK needed to adopt a robust approach to President Trump. He had "many disagreements" with Trump, but he would not directly commit himself to joining an anti-Trump protest.
2. He said that the UK should not be selling arms to Saudi Arabia. It was contradictory to be selling arms to Saudi Arabia while also giving aid to Yemen to alleviate the suffering caused by those weapons, he argued.
3. He said Britain sold too many arms to countries that abuse human rights. Asked if he would stop the arms trade, he did not call for all arms sales to be blocked, but he said that parliament's arms exports licensing committee should be reconvened and that he favoured converting arms industry jobs into other sorts of jobs.
4. He said he still had time to work on his allotment, and that having a hobby like this made him a better politician. His allotment was in "good fettle", he said, and he was there yesterday, digging up potatoes, and bringing home "vast quantities" of beans and spinach. He said it was important for a politician to have an outside interest like this.

You have to make time to make sure you have a balance in your life. If you just do one thing, you don't necessarily do it very well. If you do other things in your life, it helps you think about things. It also helps you to understand the natural process, why things grow, how things grow. Harold Wilson once said the most important thing in the world is somebody who can grow 10 tonnes of corn where only eight tonnes grew before.

* But he said he would never take part in Strictly Come Dancing. Asked why, he said: "My dancing is terrible."

block-time updated-timeUpdated at 11.03pm BST

block-time published-time 3.20pm BST

Senior figures in Labour are convinced that there is no such thing as single market membership. For example, they argue that Norway is not a member of the single market, but has a deal under which it has access (in areas other than fisheries) to the market as a result of accepting the rules.

Despite the suggestion that a Norway-style option could be on the table for Labour, leading shadow cabinet members are against the idea, because they believe it carries a democratic deficit. They do not think it is acceptable to follow the rules of the market without having a say in the design of those rules.

block-time published-time 2.35pm BST

Corbyn's office says Labour policy has not changed

Jeremy Corbyn's office has now put out a statement following his World at One interview saying that Labour policy has not changed. A spokesman for Corbyn said:

Our position hasn't changed. We won't be "members" of the single market after the transition. We want to achieve full tariff free access to the single market. That could be achieved by a new relationship with the single market or a bespoke trade deal with the EU, which was what Jeremy was referring too.

This is very similar to what the government is saying it wants its relationship with the EU to be after the transition. The key difference is that Labour favours single market and customs union membership during the transition, while the government is ruling this out.

block-time published-time 1.58pm BST

This is from the BBC's Katy Searle.

enltrLabour source says Jeremy Corbyn's position on single market hasn't changed. Formal relationship doesn't exist. Wants best poss relationship

- Katy Searle (@KatySearle) September 11, 2017

The "Labour source" argument overlooks the point that staying in the European Economic Area (EEA), which would count as the "Norway option", would be seen as staying in the single market. Corbyn sounded more open to this than he has been in the past.

block-time updated-timeUpdated at 4.27pm BST

block-time published-time 1.54pm BST

Here is some Twitter comment from journalists on the Jeremy Corbyn interview.

From the Observer's Toby Helm

enltrMost significant statements by Corbyn on Brexit since the referendum, on World at One. Labour now open to staying in economic union.

- Toby Helm (@tobyhelm) September 11, 2017

From the Express's Nick Gutteridge

enltrLabour inching ever closer to a full U-turn on Brexit. Or perhaps more aptly described as a painfully slowly conducted several point turn. [*https://t.co/NOBszddn87*](https://t.co/NOBszddn87)

- Nick Gutteridge (@nick\_gutteridge) September 11, 2017

From Henry Newman from the Open Europe thinktank

enltrIs @jeremycorbyn latest confused #wato answer on Single Market actually constructive ambiguity designed to please both sides of party?

- Henry Newman (@HenryNewman) September 11, 2017

From Keiran Pedley from the polling organisation GfK

enltrLabour's ***strategic*** ambiguity on Brexit continues. Smart politics considering they dont drive the process. Watch where Tories land & adapt.

- Keiran Pedley (@keiranpedley) September 11, 2017

block-time published-time 1.47pm BST

Corbynites win landslide victory in key Labour party internal vote

Corbynites are celebrating their first significant victory ahead of Labour conference today, with the landslide victory of two left-wing candidates won a landslide vote to one of the party's most influential bodies.

Labour's left-wing is now set to dominate the party's conference's arrangements committee, which oversees what is debated at Labour conference, taking over immediately after this year's conference in Brighton.

Momentum-backed Seema Chandwani, secretary of Tottenham Labour, and former CWU secretary Billy Hayes won almost double the number of member votes than the incumbents, shadow minister Gloria de Piero and peer Michael Cashman. The Corbyn-supporting candidates doubled their vote share since 2015, when the candidates were Momentum founder Jon Lansman and Corbyn staffer Katy Clark.

enltrOMG!! A girl from a council estate from Tottenham, just topped the CAC Ballot... I'm so humbled. Thank you all so much. I'll say more later. pic.twitter.com/ArCjl9jwku

- Seema Chandwani (TM) (@SeemaChandwani) September 11, 2017

A Momentum spokesperson said:

This result reflects the overwhelming desire among the Labour Party members for a more democratic, grassroots party where they have a real say in how it's run and what it stands for.

To double the vote for Corbyn supporting candidates in just one election cycle shows both the strength of the movement and the support Jeremy has across the party.

De Piero tweeted her congratulations to both Chandwani and Hayes, but also highlighted some of the abuse she had received during the campaign.

enltrA kinder, gentler politics lives on. [*https://t.co/RT9Lrme22Z*](https://t.co/RT9Lrme22Z)

- Gloria De Piero (@GloriaDePiero) September 11, 2017

Chandwani had attracted some controversy during the course of the election campaign, after authoring a blog where she called MPs who had opposed Corbyn a "bunch of talentless morons".

block-time published-time 1.33pm BST

Q: There does seem to be some incoherence in Labour's position. People say different things.

Corbyn says there is a great deal of coherence.

But some colleagues "think aloud" about the future.

The party's view is clear on the EU withdrawal bill. It is set out in Labour's amendment.

Q: Will you stay on as Labour leader until the next election?

Corbyn says he is fine. He has been campaigning over the summer.

Q: But what about staying until 2022?

Corbyn says he is perfectly well.

But he does not think we will have to wait until 2022 for an election. He thinks it will come much sooner than that.

Q: Would you take part in Strictly?

No, says Corbyn. He says his dancing is terrible.

Q: What about your other hobbies? Have you time for the allotment?

Corbyn seems to perk up noticeably. His allotment is in fine fettle, he says.

He says it is important to make time for things outside of politics. And he quotes Harold Wilson on the importance of people who can grow things.

And that's it. I will post a summary soon.

block-time published-time 1.28pm BST

Q: Did you support Tony Blair's proposals yesterday?

Corbyn says he watched the interview "with interest".

Q: Only with interest?

Corbyn says Blair appeared not to understand Labour's policy.

block-time published-time 1.27pm BST

Q: If you stay in, you have to accept freedom of movement?

Corbyn says we need proper regulation of the labour market. It is not acceptable for people to come to the UK on very low wages.

Q: Are you aware of the net migration figures?

Corbyn says they change quite a lot. It has come down.

Q: Are you aware of the figure?

It is below 300,000.

Q: It is around 250,000. Is that acceptable?

Corbyn says the UK would be in a much worse position if it did not have EU labour.

block-time published-time 1.25pm BST

The BBC is now broadcasting the Brexit part of the Corbyn interview.

Corbyn says he wants the UK to have a close relationship with the EU after Brexit.

Q: Are there no circumstances in which you can imagine the UK staying in the EU?

Corbyn says Labour is in a complicated position. Most Labour voters backed remain, but a substantial minority voted to leave. The UK voted to leave. That must be respected, he says.

But he says there some EU agencies that the UK should remain part of.

Q: What about in the shorter term?

Corbyn says he does not see how it is possible to reach agreement on all trade issues by March 2019.

Going to World Trade Organisation terms then would be damaging.

So Labour has backed membership of the single market and the customs union during that period.

Q: For how long?

It would not be open ended, he says.

It would be as short as possible but as long as necessary.

Q: You might be facing Labour rebellions tonight?

Corbyn says he hopes Labour MPs will recognise the way the bill takes away powers of parliamentary scrutiny.

This is a power grab by the government, he says.

Q: The TUC wants the UK to stay in the single market permanently. Could we stay in indefinitely?

Corbyn says big industries have major supply chains across Europe. Those relationships must continue.

Q: So the UK could stay in indefinitely.

We want a relationship which allows us to trade within the single market. Whether that is formal membership, which is only possible, I believe, if you are actually a member of the EU, or whether it is an agreed trading relationship, is open for discussion. The outcome is more important than the nomenclature along the way.

block-time published-time 1.07pm BST

Corbyn plays down prospect of Labour keeping UK in single market permanently - but doesn't rule it out

Jeremy Corbyn has given an interview to the the World at One. According to the clip that Wato has just broadcast, Corbyn said that he did not think the UK would be able to remain a permanent, formal member of the single market after Brexit - but he did not absolutely rule it out.

This is what Corbyn told Martha Kearney when asked if the UK could stay in the single market and the customs union indefinitely.

We want a relationship which allows us to trade within the single market. Whether that is formal membership, which is only possible, I believe, if you are actually a member of the EU, or whether it is an agreed trading relationship, is open for discussion.

I will cover the interview in full when it gets broadcast.

block-time updated-timeUpdated at 1.08pm BST

block-time published-time 12.36pm BST

There are no statements or urgent questions today. That means the EU withdrawal bill debate will start at about 3.30pm.

enltrNo oral Statements or UQs today. The debate on EU Withdrawal Bill debate should start around 3.35 with votes coming at or before midnight.

- Labour Whips (@labourwhips) September 11, 2017

block-time published-time 12.15pm BST

Trade unions will lead protests against Trump if he visits UK, O'Grady tells TUC

The TUC will lead a protest against President Trump if he ever visits the UK, Frances O'Grady, the TUC general secretary, said in her speech. She told delegates:

If Trump sets a foot on our soil the TUC will be proud to lead a peaceful protest. Let us send a message - Donald Trump, you are not welcome here.

As my colleague Patrick Wintour reported in June, Trump has told Theresa May that he does not want to come to the UK for a state visit if he is going to be met with large-scale protests. So we may be waiting for that visit of quite some time...

block-time published-time 12.06pm BST

No 10 lobby briefing - Summary

Here are the main points from the Number 10 lobby briefing.

* Theresa May is holding a Cobra meeting to discuss the government's response to Hurricane Irma, the prime minister's spokesman said. He also he rejected claims that the government's response so far had been inadequate. This was "an unprecedented situation", he said, and it involved "a huge number of British citizens" in the path of the hurricane. He told journalists:

We are talking about a huge number of British citizens who are in the path of this hurricane, and we are doing everything we can to help them...

RFA Mounts Bay was not in the region by chance. It was pre-positioned there in July ahead of hurricane season. What that meant was that DfID (Department for International Development) aid supplies, specially trained military personnel and a helicopter were in the Caribbean when Irma hit, and they could start getting to Anguilla as soon as the hurricane passed.

We were prepared for this and we responded quickly. We are now responding to an unprecedented situation and making sure that all the resources that are needed are getting there.

The morning after Irma hit, Mounts Bay delivered six tonnes of shelter and cleared the runway to allow relief flights to land. The ship moved to BVI (British Virgin Islands) and got the airfield operating again. It will deliver further supplies to Anguilla today, having resupplied. We've provided £32m in immediate assistance to the overseas territories. DFID are matching every pound donated to the British Red Cross by the public.

We've deployed almost 700 troops to the region. We have three helicopters and an A400 aircraft to help transport personnel between the islands. There will be more helicopters arriving with HMS Ocean. Twenty tonnes of aid are there.Other countries are asking for our assistance in the region. The French asked for our assistance and we are providing that.

* The spokesman signalled that the government would be willing to compromise over the EU withdrawal bill as it went through the Commons. He said:

We have been clear that we are going to listen to the concerns of people on this bill and that is what we will do.

* The spokesman said the government would publish its ***plans*** for police and prison service pay "shortly", but he refused to confirm reports saying that their awards will breach the 1% cap on public sector pay rises.

1. The spokesman dismissed a claim from Citzens Advice saying that universal credit is a "disaster waiting to happen". He said it was an "important reform" that would help people find work and progress to earning more.
2. May is hosting a meeting in Downing Street later with her new trade envoys. Some are David Cameron appointees who have been reappointed, but some are new.

10 Downing Street. Photograph: Jack Taylor/Getty Images

block-time updated-timeUpdated at 12.10pm BST

block-time published-time 11.45am BST

At the TUC conference Frances O'Grady, the TUC general secretary, is just wrapping up her speech. I will post a summary when I've seen the full text.

These are from ITV's Paul Brand.

enltrTUC's Frances O'Grady says Johnson, Fox, Davis are 'cabinet's answer to Grange Hill, playing up cos they have a supply teacher' for Brexit. pic.twitter.com/y6HAfvhlsf

- Paul Brand (@PaulBrandITV) September 11, 2017

enltrFrances O'Grady: "PM talks about sacrifices public sector workers have made...as if they had a choice!" #tuc

- Paul Brand (@PaulBrandITV) September 11, 2017

enltrO'Grady tells Treasury to 'get on with it' and give public sector workers pay rise above 1% cap. "They all deserve it and deserve it now!"

- Paul Brand (@PaulBrandITV) September 11, 2017

Here is our preview story.

block-time published-time 11.43am BST

Frank Field, the Labour former welfare minister, will defy the Labour whip and vote for the EU referendum bill. He will be voting to "deliver on the outcome of the referendum" according to aides. He does want to amend the bill at a later stage but agrees with Caroline Flint that Labour's job is not to "kill the bill" but to improve it as it passes through the house.

block-time published-time 11.41am BST

I'm back from the Number 10 lobby briefing. Theresa May is chairing a Cobra meeting to discuss Hurricane Irma, the prime minister's spokesman said, but he rejected claims that the government's response so far had been inadequate. This was "an unprecedented situation", he said, and it involved "a huge number of British citizens" in the path of the hurricane.

Otherwise, the briefing was rather dull. I will post a summary (for what it is worth) shortly.

block-time published-time 10.58am BST

Sir Alan Duncan, the deputy foreign minister, has revealed that Brexit has been good for the government's wine supplies. In a written ministerial statement about the government hospitality wine cellar, he says that consumption by volume fell by 12% in the financial year 2016/17 "due to fewer government events, particularly during the EU referendum period".

I'm off to the Number 10 lobby briefing. I will post again after 11.30am.

block-time published-time 10.26am BST

The Scottish government says nuisance calls disproportionately affect people in Scotland. It has announced a 50,000 fund to install call-blocking technology for those most at risk but, in a news release, the Scottish government's economy secretary, Keith Brown, says that the UK government regulates this area and that it should do more. He proposes "exploring a model which automatically opts people out of unwanted calls."

block-time published-time 9.57am BST

Blair says he considered British football league as means of keeping England and Scotland close after devolution

In an interview with BBC Scotland, to mark the 20th anniversary today of the Scottish devolution referendum, Tony Blair has revealed that he considered the case for having a British football league as a means of keeping England and Scotland together after devolution. He said:

Since that time [the referendum] I've always sort of thought about what we did right and what we did wrong.

I think in retrospect I would have looked for more ways of trying to keep Scotland and England culturally aligned.

I know it sounds a bit strange but I was for a time quite obsessed with the idea that, for example, for football we should be opening up the English league and the Scottish league and having them together because I always thought we should be looking at ways of making sure that people felt a connection.

Blair said that having a British football team "was going to be a step far too far", but added:

I was looking for ways of making sure that, as we in a sense diverged around devolution, that there were elements of convergence and I still think in the future it's important we look for that...

One of the reasons I was always against nationalism is that I felt that ultimately, although I understood the reasons for it, it's got a divisive aspect to it and so for me devolution was about a sensible set of reforms to government but I wanted to make sure all the way through that we kept that sense of unity culturally and politically at the right level for the UK.

Tony Blair on the Andrew Marr Show yesterday. Photograph: Jeff Overs/BBC/PA

block-time published-time 9.25am BST

Johnson says he hopes Brexit coincides with 'renaissance' for the EU

Here are the main points from Boris Johnson's Today interview.

* Johnson, the foreign secretary, refused to rule out free movement for EU nationals staying during the Brexit transition. (See 8.56am.)

1. He said that he hoped Brexit would coincide with a "renaissance" for the EU. He said:

I'm interest to hear that the commission president, Monsieur Juncker - who has many great qualities, by the way - he has said that he regards Brexit as - or he's about to say this, according the papers, - a moment for the renaissance of the European Union. Well, fantastic, let's get on with it, let's have a renaissance of the European Union.

This is rather different from the argument that Michael Gove, the environment secretary, advanced during the EU referendum campaign last year when he and Johnson were jointly running the Vote Leave campaign. Gove implied that he would like to see Brexit lead to the break-up of the EU. In one speech Gove said:

The UK's success [outside the EU] will send a very different message to the EU's peoples. They will see that a different Europe is possible. It is possible to regain democratic control of your own country and currency, to trade and co-operate with other EU nations without surrendering fundamental sovereignty to a remote and unelected bureaucracy. And, by following that path, your people are richer, your influence for good greater, your future brighter.

So - yes there will be "contagion" if Britain leaves the EU. But what will be catching is democracy...

For Europe, Britain voting to leave will be the beginning of something potentially even more exciting - the democratic liberation of a whole continent.

* Johnson backed Theresa May's leadership, saying she needed to "keep going". Asked what she should do, he replied:

Keep going. She needs to keep going, get this thing done. What people want is a government that delivers on the priorities of the people.

* He said MPs voting against the EU withdrawal bill tonight would be "effectively voting to frustrate Brexit". He said:

The vote tonight is very important. We need to get it done. We need to get this great ship launched...

People who vote against it will be effectively voting to frustrate Brexit by ***producing*** a completely chaotic result.

* He said criticism of the government's response to Hurricane Irma, and the level of support offered to Britons and to British territories affected by it, was "completely unjustified". He said:

This is a very big consular crisis and I am confident we are doing everything we possibly can to help British nationals...

It doesn't make any sense when a hurricane is impending to send in heavy aircraft or to send in ships that are not going to be capable themselves of withstanding the storm...

If you look at what is happening now you can see an unprecedented British effort to deal with what has been an unprecedented catastrophe for the region.

Boris Johnson. Photograph: Stefan Rousseau/PA

block-time published-time 8.56am BST

Boris Johnson refuses to rule out free movement staying during Brexit transition

At midnight MPs will vote on giving the EU withdrawal bill a second reading. The government seems certain to win (there does not even seem to be much prospect of defeat on the ***programme*** motion), but it will be an important Brexit milestone,

Another one will come when Theresa May delivers her much-anticipated autumn Brexit speech, probably at the end of next week. Boris Johnson was on the Today ***programme*** this morning, mostly talking about the British response to Hurricane Irma (which we are covering on a separate live blog), and he offered an intriguing hint as to what might be in it.

John Humphrys asked about the transition period that would happen after Brexit. During that period Britain would stay in the internal market and in the customs union, Humphrys claimed (even though the government has not quite put it like that), and then he added: "I'm assuming, correct me if I'm wrong, there will still be free movement of people for those two years?"

Johnson could have chosen to correct Humphrys. Or he could have chosen to say that we will be leaving the EU at the end of March 2019, and that free movement would have to go. But instead he replied:

I'm not going to pre-empt any announcements that the prime minister will make about this in due course...

That sounded like a possible hint that the May speech will contain a concession to the EU that involves keeping free movement, in some form, during the transition period.

I will post more from the interview shortly.

Here is the agenda for the day.

9am: The Institute for Fiscal Studies holds a briefing on NHS services.

11am: Downing Street lobby briefing.

3.30pm: MPs are due to resume their debate on the EU withdrawal bill. They will vote at midnight.

Also the TUC annual conference is taking place. Frances O'Grady, the TUC general secretary, is speaking.

As usual, I will be covering breaking political news as it happens, as well as bringing you the best reaction, comment and analysis from the web. I ***plan*** to post a summary at lunchtime and another in the afternoon.

You can read all today's Guardian politics stories here.

Here is the Politico Europe round-up of this morning's political news from Jack Blanchard's Playbook. And here is the PoliticsHome list of today' top 10 must reads.

If you want to follow me or contact me on Twitter, I'm on @AndrewSparrow.

I try to monitor the comments BTL but normally I find it impossible to read them all. If you have a direct question, do include "Andrew" in it somewhere and I'm more likely to find it. I do try to answer direct questions, although sometimes I miss them or don't have time.

If you want to attract my attention quickly, it is probably better to use Twitter.

block-time updated-timeUpdated at 9.31am BST

16521 2017-09-14T07:00:00Z true 2017-09-11T07:56:15Z false false 2017-09-12T00:27:10Z true UK theguardian.com [*https://gu.com/p/77c6h*](https://gu.com/p/77c6h) false true   [*https://media.guim.co.uk/9750b2d3b62a3bc787d49933191af0d69fdf05e4/0\_109\_4737\_2842/500.jpg*](https://media.guim.co.uk/9750b2d3b62a3bc787d49933191af0d69fdf05e4/0_109_4737_2842/500.jpg) false en Conservative MPs have warned Theresa May that their support for her government's Brexit legislation is not unconditional, as they demanded significant changes to the EU withdrawal bill within minutes of backing it. As Anushka Asthana reports, parliament's post-midnight vote resulted in the prime minister facing no rebellion from within her party, as the government secured a victory of 326 to 290. The result handed May an effective "Brexit majority" of 36 after seven Labour MPs - Ronnie Campbell, Frank Field, Kate Hoey, Kelvin Hopkins, John Mann, Dennis Skinner and Graham Stringer - defied their own party whip to support the government, arguing that the referendum demanded the legislation be passed. The prime minister called it a "historic decision to back the will of the British people" and said the vote would give clarity and certainty through the Brexit process. That's all from me for tonight. Thanks for the comments. Here is Stephen Gethins, the SNP's international affairs spokesman, on tonight's votes. The passing of the bill to the committee stage this evening marks a dark day for devolution and democracy in the UK, and another step closer towards the damaging impact the Tory government's Brexit strategy - or lack of - will have on the UK's economy, jobs and living standards. Despite the disappointment, I am pleased to see Labour's shift in stance towards backing the SNP's long-standing position on the importance of securing the best possible legislation and deal, and the dangers if opposition parties remain divided in their approach in holding this Tory government to account. This is echoed by yesterday's welcome comments by Jeremy Corbyn on seeking a deal whereby the UK stays in the single market. The challenge now is for MPs across the chamber to unite behind a common purpose in ensuring that this UK government is prevented from railroading further Brexit legislation through that risks the very foundations of devolution. And here are the figures showing how MPs voted by party on the ***programme*** motion. For the progamme motion Conservatives: 308 DUP: 10 Against the ***programme*** motion Labour: 248 SNP: 34 Lib Dem: 12 Plaid Cymru: 4 Green: 1 Conservative: 1 (Ken Clarke) Independent: 1 (Lady Hernon) Ken Clarke, the Conservative former chancellor, voted against the government on the ***programme*** motion. He was the only Conservative to vote against the government in any of the three votes on the bill tonight. On the main second reading vote he abstained. And here is the full list of the 290 MPs who voted against the bill at second reading. Ms Diane Abbott (Labour - Hackney North and Stoke Newington) Debbie Abrahams (Labour - Oldham East and Saddleworth) Heidi Alexander (Labour - Lewisham East) Rushanara Ali (Labour - Bethnal Green and Bow) Dr Rosena Allin-Khan (Labour - Tooting) Mike Amesbury (Labour - Weaver Vale) Tonia Antoniazzi (Labour - Gower) Jonathan Ashworth (Labour (Co-op) - Leicester South) Mr Adrian Bailey (Labour (Co-op) - West Bromwich West) Hannah Bardell (Scottish National Party - Livingston) Margaret Beckett (Labour - Derby South) Hilary Benn (Labour - Leeds Central) Luciana Berger (Labour (Co-op) - Liverpool, Wavertree) Mr Clive Betts (Labour - Sheffield South East) Ian Blackford (Scottish National Party - Ross, Skye and Lochaber) Kirsty Blackman (Scottish National Party - Aberdeen North) Dr Roberta Blackman-Woods (Labour - City of Durham) Paul Blomfield (Labour - Sheffield Central) Tracy Brabin (Labour (Co-op) - Batley and Spen) Mr Ben Bradshaw (Labour - Exeter) Tom Brake (Liberal Democrat - Carshalton and Wallington) Kevin Brennan (Labour - Cardiff West) Deidre Brock (Scottish National Party - Edinburgh North and Leith) Alan Brown (Scottish National Party - Kilmarnock and Loudoun) Lyn Brown (Labour - West Ham) Mr Nicholas Brown (Labour - Newcastle upon Tyne East) Chris Bryant (Labour - Rhondda) Ms Karen Buck (Labour - Westminster North) Richard Burden (Labour - Birmingham, Northfield) Richard Burgon (Labour - Leeds East) Dawn Butler (Labour - Brent Central) Liam Byrne (Labour - Birmingham, Hodge Hill) Sir Vince Cable (Liberal Democrat - Twickenham) Ruth Cadbury (Labour - Brentford and Isleworth) Dr Lisa Cameron (Scottish National Party - East Kilbride, Strathaven and Lesmahagow) Mr Alan Campbell (Labour - Tynemouth) Dan Carden (Labour - Liverpool, Walton) Mr Alistair Carmichael (Liberal Democrat - Orkney and Shetland) Sarah Champion (Labour - Rotherham) Douglas Chapman (Scottish National Party - Dunfermline and West Fife) Jenny Chapman (Labour - Darlington) Bambos Charalambous (Labour - Enfield, Southgate) Joanna Cherry (Scottish National Party - Edinburgh South West) Ann Clwyd (Labour - Cynon Valley) Vernon Coaker (Labour - Gedling) Ann Coffey (Labour - Stockport) Julie Cooper (Labour - Burnley) Rosie Cooper (Labour - West Lancashire) Yvette Cooper (Labour - Normanton, Pontefract and Castleford) Jeremy Corbyn (Labour - Islington North) Ronnie Cowan (Scottish National Party - Inverclyde) Neil Coyle (Labour - Bermondsey and Old Southwark) Angela Crawley (Scottish National Party - Lanark and Hamilton East) Mary Creagh (Labour - Wakefield) Stella Creasy (Labour (Co-op) - Walthamstow) Jon Cruddas (Labour - Dagenham and Rainham) John Cryer (Labour - Leyton and Wanstead) Judith Cummins (Labour - Bradford South) Alex Cunningham (Labour - Stockton North) Mr Jim Cunningham (Labour - Coventry South) Sir Edward Davey (Liberal Democrat - Kingston and Surbiton) Wayne David (Labour - Caerphilly) Geraint Davies (Labour (Co-op) - Swansea West) Martyn Day (Scottish National Party - Linlithgow and East Falkirk) Marsha De Cordova (Labour - Battersea) Gloria De Piero (Labour - Ashfield) Thangam Debbonaire (Labour - Bristol West) Emma Dent Coad (Labour - Kensington) Mr Tanmanjeet Singh Dhesi (Labour - Slough) Martin Docherty-Hughes (Scottish National Party - West Dunbartonshire) Anneliese Dodds (Labour (Co-op) - Oxford East) Stephen Doughty (Labour (Co-op) - Cardiff South and Penarth) Peter Dowd (Labour - Bootle) Dr David Drew (Labour (Co-op) - Stroud) Jack Dromey (Labour - Birmingham, Erdington) Rosie Duffield (Labour - Canterbury) Maria Eagle (Labour - Garston and Halewood) Ms Angela Eagle (Labour - Wallasey) Jonathan Edwards (Plaid Cymru - Carmarthen East and Dinefwr) Clive Efford (Labour - Eltham) Julie Elliott (Labour - Sunderland Central) Mrs Louise Ellman (Labour (Co-op) - Liverpool, Riverside) Chris Elmore (Labour - Ogmore) Bill Esterson (Labour - Sefton Central) Chris Evans (Labour (Co-op) - Islwyn) Paul Farrelly (Labour - Newcastle-under-Lyme) Tim Farron (Liberal Democrat - Westmorland and Lonsdale) Marion Fellows (Scottish National Party - Motherwell and Wishaw) Jim Fitzpatrick (Labour - Poplar and Limehouse) Colleen Fletcher (Labour - Coventry North East) Paul Flynn (Labour - Newport West) James Frith (Labour - Bury North) Gill Furniss (Labour - Sheffield, Brightside and Hillsborough) Hugh Gaffney (Labour - Coatbridge, Chryston and Bellshill) Mike Gapes (Labour (Co-op) - Ilford South) Barry Gardiner (Labour - Brent North) Ruth George (Labour - High Peak) Stephen Gethins (Scottish National Party - North East Fife) Patricia Gibson (Scottish National Party - North Ayrshire and Arran) Preet Kaur Gill (Labour (Co-op) - Birmingham, Edgbaston) Mary Glindon (Labour - North Tyneside) Mr Roger Godsiff (Labour - Birmingham, Hall Green) Helen Goodman (Labour - Bishop Auckland) Patrick Grady (Scottish National Party - Glasgow North) Peter Grant (Scottish National Party - Glenrothes) Neil Gray (Scottish National Party - Airdrie and Shotts) Kate Green (Labour - Stretford and Urmston) Lilian Greenwood (Labour - Nottingham South) Margaret Greenwood (Labour - Wirral West) Nia Griffith (Labour - Llanelli) John Grogan (Labour - Keighley) Andrew Gwynne (Labour - Denton and Reddish) Louise Haigh (Labour - Sheffield, Heeley) Fabian Hamilton (Labour - Leeds North East) Emma Hardy (Labour - Kingston upon Hull West and Hessle) Ms Harriet Harman (Labour - Camberwell and Peckham) Carolyn Harris (Labour - Swansea East) Helen Hayes (Labour - Dulwich and West Norwood) Sue Hayman (Labour - Workington) John Healey (Labour - Wentworth and Dearne) Mr Mark Hendrick (Labour (Co-op) - Preston) Drew Hendry (Scottish National Party - Inverness, Nairn, Badenoch and Strathspey) Mr Stephen Hepburn (Labour - Jarrow) Lady Hermon (Independent - North Down) Mike Hill (Labour - Hartlepool) Meg Hillier (Labour (Co-op) - Hackney South and Shoreditch) Wera Hobhouse (Liberal Democrat - Bath) Dame Margaret Hodge (Labour - Barking) Mrs Sharon Hodgson (Labour - Washington and Sunderland West) Kate Hollern (Labour - Blackburn) Stewart Hosie (Scottish National Party - Dundee East) Mr George Howarth (Labour - Knowsley) Dr Rupa Huq (Labour - Ealing Central and Acton) Imran Hussain (Labour - Bradford East) Christine Jardine (Liberal Democrat - Edinburgh West) Dan Jarvis (Labour - Barnsley Central) Diana Johnson (Labour - Kingston upon Hull North) Darren Jones (Labour - Bristol North West) Gerald Jones (Labour - Merthyr Tydfil and Rhymney) Graham P Jones (Labour - Hyndburn) Sarah Jones (Labour - Croydon Central) Susan Elan Jones (Labour - Clwyd South) Mike Kane (Labour - Wythenshawe and Sale East) Barbara Keeley (Labour - Worsley and Eccles South) Liz Kendall (Labour - Leicester West) Afzal Khan (Labour - Manchester, Gorton) Stephen Kinnock (Labour - Aberavon) Peter Kyle (Labour - Hove) Lesley Laird (Labour - Kirkcaldy and Cowdenbeath) Ben Lake (Plaid Cymru - Ceredigion) Norman Lamb (Liberal Democrat - North Norfolk) Mr David Lammy (Labour - Tottenham) Ian Lavery (Labour - Wansbeck) Chris Law (Scottish National Party - Dundee West) Ms Karen Lee (Labour - Lincoln) Mr Chris Leslie (Labour (Co-op) - Nottingham East) Mrs Emma Lewell-Buck (Labour - South Shields) Clive Lewis (Labour - Norwich South) Mr Ivan Lewis (Labour - Bury South) David Linden (Scottish National Party - Glasgow East) Stephen Lloyd (Liberal Democrat - Eastbourne) Tony Lloyd (Labour - Rochdale) Rebecca Long Bailey (Labour - Salford and Eccles) Caroline Lucas (Green Party - Brighton, Pavilion) Ian C. Lucas (Labour - Wrexham) Holly Lynch (Labour - Halifax) Angus Brendan MacNeil (Scottish National Party - Na h-Eileanan an Iar) Justin Madders (Labour - Ellesmere Port and Neston) Mr Khalid Mahmood (Labour - Birmingham, Perry Barr) Shabana Mahmood (Labour - Birmingham, Ladywood) Seema Malhotra (Labour (Co-op) - Feltham and Heston) Gordon Marsden (Labour - Blackpool South) Sandy Martin (Labour - Ipswich) Rachael Maskell (Labour (Co-op) - York Central) Christian Matheson (Labour - City of Chester) Steve McCabe (Labour - Birmingham, Selly Oak) Kerry McCarthy (Labour - Bristol East) Siobhain McDonagh (Labour - Mitcham and Morden) Andy McDonald (Labour - Middlesbrough) Stewart Malcolm McDonald (Scottish National Party - Glasgow South) Stuart C. McDonald (Scottish National Party - Cumbernauld, Kilsyth and Kirkintilloch East) John McDonnell (Labour - Hayes and Harlington) Mr Pat McFadden (Labour - Wolverhampton South East) Conor McGinn (Labour - St Helens North) Alison McGovern (Labour - Wirral South) Liz McInnes (Labour - Heywood and Middleton) Catherine McKinnell (Labour - Newcastle upon Tyne North) Jim McMahon (Labour (Co-op) - Oldham West and Royton) Anna McMorrin (Labour - Cardiff North) John McNally (Scottish National Party - Falkirk) Ian Mearns (Labour - Gateshead) Edward Miliband (Labour - Doncaster North) Carol Monaghan (Scottish National Party - Glasgow North West) Layla Moran (Liberal Democrat - Oxford West and Abingdon) Jessica Morden (Labour - Newport East) Stephen Morgan (Labour - Portsmouth South) Grahame Morris (Labour - Easington) Ian Murray (Labour - Edinburgh South) Lisa Nandy (Labour - Wigan) Gavin Newlands (Scottish National Party - Paisley and Renfrewshire North) Alex Norris (Labour (Co-op) - Nottingham North) Brendan O'Hara (Scottish National Party - Argyll and Bute) Jared O'Mara (Labour - Sheffield, Hallam) Fiona Onasanya (Labour - Peterborough) Melanie Onn (Labour - Great Grimsby) Chi Onwurah (Labour - Newcastle upon Tyne Central) Kate Osamor (Labour (Co-op) - Edmonton) Albert Owen (Labour - Ynys Môn) Stephanie Peacock (Labour - Barnsley East) Teresa Pearce (Labour - Erith and Thamesmead) Matthew Pennycook (Labour - Greenwich and Woolwich) Toby Perkins (Labour - Chesterfield) Jess Phillips (Labour - Birmingham, Yardley) Bridget Phillipson (Labour - Houghton and Sunderland South) Laura Pidcock (Labour - North West Durham) Jo Platt (Labour (Co-op) - Leigh) Luke Pollard (Labour (Co-op) - Plymouth, Sutton and Devonport) Stephen Pound (Labour - Ealing North) Lucy Powell (Labour (Co-op) - Manchester Central) Yasmin Qureshi (Labour - Bolton South East) Faisal Rashid (Labour - Warrington South) Angela Rayner (Labour - Ashton-under-Lyne) Mr Steve Reed (Labour (Co-op) - Croydon North) Christina Rees (Labour (Co-op) - Neath) Ellie Reeves (Labour - Lewisham West and Penge) Rachel Reeves (Labour - Leeds West) Emma Reynolds (Labour - Wolverhampton North East) Jonathan Reynolds (Labour (Co-op) - Stalybridge and Hyde) Ms Marie Rimmer (Labour - St Helens South and Whiston) Mr Geoffrey Robinson (Labour - Coventry North West) Matt Rodda (Labour - Reading East) Danielle Rowley (Labour - Midlothian) Chris Ruane (Labour - Vale of Clwyd) Lloyd Russell-Moyle (Labour (Co-op) - Brighton, Kemptown) Joan Ryan (Labour - Enfield North) Liz Saville Roberts (Plaid Cymru - Dwyfor Meirionnydd) Naz Shah (Labour - Bradford West) Mr Virendra Sharma (Labour - Ealing, Southall) Mr Barry Sheerman (Labour (Co-op) - Huddersfield) Tommy Sheppard (Scottish National Party - Edinburgh East) Paula Sherriff (Labour - Dewsbury) Mr Gavin Shuker (Labour (Co-op) - Luton South) Tulip Siddiq (Labour - Hampstead and Kilburn) Andy Slaughter (Labour - Hammersmith) Ruth Smeeth (Labour - Stoke-on-Trent North) Angela Smith (Labour - Penistone and Stocksbridge) Cat Smith (Labour - Lancaster and Fleetwood) Eleanor Smith (Labour - Wolverhampton South West) Jeff Smith (Labour - Manchester, Withington) Laura Smith (Labour - Crewe and Nantwich) Nick Smith (Labour - Blaenau Gwent) Owen Smith (Labour - Pontypridd) Karin Smyth (Labour - Bristol South) Gareth Snell (Labour (Co-op) - Stoke-on-Trent Central) Alex Sobel (Labour (Co-op) - Leeds North West) Keir Starmer (Labour - Holborn and St Pancras) Chris Stephens (Scottish National Party - Glasgow South West) Jo Stevens (Labour - Cardiff Central) Jamie Stone (Liberal Democrat - Caithness, Sutherland and Easter Ross) Wes Streeting (Labour - Ilford North) Mr Paul J Sweeney (Labour (Co-op) - Glasgow North East) Jo Swinson (Liberal Democrat - East Dunbartonshire) Mark Tami (Labour - Alyn and Deeside) Alison Thewliss (Scottish National Party - Glasgow Central) Gareth Thomas (Labour (Co-op) - Harrow West) Nick Thomas-Symonds (Labour - Torfaen) Emily Thornberry (Labour - Islington South and Finsbury) Stephen Timms (Labour - East Ham) Jon Trickett (Labour - Hemsworth) Karl Turner (Labour - Kingston upon Hull East) Stephen Twigg (Labour (Co-op) - Liverpool, West Derby) Liz Twist (Labour - Blaydon) Chuka Umunna (Labour - Streatham) Keith Vaz (Labour - Leicester East) Valerie Vaz (Labour - Walsall South) Thelma Walker (Labour - Colne Valley) Tom Watson (Labour - West Bromwich East) Catherine West (Labour - Hornsey and Wood Green) Matt Western (Labour - Warwick and Leamington) Dr Alan Whitehead (Labour - Southampton, Test) Martin Whitfield (Labour - East Lothian) Dr Philippa Whitford (Scottish National Party - Central Ayrshire) Dr Paul Williams (Labour - Stockton South) Hywel Williams (Plaid Cymru - Arfon) Chris Williamson (Labour - Derby North) Phil Wilson (Labour - Sedgefield) Pete Wishart (Scottish National Party - Perth and North Perthshire) John Woodcock (Labour (Co-op) - Barrow and Furness) Mohammad Yasin (Labour - Bedford) Daniel Zeichner (Labour - Cambridge) There were also two tellers for the noes, Vicky Foxcroft (Labour - Lewisham, Deptford) and Nic Dakin (Labour - Scunthorpe). Here is the full list of the 326 MPs who voted for the EU withdrawal bill at second reading. Nigel Adams (Conservative - Selby and Ainsty) Bim Afolami (Conservative - Hitchin and Harpenden) Adam Afriyie (Conservative - Windsor) Peter Aldous (Conservative - Waveney) Lucy Allan (Conservative - Telford) Heidi Allen (Conservative - South Cambridgeshire) Stuart Andrew (Conservative - Pudsey) Edward Argar (Conservative - Charnwood) Victoria Atkins (Conservative - Louth and Horncastle) Mr Richard Bacon (Conservative - South Norfolk) Mrs Kemi Badenoch (Conservative - Saffron Walden) Mr Steve Baker (Conservative - Wycombe) Harriett Baldwin (Conservative - West Worcestershire) Stephen Barclay (Conservative - North East Cambridgeshire) Mr John Baron (Conservative - Basildon and Billericay) Guto Bebb (Conservative - Aberconwy) Sir Henry Bellingham (Conservative - North West Norfolk) Richard Benyon (Conservative - Newbury) Sir Paul Beresford (Conservative - Mole Valley) Jake Berry (Conservative - Rossendale and Darwen) Bob Blackman (Conservative - Harrow East) Crispin Blunt (Conservative - Reigate) Mr Peter Bone (Conservative - Wellingborough) Sir Peter Bottomley (Conservative - Worthing West) Andrew Bowie (Conservative - West Aberdeenshire and Kincardine) Ben Bradley (Conservative - Mansfield) Karen Bradley (Conservative - Staffordshire Moorlands) Mr Graham Brady (Conservative - Altrincham and Sale West) Jack Brereton (Conservative - Stoke-on-Trent South) Andrew Bridgen (Conservative - North West Leicestershire) Steve Brine (Conservative - Winchester) James Brokenshire (Conservative - Old Bexley and Sidcup) Fiona Bruce (Conservative - Congleton) Robert Buckland (Conservative - South Swindon) Alex Burghart (Conservative - Brentwood and Ongar) Conor Burns (Conservative - Bournemouth West) Alistair Burt (Conservative - North East Bedfordshire) Alun Cairns (Conservative - Vale of Glamorgan) Mr Gregory Campbell (Democratic Unionist Party - East Londonderry) Mr Ronnie Campbell (Labour - Blyth Valley) James Cartlidge (Conservative - South Suffolk) Sir William Cash (Conservative - Stone) Maria Caulfield (Conservative - Lewes) Alex Chalk (Conservative - Cheltenham) Rehman Chishti (Conservative - Gillingham and Rainham) Mr Christopher Chope (Conservative - Christchurch) Jo Churchill (Conservative - Bury St Edmunds) Colin Clark (Conservative - Gordon) Greg Clark (Conservative - Tunbridge Wells) Mr Simon Clarke (Conservative - Middlesbrough South and East Cleveland) James Cleverly (Conservative - Braintree) Geoffrey Clifton-Brown (Conservative - The Cotswolds) Dr Thérèse Coffey (Conservative - Suffolk Coastal) Damian Collins (Conservative - Folkestone and Hythe) Alberto Costa (Conservative - South Leicestershire) Robert Courts (Conservative - Witney) Mr Geoffrey Cox (Conservative - Torridge and West Devon) Stephen Crabb (Conservative - Preseli Pembrokeshire) Tracey Crouch (Conservative - Chatham and Aylesford) Chris Davies (Conservative - Brecon and Radnorshire) David T. C. Davies (Conservative - Monmouth) Glyn Davies (Conservative - Montgomeryshire) Mims Davies (Conservative - Eastleigh) Philip Davies (Conservative - Shipley) Mr David Davis (Conservative - Haltemprice and Howden) Caroline Dinenage (Conservative - Gosport) Mr Jonathan Djanogly (Conservative - Huntingdon) Leo Docherty (Conservative - Aldershot) Julia Dockerill (Conservative - Hornchurch and Upminster) Nigel Dodds (Democratic Unionist Party - Belfast North) Sir Jeffrey M. Donaldson (Democratic Unionist Party - Lagan Valley) Michelle Donelan (Conservative - Chippenham) Ms Nadine Dorries (Conservative - Mid Bedfordshire) Steve Double (Conservative - St Austell and Newquay) Oliver Dowden (Conservative - Hertsmere) Jackie Doyle-Price (Conservative - Thurrock) Richard Drax (Conservative - South Dorset) James Duddridge (Conservative - Rochford and Southend East) David Duguid (Conservative - Banff and Buchan) Mr Iain Duncan Smith (Conservative - Chingford and Woodford Green) Sir Alan Duncan (Conservative - Rutland and Melton) Mr Philip Dunne (Conservative - Ludlow) Michael Ellis (Conservative - Northampton North) Mr Tobias Ellwood (Conservative - Bournemouth East) Charlie Elphicke (Conservative - Dover) George Eustice (Conservative - Camborne and Redruth) Mr Nigel Evans (Conservative - Ribble Valley) David Evennett (Conservative - Bexleyheath and Crayford) Michael Fabricant (Conservative - Lichfield) Sir Michael Fallon (Conservative - Sevenoaks) Suella Fernandes (Conservative - Fareham) Frank Field (Labour - Birkenhead) Mark Field (Conservative - Cities of London and Westminster) Vicky Ford (Conservative - Chelmsford) Kevin Foster (Conservative - Torbay) Dr Liam Fox (Conservative - North Somerset) Mr Mark Francois (Conservative - Rayleigh and Wickford) Lucy Frazer (Conservative - South East Cambridgeshire) George Freeman (Conservative - Mid Norfolk) Mike Freer (Conservative - Finchley and Golders Green) Mr Marcus Fysh (Conservative - Yeovil) Sir Roger Gale (Conservative - North Thanet) Mark Garnier (Conservative - Wyre Forest) Mr David Gauke (Conservative - South West Hertfordshire) Ms Nusrat Ghani (Conservative - Wealden) Nick Gibb (Conservative - Bognor Regis and Littlehampton) Mrs Cheryl Gillan (Conservative - Chesham and Amersham) Paul Girvan (Democratic Unionist Party - South Antrim) John Glen (Conservative - Salisbury) Zac Goldsmith (Conservative - Richmond Park) Mr Robert Goodwill (Conservative - Scarborough and Whitby) Michael Gove (Conservative - Surrey Heath) Luke Graham (Conservative - Ochil and South Perthshire) Richard Graham (Conservative - Gloucester) Bill Grant (Conservative - Ayr, Carrick and Cumnock) Mrs Helen Grant (Conservative - Maidstone and The Weald) James Gray (Conservative - North Wiltshire) Chris Grayling (Conservative - Epsom and Ewell) Chris Green (Conservative - Bolton West) Damian Green (Conservative - Ashford) Justine Greening (Conservative - Putney) Mr Dominic Grieve (Conservative - Beaconsfield) Mr Sam Gyimah (Conservative - East Surrey) Kirstene Hair (Conservative - Angus) Robert Halfon (Conservative - Harlow) Luke Hall (Conservative - Thornbury and Yate) Mr Philip Hammond (Conservative - Runnymede and Weybridge) Stephen Hammond (Conservative - Wimbledon) Matt Hancock (Conservative - West Suffolk) Greg Hands (Conservative - Chelsea and Fulham) Mr Mark Harper (Conservative - Forest of Dean) Richard Harrington (Conservative - Watford) Rebecca Harris (Conservative - Castle Point) Trudy Harrison (Conservative - Copeland) Simon Hart (Conservative - Carmarthen West and South Pembrokeshire) Mr John Hayes (Conservative - South Holland and The Deepings) Sir Oliver Heald (Conservative - North East Hertfordshire) James Heappey (Conservative - Wells) Chris Heaton-Harris (Conservative - Daventry) Peter Heaton-Jones (Conservative - North Devon) Gordon Henderson (Conservative - Sittingbourne and Sheppey) Nick Herbert (Conservative - Arundel and South Downs) Damian Hinds (Conservative - East Hampshire) Simon Hoare (Conservative - North Dorset) Kate Hoey (Labour - Vauxhall) George Hollingbery (Conservative - Meon Valley) Kevin Hollinrake (Conservative - Thirsk and Malton) Mr Philip Hollobone (Conservative - Kettering) Adam Holloway (Conservative - Gravesham) Kelvin Hopkins (Labour - Luton North) John Howell (Conservative - Henley) Nigel Huddleston (Conservative - Mid Worcestershire) Eddie Hughes (Conservative - Walsall North) Mr Jeremy Hunt (Conservative - South West Surrey) Mr Nick Hurd (Conservative - Ruislip, Northwood and Pinner) Mr Alister Jack (Conservative - Dumfries and Galloway) Margot James (Conservative - Stourbridge) Sajid Javid (Conservative - Bromsgrove) Mr Ranil Jayawardena (Conservative - North East Hampshire) Mr Bernard Jenkin (Conservative - Harwich and North Essex) Andrea Jenkyns (Conservative - Morley and Outwood) Robert Jenrick (Conservative - Newark) Boris Johnson (Conservative - Uxbridge and South Ruislip) Dr Caroline Johnson (Conservative - Sleaford and North Hykeham) Gareth Johnson (Conservative - Dartford) Joseph Johnson (Conservative - Orpington) Andrew Jones (Conservative - Harrogate and Knaresborough) Mr David Jones (Conservative - Clwyd West) Mr Marcus Jones (Conservative - Nuneaton) Daniel Kawczynski (Conservative - Shrewsbury and Atcham) Gillian Keegan (Conservative - Chichester) Seema Kennedy (Conservative - South Ribble) Stephen Kerr (Conservative - Stirling) Julian Knight (Conservative - Solihull) Sir Greg Knight (Conservative - East Yorkshire) Kwasi Kwarteng (Conservative - Spelthorne) John Lamont (Conservative - Berwickshire, Roxburgh and Selkirk) Mark Lancaster (Conservative - Milton Keynes North) Mrs Pauline Latham (Conservative - Mid Derbyshire) Andrea Leadsom (Conservative - South Northamptonshire) Dr Phillip Lee (Conservative - Bracknell) Jeremy Lefroy (Conservative - Stafford) Sir Edward Leigh (Conservative - Gainsborough) Sir Oliver Letwin (Conservative - West Dorset) Andrew Lewer (Conservative - Northampton South) Brandon Lewis (Conservative - Great Yarmouth) Dr Julian Lewis (Conservative - New Forest East) Mr Ian Liddell-Grainger (Conservative - Bridgwater and West Somerset) Mr David Lidington (Conservative - Aylesbury) Emma Little Pengelly (Democratic Unionist Party - Belfast South) Jack Lopresti (Conservative - Filton and Bradley Stoke) Mr Jonathan Lord (Conservative - Woking) Tim Loughton (Conservative - East Worthing and Shoreham) Craig Mackinlay (Conservative - South Thanet) Rachel Maclean (Conservative - Redditch) Mrs Anne Main (Conservative - St Albans) Alan Mak (Conservative - Havant) Kit Malthouse (Conservative - North West Hampshire) John Mann (Labour - Bassetlaw) Scott Mann (Conservative - North Cornwall) Paul Masterton (Conservative - East Renfrewshire) Mrs Theresa May (Conservative - Maidenhead) Paul Maynard (Conservative - Blackpool North and Cleveleys) Sir Patrick McLoughlin (Conservative - Derbyshire Dales) Stephen McPartland (Conservative - Stevenage) Esther McVey (Conservative - Tatton) Mark Menzies (Conservative - Fylde) Huw Merriman (Conservative - Bexhill and Battle) Stephen Metcalfe (Conservative - South Basildon and East Thurrock) Mrs Maria Miller (Conservative - Basingstoke) Amanda Milling (Conservative - Cannock Chase) Nigel Mills (Conservative - Amber Valley) Anne Milton (Conservative - Guildford) Mr Andrew Mitchell (Conservative - Sutton Coldfield) Damien Moore (Conservative - Southport) Penny Mordaunt (Conservative - Portsmouth North) Nicky Morgan (Conservative - Loughborough) Anne Marie Morris (Independent - Newton Abbot) David Morris (Conservative - Morecambe and Lunesdale) James Morris (Conservative - Halesowen and Rowley Regis) Wendy Morton (Conservative - Aldridge-Brownhills) David Mundell (Conservative - Dumfriesshire, Clydesdale and Tweeddale) Mrs Sheryll Murray (Conservative - South East Cornwall) Dr Andrew Murrison (Conservative - South West Wiltshire) Robert Neill (Conservative - Bromley and Chislehurst) Sarah Newton (Conservative - Truro and Falmouth) Caroline Nokes (Conservative - Romsey and Southampton North) Jesse Norman (Conservative - Hereford and South Herefordshire) Neil O'Brien (Conservative - Harborough) Dr Matthew Offord (Conservative - Hendon) Guy Opperman (Conservative - Hexham) Ian Paisley (Democratic Unionist Party - North Antrim) Neil Parish (Conservative - Tiverton and Honiton) Priti Patel (Conservative - Witham) Mr Owen Paterson (Conservative - North Shropshire) Mark Pawsey (Conservative - Rugby) Mike Penning (Conservative - Hemel Hempstead) John Penrose (Conservative - Weston-super-Mare) Andrew Percy (Conservative - Brigg and Goole) Claire Perry (Conservative - Devizes) Chris Philp (Conservative - Croydon South) Christopher Pincher (Conservative - Tamworth) Dr Dan Poulter (Conservative - Central Suffolk and North Ipswich) Rebecca Pow (Conservative - Taunton Deane) Victoria Prentis (Conservative - Banbury) Mr Mark Prisk (Conservative - Hertford and Stortford) Mark Pritchard (Conservative - The Wrekin) Tom Pursglove (Conservative - Corby) Jeremy Quin (Conservative - Horsham) Will Quince (Conservative - Colchester) Dominic Raab (Conservative - Esher and Walton) John Redwood (Conservative - Wokingham) Mr Jacob Rees-Mogg (Conservative - North East Somerset) Mr Laurence Robertson (Conservative - Tewkesbury) Gavin Robinson (Democratic Unionist Party - Belfast East) Mary Robinson (Conservative - Cheadle) Andrew Rosindell (Conservative - Romford) Douglas Ross (Conservative - Moray) Lee Rowley (Conservative - North East Derbyshire) Amber Rudd (Conservative - Hastings and Rye) David Rutley (Conservative - Macclesfield) Antoinette Sandbach (Conservative - Eddisbury) Paul Scully (Conservative - Sutton and Cheam) Mr Bob Seely (Conservative - Isle of Wight) Andrew Selous (Conservative - South West Bedfordshire) Jim Shannon (Democratic Unionist Party - Strangford) Grant Shapps (Conservative - Welwyn Hatfield) Alok Sharma (Conservative - Reading West) Alec Shelbrooke (Conservative - Elmet and Rothwell) David Simpson (Democratic Unionist Party - Upper Bann) Mr Keith Simpson (Conservative - Broadland) Chris Skidmore (Conservative - Kingswood) Mr Dennis Skinner (Labour - Bolsover) Chloe Smith (Conservative - Norwich North) Henry Smith (Conservative - Crawley) Julian Smith (Conservative - Skipton and Ripon) Royston Smith (Conservative - Southampton, Itchen) Sir Nicholas Soames (Conservative - Mid Sussex) Anna Soubry (Conservative - Broxtowe) Dame Caroline Spelman (Conservative - Meriden) Andrew Stephenson (Conservative - Pendle) John Stevenson (Conservative - Carlisle) Bob Stewart (Conservative - Beckenham) Iain Stewart (Conservative - Milton Keynes South) Rory Stewart (Conservative - Penrith and The Border) Mel Stride (Conservative - Central Devon) Graham Stringer (Labour - Blackley and Broughton) Graham Stuart (Conservative - Beverley and Holderness) Julian Sturdy (Conservative - York Outer) Rishi Sunak (Conservative - Richmond (Yorks)) Sir Desmond Swayne (Conservative - New Forest West) Sir Hugo Swire (Conservative - East Devon) Mr Robert Syms (Conservative - Poole) Derek Thomas (Conservative - St Ives) Ross Thomson (Conservative - Aberdeen South) Maggie Throup (Conservative - Erewash) Kelly Tolhurst (Conservative - Rochester and Strood) Justin Tomlinson (Conservative - North Swindon) Michael Tomlinson (Conservative - Mid Dorset and North Poole) Craig Tracey (Conservative - North Warwickshire) David Tredinnick (Conservative - Bosworth) Mrs Anne-Marie Trevelyan (Conservative - Berwick-upon-Tweed) Elizabeth Truss (Conservative - South West Norfolk) Tom Tugendhat (Conservative - Tonbridge and Malling) Mr Edward Vaizey (Conservative - Wantage) Mr Shailesh Vara (Conservative - North West Cambridgeshire) Martin Vickers (Conservative - Cleethorpes) Theresa Villiers (Conservative - Chipping Barnet) Mr Charles Walker (Conservative - Broxbourne) Mr Robin Walker (Conservative - Worcester) Mr Ben Wallace (Conservative - Wyre and Preston North) David Warburton (Conservative - Somerton and Frome) Matt Warman (Conservative - Boston and Skegness) Giles Watling (Conservative - Clacton) Helen Whately (Conservative - Faversham and Mid Kent) Mrs Heather Wheeler (Conservative - South Derbyshire) Craig Whittaker (Conservative - Calder Valley) Mr John Whittingdale (Conservative - Maldon) Bill Wiggin (Conservative - North Herefordshire) Gavin Williamson (Conservative - South Staffordshire) Sammy Wilson (Democratic Unionist Party - East Antrim) Dr Sarah Wollaston (Conservative - Totnes) Mike Wood (Conservative - Dudley South) Mr William Wragg (Conservative - Hazel Grove) Jeremy Wright (Conservative - Kenilworth and Southam) Nadhim Zahawi (Conservative - Stratford-on-Avon) There were also two tellers for the ayes, Andrew Griffiths (Conservative - Burton) and Mark Spencer (Conservative - Sherwood). We now have the breakdown of how MPs voted, by party, at second reading. Voting for the second reading Conservatives: 308 DUP: 10 Labour: 7 Independent: 1 The Labour MPs voting in favour were: Ronnie Campbell, Frank Field, Kate Hoey, Kelvin Hopkins, John Mann, Dennis Skinner and Graham Stringer. The independent was Anne Marie Morris (in reality a Conservative - see 12.30am.) Seven Labour MPs vote with government for EU withdrawal bill at second reading. Voting against the second reading Labour: 238 SNP: 34 Lib Dem: 12 Plaid Cymru: 4 Independent: 1 Green party: 1 This independent was Lady Hernon, the MP for North Down and the one proper independent in the Commons. No Tory MPs rebel against government by voting against bill at second reading. There were two further motions relating to the bill on the order paper - a money motion, authorising spending arising from the bill, and a ways and means motion, authorising taxation required by the bill. Both went through on the nod (ie, by acclamation - because no MPs shouted "no" when given the chance.) That was not because MPs opposed to the bill favour these particular measures. It was because they are auxiliary to the bill itself, and so any votes would just have been seen as a re-run of the ones we have already had. MPs have voted for the ***programme*** motion by 318 votes to 301 - a majority of 17. And here is a statement from Sir Keir Starmer, the shadow Brexit secretary, on the result. This is a deeply disappointing result. This bill is an affront to parliamentary democracy and a naked power grab by government ministers. It leaves rights unprotected, it silences parliament on key decisions and undermines the devolution settlement. It will make the Brexit process more uncertain, and lead to division and chaos when we need unity and clarity. Labour will seek to amend and remove the worst aspects from the bill as it passes through parliament. But the flaws are so fundamental it's hard to see how this bill could ever be made fit for purpose. Theresa May has issued this statement following about the bill getting its second reading. Earlier this morning parliament took a historic decision to back the will of the British people and vote for a bill which gives certainty and clarity ahead of our withdrawal from the European Union. Although there is more to do, this decision means we can move on with negotiations with solid foundations and we continue to encourage MPs from all parts of the UK to work together in support of this vital piece of legislation. MPs are now voting on the ***programme*** motion, which says eight days will be set aside for the debate on the bill at committee stage (when MPs go through it line by line) and another two days for the bill's remaining stages in the Commons. MPs have voted to give the EU withdrawal bill a second reading by 326 to 290 - a majority of 36. And here is the breakdown of MPs, by party, who voted against the Labour amendment. Conservatives: 308 DUP: 9 Independent: 1 The independent is Anne Marie Morris, who is a Conservative but who has been suspended from the party for using a racist phrase and so now counts as an independent. Here is the breakdown of how many MPs, by party, voted for the Labour amendment. Labour: 244 SNP: 34 Lib Dem: 12 Plaid Cymru: 4 Independent: 1 Green: 1 The Conservative Anne-Marie Trevelyan says Dennis Skinner, the veteran Labour MP and a Brexit supporter, has been voting with the government. MPs are now voting on whether to give the bill a second reading. The result is likely to be very similar to the result of the first vote. The government has won the vote by 318 to 296 - a majority of 22. Here is my colleague Anushka Asthana's story about the debate. And this is how it starts. Conservative MPs have warned Theresa May that their support for her government's Brexit legislation is not unconditional, as they prepared to demand significant changes to the EU withdrawal bill minutes after backing it in parliament. Despite no expected Tory rebellion during the midnight vote of the bill's second reading, senior backbenchers were among those racing to lay down critical amendments immediately afterwards. Their calls for change come alongside those of MPs from across the House of Commons, including a series of demands from opposition frontbenches. Significantly, the former attorney general Dominic Grieve, who has been highly critical of the legislation. teamed up with John Penrose MP to warn against a power grab by ministers through so-called Henry VIII powers. Here is the full text of Labour's reasoned amendment - explaining why it does not think the bill should get a second reading. That this House respects the EU referendum result and recognises that the UK will leave the EU, believes that insisting on proper scrutiny of this bill and its proposed powers is the responsibility of this sovereign parliament, recognises the need for considered and effective legislation to preserve EU-derived rights, protections and regulations in UK law as the UK leaves the EU but declines to give a second reading to the European Union (withdrawal) bill because the bill fails to protect and reassert the principle of parliamentary sovereignty by handing sweeping powers to government ministers allowing them to bypass parliament on key decisions, allows for rights and protections to be reduced or removed through secondary legislation without any meaningful or guaranteed parliamentary scrutiny, fails to include a presumption of devolution which would allow effective transfer of devolved competencies coming back from the EU to the devolved administrations and makes unnecessary and unjustified alterations to the devolution settlements, fails to provide certainty that rights and protections will be enforced as effectively in the future as they are at present, risks weakening human rights protections by failing to transpose the EU charter of fundamental rights into UK law, provides no mechanism for ensuring that the UK does not lag behind the EU in workplace protections and environmental standards in the future and prevents the UK implementing strong transitional arrangements on the same basic terms we currently enjoy, including remaining within a customs union and within the single market. MPs are now voting on the Labour amendment. Lidington says, despite these safeguards, sincere concerns were expressed by MPs. There have been constructive comments from a range of MPs, he says. He says between second reading and the committee stage David Davis and his team intend to discuss the suggestions made with MPs from all sides of the House. For example, they will look at whether the right balance is struck between the negative and affirmative procedure (two mechanisms for passing secondary legislation - the bill favours the negative procedure, the only allowing the least scrutiny). Dominic Grieve asks if the government is willing to extend the eight days allowed for the debate on the bill at committee stage. Lidington says 64 hours have been set aside. That is more than the 39 hours set aside by the Blair government for the equivalent debate on the Lisbon treaty, he says. But he goes on: Where there is good reason to extend debate further, we are willing to consider that very seriously and carefully indeed. I hope he will take that assurance in the spirit in which it has been intended. Lidington says government willing to allow MPs more time to debate bill at committee stage. Lidington is now turning to delegated powers. There are "significant safeguards" in the bill, he says. MPs have overlooked those in the debate. Each of the clauses giving ministers powers to make law specifies that those powers can only be used in certain circumstances. For example, the powers in clause nine can only be used for implementing the withdrawal agreement. And clause 17 can only be used for "consequential" purposes. He says "consequential" has a long-established and tightly-defined meaning in parliamentary terms. Turning to devolution, Lidington says the UK government wants to ensure that after Brexit a Scottish farmer can sell his ***produce*** throughout the UK without having to worry about two sets of regulations. But he is confident that the devolved administrations will get more powers are Brexit, he says. Lidington says EU treaties will cease to apply to the UK when the UK leaves the EU. But, under the bill, EU law will continue to apply. For example, all the rights available under the working time directive or the Equality Act will remain in force. Dominic Grieve, the pro-European Conservative former attorney general, says: I wonder if what [Lidington] says can be correct. (Grieve is being tactful; he means Lidington is wrong.) Grieve says under the bill specific rights to challenge government decisions to go. (Grieve is referring to Francovich damages. There is more on that issue here.) Lidington says those rights will continue to apply in the abstract. But he concedes that Grieve has a point in some respects. Lidington says he wants to start by saying why the bill is needed. Ken Clarke and Sir Keir Starmer, who are both strongly pro-remain - and Lidington says he puts himself in that category too - accepted that the bill is not about taking the UK out of the EU, he says. He says it is about ensuring that, when the UK does leave, the process will be smooth because EU law will have been imported into UK law. He says, if Labour vote against the bill, they will be voting against people continuing to enjoy the rights they have under EU law. Ken Clarke, the Conservative pro-European and former chancellor, intervenes. He asks for an undertaking that the government will ***produce*** "substantial amendments" at committee stage to address the concerns raised about the discretionary powers given by the bill to ministers. He says he would accept assurances from Lidington and David Davis because they are two members of the government he would trust (implying he would not say the same about some of their colleagues.) Lidington says he will address this point in due course. David Lidington, the justice secretary, is winding up now. He says 107 MPs have spoken in the two-day debate. He wants to address the three main criticisms of the bill raised by MPs, he says. They are: the underlying principles of EU law; the issues relating to devolution; and the proposals for delegated powers. Pennycook says the bill is "fundamentally flawed". Parliament should not accept it, and that is why Labour will vote against, he says. Pennycook says ministers should not have asked MPs to support such a flawed bill. Labour raised concerns about the proposals after the white paper was published, and again after the bill itself was ***produced***. Many other committees and organisations have raised similar concerns. The government has had plenty of time to change its ***plan***. But only now are ministers promising to listen. He says MPs are being asked to take ministers on trust when they say they will accept changes. But in his opening speech David Davis, the Brexit secretary, defended the bill in its current form, he says. Pennycook is still speaking. The sweeping powers in the bill are not the only problem, he says. The bill would also prevent a smooth transition. In ruling out the charter of fundamental rights, the bill could deny people the rights it is seeking to maintain. And its implications for the devolved bodies could undermine the union, he says. He quotes Dominic Grieve's Evening Standard article criticising the bill approvingly. The shadow Brexit minister, Matthew Pennycook, is winding up now for Labour from the front bench. The bill is one of the most constitutionally important in history. And transferring EU law into UK law will be one of parliament's biggest undertakings. Pennycook says Labour accepts that EU law will have to be transferred into UK law to facilitate Brexit. The bill is not about whether Brexit takes place, he says. He says Brexit will happen because of article 50 - which Labour overwhelmingly supported, he says. Quoting Ken Clarke, he says the issue is not whether the bill is necessary - but whether in its current form it is acceptable. Many MPs have identified flaws in the bill. As Sir Keir Starmer said in his opening speech, those problems are fundamental, he says. He says the powers given to ministers in clauses seven to nine are "extraordinary in their constitutional potency and scope". And he says clause 17 is so extensive it could extend to every aspect of national life. Labour's Mike Hill, who represents Hartlepool, says most people in his constituency want Brexit. He says he accepts he needs to honour that. But voting against the bill does not amount to blocking Brexit, he says. The Conservative MP Dan Poulter has not been impressed by the debate. Labour's James Frith tells MPs he has come to parliament to oppose the bill 36 hours after the birth of his baby, Bobby James. In a jibe at the Tory Jacob Rees-Mogg, he says MPs on his side of the House change nappies as well as serving in parliament. Joanna Cherry, the SNP's justice and home affairs spokeswoman, is speaking now. She quotes from a Law Society of Scotland briefing saying the bill would remove from Scotland legislative competence for EU law that is being repatriated to the UK. This would cover issues like fisheries, that are devolved, she says. Good evening. I'm Andrew Sparrow and I'm taking over from Nicola, who has been driving the blog for the last five hours or so. If, like me, you are quickly catching up, you might want to read today's online Hansard. As I write it has the whole of the debate up to just after 8pm, and Victoria Atkins' speech. You can read it here. It will update as the night goes on, although it is normally about three hours behind the actual debate. Labour MP Alex Norris compares the Brexit strategy with that of a stag do. He says: We're wandering around the continent wondering who's with us - that's the strategy of a stag do, not a negotiation. For anyone who enjoys reading threads on Twitter, here's one that is getting a lot of attention tonight. It's by Schona Jolly, a London-based international human rights and equalities lawyer. SNP MP Pete Wishart points out that there will only be seven days to make changes during the committee stage. He says technically there will be eight days of debate but because the parliamentary day is four hours shorter on two of the days reserved for debate, there will only be seven in reality. He says: Seven days to practically rewrite the whole of the law system for the United Kingdom. What an absolute embarrassment. To put it into perspective, the Maastricht treaty had 22 days for debate during the committee stage. "The clowns are in charge of the Brexit circus," Wishart adds. "This bill is flawed," says Labour's Gareth Snell. "Look at the way government has treated this House," he says, referring to how the government tried avoid consulting parliament when activating article 50. "The writing of the bill is an affront to the democratic ideals which we hold dear," he says in a passionate speech. This is from the Daily Mirror's Mikey Smith. Just 90 minutes left! Suella Fernandes, a Tory MP, says that membership of the EU has had a "corrosive effect on democracy". She says voting against the bill could lead to chaos and calls the bill an "integral part of machinery that will make Brexit a reality and give parliament back its power". She says that Brexit is "a birth, and a chance for new beginnings, not a death". Big Ben got a mention earlier - of course - from Tory backbencher Nusrat Ghani. Here's a little more from her speech. She said: Without the iconic and much-loved bongs of Big Ben, the Palace of Westminster may appear diminished, but the EU withdrawal bill, however, will ensure that this palace is more sovereign and more accountable with or without its hourly chimes. Here's more from Stephen Kinnock's speech. He said: Lady Macbeth knew that as long as her husband was on the throne, that they would escape punishment for their crimes, because there was no check on their power. This bill seeks to strip Parliament of its sovereign power, create a cabinet of kings and transform the flow of this House from the beating heart of our democracy into a spectators' gallery, turning us from legislators into bystanders wholly dependent on the benevolence of ministers. Let us make no mistake, this bill is not about delivering the will of people, rather it's about gagging our democracy and this House by the way of a false discourse. It is a silent coup d'etat, masquerading as technical necessity. Sir Ed Davey, the Lib Dem MP, says the bill is "tantamount to the temporary abolition of this House". The Independent's John Rentoul is not impressed with either Davey or Stephen Kinnock's choice of language. Stephen Kinnock, the Labour MP, says the bill "frustrates the will of the British people" and would lead to the "degradation of our fundamental constitutional rights". He says it will turn parliament into "a spectators gallery" while MPs watch on. It would give ministers "the absolute power of feudal lords", he warns, and "emasculate this House". This is from my colleague Anushka Asthana. The BBC's Esther Webber reminds followers on Twitter that there are still hours of debate to go until the actual vote. Plaid Cymru's Hywel Williams warns Westminster could be "lurching towards constitutional crisis". He says the government is seeking to reclaim powers which all parties backed being devolved to the Welsh assembly "as carelessly as it might throw a cigarette end into a pail of petrol". Neither Stella Creasy or Tulip Siddiq - both MPs for Labour - seem to mind the idea of staying late as suggested by Alex Burghart earlier. Charlie Elphicke, Conservative MP for Dover & Deal, received a lot of support for making this comment about the EU divorce bill. Conservative MP Nusrat Ghani says the bill is "a logical step" in the process of leaving the EU. "Where were your objections when the laws were enacted in Brussels and forced on us in the first place?" she asks opposition MPs. She adds that she will be "supporting democracy, respecting the will of the people" and voting for the bill. SNP MP Hannah Bardell said "this deficient bill" is an "act of complete recklessness" by the government. She says the bill seeks to "undermine the devolution settlement and the guarantees given to devolved nations on the protections of their power" and is "a wrecking ball to Britain's democracy". Labour MP Mary Creagh says she will vote against the law because of "the unprecedented Henry VIII powers". She says the bill would turn Theresa May into "a female version of Louis XIV - the Sun King", who reportedly said on his deathbed: "l'etat, c'est moi" (the state is me.) The MP says instead it should be "l'etat, c'est nous." (the state is us.) "There will be no Sun Queen created on our watch," she added. Here's more from the Tory MP for Brentwood and Ongar, Alex Burghart's speech. He said MPs should sit until their work is done, as he hit out against "family friendly" hours for parliamentarians. Burghart questioned how many MPs manage to put their children to bed at night and said the importance of the repeal bill "goes way beyond those concerns". The newly-elected MP said it would take time to get the necessary "give and take" on particular clauses and powers in the legislation. He told the Commons: If this House finds that it does not have enough time at committee stage it must have more. And call me boring, Mr Speaker, but I was a little disappointed on Thursday when the House didn't sit past five and it was very sad to see such big beasts manacled to a five minute time constraint. I heard the father of the house quite rightly pooh-pooh the Blairite family friendly hours under which we labour. Family friendly - is someone yanking my chain? Who of us here gets to put our children to bed of a night, as it is? We should carry on sitting until our work is done - if we have to sit late, if we have to sit some Fridays, if we have to think about the length of recess, then we must. The importance of getting this Bill right goes way beyond those concerns - this is a job that requires sacrifice. Giving his backing to the bill, Burghart said the government must be afforded "a degree of plasticity". "We do not yet know how the final deal will turn out, we do not yet know when such a deal will be available for this House," he said. "This bill must be adaptable to permit that process to proceed as best it can and to allow for a multitude of outcomes." Watch Chris Bryant attack the government's European Union (withdrawal) bill in House of Commons, saying it is fundamentally un-British and based on falsehoods, and authoritarian leaders such as Recep Tayyip Erdogan or Vladimir Putin would be proud of the bill. This is from the FT's David Allen Green. Former Labour frontbenchers Daniel Zeichner and Vernon Coaker said they ***plan*** to vote against the bill, citing wider concerns about Brexit. Zeichner said: Although it's been increasingly said in parts of the country, actually we should not be withdrawing from the European Union at all, because it is not in our national interest to do so. I fully understand the opprobrium that will probably be heaped on me for saying this, but I think I'm actually only stating the obvious. As the farcical non-negotiations continue to fail to proceed, it is clearer and clearer that the most likely outcome is a last-minute fudge that will satisfy no one. Coaker added: My constituency voted to leave, and I respect that. But what they didn't vote for was leaving at any cost to jobs, to business, to workers' rights, to the environment, to welfare, to the unity of our country. I have absolutely no problem going back and arguing in my constituency yes, to respect what they said, and how they voted, but also to say to them I cannot as your representative stand up in this parliament and say what is on offer from the government with this EU withdrawal bill is something that will be of benefit to you and your families. Labour's Stephen Doughty says the bill has to be seen in a wider context of recent actions by the government. The delays in setting up committees, the ***programme*** motion that wants limit time spent on the bill, restrictions on judicial review, the Charities Act seeking to muzzle organisations and the trade union bill. It is all part of a similar agenda by the government to shut down democratic debate. Antoinette Sandbach, a Tory MP, said in her speech that her government's bill was an "unacceptable attempt to demean the role of parliament." Conservative MP Alex Burghart raised eyebrows by criticising the family-friendly hours of the Commons, saying it should be allowed to sit as late as necessary, adding: "Who of us gets to put our kids to bed anyway?" He said MPs should "carry on sitting until the job is done" and being an MP "requires sacrifice". Derek Thomas, the Tory MP for St Ives joined colleagues in suggesting changes could be made to the bill at a later stage. He labelled the draft legislation the "only game in town" in a bid to achieve a "smooth" Brexit by March 2019. However, he added: I would like to hear how and when ministers intend to ensure full parliamentary process when deciding future UK laws. Conservative MP Richard Drax was enjoying himself during his speech not long ago. Here's a tweet, featuring a clip worth watching, from the BBC's Esther Webber. Labour's Heidi Alexander, a former shadow minister, said the bill paved the way for a minister to "sit behind their desk in Whitehall and take us out of the single market at a stroke of a pen". She said: On the most important issue facing this country - our continued membership of the single market - this Bill could mean no direct vote in parliament, no say for MPs, no voice for our constituents. When we talk about a power grab, it doesn't get much bigger than that. Alexander said she would table an amendment at committee stage to ensure parliament rather than ministers decides the UK's future in the European Economic Area. The Green party co-leader, Caroline Lucas, described the bill as "deeply dangerous and undemocratic" as she warned that Britain would be left with "zombie legislation". Lucas said the bill was a "constitutional outrage" regardless of people's views on Brexit, and lambasted the "governance gap" on environmental protection. She said: Cutting and pasting laws from the EU statute book into the UK one simply isn't enough because laws are only as effective as the mechanisms to implement and enforce them in practice. And in the absence of mechanisms to replace the monitoring and enforcement roles of the Commission and the ECJ [European Court of Justice] we're effectively going to be left with zombie legislation. It might be on the statute book but it's not enforceable. Conservative MP for Totnes Sarah Wollaston said she would support the government but only in the "expectation that they will support sensible amendments". She said: The point of this is not that the government wants to obstruct sensible debate, I genuinely feel that, but that we should all of us, both as members across this House, working together with ministers, put in place something that genuinely works. We know delegating legislation needs to be reformed even if we didn't have this bill before us so let's use this as an opportunity, because as we've heard there's going to be up to 1,000 of these coming before this house, and we need this house to decide whether or not there's going to be a negative or an affirmative procedure, we need to reform the way so that we can genuinely develop expertise along the lines suggested by the Hansard Society, with MPs with genuine interest scrutinising these proposals. But also the point is that that committee would have the power to send it to a committee of the whole House, not just a small delegated legislation committee sitting in a committee room but all of us here as we're doing today. Tory MP, Conor Burns, has criticised Labour's confused position over Brexit, saying they were perhaps getting their inspiration from Heinz by having 57 varieties of Brexit on offer. The shadow home secretary supports free movement. The leader of the opposition and the shadow Brexit secretary say it must end. The deputy leader says we would stay in the single market forever. The shadow chancellor says we should leave the single market to respect the referendum. The shadow trade secretary has described staying in the customs union as 'a disaster', and the shadow Brexit secretary supports staying in a customs union, while the deputy leader of the Labour Party says we could stay in the customs union indefinitely. One could be forgiven for thinking that honourable gentlemen opposite and their ladies on the front bench are getting their inspiration from Heinz, the 57 varieties of Brexit that are on offer. And while the government introduce a sunset clause into this Bill, to make sure that the measures and provisions laid out in it can't last for more than two years, the policy of the Labour Party on Brexit can barely last two days, and if it lasts two weeks it appears to be a long-term policy indeed. This is Nicola Slawson taking over for the next few hours. Here's a little more from Chris Bryant's speech. He raised concerns about so-called Henry VIII powers, which would allow secondary legislation to be passed with little parliamentary scrutiny. Ministers believe between 800 and 1,000 such statutory instruments will be required as Brexit legislation makes its way through parliament. On the whole, the Tudor exercise was not a proud demonstration of democracy. These are clauses that Erdogan, Maduro and Putin would be proud of. He told MPs the powers would allow ministers to alter the bill itself - "a dangerous spiral of autocracy". He added: This bill is utterly pernicious, it is dangerous, it is fundamentally un-British and I think that it has at its heart a lie. It pretends to bring back power to this country, but it actually represents the biggest peace time power grab by the executive over the legislature, by the government over parliament, in 100 years. Bryant said the government should "triage" the new powers, setting up a system to decide which laws can be decided under the clauses. He said major changes to students, student nurses and benefits had already been made by the government through secondary legislation "which should never have been used for such measures". He said: Look at the track record of this government. Because what they've done recently, they've engaged in what I would, frankly, call jiggery-pokery with the DUP to try and make sure that they have a majority, and let's hope we do end up having a vote when it comes to an estimates day on the 1 billion for the DUP. They delayed the setting up of select committees until now, so that it will be impossible for people to scrutinise many of the things that are going through during the summer months. Tomorrow, they're trying to make sure that for the first time in our history, the government which doesn't have a majority in this House has a majority on every single committee. If that doesn't make you question the bona fides of this government, nothing will. Conservative MPs have renewed their call for amendments to the EU withdrawal bill at the start of its second day of debate. The Commons will vote at midnight. The bill seems certain to get a second reading and, with some reports suggesting around 20 Labour MPs will defy the whip and refuse to vote against the bill, it seems likely that Jeremy Corbyn will be hit by a larger rebellion than Theresa May. But many Conservative speaking in the debate have stressed that their support for the bill is conditional, and that they expect to see significant amendments to the bill when it goes through committee. They are concerned about the sweeping powers it will give to ministers to amend primary legislation by order ("Henry VIII" powers) and they wanted tougher parliamentary oversight. Some have also complained that only eight days have been set aside for the committee stage debate. In an unusual move, the debate is being wound up this evening not by a junior Brexit minister but by David Lidington, the justice secretary. Lidington is a pro-European who is liked and respected by those Tories most likely to rebel on this, and the Conservative MP Bob Neill said that he hoped when Lidington spoke, he would commit the government to giving more time for the committee stage debate if that proved necessary. (See 4.47pm.) A colleague will be taking over the blog for now, but I will be back after 11pm to cover the end of the debate and the votes. There could be five in all: on the Labour amendment, then the second reading, and then the ***programme*** motion (which allocates eight days for the committee stage), the money resolution (authorising spending required by the bill) and the ways and means resolution (authorising taxation and fees required by the bill). Jeremy Corbyn has said Labour is open to the idea of staying in the single market, in an apparent softening of the party's position on Brexit. MEPs will debate creating a pan-EU list of candidates for the first European parliament election after Britain leaves, in an attempt to bolster pro-European forces. The government equalities office is to investigate growing evidence that EU nationals in the UK are being blocked from renting or buying properties, getting jobs and booking holidays. Nicola Sturgeon, Scotland's first minister, has clashed with opposition leaders after urging them to compromise over Brexit without dropping her ***plans*** for a second independence vote. Theresa May will hold an emergency Cobra meeting about Hurricane Irma amid calls for her to visit the British overseas territories devastated by the storms. Labour's Chris Bryant is speaking now. On the basis of his opening, this is probably the stand-out speech of the debate so far. He starts by saying the bill "utterly pernicious", "dangerous", ultimately a lie. He says it amounts to the biggest power grab for 100 years and it would herald a "dangerous spiral of autocracy". Referring to some of the clauses in the bill giving ministers powers to amend law "by fiat", he says: These are clauses Erdogan, Maduro and Putin would be proud of. He says that since 1950 only 11 statutory instruments (items of secondary legislation, of which around 1,000 are expected to be passed under the powers in the bill) have been rejected by the Commons. The former Liberal Democrat leader Paddy Ashdown has said his party is facing the fight for its existence and said his party had not managed to convince people it could be the home for liberal centrists. Ahead of the party's conference this weekend, Ashdown said the party had not managed to have "one big, dangerous idea" since the coalition ended in 2015 and said new leader Vince Cable had to forge a new path for the party where they were no longer seen as the establishment. "The biggest danger for our party at the seaside next week lies in glossing over the existential challenges which now face us," he wrote in a blog for Lib Dem Voice. Unless we are prepared to be realistic about where we are, return to being radical about what we propose, recreate ourselves as an insurgent force and re-kindle our lost habit of intellectual ferment, things could get even worse for us. Ashdown, who said he would lay out four ideas of his own over the coming days, said the Lib Dems under Tim Farron had failed to advance in conditions that had never been more favourable. The vast sea of people who share our beliefs, find themselves voiceless and silent. Not all of them, sadly, are Liberal Democrats or want to be. If we cannot, or will not be the gathering point for these, the new left out millions, then who will and what are we for? Ashdown said the party had advanced when people saw them as outsider. Now people see us, not as a force for change but as a part of the establishment. Whether we could have been insurgents in government is a question for history. The question for now is; there is a hunger for change out there, why don't we any longer look or sound like the people to bring it? There may be many reasons for that. But the biggest one is that we are doing very little new thinking and ***producing*** very few new ideas. Craig Mackinlay, the Conservative MP and a one-time acting Ukip leader, says fishing is one area where the public are demanding a clean Brexit. He says reimposing a 200-mile border around the coast for the British fleet around where that is possible, and a border at the halfway point where other countries have territorial water, will ensure the revival our Britain's coastal communities. This is from the New Statesman's George Eaton. Labour's David Lammy is speaking now. After Anna Soubry, the pro-European Conservative intervenes, Lammy says that her bark has been loud, but that "her actions have been far less loud" (ie, that she talks about fighting the government over Brexit, but that she does not follow it through). Soubry rejects this. She says that there would not have been a white paper on Brexit if it had not been for people like her. She says the Tory pro-Europeans have achieved more than Labour. Intervening on Peter Bone, Labour's Chris Bryant points out that under the negative procedure, the weakest of the various mechanisms used to scrutinise secondary legislation (measures go through automatically unless MPs or peers object), it is up to the government to decide whether a measure gets to a vote. He says the government often refuses to allow a vote when the government calls for one. (As Pat McFadden pointed out early, at 4.46pm, the bill proposes giving ministers extensive powers that would be exercised using the negative procedure.) Bone accepts there is a problem with the negative procedure. Peter Bone, the pro-leave Conservative, says he will be very surprised if the bill leaves the Commons without being amended. But the principle behind the bill is important, he says. Dame Margaret Beckett, the Labour former foreign secretary, says the time set aside for debate on the bill is not remotely appropriate given the serious of what is at stake. She says the government should find new measures to enable the "Henry VIII" powers in the bill to be properly scrutinised by parliamentarians. These mechanisms could be time-limited, she says. She also says the government has a duty to bring forward proposals to improve the bill. And she says the bill reads as if it was drafted for a government with a majority. It sets a very dangerous precedent, she says. Labour is right to vote against it. The Conservative MP Vicky Ford says she will vote for the bill. It is necessary, she says. But she says Britain and other EU countries tell developing democracies that they must ensure laws are properly scrutinised. The government must follow that principle, and give parliament the ability to scrutinise the "Henry VIII" powers being exercised by ministers as they bring EU law into UK law. She says on Thursday last week David Davis, the Brexit secretary, floated the idea of a "triage system", that would allow particularly sensitive measures to be flagged up for higher scrutiny. She says that was a helpful suggestion. The Labour MP Sir Kevin Barron has posted a tweet saying he will be abstaining on the bill. Labour's Pat McFadden is speaking now. He says the bill will not give parliament any special ability to scrutinise the extensive powers it would give to ministers to change law by secondary legislation. Most of the powers would be exercised using the negative procedure, involving the weakest level of scrutiny, he says. He says it is important to oppose it at second reading because that is where parliament has maximum leverage. And he does not accept that voting down the bill would create a chaotic Brexit. You only need two cabinet ministers in the same room to get a chaotic Brexit because they all disagree, he claims. Bob Neill, the Conservative chair of the Commons justice committee, is speaking now. He says he will back the bill, but he says it "needs improvement in a number of areas". He agrees with the criticisms made by Ken Clarke (here) and Dominic Grieve (here) in Thursday's debate, he says. He says clause 7 and clause 9, which deal with the "Henry VIII" powers being given to ministers, "go beyond that which is acceptable or necessary". On the subject of the ***programme*** motion, which gives eight days for the committee stage, he says he can support this, but that he wants assurances that the government will allow more time if that turns out to be necessary. He says he hopes he will hear assurances on this point when David Lidington, the justice secretary, winds up the debate for the government tonight. Stephen Gethins, the SNP's Europe spokesman, is speaking now. In comments released by the SNP in advance, he said the party wanted to work with other parties to challenge the bill. He said: There is a very real and extraordinary risk that on the very day Scotland celebrates the 20th anniversary since the Scottish devolution referendum, the Tory government will seek to pass the second reading of its flawed EU Bill that will not just take back control from Brussels, but from Edinburgh, Belfast and Cardiff as well. The Brexit process is bigger than any party, and it is certainly bigger than any of Theresa May's cabinet. The reality is that unless MPs from across the chamber unite around the common purpose of securing the best possible legislation, then the devolved administrations risk falling foul to a Westminster power grab and the Leave campaign's mantra of 'taking back control'. That is why the time for adopting a new cross-party and cross-nations approach is now - that means we all have to work together. It will be a challenge for the UK government but it is also a challenge for opposition parties and we will have to work constructively - if the government is willing to listen. The pro-leave Conservative Zac Goldsmith said that any attempt to block Brexit would trigger an extreme backlash. He paid tribute to the role played by the EU in raising environmental standards. But he said leaving the EU would enable the UK to reform the common ***agriculture*** policy in line with the wishes of environmentalists. Labour's Caroline Flint is speaking now. She says she shares many of the concerns about the bill expressed by Sir Keir Starmer, the shadow Brexit secretary. She said it should be possible for the government to differentiate between routine bits of secondary legislation, which can go through with little scrutiny, and the important bits of Brexit-implementing secondary legislation which will need much more thorough scrutiny, she says. But she says she is not opposing the bill because she accepts that Brexit has to be implemented. She told her constituents she would accept the result of the referendum, she says. She says she does not back a second referendum. Edward Leigh, the Conservative pro-leave MP, said the government should be generous to remainers and listen to their concerns about the bill. But he had a joke about the proposal to give ministers extensive "Henry VIII" powers. Henry VIII was a bastard, "but he was my kind of bastard". Cheryl Gillan, the Conservative former Welsh secretary, says she will back the bill because it "does what it says on the tin" and enables the UK to leave the EU. Frank Field, the Labour former welfare minister and a pro-leave MP, says he will back the bill to implement the results of the referendum. He says he will table an amendment intended to replace the bill with a simple, four-clause version. He says his four proposed clauses are: setting a firm exit date; incorporating all EU law into EU law; creating a mechanism to allow parliament to decide what it wants to keep and jettison; and creating a "safe haven" from which the UK can negotiate its new relationship with the EU. Bernard Jenkin, a leading pro-leave supporter, accused Labour of engaging in "professional outrage". He said the Labour vote against the bill did not deserve to be taken seriously. Labour's Angela Smith said in her speech that, although she would be voting against the bill, she was not voting against Brexit. She was voting against "Brexit badly handled". Maria Miller, the Conservative MP who chairs the women and equalities minister, opened the debate. She said it was important for the bill to get a second reading, but that she wanted to see it amended to ensure that rights aren't lost when the UK leaves the EU. Under the terms of the bill, the provision of the EU charter of fundamental rights will not longer be part of UK law. Miller said she was not necessarily asking for it to be retained. But what I am saying is that we need to ensure that its effect is captured. To do otherwise would mean the current backstop on equality rights is removed, and that is not the status quo that the secretary of state is demanding. She called for an explicit commitment to be included in the bill saying that the current level of equalities protection would be retained. MPs are now resuming their debate on the EU withdrawal bill. John Bercow, the Commons speaker, says there will be a six-minute limit on speeches. He says 90 MPs want to speak. He says he will try to accommodate them all, but some might be be called. In a Guardian article last month Sir Keir Starmer, the shadow Brexit secretary, said that "constructive ambiguity" - a term David Davis used in reference to the government's negotiating strategy - can only get you so far. That may be true, but Labour has not necessarily got to that point yet. This afternoon's Jeremy Corbyn's office has put out a statement saying party policy has not changed (see 2.35pm), but Corbyn's tone certainly has. In a major interview at the start of the summer he implied that he would find the "Norway option" unacceptable as a long-term post-Brexit settlement. This afternoon he implied that he would be up for this. For those campaigning for a soft Brexit, this is an important tonal shift. One argument - made here, for example, by Guido Fawkes - is that this is a bit of a shambles. But ambiguity often has its uses in politics, particularly for a party that does not have to make the choices facing a government, and Labour's gradual move into softer Brexit territory may turn out to be propitious. It certainly has not done it any harm so far. If Corbyn's Brexit stance was a fudge, he laid it out quite well. But it was noticeable that he became much more animated during the interview talking about two other subjects: banning arms sales to Saudi Arabia, and his allotment. On both topics, he was really very good - passionate, human and very likeable. When Corbyn first became Labour leader he was often a very awkward interviewee, but over the last year in particular he has become much better. If anyone has been giving him media training, they deserve a bonus. Here are the main points. Corbyn would not rule out Labour keeping the UK in the single market permanently. His office said later that Labour policy had not changed, but Corbyn's comments (see 1.07pm) implied that he would be happy to the UK to have a Norway-style relationship with the EU, as a member of the European Economic Area (EEA) or the European Free Trade Association (Efta). In July, in an interview with Andrew Marr (pdf), Corbyn said that if the UK left the EU, it would be leaving the single market because "the two things are inextricably linked". Corbyn signalled that he would stay on as Labour leader until the next election, even if it was in 2022. "I'm absolutely fine," he said, referring to his age and health. "I'm fit and healthy, don't worry about that." He said he thought that the government would not last and that the next election would come before 2022. He said that he wanted UK to remain a member of many EU-related agencies after Brexit. He rejected Caroline Flint's argument that Labour should be voting for the EU withdrawal bill. He said: [Flint] and I both voted to implement article 50. That means respecting the result of the referendum. It doesn't mean handing over all our powers of scrutiny in parliament, all our decision making on how the negotiations proceed, to one secretary of state away from parliamentary scrutiny. This is a power grab by the government at the expense of our democratically-elected parliament. He said the Labour conference in Brighton would be be "probably the biggest conference we've ever had". Corbyn said the UK needed to adopt a robust approach to President Trump. He had "many disagreements" with Trump, but he would not directly commit himself to joining an anti-Trump protest. He said that the UK should not be selling arms to Saudi Arabia. It was contradictory to be selling arms to Saudi Arabia while also giving aid to Yemen to alleviate the suffering caused by those weapons, he argued. He said Britain sold too many arms to countries that abuse human rights. Asked if he would stop the arms trade, he did not call for all arms sales to be blocked, but he said that parliament's arms exports licensing committee should be reconvened and that he favoured converting arms industry jobs into other sorts of jobs. He said he still had time to work on his allotment, and that having a hobby like this made him a better politician. His allotment was in "good fettle", he said, and he was there yesterday, digging up potatoes, and bringing home "vast quantities" of beans and spinach. He said it was important for a politician to have an outside interest like this. You have to make time to make sure you have a balance in your life. If you just do one thing, you don't necessarily do it very well. If you do other things in your life, it helps you think about things. It also helps you to understand the natural process, why things grow, how things grow. Harold Wilson once said the most important thing in the world is somebody who can grow 10 tonnes of corn where only eight tonnes grew before. But he said he would never take part in Strictly Come Dancing. Asked why, he said: "My dancing is terrible." Senior figures in Labour are convinced that there is no such thing as single market membership. For example, they argue that Norway is not a member of the single market, but has a deal under which it has access (in areas other than fisheries) to the market as a result of accepting the rules. Despite the suggestion that a Norway-style option could be on the table for Labour, leading shadow cabinet members are against the idea, because they believe it carries a democratic deficit. They do not think it is acceptable to follow the rules of the market without having a say in the design of those rules. Jeremy Corbyn's office has now put out a statement following his World at One interview saying that Labour policy has not changed. A spokesman for Corbyn said: Our position hasn't changed. We won't be "members" of the single market after the transition. We want to achieve full tariff free access to the single market. That could be achieved by a new relationship with the single market or a bespoke trade deal with the EU, which was what Jeremy was referring too. This is very similar to what the government is saying it wants its relationship with the EU to be after the transition. The key difference is that Labour favours single market and customs union membership during the transition, while the government is ruling this out. This is from the BBC's Katy Searle. The "Labour source" argument overlooks the point that staying in the European Economic Area (EEA), which would count as the "Norway option", would be seen as staying in the single market. Corbyn sounded more open to this than he has been in the past. Here is some Twitter comment from journalists on the Jeremy Corbyn interview. From the Observer's Toby Helm From the Express's Nick Gutteridge From Henry Newman from the Open Europe thinktank From Keiran Pedley from the polling organisation GfK Corbynites are celebrating their first significant victory ahead of Labour conference today, with the landslide victory of two left-wing candidates won a landslide vote to one of the party's most influential bodies. Labour's left-wing is now set to dominate the party's conference's arrangements committee, which oversees what is debated at Labour conference, taking over immediately after this year's conference in Brighton. Momentum-backed Seema Chandwani, secretary of Tottenham Labour, and former CWU secretary Billy Hayes won almost double the number of member votes than the incumbents, shadow minister Gloria de Piero and peer Michael Cashman. The Corbyn-supporting candidates doubled their vote share since 2015, when the candidates were Momentum founder Jon Lansman and Corbyn staffer Katy Clark. A Momentum spokesperson said: This result reflects the overwhelming desire among the Labour Party members for a more democratic, grassroots party where they have a real say in how it's run and what it stands for. To double the vote for Corbyn supporting candidates in just one election cycle shows both the strength of the movement and the support Jeremy has across the party. De Piero tweeted her congratulations to both Chandwani and Hayes, but also highlighted some of the abuse she had received during the campaign. Chandwani had attracted some controversy during the course of the election campaign, after authoring a blog where she called MPs who had opposed Corbyn a "bunch of talentless morons". Q: There does seem to be some incoherence in Labour's position. People say different things. Corbyn says there is a great deal of coherence. But some colleagues "think aloud" about the future. The party's view is clear on the EU withdrawal bill. It is set out in Labour's amendment. Q: Will you stay on as Labour leader until the next election? Corbyn says he is fine. He has been campaigning over the summer. Q: But what about staying until 2022? Corbyn says he is perfectly well. But he does not think we will have to wait until 2022 for an election. He thinks it will come much sooner than that. Q: Would you take part in Strictly? No, says Corbyn. He says his dancing is terrible. Q: What about your other hobbies? Have you time for the allotment? Corbyn seems to perk up noticeably. His allotment is in fine fettle, he says. He says it is important to make time for things outside of politics. And he quotes Harold Wilson on the importance of people who can grow things. And that's it. I will post a summary soon. Q: Did you support Tony Blair's proposals yesterday? Corbyn says he watched the interview "with interest". Q: Only with interest? Corbyn says Blair appeared not to understand Labour's policy. Q: If you stay in, you have to accept freedom of movement? Corbyn says we need proper regulation of the labour market. It is not acceptable for people to come to the UK on very low wages. Q: Are you aware of the net migration figures? Corbyn says they change quite a lot. It has come down. Q: Are you aware of the figure? It is below 300,000. Q: It is around 250,000. Is that acceptable? Corbyn says the UK would be in a much worse position if it did not have EU labour. The BBC is now broadcasting the Brexit part of the Corbyn interview. Corbyn says he wants the UK to have a close relationship with the EU after Brexit. Q: Are there no circumstances in which you can imagine the UK staying in the EU? Corbyn says Labour is in a complicated position. Most Labour voters backed remain, but a substantial minority voted to leave. The UK voted to leave. That must be respected, he says. But he says there some EU agencies that the UK should remain part of. Q: What about in the shorter term? Corbyn says he does not see how it is possible to reach agreement on all trade issues by March 2019. Going to World Trade Organisation terms then would be damaging. So Labour has backed membership of the single market and the customs union during that period. Q: For how long? It would not be open ended, he says. It would be as short as possible but as long as necessary. Q: You might be facing Labour rebellions tonight? Corbyn says he hopes Labour MPs will recognise the way the bill takes away powers of parliamentary scrutiny. This is a power grab by the government, he says. Q: The TUC wants the UK to stay in the single market permanently. Could we stay in indefinitely? Corbyn says big industries have major supply chains across Europe. Those relationships must continue. Q: So the UK could stay in indefinitely. We want a relationship which allows us to trade within the single market. Whether that is formal membership, which is only possible, I believe, if you are actually a member of the EU, or whether it is an agreed trading relationship, is open for discussion. The outcome is more important than the nomenclature along the way. Jeremy Corbyn has given an interview to the the World at One. According to the clip that Wato has just broadcast, Corbyn said that he did not think the UK would be able to remain a permanent, formal member of the single market after Brexit - but he did not absolutely rule it out. This is what Corbyn told Martha Kearney when asked if the UK could stay in the single market and the customs union indefinitely. We want a relationship which allows us to trade within the single market. Whether that is formal membership, which is only possible, I believe, if you are actually a member of the EU, or whether it is an agreed trading relationship, is open for discussion. I will cover the interview in full when it gets broadcast. There are no statements or urgent questions today. That means the EU withdrawal bill debate will start at about 3.30pm. The TUC will lead a protest against President Trump if he ever visits the UK, Frances O'Grady, the TUC general secretary, said in her speech. She told delegates: If Trump sets a foot on our soil the TUC will be proud to lead a peaceful protest. Let us send a message - Donald Trump, you are not welcome here. As my colleague Patrick Wintour reported in June, Trump has told Theresa May that he does not want to come to the UK for a state visit if he is going to be met with large-scale protests. So we may be waiting for that visit of quite some time... Here are the main points from the Number 10 lobby briefing. Theresa May is holding a Cobra meeting to discuss the government's response to Hurricane Irma, the prime minister's spokesman said. He also he rejected claims that the government's response so far had been inadequate. This was "an unprecedented situation", he said, and it involved "a huge number of British citizens" in the path of the hurricane. He told journalists: We are talking about a huge number of British citizens who are in the path of this hurricane, and we are doing everything we can to help them... RFA Mounts Bay was not in the region by chance. It was pre-positioned there in July ahead of hurricane season. What that meant was that DfID (Department for International Development) aid supplies, specially trained military personnel and a helicopter were in the Caribbean when Irma hit, and they could start getting to Anguilla as soon as the hurricane passed. We were prepared for this and we responded quickly. We are now responding to an unprecedented situation and making sure that all the resources that are needed are getting there. The morning after Irma hit, Mounts Bay delivered six tonnes of shelter and cleared the runway to allow relief flights to land. The ship moved to BVI (British Virgin Islands) and got the airfield operating again. It will deliver further supplies to Anguilla today, having resupplied. We've provided £32m in immediate assistance to the overseas territories. DFID are matching every pound donated to the British Red Cross by the public. We've deployed almost 700 troops to the region. We have three helicopters and an A400 aircraft to help transport personnel between the islands. There will be more helicopters arriving with HMS Ocean. Twenty tonnes of aid are there.Other countries are asking for our assistance in the region. The French asked for our assistance and we are providing that. The spokesman signalled that the government would be willing to compromise over the EU withdrawal bill as it went through the Commons. He said: We have been clear that we are going to listen to the concerns of people on this bill and that is what we will do. The spokesman said the government would publish its ***plans*** for police and prison service pay "shortly", but he refused to confirm reports saying that their awards will breach the 1% cap on public sector pay rises. The spokesman dismissed a claim from Citzens Advice saying that universal credit is a "disaster waiting to happen". He said it was an "important reform" that would help people find work and progress to earning more. May is hosting a meeting in Downing Street later with her new trade envoys. Some are David Cameron appointees who have been reappointed, but some are new. At the TUC conference Frances O'Grady, the TUC general secretary, is just wrapping up her speech. I will post a summary when I've seen the full text. These are from ITV's Paul Brand. Here is our preview story. Frank Field, the Labour former welfare minister, will defy the Labour whip and vote for the EU referendum bill. He will be voting to "deliver on the outcome of the referendum" according to aides. He does want to amend the bill at a later stage but agrees with Caroline Flint that Labour's job is not to "kill the bill" but to improve it as it passes through the house. I'm back from the Number 10 lobby briefing. Theresa May is chairing a Cobra meeting to discuss Hurricane Irma, the prime minister's spokesman said, but he rejected claims that the government's response so far had been inadequate. This was "an unprecedented situation", he said, and it involved "a huge number of British citizens" in the path of the hurricane. Otherwise, the briefing was rather dull. I will post a summary (for what it is worth) shortly. Sir Alan Duncan, the deputy foreign minister, has revealed that Brexit has been good for the government's wine supplies. In a written ministerial statement about the government hospitality wine cellar, he says that consumption by volume fell by 12% in the financial year 2016/17 "due to fewer government events, particularly during the EU referendum period". I'm off to the Number 10 lobby briefing. I will post again after 11.30am. The Scottish government says nuisance calls disproportionately affect people in Scotland. It has announced a 50,000 fund to install call-blocking technology for those most at risk but, in a news release, the Scottish government's economy secretary, Keith Brown, says that the UK government regulates this area and that it should do more. He proposes "exploring a model which automatically opts people out of unwanted calls." In an interview with BBC Scotland, to mark the 20th anniversary today of the Scottish devolution referendum, Tony Blair has revealed that he considered the case for having a British football league as a means of keeping England and Scotland together after devolution. He said: Since that time [the referendum] I've always sort of thought about what we did right and what we did wrong. I think in retrospect I would have looked for more ways of trying to keep Scotland and England culturally aligned. I know it sounds a bit strange but I was for a time quite obsessed with the idea that, for example, for football we should be opening up the English league and the Scottish league and having them together because I always thought we should be looking at ways of making sure that people felt a connection. Blair said that having a British football team "was going to be a step far too far", but added: I was looking for ways of making sure that, as we in a sense diverged around devolution, that there were elements of convergence and I still think in the future it's important we look for that... One of the reasons I was always against nationalism is that I felt that ultimately, although I understood the reasons for it, it's got a divisive aspect to it and so for me devolution was about a sensible set of reforms to government but I wanted to make sure all the way through that we kept that sense of unity culturally and politically at the right level for the UK. Here are the main points from Boris Johnson's Today interview. Johnson, the foreign secretary, refused to rule out free movement for EU nationals staying during the Brexit transition. (See 8.56am.) He said that he hoped Brexit would coincide with a "renaissance" for the EU. He said: I'm interest to hear that the commission president, Monsieur Juncker - who has many great qualities, by the way - he has said that he regards Brexit as - or he's about to say this, according the papers, - a moment for the renaissance of the European Union. Well, fantastic, let's get on with it, let's have a renaissance of the European Union. This is rather different from the argument that Michael Gove, the environment secretary, advanced during the EU referendum campaign last year when he and Johnson were jointly running the Vote Leave campaign. Gove implied that he would like to see Brexit lead to the break-up of the EU. In one speech Gove said: The UK's success [outside the EU] will send a very different message to the EU's peoples. They will see that a different Europe is possible. It is possible to regain democratic control of your own country and currency, to trade and co-operate with other EU nations without surrendering fundamental sovereignty to a remote and unelected bureaucracy. And, by following that path, your people are richer, your influence for good greater, your future brighter. So - yes there will be "contagion" if Britain leaves the EU. But what will be catching is democracy... For Europe, Britain voting to leave will be the beginning of something potentially even more exciting - the democratic liberation of a whole continent. Johnson backed Theresa May's leadership, saying she needed to "keep going". Asked what she should do, he replied: Keep going. She needs to keep going, get this thing done. What people want is a government that delivers on the priorities of the people. He said MPs voting against the EU withdrawal bill tonight would be "effectively voting to frustrate Brexit". He said: The vote tonight is very important. We need to get it done. We need to get this great ship launched... People who vote against it will be effectively voting to frustrate Brexit by ***producing*** a completely chaotic result. He said criticism of the government's response to Hurricane Irma, and the level of support offered to Britons and to British territories affected by it, was "completely unjustified". He said: This is a very big consular crisis and I am confident we are doing everything we possibly can to help British nationals... It doesn't make any sense when a hurricane is impending to send in heavy aircraft or to send in ships that are not going to be capable themselves of withstanding the storm... If you look at what is happening now you can see an unprecedented British effort to deal with what has been an unprecedented catastrophe for the region. At midnight MPs will vote on giving the EU withdrawal bill a second reading. The government seems certain to win (there does not even seem to be much prospect of defeat on the ***programme*** motion), but it will be an important Brexit milestone, Another one will come when Theresa May delivers her much-anticipated autumn Brexit speech, probably at the end of next week. Boris Johnson was on the Today ***programme*** this morning, mostly talking about the British response to Hurricane Irma (which we are covering on a separate live blog), and he offered an intriguing hint as to what might be in it. John Humphrys asked about the transition period that would happen after Brexit. During that period Britain would stay in the internal market and in the customs union, Humphrys claimed (even though the government has not quite put it like that), and then he added: "I'm assuming, correct me if I'm wrong, there will still be free movement of people for those two years?" Johnson could have chosen to correct Humphrys. Or he could have chosen to say that we will be leaving the EU at the end of March 2019, and that free movement would have to go. But instead he replied: I'm not going to pre-empt any announcements that the prime minister will make about this in due course... That sounded like a possible hint that the May speech will contain a concession to the EU that involves keeping free movement, in some form, during the transition period. I will post more from the interview shortly. Here is the agenda for the day. 9am: The Institute for Fiscal Studies holds a briefing on NHS services. 11am: Downing Street lobby briefing. 3.30pm: MPs are due to resume their debate on the EU withdrawal bill. They will vote at midnight. Also the TUC annual conference is taking place. Frances O'Grady, the TUC general secretary, is speaking. As usual, I will be covering breaking political news as it happens, as well as bringing you the best reaction, comment and analysis from the web. I ***plan*** to post a summary at lunchtime and another in the afternoon. You can read all today's Guardian politics stories here. Here is the Politico Europe round-up of this morning's political news from Jack Blanchard's Playbook. And here is the PoliticsHome list of today' top 10 must reads. If you want to follow me or contact me on Twitter, I'm on @AndrewSparrow. I try to monitor the comments BTL but normally I find it impossible to read them all. If you have a direct question, do include "Andrew" in it somewhere and I'm more likely to find it. I do try to answer direct questions, although sometimes I miss them or don't have time. If you want to attract my attention quickly, it is probably better to use Twitter. 99953 false

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[***Russia: Khabarovsk Territory media highlights 2-8 Oct 17***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PR6-V6Y1-JC8S-C0TY-00000-00&context=1516831)

BBC Monitoring Former Soviet Union - Political

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By BBC Monitoring

The following are highlights from Khabarovsk's state-owned GTRK Dalnevostochnaya TV and municipal Gubernia TV news, as well as AmurMedia and Amurpress news agencies for the period 2-8 October 2017:

Political

On 5 October AmurMedia featured a comment by local political analyst on Maritime Territory governor Vladimir Miklushevsky's resignation and shape of things to come for other heads of Russia's Far East regions.

Far Eastern governors are unlikely to be dismissed in the near future: all of them will work till at least spring 2018, said Ildus Yarulin, head of the Institute of Social and Political Technologies and Communications at Pacific State University. Only Magadan Region governor Vladimir Pechyony is in the risk zone because he is 68 but this still does not necessarily mean he will be dismissed, Yarulin added.

As for Khabarovsk Territory governor Vyacheslav Shport, his rating is not the highest, but he cannot be considered an outsider, either. Besides, unlike Miklushevsky, Shport has managed to establish stable working relations with the presidential envoy to the Far Eastern Federal District, Yuri Trutnev, the expert said. Miklushevsky was backed by First Deputy Prime Minister Igor Shuvalov who does not get along with Trutnev, hence lack of understanding between Trutnev and Miklushevsky which could also have contributed to his dismissal. Thus, Shport is most likely to work till the end of his term but the question of whether he will be given an opportunity to run for another term remains open, the expert said. (AmurMedia news agency, Khabarovsk, 0305 gmt 5 Oct 17)

Presidential envoy to the Far Eastern Federal District Yuri Trutnev has chaired a meeting on timber industry development in the Far East, GTRK Dalnevostochnaya TV reported on 6 October. Trutnev has pointed at a low volume of deep timber processing in the region and warned those who hamper timber industry development of dismissals. Some 70 per cent of export is round timber, while the share of deep-processed timber is 1 per cent only.

The officials discussed projects being implemented in the region, including a pulp and paper plant to be built in Amursk and measures to be taken to boost timber processing. The pulp and paper plant is to ***produce*** up to 500,000 tonnes of paper pulp a year and process 2.5m cubic metres of low-quality timber. Governor Vyacheslav Shport mentioned the concerns of the local people over possible negative environmental impact of the plant and assured that the plant will be eco-friendly. (GTRK Dalnevostochnaya TV "Vesti Khabarovsk" news, Khabarovsk, 1245 gmt 6 Oct, AmurMedia news agency, Khabarovsk, 0820 gmt 5 Oct 17)

Presidential envoy to the Far Eastern Federal District Yuri Trutnev has chaired a meeting in Khabarovsk to discuss progress in the implementation of projects in advanced development territories (TORs) and the free port of Vanino. Representatives of the federal bodies of power, governor Shport as well as investors implementing their projects in TORs took part in the meeting. The participants discussed progress in the construction of infrastructure for TORs and steps to be taken to attract new TOR residents. Speaking about problems investors are faced with Trutnev voiced ***plans*** to expand the powers of the Corporation for Far East Development: it will be allowed to retrieve land plots for investors' needs without having to change the status of lands. The move will significantly simplify the procedure of getting land plots for investors and will enable them to get down to work without delay, he added. At present there are 39 residents of advanced development territories in Khabarovsk Territory, with an estimated volume of investment of over R43bn (748m dollars at the current exchange rate), the news agency recalled. As for the free port of Vanino, it has nine residents with a total volume of ***planned*** investment of R82bn. (Amurpress news agency, Khabarovsk, 0740 gmt 5 Oct 17)

Khabarovsk residents have made graffiti with President Putin's portrait timed to his 65th birthday, AmurMedia news agency reported on 8 October. The graffiti is located on a low-rise building in the city centre. (AmurMedia news agency, Khabarovsk, 0930 gmt 8 Oct 17; picture available at: [*http://bit.ly/2hHcsUc*](http://bit.ly/2hHcsUc))

Opposition protests

Oleg Pankov, deputy of the Komsomolsk-na-Amure town duma, has been released after 25 days of administrative arrest, AmurMedia news agency reported on 4 October. The district court ruled to put Pankov under arrest for 25 days for violating the law on mass rallies and the Khabarovsk Territory court upheld the ruling. On the first day in custody Pankov went on hunger strike to protest against the decision and continued it throughout the detention. Pankov is going to challenge the ruling on his arrest in higher courts and if, necessary, appeal to the ECHR. "The arrest has not broken me down. I have not been intimidated, have not changed my beliefs and will continue engage in politics and support Navalny," he said. (AmurMedia news agency, Khabarovsk,1135 gmt 4 Oct 17)

Alexei Navalny's supporters have staged a rally in Komsomolsk-na-Amure on 7 October, Amurpress news agency reported on the same day. The rally was authorised by local authorities. Several dozen activists, mostly young people, gathered in the town centre and walked to the embankment. Many participants had red balloons with "Navalny" written on them, some had red plates with the same name. (Amurpress news agency, Khabarovsk,1140 gmt 7 Oct 17)

An authorised picket in support of Alexei Navalny was staged in Khabarovsk, Amurpress news agency reported on 7 October. About a hundred activists gathered at a small square and demanded that the authorities set Navalny free. They also congratulated President Vladimir Putin on his 65th birthday. (Amurpress news agency, Khabarovsk, 1240 gmt 7 Oct 17)

Economic

Preparation works for the construction of an automobile road to bypass Khabarovsk have kicked off in the vicinity of Khabarovsk, GTRK Dalnevostochnaya TV reported on 6 October. Preparation works are to be completed in about a month and the construction will last till September 2020. The road will be 27 km long with 24 bridges and junctions. It will be a toll road with a fee of R6.3 per kilometre. It will be the first regional project to implement the state-private partnership approach. The total cost of the road is estimated at R37bn with over R18bn to be allocated from the federal budget and R11bn from regional coffers. The remaining funds will be provided by Gazprombank acting as financial agent. (GTRK Dalnevostochnaya TV "Vesti Khabarovsk" news, Khabarovsk, 1245 gmt 6 Oct 17; AmurMedia news agency, Khabarovsk, 0100 gmt 7 Oct 17; Amurpress news agency, Khabarovsk, 0020 gmt 7 Oct 17)

A new locomotives service centre has been opened in Komsomolsk-na-Amure. It can service up to 3,500 locomotives a year. The new centre is a ***strategic*** link in a large-scale project Eastern Polygon implemented by Russian Railways. By 2020 the volume of freight traffic towards the free port of Vanino is expected to reach 60m tonnes a year hence demand for maintenance and repair of locomotives. (GTRK Dalnevostochnaya TV "Vesti Khabarovsk" news, Khabarovsk, 1245 gmt 6 Oct 17)

A new stage of the modernisation of Khabarovsk airport has kicked off, Gubernia TV reported on 3 October. The old domestic terminal has been dismantled, a new one will be built by 2019. Its cost is estimated at R4.5bn. The new terminal will be able to handle up to 3m passengers a year. The foreign terminal will be expanded too, the cost of this being estimated at R8.2bn. (Gubernia TV "Novosti" news, Khabarovsk, 1000 gmt 3 Oct 17)

A bankrupt dairy farm in the territory's Vyazemsky District has been sold to an ***agricultural*** holding from Maritime Territory, Gubernia TV reported on 5 October. The Grin Agro holding paid R62.5m for the farm. The holding is going to make the farm a part of the project to include a feed factory, a dairy plant and another three or four farms. The holding is ready to invest up to R2bn in the project. (Gubernia TV "Novosti" news, Khabarovsk, 1000 gmt 5 Oct 17)

Four administrative cases have been launched against crew of the 70th Anniversary of Victory ship for attempted smuggling, GTRK Dalnevostochnaya TV reported on 2 October. When the ship arrived in Khabarovsk from the Chinese border town of Fuyuan customs officers found 400 kilogrammes of different stuff varying from jeans and alcohol to sea food and car parts.

It is the same crew that tried to smuggle over 330 kg of rare edible lichen, Umbilicaria esculenta, in a hiding place onboard the ship to Fuyuan in mid September. (GTRK Dalnevostochnaya TV "Vesti Khabarovsk" news, Khabarovsk, 1245 gmt 2 Oct 17)

Former head of Sovetskaya Gavan has been found guilty of bribery, GTRK Dalnevostochnaya TV reported on 5 October. In 2011 the town administration signed three contracts for seismic retrofit of blocks of flats in line with a federal ***programme***. However, the contractor used cheap substitutes instead of expensive materials envisaged in the contracts and thus caused a damage of R20m to the budget. According to investigation, the deputy head got a bribe of R1.366m for turning a blind eye to the breach of contract. The former official was sentenced to four years in prison and a fine of almost R3m. (GTRK Dalnevostochnaya TV "Vesti Khabarovsk" news, Khabarovsk, 1245 gmt 5 Oct 17)

The Khabarovsk Territory prosecutor's office has finalized an indictment in a criminal case over illegal timber harvesting in the region's Bikin District, AmurMedia news agency reported on 6 October. In 2016 a resident of Bikin settlement organised a criminal group of four people aiming to harvest timber and sell it to Chinese buyers. According to investigation, the group cut 36 trees and caused a damage of R43m to the budget. Only one member of the group pleaded guilty, the others stated that they had been assured that all permits for harvesting were available. The suspects may face up to seven years in prison. (AmurMedia news agency, Khabarovsk, 0230 gmt 6 Oct 17; Amurpress news agency, Khabarovsk, 0100 gmt 6 Oct 27)

Bank accounts of the bankrupt municipal bus company Khabarovsk Passenger Transport Enterprise have been arrested, GTRK Dalnevostochnaya TV reported on 7 October. The company's debt grew from R270m up to R400m since bankruptcy proceedings started, so the tax office demanded that the company should pay off at least R87m immediately and arrested its accounts. As a result, over 450 bus drivers have been laid off and the number of municipal buses operating in Khabarovsk has dropped.

The Khabarovsk administration, however, assured that public transport in Khabarovsk operates properly. According to some reports, the regional government has interfered in the situation and promised to allocate some money for the company to buy fuel for buses. (GTRK Dalnevostochnaya TV "Vesti Khabarovsk" news, Khabarovsk, 1245 gmt 7 Oct 17; AmurMedia news agency, Khabarovsk, 0645 gmt 7 Oct 17)

Human rights

A policeman who was among MMA fighter Anar Allakhveranov's friends during his conflict with world powerlifting champion Andrei Drachev and watched Allakhveranov kill the latter may face criminal proceedings on charges of negligence. For now, the policeman has been fired and the regional prosecutor's office has initiated a check. Drachev was killed in a fight with Allakhveranov on 20 August, the latter fled and but turned himself in in late September. (GTRK Dalnevostochnaya TV "Vesti Khabarovsk" news, Khabarovsk, 1245 gmt 6 Oct 17)

Military

Pilots of up-to-date Su-34 fighter-bombers of the aviation regiment deployed in Khabarovsk Territory have taken part in a large-scale exercise, GTRK Dalnevostochnaya TV reported on 6 October. They practised low-altitude missions, dodging imaginary enemy's missiles and landing at an aerodrome with a damaged air strip. The exercise included an air fight and flights to stratosphere in a supersonic regime. (GTRK Dalnevostochnaya TV "Vesti Khabarovsk" news, Khabarovsk, 1245 gmt 6 Oct 17; video available at: [*http://bit.ly/2yUhLXw*](http://bit.ly/2yUhLXw))

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Zagreb, 21 March 2018 (Hina) - HDZ leadership supports ratification of Istanbul ConventionZAGREB, March 21 (Hina) - Prime Minister Andrej Plenkovic said on Tuesday evening that the Presidency of his HDZ party had supported the ratification of the Istanbul Convention by a majority of votes."The vote was 19 to six. The government will continue the process of adopting the law to ratify the Council of Europe's Convention on preventing violence against women," Plenkovic told the press after a four-hour meeting of the HDZ Presidency.He said that the document would be on the government agenda on Thursday before being sent to Parliament for ratification. The inner Cabinet will discuss it with the coalition partners on Wednesday.Plenkovic said it was important to him that the majority of the Presidency members had voted in favour and that they had raised the standards of democratic discussion within the party. He added that he thought that a majority of the HDZ lawmakers would also vote in favour.According to sources from the HDZ, the Presidency members who voted against are: First Vice-President Milijan Brkic, Vice-President Ivana Maletic, Secretary for International Relations Miro Kovac, Political Secretary Davor Ivo Stier, and Presidency members Darko Milinovic and Anton Kliman.Asked if this indicated that he should change people around him, Plenkovic said that "the fact that someone thinks differently does not have to mean that they should not be in the same party or aspire to the same values."Asked if this meant that the HDZ was not on the same side as the Catholic Church, which is opposed to ratifying the Istanbul Convention, Plenkovic said: "We are absolutely on the same side.

The purpose of this convention is to protect women against violence and domestic violence. ... I am deeply convinced that the ratification of this convention will not impose on the Croatian legal system any obligations that would be against the values of the HDZ."Noting that the HDZ was implementing its election ***programme***, Plenkovic said that they were dealing with an extremely negative social problem because a few years ago 47 percent of all people killed were women, mostly by their partners.Asked if the ratification of the Istanbul Convention by Parliament depended on the opposition, Plenkovic said that it is ratified by a simple majority. He added that the interpretive statement, which will form an integral part of the ratification act, would be made public on Thursday after the Cabinet meeting.Responding to a question about a protest rally against the ratification of the Istanbul Convention, ***planned*** for Saturday, Plenkovic said that it was not a protest against the HDZ but a free expression of opinion in a democratic society."In a democratic society everyone can express their views. We as the government and the strongest political party in Croatia, with a clearly defined value system, are proposing a document which has been ratified and is in force in 17 EU member states and 28 Council of Europe members, which has been signed by 45 countries and the drafting of which involved Croatian experts," Plenkovic said.Earlier in the day, commenting on theannouncement by the opposition Social Democratic Party (SDP) that its lawmakers would not vote for the ratification of the convention if the document was accompanied by an interpretive statement, Plenkovic said he would like to see thathappenas such developments would show petty politicking on behalf of the opposition.GLAS party says will support ratification ofConventionZAGREB, March 20(Hina) - The leader of the parliamentary GLAS party, Anka Mrak Taritas, said on Tuesday that her party would vote for the ratification of the Istanbul Convention, stressing that there was no gender ideology in that document and that it was about prevention of violence against women."Yes, we will vote for the Istanbul Convention. Our position is absolutely clear - the Istanbul Convention focuses on violence against women and domestic violence, and as a decent country, Croatia must ratify it and pass a law on its ratification. That way the state will assumeits share of responsibility that was not regulated until now and we will support the ratification of the Istanbul Convention," Mrak Taritas said.Commenting on Social Democratic Party (SDP) leader Davor Bernardic's position that the SDP would not vote for the ratification should any reservations accompany the Convention, Mrak Taritas said that her party had been clear about the Istanbul Convention being solely a document about gender equality and that it was important to support it."We have been insisting all along that the Convention is in line with the Constitution, that there is no gender ideology in it and that there is no reason whatsoever not to support it, and we will do it," said Mrak Taritas.She stressed that the document wasof the utmost importance for women's rights and that "one should not use the weakest ones in this society, such aswomen and children, for political score-settling or debates, whether they be in oneparty or between more parties."As for speculation that an early election is being mentioned in the HDZ over the Istanbul Convention, Mrak Taritas said that GLAS was ready for elections.The president of the HDSSB party, MP Branimir Glavas, said he would vote for the adoption of the Convention, regardless of an interpretative statement, and that the HDSSB wanted Croatia to remain a secular state.HNS MP warns of hate speech in debates on Istanbul Convention ratificationZAGREB, March 20(Hina) - Croatian People's Party (HNS) lawmaker Marija Puh on Tuesday called on members of parliament, the generalpublic and media outlets to be responsiblein their comments on the ***planned*** ratification of the Council of Europe Convention on preventing and combating violence against women and domestic violence, warningof hate speech in debates on this topic.The HNS official also warned of "alternative facts" that were being spread."Lack of understanding comes from ignorance," Puh said, adding that one of the false facts is that the Istanbul Convention is introducing gender ideology. In this context, she recalled that the term "gender" was introduced in the Croatian legislation in 2008.Another falsity is that the Convention strips the country of its sovereigntyto some extent. To date, many conventions such as the convention on the rights of the child that function along the same lines have been signed, she toldparliament.Civil initiative urges gov't to establish council to assessimpact of ratifying ConventionZAGREB, March 20 (Hina) - A civil initiative from Split consisting of Christian intellectuals on Tuesday expressed their opposition to the ratification of the Istanbul Convention and called on the government to establish a council to determine the impact of itsratificationon Croatian society.The initiative proposed that instead of sending abill to ratify the Convention into parliamentary procedure on Thursday, the government should adopt a decision on establishing a council to determine the impact of theratification of the Convention on Croatian society.The initiative claimed that the Convention, which could leave lasting consequences on the education, culture and tradition of Croatian society and would enter all pores of Croatian society, had not been subjected to any scientific analysis of its effects,advantages and disadvantages.The civil initiative said that members of thecouncil whose establishment it proposed would be delegated by civil society organisations, law and medical faculties, members of the Croatian Academy of Sciences and Arts, the Bishops' Conference and the relevant ministries."If the prime minister and government fail to use this final chance to overcome public disputes and if they turn a deaf ear to a large part of the public, we unfortunately won't have any choice. Because of violations of human and civil rights of those who do not accept the term 'gender', because of restrictions of rights of parents to decide on the education and rearing of their children in accordance with their religious beliefs, which is guaranteed by the Croatian Constitution, together with other civil initiatives and organisations, after the Istanbul Convention is ratified, we will launch a campaign to hold a referendum on the Convention," the civil group said.Opposition submits motion for no-confidence vote in economy ministerZAGREB, March 20(Hina) - Opposition MPs on Tuesday submitted a motion for a no-confidence vote in Deputy Prime Ministerand Economy Minister Martina Dalic over the Agrokor conglomerate and the "consultants affair."The motion was signed by 37 MPs from six parliamentary groups and independents."In this case too we have shown that we're not a futileopposition, that some HDZ MPs will have this argument too against Andrej Plenkovic at tonight's (HDZ) Presidency session and it will be interesting to see how things unfold. It just got complicated," Nikola Grmoja of Bridge said, adding that PM and HDZ (Croatian Democratic Union) presidentPlenkovic was not in control of the ruling majority.Grmojasaid he did not know if the ruling coalition MPs would vote for the motion against Dalic.He said the motion was importantbecause a large portion of the public was for Dalic's dismissal, considering her responsibilityfor the high fees of the consultants in the restructuring of Agrokor. He said Dalic must have known from which company the former emergency administrator in Agrokor, Ante Ramljak, had come from."Ramljak'sresignation can't absolveDalic. He left, his company made millions and I don'tsee what damage he has suffered. Someone has to be held politically accountable and it was Dalic who chose Ramljak," said Grmoja.Arsen Bauk of the Social Democratic Party said Plenkovic should either sack Dalic or she should step down. He called on MPs to vote for the opposition's motion."The groups whose representatives signed (the motion) and the independent MPsnumber between 67 and 70, which means there are nine more MPs of the ruling coalition and the three MPs of theIndependents For Croatia who didn't sign the motion but have said they would vote for the no-confidence, so we are close. We'll see who will support our motion on behalf of the HDZ group," Bauk added.As for howthe Independent Democratic Serb Partywould vote, he said it was up to its leader Milorad Pupovac to "speak a little more clearly."Asked if he expected the ruling coalition to put the no-confidence vote in Dalic on the agenda onthe first day of the next parliamentary session, Bauk said that was up to the speaker. "If he is sure that all (78 MPs of the ruling coalition) will vote against and not abstain or otherwise, he will put it on the agenda onthe first day.""There areHDZ MPs who,during the oral vote, if there were nocameras, would say that ourmotion is alright,butthey will either respect the party discipline or leave the party. I dare say only the HNS is firmly against," Bauk said.HDZ whip: Ruling majority to be unanimous in rejecting no-confidence vote in DalicZAGREB, March 20 (Hina) - The Croatian Democratic Union (HDZ) parliamentary group whip, Branko Bacic, told reporters in parliament on Tuesday that a motion for a no-confidence vote in Economy Minister Martina Dalic "is not strong enough to demand Dalic's resignation," adding that the ruling majority would be unanimous on that issue.Bacic said he absolutely did not fear that the ruling majority could make voting on the Dalic case conditional on voting on the Istanbul Convention.Commenting on the vote on the Istanbul Convention, an issue that caused divisions within the HDZ, Bacic said "it was not his duty to persuade anyone to vote in favour of the Convention.""Every MP has their own integrityabout the Istanbul Convention or any other legislation. We will carry out a debate within our caucus and,before that, at a session of the HDZ Presidency, and our caucus will act accordingly," Bacic said.Asked if he had received an email from the In The Name Of The Family NGO demanding that the Convention not even be sent to parliament for ratification, Bacic said nobody had contacted him but that he did receive "a countless number of emails regarding the Istanbul Convention."Bacic said he expected the party Presidency, which was expected to convene later on Tuesday, to discuss the Convention and adopt a position on it.Asked to comment on media reports about a blow of the far right political option on Prime Minister Andrej Plenkovic and whether an early election isan option, Bacic said there was no mention of an early election.Our objective is a stable government and the implementation of the announced reforms, Bacic said.Committee for Constitution: HDZ, SDP agree on Standing OrdersZAGREB, March 20 (Hina) - The parliamentary Committee on the Constitution, Standing Orders and Political System on Tuesday reached a compromise on the contents of the new Standing Orders, however, whether they will be passed on Friday depends on how Social Democratic Party (SDP) lawmakersvote, given that theyhave announced that they will vote according to their conscience.Parliamentarians fromthe ruling majority at today's meeting of the Committee discussing the new Standing Orders agreed to allow the opposition first to put other important issues on the agenda so that issues that have been on the agenda, waiting to be debated in parliament for more than 60 days, are dealt with within seven days with the condition that at least 30 MPs sign such a motion.In addition, another compromise was accepted according to which the first day parliament sits in a week, caucuses have the right to speak freely about topics they considerimportant or to call for a break lasting from 9.30 to 10.45 a.m.whereas breaks during the rest of the week would be between 1 and 2.15 p.m.A motion by independent MP Vlaho Orepic was adopted unanimously, according to which independent MPs who do not belong to any parliamentary groupwill have the right to request a break once a week.CommitteechairmanZeljko Reiner (HDZ) expressed satisfaction with the compromise, assessingthat this is a step forward in democraticising parliament because in future it will be able to choose bills and when to include them on the agenda.SDP MP Pedja Grbin too said that this is the first time in 28 years that the opposition can put bills up for debate on parliament's agenda.Bridge party MP Robert Podoljnjak underscored, however, that the proposed Standing Orders legalisedduopoly in parliament because the two largest parliamentary parties can easily collect 30 signatures whereas parties like Bridge and some others are being marginalised because they are not in a position to independently collect the necessary signatures and are dependent on other caucuses.SDP will now withdraw more than 350 "obstructive" amendments and Bridge will withdraw thoseamendments that were repeated. However, it will request that 15 crucial amendments be put up for debate.The Standing Orders require at least 76 votes in favour in order to be passed in the 151-seat parliament.Oppositioncalls on general public to opposeplanned pension reformZAGREB, March 20(Hina) - Human Shield lawmaker Branimir Bunjac on Tuesday called on citizens to stand up against the latest ***plan*** to overhaulthe current pension system which he said would additionally discriminate against pension beneficiaries."I urge all Croatian citizens to stand up against the announced pension system reform as it will additionally aggravate the unfavourable situation of pension beneficiaries," Bunjac said in the national parliament, adding that the announced ***plan*** was actually "tacit euthanasia" to be conduced by the government.The Croatian Democratic Union (HDZ)-led government is proposing additional costs for employees and the penalisation of retirees, Bunjac said, criticisingthe ***plan*** to raise the statutory retirement age to 67 years, while theaverage life expectancy in the country is 75 years.How many pillars do you need for the pension system to be sustainable, Bunjac wondered,criticising the government over ***plans*** to raise allocations for pension contributions.He said that average pensions were so low that they could be treated as welfare benefitswhereas, on the other hand,the authorities had"handed out tens of thousands of privileged pension allowances and benefits for early retirement."Bunjac called for transforming the second pension pillar (in the current pension scheme) into a voluntaryone and that anyone who opted to transfer their contributions from the secondinto the first pillar, to be enable to do so free of charge.SSSH union opposed to increasing retirement ageZAGREB, March 20 (Hina) - The Union of Autonomous Trade Unions (SSSH) on Tuesday condemned announcements,released throughthe media, that raising the retirement age to 67, which was to have been introduced as of2038, willbe introduced as of2033, whichmeans that everyone currently under the age of 52 will be required to work until they are 67.Instead of discussing various ways of resolving this issue based on sound analysis, "unofficial sources" are deliberately presenting just one solutionwhich isn't particularly justified nor can it contribute to a higher level of pension allowances, SSSH underscored in a press release.Life expectancy in Croatia (78.2 years in 2016) still remains to be about three years less that the average in the European Union (81 years), SSSH stressed.The situation is similar in other new EU member states, most of whichare currently not even considering increasing the retirement age beyond 65.Alongside Croatia,the exception isSlovakia where retirement age is 62. Seven new EU member states still have not set 65 as the retirement age.Banning people from retiring before 67 won't create jobs and Croatian workers, who are too old for Croatian employers once they turn 50, will be condemned to unemployment and poverty in their old age, SSSH believes.Croatia has to find a way to keep people aged between 50 and 64 employed. Their employment rate in Croatia is the worst after Greece (38.1% in 2016, compared to the EU average of 72.4%).The second essential question is how to increase earnings, which includes raising the minimum wage, preventing it from being abused, but also establishing a stimulating framework for collective negotiating, which is the most effective mechanism to secure wages at an acceptable level for workers and employers, the union said.As for the future of the pension system, it is important to finally embarkon combating the grey economy, including unreported work andpaying a portion of theearnings in cash.It is estimated that the grey economyin Croatia accounts for 25% to 30% of Gross Domestic Product (GDP) which means that a significant portion of the deficit in the pension system is generated by the non-payment ofcontributions on labour in the grey economy.Instead of focusing on the expenditure side of the pension system and reducing pension rights, it's time to focus on its revenue side, SSSH said.Croatian president visits Sao Paolo, ends South American tourZAGREB, March 20 (Hina) - Croatian President Kolinda Grabar-Kitarovic on Tuesday visited Sao Paolo, the last destination of her tour of South American countries, and she returns to Zagreb on Wednesday, her associates said.In the last ten days the Croatian head of state toured Argentina, Chile and Brazil, a part of the world with one of the largest Croat expatriate communities.The purpose of the tour was to meet with local Croats and strengthen bilateral relations, notably economic, with key South American countries.On the last day of her working visit to Brazil on Tuesday, Grabar-Kitarovic met with Paulo Skaf, president of the Federation of Industries of the federal state of Sao Paolo, the president's office said.The two officials agreed that Croatia and Brazil could cooperate more closely, primarily in the sectors of maritime transport, infrastructure, energy, shipbuilding, ***agriculture*** and trade.Croatia's geographic position and modern transport infrastructure, notably ports and highways could be of interest to Brazil, and the northern Adriatic port of Rijeka could offer good port services and be a competitive transport route for Brazil to countries of Central and Eastern Europe.Brazil is among Croatia's traditionally most important trade partners in South America but despite its being the biggest South American economy, the potential for economic cooperation has not been adequately used, the president said.One of Croatia's best IT companies, Infobip, has opened an office in Brazil, and the possible opening of a Croatian consulate in Sao Paolo could have a positive impact on furthering cooperation.Skaf said that the Federation of Industries of Sao Paolo was willing to organise an economic forum with Croatian companies and presented Grabar-Kitarovic with an award for her contribution to the promotion of Croatian-Brazilian economic cooperation, the Croatian president's office said.Commemoration held for General Petar StipeticZAGREB, March 20(Hina) -A commemoration was held at the Croatian Defence Ministry on Tuesday for General Petar Stipetic who died last Wednesday, with speakers describing him as an exceptional man who gave an invaluable contribution to the establishment of the Croatian Army and the defence and establishment of Croatia's independence and freedom.Defence Minister Damir Krsticevic recalled the early 1990s when, he said, chances for the establishment of a Croatian army and the country's defence were slim, saying that in those crucial moments, General Stipetic did not hesitate to makehimself available to the homeland.He used his experience and competence to help build and develop the victorious Croatian Armyand his contribution to Operation Storm and the final liberation of the homeland was invaluable, said Krsticevic.After losses in Sector North, President Franjo Tudjman called General Stipetic back from western Slavonia and ordered him to continue with attacks that led to the final success. The photographof the surrender of the Serb forces' 21st Kordun Corps remains in the memory of many as a symbolic end of our greatest liberation operation Storm, said Krsticevic.General Stipetic was a real authority, soldier and commander, a man of morality and principles, an example to all soldiers, said Krsticevic, adding that the central barracks of the Croatian Army in Karlovac and the operational command there would be named after General Stipetic.The commemoration for General Stipetic was also addressed by Armed Forces Main Staff Director Robert Hranj, General Pavao Miljavac, former defence minister Ante Kotromanovicand retired generals Marijan Marekovic and Mate Lausic.Attending the commemoration were former senior army officials, government ministers and presidents, incumbent ministers andmembers of parliament, the chief state prosecutor, retired generals, the mayor of Zagreb, a presidential envoy, active officers, admirals and generals and many others.Acting on a call from President Tudjman, Stipetic left the Yugoslav People's Army in September 1991 and joined the Croatian Army, where he held senior command positions, including Deputy Chief of Staff of the Croatian National Guard, Deputy Chief of Staff of the Croatian Armed Forces and Commander of the Croatian Military Academy.Stipetic served as Chief of Staff of the Croatian Armed Forces from 2000 until his retirement in 2002.He received many decorations for his role in the 1991-95 Homeland War, including medals for his participation in 1995's military operations Flash and Storm, and for his contribution to the creation of the Croatian Army.EUR 320Minvested in commercial real estate in Croatia in 2017ZAGREB, March 20(Hina) - In 2017, a total of 320 million euros was invested in 22 commercial real estate projects in Croatia, and this year a similar amount is expected, however, more effort should be invested in removingobstacles to investment as "money is waiting to enter Croatia", representatives of the Croatian branch of the ColliersInternational consultancy said on Tuesday."Even though it is still too early to say how much this year's investments in commercial real estate could amount to, we believe they will be made given the great interest of investors from around the world in Croatia, the great availability of capital as well as economic growth in the country, notably in retail commerce and tourism," said the head of the consultancy's Croatian branch Vedrana Likan, adding that this year new investments in warehouses and logistical facilities were expected as well.According to Colliers, of last year's investments in commercial real estate in Croatia, 53% was made in shopping centres, retail parks, high street shops and other commercial real estate, while 40% was made in the hotel and tourism sector. Office spaceaccounted for 18% of total investments while there were almost no investments in logisticsreal estate.Colliers director Filip Vucagic said that this year around 50 million euros could be invested in a few logistics projects, in the area of Zagreb, Rijeka and Split.Both Likan and Vucagic said that demand for and investments in top class business space in Croatia were growing but that currently there was little available office space and even lack of it. This is due to Croatia's EU entry and the fact that a growing number of companies and business people arrive in Zagreb as well as other parts of the country, they said.They also pointed to the lack of available space for retail commerce.Investors focus on retail commerce, tourismStressing that last year investors focused on retail commerce and tourism, Likan said that investment activity was the most intensive in the tourism sector, the investors being tourism companies such as Adris and Valamar, and that major changes were not expected in that sector this year.Likan said that 50 different real estate projects were under way, of which a dozen -in Istria, Dalmatia and Dubrovnik - were ready for implementation but that it was difficult to say when their implementation would start."The dozen projects that are ready for investment are seeking new owners, some of them are brownfield state projects, but unfortunately none is a greenfield investment. Such investments in Croatia, similarly as public-private partnership projects, and state assets management, are problematic and have been almost non-existent, even though they could kick-start economic growth. No investor wants to invest in greenfield projects if they cannot get return on investment in three to five years, and that is the amount of time required in Croatia only to prepare such a project," said Likan.Investment potential in next three years EUR 3bnShe said that amongshortcomings were thepoor implementation of the national tourism and state assets management strategies, lack of transparency, corruption, lack of responsibility, the inability of state and local government units to reach agreement, and the poor state of land books and cadastres."Countries such as Hungary, Poland, the Czech Republic, Montenegro, Serbia as well as emerging 'boom' destinations for real estate investments such as Albania, use different measures and a more favourable investment climate to attract much more investors than Croatia. Investors want to invest their money here, but they leave or possibly wait for better times when they realise that the main players in Croatia are domestic and existing investors and that there is a certain degree of animosity towards foreign investors and successful people in general," said Likan.She said that along with German and Austrian investors, Croatia was increasingly attractive to investors from Canada, the USA, China, the United Arab Emirates, who in their talks with Colliers representatives have said that they wish to invest around 3 billion euros in real estate in Croatia in the period from 2018 to 2021."We are told by everyone that Croatia is a very interesting country in terms of investment but that realisingthe potential for investmentrequires operational work and that investors most often do not know who to contact in that regard, something they know very well in some of the neighbouring countries," said Likan.Ericsson Nikola Tesla wants Croatia to declare 5G technology ***strategic*** projectZAGREB, March 20(Hina) - Ericsson Nikola Tesla management Board President Gordana Kovacevic said on Tuesday, presenting her company's activities in the research and development of new technologies, that implementing 5G technology should be declared a ***strategic*** project in Croatia.5G wireless technology is the next-generation networkwith download speeds 100 times faster than current ones can handle, Kovacevic said at an event that was also attended by Prime Minister Andrej Plenkovic."I would like to suggest to the prime minister to declare 5G technology a ***strategic*** project in Croatia and to invest more money inthat technology," Kovacevic said.Plenkovic congratulated Ericsson Nikola Tesla on being a leader in the ICT sector, stressing that 5G technology was a new big leap in the technology transformation. He said the government wanted to attract more investments and createnew jobs in that sector.With development well under way, 5G networks are expected to be launched across the world by 2023, working alongside existing 3G and 4G technology to provide speedier connections that stay online no matter where you are.Mate Rimac wins Entrepreneur of the Year AwardZAGREB, March 21 (Hina) - Entrepreneur Mate Rimac of Rimac Automobili is the winner of the Ernst&Young (EY) Entrepreneur of the Year award for 2017, it was announced at a ceremony in Zagreb's Lauba club on Tuesday evening.Rimac Automobili was founded in Sveta Nedelja outside Zagreb in 2009, and it ***produces*** electric cars as well as parts and technological solutions for global automobile manufacturers. It currently employs 350 people.Rimac said one of his goals was to create top jobs, and that this year the company ***planned*** to open more than 100 new jobs. Last week alone, 20 new workers were hired, he said.In the sub-category International Achievement the award went to Sinisa Stanic of the Simplex company from Slavonski Brod, which installs elevators and ***produces*** elevator tools and components. The company is active on European and Middle Eastern markets.This year's competition, its fourth edition in Croatia, involved 36 entrepreneurs from 28 companies. In June, the Croatian Entrepreneur of the Year will compete in Monaco for the title of the European Entrepreneur of the Year.Jury chair Emil Tedeschi said the competition was a phenomenon of a kind because it promoted something very important for Croatian society - support for and a culture of celebration of other people's success, something, he said, was atypical for Croatian society where negative phenomena were often insisted on.Attending the award-presentation ceremony was also Economy Minister Martina Dalic.185 kgof marijuana found floating around Hvar,Vis islandsZAGREB, March 20 (Hina) - About 185 kilograms of marijuana drenched in the sea wasfound over the past few days, and the drugwasin floating packages in the waters around Hvar and Vis islands, the Split-Dalmatia County police departmentreported on Tuesday, announcing an investigation into the case.The first package weighed 160 kg and floated near the southern side of Hvar island. Unofficial sources reported thata policeman noticed the floating package and immediately alerted his colleagues and the drugs were quickly retrieved from the sea.A similar case was recorded on Friday on the southern coast of Vis when a local resident noticed two packages floating in the sea. When the packages were retrieved, the police determined that theycontained 25 kg of marijuana.Several packages of marijuana were discovered earlier this month in the Dubrovnik area. On aggregate,those packages weighted 270 kg. The police areyet to determine the total value of the contraband, who is behind thesmuggling and whether the packages came from the Mediterranean.World Oral Health Day marked in ZagrebZAGREB, March 20(Hina) - "Say Ahh: Think Mouth, Think Health" is the slogan of this year's World Oral Health Day, which was marked in Zagreb on Tuesday with the message that mouth is a mirror ofa person's body,reflectingtheir general health and well-being.Maintaining a healthy mouth is crucial to keeping it functioning correctly and for maintaining overall health and quality of life, it was said.Health Minister Milan Kujundzic underscored the importance of oral health for everyone, notably children.The Decayed, Missing, Filled (DMF) index in 12-year-old Croatian children is 4, which puts Croatia at the very bottom of theEuropean ranking. The DMF index is applied to permanent dentition and is expressed as the total number of teeth or surfaces that are decayed (D), missing (M), or filled (F) in an individual.The situation in Croatia is expected to improve with anational project called "Dental Passport",a unique form of dental status obtained when enrolling in first grade. The goal of the project is to improve the oral health of children before they enterthe first grade of primary school.Split's 12th storytelling festival "Pricigin" startsZAGREB, March 21 (Hina) - The 12th storytelling festival "Pricigin" started in the coastal city of Split on Tuesday.In the next five days, Croatian writers attending the festival will read their stories and discuss various topics.***Programme*** director Nebojsa Lujanovic said at the opening ceremony that the event would focus on topics such as love and emotions, satire and stories about stereotypes.He commended the audience in Split for visiting the festival in large numbers.Pricigin, which set out as a festival at which stories were read out and discussed by Croatian writers, this year includes a guest country for the first time. "Bosnia and Herzegovina was a natural choice since Bosnian storytellers are very cheerful," said former festival organiser Petar Filipic."Next year, Macedonians are coming. This is a new concept, and we also have author evenings. This year our guests are (actors) Branko Djuric and Ksenija Marinkovic and (journalist) Boris Raseta," Filipic said, adding that he was confident those names would draw crowds and that laughter was guaranteed.The festival will also include an homage to one of the festival's former guests, Predrag Lucic, a reporter, writer and stage director, best known as the editor in chief of the now defunct Feral satirical weekly, who died in January this year.Vienna crowned best city to live in for 9th time in row, Zagreb 98thZAGREB, March 20 (Hina) - The Austrian capital of Vienna has been declared the world's most liveable city for the ninth consecutive time in Mercer's annual survey, and Zagreb ranks 98th on the listwith 231 cities worldwide.Mercer's 20th annual survey is about the quality of life in those 231 cities asmeasured by some 40 factors, including political stability, infrastructure, health care, education, crime rate, sport and leisure, culture, and environment.Zurich, Switzerlanddefends its second place, whileAuckland, New Zealandranks third. They arefollowed by Munich (4), Vancouver (5), Duesseldorf (6), Frankfurt (7), Geneva (8), Copenhagen (9)and Baselin 10th place. Eight of the top ten cities are in Europe.Croatia's capital has improved its total score by 15% compared to its performance in last year's report.The Slovenian capital of Ljubljana ranks 75th, whereas the Serbian capital of Belgrade finishes as 139thand Sarajevo ranks 159th.At the bottom of the ranking are the Iraqi capital of Baghdad, Bangui inthe Central African Republic as well asSana'a (Yemen) andPort au Prince (Haiti).Eurostat: Significant drop in number of asylum seekersZAGREB, March 20 (Hina) - Last year, 650,000 people applied for asylum in European Union countries, which is 50% less than in 2015 when a record of 1.26 million asylum seekers were registered, Eurostat reported on Tuesday.In 2017, first-time applicants for asylum included more than 100,000 Syrians, 47,500 Iraqis and 43,600 Afghans, Eurostat said in a report.Croatia received 880 applications for asylum in 2017, which is 59% less than in 2016 when 2,150 applications were registered. Croatia's share of asylum seekers in the EU was 0.1% or 212 applicants per one million residents.About 30% of the 650,000 refugees and migrantsapplied for asylum in Germany, followed by Italy (20%), France (14%) and Greece (9%).Eurostat notes that almost one million applications remained unresolved at the end of 2017, with 48% of those being for asylum in Germany.EU labour costs up 2.3% in Q4 2017ZAGREB, March 21 (Hina) - Labour costs in the European Union increased in the fourth quarter of 2017 almost at the same rate as in the previous quarter, while in Croatia their increase picked up, according to the EU statistical office Eurostat.Hourly labour costs rose by 2.3% in the EU28 in the fourth quarter of 2017, compared with the same quarter of the previous year. In the third quarter of 2017, they increased by 2.2% respectively.The cost of hourly wages and salaries rose by 2.4% and the non-wage component by 2.0% in the fourth quarter of 2017. Hourly labour costs increased by 2.7% in the services sector, by 2.5% in construction and by 2.3% in industry.In the fourth quarter of 2017, the highest annual increases in hourly labour costs for the whole economy were registered in Romania (+14.3%), Bulgaria (+12.2%) and Hungary (+8.6%). Small decreases were recorded in Finland (-0.7%) and Italy (-0.2%).In Croatia, hourly labour costs increased by 5.3% in the fourth quarter of 2017 compared with the same period in 2016, following a 4.9% rise in the previous quarter. The cost of wages and salaries grew by 5.3% and the non-wage component by 5.4%, according to Eurostat.European jails almost full - Council of EuropeZAGREB, March 20 (Hina) -European prisons are on average close to full capacity, with inmates occupying over 9 out of 10available places, according to the Council of Europe Annual Penal Statistics (SPACE) for 2016, released on Tuesday.The survey shows that the incarceration rate grew from 115.7 to 117.1 inmates per 100,000 inhabitants from 2015 to 2016. This rate had previously fallen every year since 2012, when it reached 125.6 prisoners per 100,000 inhabitants.The incarceration rate grew the most in Bulgaria (+10.8%), Turkey (+9.5%), the Czech Republic (+7.6%), Serbia (+6.6%) and Denmark (+5.5%). The greatest decreases were recorded inIceland (-15.9%), Northern Ireland (-11.8), Lithuania (-11.1%), Belgium (-10.1%) and Georgia (-6.7%).On the other hand, overcrowding remained a serious problem in many countries. Thirteen out of 47 prison administrations reported having more inmates than places to host them. The highest levels of overcrowding were observed in "The former Yugoslav Republic of Macedonia" (132 prisoners per 100 places available), Hungary (132), Cyprus (127), Belgium (120), France (117), Portugal (109), Italy (109), Serbia (109), Albania (108), the Czech Republic (108), Romania (106) and Turkey (103).Croatia didn't record any problems of overcrowding (77.3 prisoners per 100 places), ranking among better faring countries.Women continue to account for only a small number of the total incarcerated population, accounting for less than 5.3%. In Croatia, 4% of prisoners were women.More than one in fourconvicts (26.4%) have been sentenced between 1 and 3 years. In Croatia that number is 32.7% (one inthree).The rate of prisoners serving sentences of less than a year decreased from 13.5% in 2015 to 13.3% in 2016. In Croatia they accounted for 11.3% of the total incarcerated population.The rate of prisoners serving more than 10 years increased from 11.4% to 13% (12.3% in Croatia).Daily costs per prisoner vary across Europe. Of the total of 44 prison administrations that participated in the survey, on average 51 euros was spent per prisoner in 2015 (45.07 euros in Croatia).European Parliament elections to be held from 23-26 May 2019ZAGREB, March 20 (Hina) - The next electionof 705 members of the European Parliament will be conductedfrom 23 to 26 May next year, according to adecision endorsed by the Council of the European Union on Tuesday.A final decision on the matter is to be formally adopted by the end ofJune.The previous elections for the European Parliament were heldon 22-25 May 2014 in all 28 member states.In the meantime, Britain has decided to leave the bloc.In the next 705-seat legislature, Croatia will have 12 deputies. In the current 751-seat EP, there are 11 Croatian MEPs.Putin's Night Wolves won't be stopped from coming to Bosnia and HerzegovinaZAGREB, March 20 (Hina) - Members ofthe Russian motorcycleclub Night Wolves, that is close to Vladimir Putin, will not back down from coming to Bosnia and Herzegovina even though their leader, Alexander Zaldostanov has been banned from entering the country and proclaimed a threat to national security.Even though Bosnian Security Minister Dragan Mektic was among the first to warn of the club's problematic behaviour, the president of the Bosnian Serb entity ofRepublika Srpska (RS), Milorad Dodik, has publicly stood in defence of Putin's bikers who are looked on as a "pressure group" aimed at promotingpro-Russian policies.Dodik told the Belgrade-based tabloid Alothat the Russian bikers in fact "arouse sympathies" wherever they appear and thatstigmatising themis aimed at turning focus from other security problems in the Bosnia.Dodik believes that the USA and Washington-financed media arebehind the "campaign"against the Night Wolves and that this is all part of a large plot against Serbia and Russia which, he said,is only helping Bosnia and Herzegovina andnot asking for anything in return."Thosewho are looking for something here are the Americans and the West. They can't stand that there is a politician in thisregionwho is constantly receiving support from the people and now he needs to be criminalised. They've tried that several times without any luck," said Dodik,who in 2016 was blacklisted by the US for constantly threatening the implementation of the Dayton Peace Agreement.Dodik accused Mektic of being a British player who is consciously spreading "anti-Russian hysteria." Dodik also lambasted NATO as a "false organisation" that is sparking conflict in Bosnia and Herzegovina,mostly targeting Serbs.Apart from Zaldostanov, alsobanned entry into Bosnia isthe head of the Night Wolves' Serbia chapter, Sasa Savic. One of the club's leaders in RS,Goran Tadic, said that they won't back down from visiting Bosnia and Herzegovina as part of the"Russian Balkans" tour bythe end of March."After the tour, we will hire a lawyer and sue all those who accused us of being a terrorist organisation because there is no evidence of that," Tadic told local media.Earlier, Mektic warned that the Night Wolves were a problem for Bosnia and Herzegovina as RSauthoritieswere ***planning*** to use them to scare their political opponents.The bikers'group has been on the US Departmentof Finance"black list" since 2014 because some of itsmembers were involved in the Russian occupation and illegal annexation of Crimea.Bosniak emigrant bequeaths EUR 500,000to soup kitchens in BosniaZAGREB, March 20(Hina) - A Bosniak emigrant who lived and died in Canada in 2015has bequeathed half a million euros tothe poor in Bosnia and Herzegovina.Thanks to Agan Hodzic, who was born in an eastern Bosnian village in 1930, thousands of the poor who are beneficiaries of soup kitchens in Bosnia and Herzegovinawill now receive an entire loaf of bread instead of just half a loaf.Hodzic bequeathed 511,000 euros to the Red Cross of the Bosnian Federation entity and the Muslim Merhamet charityand the only condition was that the money goes to finance public soup kitchens that these organisations have run for decades.Zilha,a woman who runs a soup kitchen in downtown Sarajevo,said that Hodzic was a frequent visitor to the kitchen and often donated money to the poor.The downtown soup kitchen started operating in 1992 during the war and is the only place where people without any income, once they are registered, can get a modest daily meal. On average, 1,000 meals are handed out daily.Hodzic's donation will enable beneficiaries to get milk once a week and some fruit and packages with coffee, sugar and oil.These funds will be sufficient for the entire year, Zilha explained.A member of Hodzic's family, Enver Ahmetspahic, said that his pathto wealth was painstaking and that he started life in Canada as a lumberjack. In Canada his wealth isn't considered that great but in Bosnia and Herzegovina it is of huge value, he added.In other news:ZSE indices down, turnover lower than on MondayZAGREB, March 20(Hina) - The Zagreb Stock Exchange (ZSE) Crobex index on Tuesday fell by 0.23% to1,843.37 points, while the specialised Crobex10 index dropped by 0.32% to1,071.19 points.Regular turnover was modest, HRK 4.7 million, or approximately 5.3 million less than on Monday.Another HRK 2.49 million was generated in the block trading in shares of the HT telecommunications company.The highest turnover, of HRK 1.1 million, was generated by the Valamar Riviera tourism company. The price of its shares dropped 0.97% to HRK 41.(EUR 1 = HRK 7.49)THIS BULLETIN INCLUDES ITEMS RELEASED BY 0830 HRS ON WEDNESDAY (Hina) rml ha Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulicev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentic, DirectorEditor in Chief: Serdo Obratov Bulletin Editor: Marija Sestan

ZAGREB, March 21 (Hina) - Prime Minister Andrej Plenkovic said on Tuesday evening that the Presidency of his HDZ party had supported the ratification of the Istanbul Convention by a majority of votes.

"The vote was 19 to six. The government will continue the process of adopting the law to ratify the Council of Europe's Convention on preventing violence against women," Plenkovic told the press after a four-hour meeting of the HDZ Presidency.

He said that the document would be on the government agenda on Thursday before being sent to Parliament for ratification. The inner Cabinet will discuss it with the coalition partners on Wednesday.

Plenkovic said it was important to him that the majority of the Presidency members had voted in favour and that they had raised the standards of democratic discussion within the party. He added that he thought that a majority of the HDZ lawmakers would also vote in favour.

According to sources from the HDZ, the Presidency members who voted against are: First Vice-President Milijan Brkic, Vice-President Ivana Maletic, Secretary for International Relations Miro Kovac, Political Secretary Davor Ivo Stier, and Presidency members Darko Milinovic and Anton Kliman.

Asked if this indicated that he should change people around him, Plenkovic said that "the fact that someone thinks differently does not have to mean that they should not be in the same party or aspire to the same values."

Asked if this meant that the HDZ was not on the same side as the Catholic Church, which is opposed to ratifying the Istanbul Convention, Plenkovic said: "We are absolutely on the same side. The purpose of this convention is to protect women against violence and domestic violence. ... I am deeply convinced that the ratification of this convention will not impose on the Croatian legal system any obligations that would be against the values of the HDZ."

Noting that the HDZ was implementing its election ***programme***, Plenkovic said that they were dealing with an extremely negative social problem because a few years ago 47 percent of all people killed were women, mostly by their partners.

Asked if the ratification of the Istanbul Convention by Parliament depended on the opposition, Plenkovic said that it is ratified by a simple majority. He added that the interpretive statement, which will form an integral part of the ratification act, would be made public on Thursday after the Cabinet meeting.

Responding to a question about a protest rally against the ratification of the Istanbul Convention, ***planned*** for Saturday, Plenkovic said that it was not a protest against the HDZ but a free expression of opinion in a democratic society.

"In a democratic society everyone can express their views. We as the government and the strongest political party in Croatia, with a clearly defined value system, are proposing a document which has been ratified and is in force in 17 EU member states and 28 Council of Europe members, which has been signed by 45 countries and the drafting of which involved Croatian experts," Plenkovic said.

Earlier in the day, commenting on theannouncement by the opposition Social Democratic Party (SDP) that its lawmakers would not vote for the ratification of the convention if the document was accompanied by an interpretive statement, Plenkovic said he would like to see thathappenas such developments would show petty politicking on behalf of the opposition.

ZAGREB, March 20(Hina) - The leader of the parliamentary GLAS party, Anka Mrak Taritas, said on Tuesday that her party would vote for the ratification of the Istanbul Convention, stressing that there was no gender ideology in that document and that it was about prevention of violence against women.

ZAGREB, March 20(Hina) - Croatian People's Party (HNS) lawmaker Marija Puh on Tuesday called on members of parliament, the generalpublic and media outlets to be responsiblein their comments on the ***planned*** ratification of the Council of Europe Convention on preventing and combating violence against women and domestic violence, warningof hate speech in debates on this topic.

ZAGREB, March 20 (Hina) - A civil initiative from Split consisting of Christian intellectuals on Tuesday expressed their opposition to the ratification of the Istanbul Convention and called on the government to establish a council to determine the impact of itsratificationon Croatian society.

ZAGREB, March 20(Hina) - Opposition MPs on Tuesday submitted a motion for a no-confidence vote in Deputy Prime Ministerand Economy Minister Martina Dalic over the Agrokor conglomerate and the "consultants affair."

ZAGREB, March 20 (Hina) - The Croatian Democratic Union (HDZ) parliamentary group whip, Branko Bacic, told reporters in parliament on Tuesday that a motion for a no-confidence vote in Economy Minister Martina Dalic "is not strong enough to demand Dalic's resignation," adding that the ruling majority would be unanimous on that issue.

ZAGREB, March 20 (Hina) - The parliamentary Committee on the Constitution, Standing Orders and Political System on Tuesday reached a compromise on the contents of the new Standing Orders, however, whether they will be passed on Friday depends on how Social Democratic Party (SDP) lawmakersvote, given that theyhave announced that they will vote according to their conscience.

ZAGREB, March 20(Hina) - Human Shield lawmaker Branimir Bunjac on Tuesday called on citizens to stand up against the latest ***plan*** to overhaulthe current pension system which he said would additionally discriminate against pension beneficiaries.

ZAGREB, March 20 (Hina) - The Union of Autonomous Trade Unions (SSSH) on Tuesday condemned announcements,released throughthe media, that raising the retirement age to 67, which was to have been introduced as of2038, willbe introduced as of2033, whichmeans that everyone currently under the age of 52 will be required to work until they are 67.

ZAGREB, March 20(Hina) -A commemoration was held at the Croatian Defence Ministry on Tuesday for General Petar Stipetic who died last Wednesday, with speakers describing him as an exceptional man who gave an invaluable contribution to the establishment of the Croatian Army and the defence and establishment of Croatia's independence and freedom.

ZAGREB, March 20(Hina) - In 2017, a total of 320 million euros was invested in 22 commercial real estate projects in Croatia, and this year a similar amount is expected, however, more effort should be invested in removingobstacles to investment as "money is waiting to enter Croatia", representatives of the Croatian branch of the ColliersInternational consultancy said on Tuesday.

ZAGREB, March 20(Hina) - Ericsson Nikola Tesla management Board President Gordana Kovacevic said on Tuesday, presenting her company's activities in the research and development of new technologies, that implementing 5G technology should be declared a ***strategic*** project in Croatia.

ZAGREB, March 21 (Hina) - Entrepreneur Mate Rimac of Rimac Automobili is the winner of the Ernst&Young (EY) Entrepreneur of the Year award for 2017, it was announced at a ceremony in Zagreb's Lauba club on Tuesday evening.

Rimac Automobili was founded in Sveta Nedelja outside Zagreb in 2009, and it ***produces*** electric cars as well as parts and technological solutions for global automobile manufacturers. It currently employs 350 people.

Rimac said one of his goals was to create top jobs, and that this year the company ***planned*** to open more than 100 new jobs. Last week alone, 20 new workers were hired, he said.

In the sub-category International Achievement the award went to Sinisa Stanic of the Simplex company from Slavonski Brod, which installs elevators and ***produces*** elevator tools and components. The company is active on European and Middle Eastern markets.

This year's competition, its fourth edition in Croatia, involved 36 entrepreneurs from 28 companies. In June, the Croatian Entrepreneur of the Year will compete in Monaco for the title of the European Entrepreneur of the Year.

Jury chair Emil Tedeschi said the competition was a phenomenon of a kind because it promoted something very important for Croatian society - support for and a culture of celebration of other people's success, something, he said, was atypical for Croatian society where negative phenomena were often insisted on.

Attending the award-presentation ceremony was also Economy Minister Martina Dalic.

ZAGREB, March 20 (Hina) - About 185 kilograms of marijuana drenched in the sea wasfound over the past few days, and the drugwasin floating packages in the waters around Hvar and Vis islands, the Split-Dalmatia County police departmentreported on Tuesday, announcing an investigation into the case.

ZAGREB, March 21 (Hina) - The 12th storytelling festival "Pricigin" started in the coastal city of Split on Tuesday.

In the next five days, Croatian writers attending the festival will read their stories and discuss various topics.

***Programme*** director Nebojsa Lujanovic said at the opening ceremony that the event would focus on topics such as love and emotions, satire and stories about stereotypes.

He commended the audience in Split for visiting the festival in large numbers.

Pricigin, which set out as a festival at which stories were read out and discussed by Croatian writers, this year includes a guest country for the first time. "Bosnia and Herzegovina was a natural choice since Bosnian storytellers are very cheerful," said former festival organiser Petar Filipic.

"Next year, Macedonians are coming. This is a new concept, and we also have author evenings. This year our guests are (actors) Branko Djuric and Ksenija Marinkovic and (journalist) Boris Raseta," Filipic said, adding that he was confident those names would draw crowds and that laughter was guaranteed.

The festival will also include an homage to one of the festival's former guests, Predrag Lucic, a reporter, writer and stage director, best known as the editor in chief of the now defunct Feral satirical weekly, who died in January this year.

ZAGREB, March 20 (Hina) - The Austrian capital of Vienna has been declared the world's most liveable city for the ninth consecutive time in Mercer's annual survey, and Zagreb ranks 98th on the listwith 231 cities worldwide.

ZAGREB, March 20 (Hina) - Last year, 650,000 people applied for asylum in European Union countries, which is 50% less than in 2015 when a record of 1.26 million asylum seekers were registered, Eurostat reported on Tuesday.

ZAGREB, March 21 (Hina) - Labour costs in the European Union increased in the fourth quarter of 2017 almost at the same rate as in the previous quarter, while in Croatia their increase picked up, according to the EU statistical office Eurostat.

Hourly labour costs rose by 2.3% in the EU28 in the fourth quarter of 2017, compared with the same quarter of the previous year. In the third quarter of 2017, they increased by 2.2% respectively.

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ZAGREB, March 20(Hina) - A Bosniak emigrant who lived and died in Canada in 2015has bequeathed half a million euros tothe poor in Bosnia and Herzegovina.

**Load-Date:** March 21, 2018

**End of Document**



[***Miratorg rapidly expands beef exports***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RXX-F131-DYNP-M535-00000-00&context=1516831)

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**Length:** 516 words

**Byline:** Aidan Fortune, , [*Aidan.Fortune@wrbm.com*](mailto:Aidan.Fortune@wrbm.com)

**Body**

Russian ***agricultural*** holding Miratorg has established beef exports to 15 countries, primarily to the Middle East and Asia.

Dmitry Sergeev, press secretary of Miratorg, told GlobalMeatNews ​the ***strategic*** aim was to export 20% of the product volumes released by its beef cluster in Central Russia, with the aim of exporting 200,000 tonnes (t) per year by 2020.

In particular, Miratorg has already won approval to export beef to Bahrain, Qatar, Kuwait, the UAE, Saudi Arabia, Azerbaijan, Vietnam, Egypt, Iran, Cambodia, Morocco, Mongolia, Turkmenistan and Lebanon, according to Sergeev. In Europe, the company is allowed to export beef to Serbia.

“In most of these countries, export supplies are already taking place. For some of them, we are in the final stage of the process ​[to begin deliveries], solving technical issues,”​ he said.

Miratorg has not disclosed some of its beef export achievements, according to Sergeev. However, in general, he said, the company’s beef exports were growing in “all product categories”​.

In 2017, Miratorg became the largest beef ***producer*** in Russia, releasing around 80,000t, the company revealed earlier. It ***plans*** to increase this figure to 100,000t in 2018.

High-ranking lobby​

Speaking during the All-Russia Forum of ***Agricultural*** ***Producers*** on 12 March, Miratorg president Viktor Linnik revealed it was relatively hard for the company to obtain access to certain important export markets. In particular, Miratorg, with support of Russian veterinary body Rosselkhoznadzor, struggled for three years to initiate exports of beef to Saudi Arabia.

Access was eventually granted, but only after the ***intervention*** of Russian President Vladimir Putin, who personally questioned Saudi Arabia’s King Salman bin Abdulaziz Al Saud about the issue during their meeting in 2017, according to Linnik.

Speaking to Putin during the forum, Linnik also admitted that another important market – China – was still closed to Miratorg. He expressed hope, however, that some progress in negotiations with this country would be achieved during 2018.

Miratorg said it ***planned*** to keep expanding the list of export destinations for its beef over the next few years. Linnik emphasised that, despite the progress achieved in 2017, the company was still “at the beginning of its journey”​ in this regard.

Different tastes​

Basically, there is no difference between the quality and safety of products supplied to foreign customers and those sold on the domestic Russian market, according to Sergeev. However, there is some difference in the range of products supplied, due to tastes for different beef cuts in some regions of the world.

In particular, beef by-products were found to be more popular in the Asian markets, while picanha cuts were believed to be more popular in Brazil, Sergeev stressed. Given this, he added, the company needed to be flexible to meet the needs of its clients around the globe.

“The company’s modern slaughter and processing plants enable us to release products with different specifications, not only for a particular country, but also for a particular client,”​ Sergeev added.

**Load-Date:** March 23, 2018

**End of Document**



[***M and A Navigator: Deal pipeline â(EURO)"1 June***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NP1-92X1-JD3Y-Y37D-00000-00&context=1516831)

FinancialWire

June 1, 2017 Thursday

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**Length:** 4236 words

**Body**

The following is a list of deals covered in detail by M and A Navigator this week:

-CHEMCHINA ENDS TENDER OFFERS FOR SYGENTA

Chinese state-owned chemical maker China National Chemical Corp. (ChemChina) has posted the definitive end results for its offer to acquire Syngenta, according to which around 94.7% of shares have been tendered, the company said.

Settlement for shares tendered after the expiration of the main offer period will take place on 7 June 2017. ChemChina re-affirmed its intention to request the cancellation of the remaining publicly held Syngenta shares in accordance with the Swiss Financial Markets Infrastructure Act if the 98% threshold is exceeded.

Status: Agreed

-RMB CAPITAL PITCHES FRIENDLY TENDER OFFER FOR NIPPON COLUMBIA

Chicago, Illinois-based independent financial services firm RMB Capital has informed the board of directors at Japanese record label Nippon Columbia (ticker code: 6791 JP) that it interested in making a tender offer to part or all of the common stock of Nippon Columbia at the price of JPY 790 per share, the firm said.

Nippon Columbia currently trades at around JPY 783 and has a market cap of around JPY 10.499bn (USD 94.5m). The deal is contingent on the Nippon Columbia board of directors accepting certain conditions, including the cancellation of a stock swap contract signed with IT company Faith, Inc., extending full support to the tender offer and full support to RMB Capital's diligence process. RMB Capital is a shareholder of both Faith and Nippon Columbia, and objects to Faith's proposed acquisition of Nippon Columbia.

Status: Bidding

-MEAD JOHNSON NUTRITIION SHAREHOLDERS APPROVE OF USD 17.9BN RECKITT BENCKISER BUYOUT

Shareholders of US-based pediatric nutrition company Mead Johnson Nutrition Co (NYSE: MJN) have approved the company's agreed deal to be acquired by UK-based consumer health and hygiene group Reckitt Benckiser Group plc (LSE: RB) at a special meeting, the company said.

Shareholders of RB also approved the transaction at a general meeting held in London. As a result of this transaction, Mead Johnson will become a new division of RB with its globally-recognised Enfamil and Nutramigen brands joining RB's portfolio of leading consumer health brands. RB has agreed to pay USD 90 cash for each share of Mead Johnson common stock in a transaction valued at approximately USD 17.9bn (including net debt).

Status: Agreed

-US RAILROAD OPERATOR GENESSEE AND WYOMING CLOSES ACQUISITION OF HEART OF GEORGIA RR

US-based railroad operator Genesee and Wyoming Inc. (NYSE: GWR) has closed the acquisition of the shares of US-based Atlantic Western Transportation, Inc and its Heart of Georgia Railroad, Inc subsidiary, the company said.

The deal was announced in February. HOG was founded in 1999 and operates across the state of Georgia on 219 miles of track leased from the Georgia Department of Transportation. It connects with G/W's Georgia Southwestern Railroad at Americus, Ga., and with G/W's Georgia Central Railway at Vidalia, Ga. HOG serves an inland intermodal terminal at Cordele, Ga., providing five-day/week, direct rail service via the Georgia Central Railway to the port of Savannah for auto, ***agricultural*** products and other merchandise customers.

Status: Closed

-PETSMART CLOSES ACQUISITION OF E-COMMERCE PET PRODUCTS RETAILER CHEWY

Phoenix, US-based pet retailer PetSmart, Inc., a company of London, UK-based private equity firm BC Partners LLP, has closed the acquisition of Florida, US-based ecommerce pet retailer Chewy, Inc. to strengthen online and retail store presence, the company said.

Recode reported PetSmart acquired Chewy for USD 3.35bn, according to multiple sources familiar with the deal. Citigroup Global Markets Inc. and Barclays provided committed financing for the acquisition. PetSmart's existing shareholders provided equity financing. This deal was announced in April.

Status: Closed

-EUROPEAN COMMISSION CLEARS GE TO MERGE OIL AND GAS BUSINESS WITH BAKER HUGHES

The European Commission has cleared a proposed transaction between US-based oilfield services company Baker Hughes and US-based industrial company GE's (NYSE: GE) oil and gas business under EU merger control rules, the companies said.

This deal, which was announced last October, would combine GE's oil and gas business and Baker Hughes to create a USD 32bn oilfield technology provider. The transaction will be executed using a partnership structure, pursuant to which GE Oil and Gas and Baker Hughes will each contribute their operating assets to a newly formed partnership.

Status: Agreed

-QUALCOMM EXTENDS CASH TENDER OFFER FOR NXP, WITH 14.1% TENDERED

US-based digital communications provider Qualcomm Inc. (NASDAQ: QCOM) has once again extended its tender offer for the shares of Netherlands-based high-performance, mixed-signal semiconductor electronics company NXP Semiconductors N.V. (NASDAQ: NXPI) until 28 June 2017, the company said.

Also, Qualcomm announced that the required merger control filings relating to the transaction were filed in South Korea, Mexico, Taiwan and Japan during May. In March, the offer was extended until 4 April. Then, in April it was extended until 2 May. In early May it was extended until 31 May.

Status: Agreed

-HYTERA COMMUNICATIONS SWEETENS OFFER FOR NORSAT IN FACE OF COMPETING DEAL

Canadian communication solutions provider Norsat International Inc. (TSX: NII) (NYSE MKT: NSAT) has entered into an amended arrangement agreement with Hytera Project Corp. a subsidiary of Chinse radio systems maker Hytera Communications Co., Ltd., under which Hytera will acquire all the issued and outstanding shares of Norsat for USD 11.25 in cash per share, pursuant to a court-approved ***plan*** of arrangement.

All unexercised options and restricted share units will also be acquired under the arrangement. The proposed transaction values Norsat at an equity value of approximately USD 69m. In mid-May, the board of Norsat determined that a buyout offer from US-based Privet Fund Management LLC to acquire the company for cash consideration of USD 11.00 per share was superior to an existing deal the company has with Hytera.

Status: Agreed

-NQ MOBILE: BUYER NEEDS MORE TIME TO CLOSE FL MOBILE, SHOWSELF DEAL

China-based mobile internet services provider NQ Mobile, Inc. (NYSE: NQ) will need additional time to close the sale of FL Mobile Jiutian Technology Co., Ltd. and Beijing Showself Technology Co., Ltd., the company said.

The company said it was notified by Tongfang Investment Fund Series SPC that additional time is needed for making the payment of the remaining purchase price for the sale of FL Mobile Jiutian Technology Co., Ltd. and Beijing Showself Technology Co., Ltd. NQ Mobile said the purchaser has further communicated its confidence to the company and is making final preparations for completing the transactions.

Status: Agreed

-PDC BRANDS ACQUIRES SPECIALTY BATH FIRM ME! BATH

US-based beauty and wellness company PDC Brands has acquired specialty bath products firm ME! Bath, the company said.

A specialist in bath bombs since 2002, ME! Bath offers fizzing products that promise many skincare benefits, that are made in the USA. Founded in 1981, PDC Brands has emerged a growing beauty, and wellness company. PDC Brands portfolio of brands includes Cantu, Dr Teal's, Eylure, and Body Fantasies.

Status: Closed

-SILVER OAK SERVICES PARTNERS COMPLETES SALE OF ISYSTEMS FOR USD 55M

US-based lower-middle market private equity firm Silver Oak Services Partners, LLC has completed the sale of US-based human resources software provider iSystems Intermediate HoldCo, LLC to US-based human capital management and digital workplace software provider Asure Software (NASDAQ: ASUR), the firm said.

Asure services over 7,500 clients with its suite of solutions, ranging from HCM workforce management solutions and time and attendance, to workspace asset optimisation and meeting room management solutions. Silver Oak made its original investment in iSystems in May 2014. iSystems is the company behind Evolution, which offers an end-to-end HCM solution.

Status: Closed

-BOOM FANTASY ACQUIRES DFS COMPETITOR DRAFTPOT FOLLOWING CLOSE OF USD 2M ROUND

US-based fantasy sports company Boom Fantasy has closed a USD 2m Series Seed round and acquired the primary assets of market competitor Draftpot, the company said. The company said it will use the new funds for product advancement and player enhancements. Boom Fantasy has emerged as a destination for sports fans who want a mobile-first fantasy experience.

Instead of a complicated salary cap gameplay that ensures only the most quantitative players win, Boom Fantasy poses a series of simple questions e.g. 'Who will score more points tonight: LeBron James or Steph Curry?' to assist players in the generation of their fantasy teams.

Status: Closed

-UMH PROPERTIES CLOSES ACQUISITION OF AGE-RESTRICTED MARYLAND COMMUNITY FOR USD 4M

US-based manufactured home community REIT UMH Properties, Inc. (NYSE: UMH) has closed on the acquisition of one community located in Maryland for a total purchase price of USD 4m, the company said. This age restricted community contains a total of 63 developed homesites and is situated on approximately 78.5 acres.

UMH said the occupancy rate for this community is approximately 92%. The existing community sits on approximately 18 acres leaving a substantial amount of land for future development. Once complete, the community will contain approximately 170 developed homesites.

Status: Closed

-VELA TECHNOLOGIES MAKES FURTHER PARTIAL SALE OF HOLDING IN CANADIAN TECHNOLOGY GROUP BTL

UK-based investing company Vela Technologies plc (AIM: VELA) recently disposed of a total of 50,000 common shares in Canadian technology firm BTL Group Ltd at prices between CDN 5.175 per share and CDN 5.59 per share and with an average price of CDN 5.26 per share generating net proceeds of CDN 263,106.15 for the company, Vela said.

The proceeds from the disposal will provide additional working capital for Vela and enable the company to take advantage of further investment opportunities as and when they arise. Following the Disposal Vela holds 610,900 common shares in BTL, equivalent to approximately 3.3% of BTL's issued share capital.

Status: Closed

-POLYUS GOLD TO SELL 10% PJSC POLYUS STAKE TO FOSUN-LED CONSORTIUM

Jersey-based Polyus Gold International Ltd., the principal shareholder of Russian gold ***producer*** PJSC Polyus (MOEX: PLZL), announces that PGIL has entered into an agreement to sell 12,561,868 of the ordinary shares in the company that it currently owns, representing 10% of the company's share capital excluding treasury shares at USD 70.6025 per share to a consortium led by China's Fosun International Ltd. (HKSE:00656), the company said.

In addition to Fosun, the consortium includes Hainan Mining Co., Ltd and Zhaojin Mining Industry company Ltd., both partially owned by Fosun.

Status: Agreed

-EXPERIAN CLOSES SALE OF EMAIL/CCM BUSINESS TO VECTOR CAPITAL

UK-based credit bureau Experian plc (LSE: EXPN) has closed the sale of 75% of its Email/CCM business to Vector Capital, the company said. This deal was announced on 3 April 2017.

Experian said the enterprise value of the business was USD 400m at the time of the announcement. The company will retain a 25% stake in the business. Experian is an information services company. The company has 16,000 people operating across 37 countries.

Status: Closed

-GOLDCORP CLOSES SALE OF CERRO BLANCO PROJECT IN GUATEMALA

Canadian gold ***producer*** Goldcorp Inc. (TSX: G) (NYSE: GG) has closed the sale of its 100% interest in the Cerro Blanco gold-silver project in Guatemala to Bluestone Resources Inc. (TSX Venture: BSR), the company said.

Goldcorp received consideration at closing of USD 18m in cash, a 1% Net Smelter Return royalty on production, and common shares of Bluestone representing approximately 9.9% of the issued and outstanding shares upon completion of the transaction. The company will receive an additional USD 15m in cash upon declaration of "Commercial Production" at Cerro Blanco.

Status: Closed

-RELADYNE ACQUIRES TEXAS PETROLEUM PRODUCTS DISTRIBUTOR WESTERN MARKETING

US-based lubricants, fuels, diesel exhaust fluid, and reliability services provider RelaDyne has closed on its acquisition of Texas, US-based petroleum products distributor Western Marketing, Inc., the company said.

Founded in 1953, Western Marketing, Inc. supplies bulk and packaged lubricants to customers utilising internal combustion engines primarily for transportation, ***agriculture***, and energy pumping and gathering systems.

Status: Closed

-

FRONTIER SERVICES ACQUIRES STAKE IN BEIJING'S INTERNATIONAL SECURITY AND DEFENSE COLLEGE Chinese security, insurance and logistics services company Frontier Services Group Ltd. (SEHK:00500) has reached an agreement to acquire 25% of the International Security and Defense College in Beijing, the company said.

The ISDC will be the largest private security training school in China.FSG's Safety and Security division supports clients operating in frontier markets. The company provides security solutions.

Status: Agreed

-LAMPRELL AGREES TO SAUDI MARITIME YARD JV

Dubai-based energy industry fabrication, engineering and contracting services provider Lamprell plc (LSE: LAM) has, through a wholly owned subsidiary, entered into a conditional agreement with Saudi Aramco Development Company (a wholly-owned subsidiary of Saudi Arabian Oil Co, the national oil company of the Kingdom of Saudi Arabia), the National Shipping Company of Saudi Arabia and Hyundai Heavy Industries Co. Ltd., the company said.

Under the deal, the parties have agreed to participate in a joint venture with respect to the establishment, development and operation of a maritime yard for the construction, maintenance and repair of offshore drilling rigs and vessels which is to form part of the complex known as "The King Salman International Complex for Maritime Industries and Services" in the eastern province of the Kingdom of Saudi Arabia.

Status: Agreed

-TEXAS RESTRAINING ORDER LIFTED, CLEARING WAY FOR TISSUE REGENIX TO BUY CELLRIGHT

UK-based regenerative medical devices company Tissue Regenix Group (AIM: TRX) notes the recent dissolution of the temporary restraining order issued by Bexar County District Court against Texas, US-based US regenerative medicine business CellRight Technologies, LLC in relation to a potential sale of CellRight to Tissue Regenix, the company said.

Tissue Regenix confirms that it remains in discussions with CellRight regarding a possible acquisition of CellRight by Tissue Regenix. There can be no certainty at this stage that the discussions between the Group and CellRight will lead to an acquisition. Tissue Regenix is a medical devices company in the field of regenerative medicine.

Status: Bidding

-CONVENE ACQUIRES ARCHITECTURAL AND DESIGN GROUP ASSEMBLE DESIGN

New York, US-based workplace-as-a-service platform Convene has acquired New York, US-based architectural and design company Assemble Design Group to internalise its architecture and design capabilities, the company said.

The company said the acquisition will enable it to scale and deliver a better workplace experience for clients. By integrating competencies in design, service and technology under one platform, the company said it can inspire creativity and enhance productivity for every enterprise client that utilises its expanding network of locations and hospitality services.

Status: Closed

-OPTIMAL BLUE ACQUIRES THIRD-PARTY COMPLIANCE SOLUTIONS FIRM COMERGENCE

Texas, US-based mortgage industry digital marketplace provider in the mortgage industry Optimal Blue has acquired California, US-based third-party compliance solutions provider Comergence Compliance, the company said.

The company said the acquisition of Comergence expands its network in the mortgage digital marketplace. Comergence provides third-party oversight solutions in the mortgage industry. The company offers third-party originator, appraiser, and social media risk management solutions that verify third-party compliance in real-time.

Status: Closed

-MEDIWARE COMPLETES ACQUISITION OF KINNSER SOFTWARE TO EXPAND OFFERING IN ALTERNATE CARE MARKET

Kansas, US-based S-a-a-S provider Mediware Information Systems, Inc. has finalised an agreement to acquire Texas, US-based software solutions provider Kinnser Software, Inc. from Insight Ventures Partners, the company said.

The transaction is backed by alternative asset firm TPG Capital, which closed its acquisition of Mediware. The transaction is expected to close at the end of the second quarter and is subject to customary closing conditions, including regulatory approvals. The company said the acquisition enables Mediware to expand its portfolio in the home health and hospice space, creating an integrated, high-growth software provider for the alternate care market.

Status: Closed

-KADANT TO ACQUIRE THE FOREST PRODUCTS BUSINESS OF EQUIPMENT MAKER NII FPG IN USD 173M DEAL

Massachusetts, US-based components and systems supplier Kadant Inc. (NYSE: KAI) has agreed to acquire the forest products business of US-based equipment manufacturer NII FPG for USD 173m in cash, the company said.

Kadant said it has increased its revolving credit facility to USD 300m from USD 200m and intends to finance the transaction through borrowings under the revolving credit facility. The transaction is expected to close in July 2017. NII FPG company designs and manufactures equipment used by sawmills, veneer mills and other manufacturers in the forest products industry. The company also designs and manufactures harvesting equipment used in cutting, gathering and removing timber from forest plantations.

Status: Agreed

-PSP INVESTMENTS, MEXICAN AIRPORT OPERATOR ASUR ACQUIRE STAKE IN AEROSTAR

Canada-based pension investment manager Public Sector Pension Investment Board (PSP) and Mexico-based Grupo Aeroportuario del Sureste, S.A.B. de C.V. (ASUR) (NYSE: ASR) (BMV: ASUR), have acquired 50% interest in San Juan, Puerto Rico airport operator Aerostar Airport Holdings LLC, from US-based investment manager Oaktree Capital Management, L.P., the company said.

PSP Investments acquired a 40% interest in Aerostar while ASUR, already a 50% shareholder in Aerostar, acquired an additional 10%, consolidating its total interest to 60%. This represents a combined investment of USD 430m. This transaction has received all required regulatory approvals. PSP said the acquisition leverages the capabilities of its airport platform AviAlliance.

Status: Closed

-ARTHUR J GALLAGHER ACQUIRES ILLINOIS, US BROKER WILLIAMS-MANNY INSURANCE

Illinois, US-based insurance brokerage and risk management services firm Arthur J. Gallagher and Co. (NYSE: AJG) has acquired Illinois, US-based retail insurance broker and employee benefits consultant Williams-Manny Insurance Group, the company said.

The company said the acquisition of Williams-Manny represents an outstanding geographic, ***strategic*** and cultural fit for Gallagher. Arthur J. Gallagher and Co. has operations in 33 countries and offers client service capabilities in more than 150 countries through a network of correspondent brokers and consultants.

Status: Closed

-ELITE LIMOUSINE PLUS ACQUIRES NEW YORK "BLACK CAR" OPERATOR FIRST CORPORATE SEDANS

New York, US-based transportation service provider Elite Limousine Plus, Inc. has acquired New York, US-based car service First Corporate Sedans, Inc. to expand presence in the local luxury car service market, the company said.

The combined company, which will operate under the Elite name, will create a fleet of 800 full-size chauffer-driven vehicles backed by 24-hour live call centre support. This operation will deploy Elite's advanced technology, including an app for Android and iPhone users, as well as web call entry, electronic vouchers, email receipts, GPS tracking and other service enhancements.

Status: Closed

-JM SMUCKER TO ACQUIRE CONAGRA'S WESSON OIL BRAND IN USD 285M DEAL

Ohio, US-based food and beverage manufacturer J. M. Smucker Company (NYSE: SJM) has agreed to acquire the Wesson oil brand from Illinois, US-based packaged foods corporation Conagra Brands, Inc. to fuel growth and innovation, the company said.

The deal is valued at approximately USD 285m, prior to an expected tax benefit related to the acquisition with a present value of approximately USD 45m. Smucker said the all-cash transaction will be funded primarily with debt. Under the terms of the agreement, Conagra will continue to manufacture products sold under the Wesson brand and provide certain other transition services for up to one year following the close of the transaction. After the transition period, the company expects to consolidate Wesson production into its existing oils manufacturing facility in Ohio.

Status: Agreed

-KPS CAPITAL PARTNERS AFFILIATE TO ACQUIRE ENGINEERED GEAR SUPPLIER DEXKO GLOBAL

New York, US-based affiliate of investment funds manager KPS Capital Partners, LP has to acquire Michigan, US-based engineered gear supplier DexKo Global Inc. and its affiliates, the company said.

Financial terms of the transaction were not disclosed. Completion of the transaction is expected around the middle of 2017 and is subject to customary closing conditions and approvals. The company said it will offer its manufacturing expertise and other ***strategic***, operational and financial resources to DexKo Global. DexKo Global's existing controlling shareholder, Sterling Group L.P. will continue to own a minority stake.

Status: Agreed

-USI ACQUIRES EMPLOYEE BENEFITS BROKERAGE BUSINESS FROM HARTMAN

New York, US-based insurance brokerage and consultancy USI Insurance Services has acquired Pennsylvania, US-based benefits broker Hartman Employee Benefits, Inc. from The Hartman Group, the company said.

The company said the acquisition would advance its benefits practice in central Pennsylvania and extend its presence as an insurance brokerage and consulting firm in the MidAtlantic, US region. USI is a local and national insurance brokerage and consulting firm, delivering property and casualty, employee benefits, personal risk and retirement solutions throughout the United States.

Status: Closed

-GAVIAL HOLDINGS ACQUIRES INTERNATIONAL TRANSDUCER TO SUPPORT OIL/GAS MARKETS

California, US-based industrial services and manufacturing company Gavial Holdings, Inc. and its affiliates have acquired California, US-based acoustic transducers manufacturer International Transducer Corp. from Channel Technologies Group, LLC to support undersea warfare, oil and gas markets, the company said.

The company said through this acquisition, Gavial Engineering and Manufacturing, Inc. now owns all design information, manufacturing know-how and critical equipment required to deliver all legacy ITC transducer models. Gavial will sell the ITC product line under the name Gavial ITC. Manufacturing will remain in place at the ITC facility in Santa Barbara, California, US.

Status: Closed

-RIVERCHASE DERMATOLOGY ACQUIRES FLORIDA, US PRACTICE

Florida, US-based skin centre Riverchase Dermatology and Cosmetic Surgery has acquired Florida, US-based dermatology centre Bowes Dermatology to expand service offerings, the company said.

Bowes Dermatology is one of the most unique and progressive facilities of its kind in the field of dermatology. Its commitment to excellence and the credentials of the skilled physicians and staff are what make this practice unique and innovators in the field of cosmetic and medical dermatology.

Status: Closed

-ALLIED UNIVERSAL ACQUIRES FLORIDA, US SECURITY FIRM ALERT PROTECTIVE SERVICES

US-based security services company Allied Universal has acquired Florida, US-based security firm Alert Protective Services, the company said to expand security services, the company said. The company said the acquisition of Alert will offer increased services that include smart technology in a total security package.

Alert Protective Services offers integrated security systems and uniformed security professionals to work in tandem with a complete security ***program*** at community gatehouses, concierge desks or security command centres.

Status: Closed

-ARTHUR J GALLGHER ACQUIRES ZUBER INSURANCE TO EXPAND TEXAS OFFERING

Illinois, US-based insurance brokerage and risk management services firm Arthur J. Gallagher and Co. (NYSE: AJG) has acquired Texas, US-based full-service insurance provider Zuber Insurance Agency, Inc., the company said.

Zuber associates will continue to operate from their current location under Gallagher's South Central retail property/casualty brokerage operations. The company said the addition of Zuber and it's offerings that focus on personalised client service expand Gallagher's team of professionals.

Status: Closed

-CHANNELADVISOR ACQUIRES FULFILLMENT AND LOGISTICS PLATFORM HUBLOGIX COMMERCE

North Carolina, US-based cloud-based e-commerce solutions provider ChannelAdvisor Corp. (NYSE: ECOM) has acquired Massachusetts-based fulfillment and logistics platform HubLogix Commerce Corp. to expand drop ship and fulfillment capabilities, the company said.

The company said this acquisition provides the technology and expertise to enhance its fulfillment offering and capabilities. With the acquisition of HubLogix, ChannelAdvisor strengthens its product suite with the addition of fulfillment automation, while also adding distribution, fulfillment and supply chain domain experts to the organisation.

Status: Closed

(Distributed by M2 Communications ([*www.m2.com*](http://www.m2.com)))

**Load-Date:** June 1, 2017

**End of Document**



[***The crisis in applications for teacher training***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RC2-YST1-JCJY-G2M8-00000-00&context=1516831)

thetimes.co.uk

January 8, 2018 Monday 12:01 AM GMT

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**Section:** COMMENT; Version:2

**Length:** 1811 words

**Body**

Sir, The fall in early applications to teaching training via Ucas (News, Jan 5, and letters, Jan 6) is concerning. But it is far too soon to cry crisis. An important response to the struggle to recruit sufficient high-quality teachers has been to create entry routes. Not all of these go through Ucas. The very successful Teach First does not, and neither do direct recruitment into schools, nor a large number of trainees at my own university. Nor are undergraduate routes included in the figures.

Together with returners, this helps to explain why teacher numbers have been rising while Ucas applications have been falling. Undoubtedly teaching could be made more attractive and recruitment improved, but the tendency of the profession to keep saying it is in a mess is not the way to go about it.Professor Alan SmithersCentre for Education and Employment Research, University of Buckingham

Sir, There are about 500,000 teaching posts in England and Wales, of which, realistically, only a minority can be filled by people with a vocational calling. How to fill the rest?

Putting aside salary issues, what seems salient is the way the job has deteriorated: more and more pressure, paperwork, being checked up on, disintegrating discipline. Recruitment and retention are likely to keep moving into deeper crisis until teaching can regain its job satisfaction and "feelgood factor".David Cooper-SmithBletchley, Bucks

Sir, My daughter is training to be a history teacher. However, she was nearly derailed in her quest to take up her place on the postgraduate certificate of education course by the skills test consisting of English and maths papers. She easily passed the English test, but the maths element felt like an unnecessary hurdle.

It is in two parts, written and aural, with only 18 seconds to mentally calculate the answer in the latter. Would you prefer your child to be taught history by a passionate historian or someone who can do calculus? Failing the test on the third attempt would have resulted in her being barred from re-applying for two years. What a waste of talent this would have been.

The government needs to change things if we are to attract talented individuals. They could start by making the entry requirements relevant to the subject to be studied.Cindy PickeringNottingham

Sir, The juxtaposition of letters about teacher training and apprenticeships (Jan 6) brought to mind the prevailing mindset of those leaving school after A levels in the 1960s and 1970s, which was that if they did not get into university, they could get into a teacher-training college with five O levels.

Many disappointed would-be undergraduates entered the profession without the vocational impetus for a successful and satisfying career, leaving it as soon as a viable escape route offered itself. Those who chose to go to teacher-training college because they wanted to teach were the ones who became the inspirational teachers.

Why not re-introduce the Certificate in Education route into teaching offered by the teacher-training colleges of the past?Peter Sergeant Loughborough, Leics

Sir, Your reports, "Crisis in teacher recruitment as applications fall by a third" and "Build care homes by schools to mix generations" (Jan 5), perhaps hold the solution. We already have Teach First and Now Teach. With care-home residents as teachers, could we also have Teach Last?Cornelia GillChurchill, DevonGENDERED PAY GAPSir, Tim Worstall is wrong to claim that the pay gap is not gendered and is instead due to parenting (Thunderer, Jan 4). The gap begins the moment women start work. Young Women's Trust research found that young women apprentices get eight per cent less than men. Across all subjects, male graduates out-earn women within five years of completing their degree.

Worstall also attributes the gap to men and women working in different jobs: men become pilots, women air stewards - another gendered issue. There are more male pilots because it is harder for women to break in to industries that are dominated by men because of stereotypes, discrimination and men's networks.

If 2018 is to be the year of women's equality, let's start by recognising the inequalities women face.Carole EastonChief executive, Young Women's TrustPOLITICAL LANGUAGESir, Kevin Lewis (letter, Jan 5) is right to draw attention to the Albanians of Kosovo, Montenegro and Macedonia. They were mentioned in my original, pre-edited letter of Jan 4, which also mentioned the Turks of Kosovo, Macedonia and southern Serbia and the sizeable Hungarian-speaking minority in northern Serbia. After the Second World War Yugoslavia distinguished between its "nations", the predominant Slav groups and the "nationalities"or minorities. The distinction caused great disquiet, not least because it meant that in Kosovo, for example, that all education above primary level was in Serbo-Croat; widespread disturbances in 1968 finally forced the federal authorities to concede that the Kosovo Albanians should be allowed education in their native tongue. Twenty years later ethnic discontents remained and proved to be a major - but by no means the only - cause of the tragic demise of Yugoslavia.Richard CramptonProfessor of East European history, University of Oxford, 1996-2006GROUNDING DRONESSir, Rather than wasting £7 million on technology to stop drones delivering drugs, phones and weapons to prisons, why does the government not ban them outright except for their use by the armed services, the Ordnance Survey and other official bodies?Fr Julian G ShurgoldKingston-upon-Thames, LondonGOVE AND THE CAPSir, Matthew Parris handsomely praises Michael Gove for his splendid and radical determination to scupper, here in the UK, the EU's common ***agricultural*** policy (Comment, Jan 6). This is an odd contradiction. For many months now, Mr Parris has been positively "swivel-eyed" (his term of art for Mr Gove's opposite view) to remain in the EU. Yet the CAP that Mr Parris correctly excoriates is the foundation of the EU's attempt at building a state.

The CAP still dominates - at near-on 40 per cent - the Brussels budget and the spending of its "own resources". The CAP's twin pillar in the EU's state-building, the euro, has caused years of youth unemployment ranging from 40 per cent to more than 50 per cent in its olive-tree member countries.

Mr Parris is passionately and bravely pro-EU. Yet the core of his paean to Mr Gove is his own open loathing for one of the two pillars of the EU's existence. Why not ask him and Mr Gove to debate this, along with the job-denying effect of the other pillar, the euro, in the pages of your newspaper?Andrew KnightCompton Scorpion, Warwicks

Sir, Further to your leading article, "Green Brexit" (Jan 5), speaking as a hard-pressed dairy farmer, would the writer like to put on his wellies and spend 24 hours working on a dairy farm? However hard we work, and organise ourselves with the greatest efficiency, we are not paid enough for our milk. We need a subsidy because the market system does not work.

Many of us participate in higher-level stewardship and have planted acres of wildflowers and other types of habitat. Most farmers consider it of high importance to look after their land, crops and stock in the best way possible. That is the way forward to ***producing*** the cheap food that everyone requires - but we must make a profit to survive.Carolyn SeligmanWinchester, HantsHAPPY APPRENTICESSir, Paul Johnson discussed how hard it was to find the right apprenticeship opportunities for his son (Comment, Jan 5). I am the founder of Student Apprenticeships, and over the past few years have seen an explosion in higher and degree apprenticeships being offered by firms - many now employ more 18-year-olds than graduates, and suggest that they prefer them.

This will accelerate, and we will see a changing attitude as students and parents start to realise what great value these represent. Apprentices have no debt and earn a salary from day one, and most ***programmes*** involve studying for a professional qualification or degree. It is often easier to secure a role with a leading company as a school-leaver than as a graduate, when competition is tougher. After three or four working years, the apprentice is often at a similar level to the graduate just entering the organisation.Karen Young Chief executive, The Student LadderNHS APPOINTMENTSSir, Much has been said about the potential costs of missed hospital appointments (letters, Jan 4). I was an orthopaedic consultant in a busy district general hospital in the 1970s, 1980s and 1990s, and missed appointments were a joy. Clinics were always heavily overbooked and at the end of a four-hour clinic of up to 90 patients I regularly felt as though I had been run over by a bus. Our team of two or three doctors were delighted when five to 10 patients failed to attend. There was no cost to the hospital, only relief.Christopher AckroydBristolHOMES FOR THE RICHSir, Your article "Sellers slash prices after family home market stalls" (Jan 6), highlights the falling house prices in London and the south east. These are the traditional high-priced areas where properties are traded as commodities. Indeed, many of the new high-rise apartments that have sprung up along London's South Bank have been sold, off-***plan***, to investors from around the globe. There is even a market for re-selling the option to buy before the development has been completed.

Action must be taken to restrict property ownership in ***strategic*** areas to those who can prove it to be their main residence - or some areas will eventually become out of reach for the majority of those who want to work and live there.John WaltonShepperton, SurreyMACBETH'S RAT RUNSir, I was delighted to read that Sheila Taylor found the production of Macbeth at Pevensey Castle so memorably scary (letter, Jan 3). As the actor playing the title role, I can also attest to the evocative quality of that evening's performance. Not only was the play's claustrophobic nature particularly palpable in the torch-lit chamber to which we had repaired due to the storm outside, but there was another unsettling element of which the audience were unaware.

Before we let them in, we had to evict a large rat. The cast were wary that it would make a reappearance, perhaps during the banquet scene as an even more unwelcome guest than Banquo's ghost.Jonathan CooteErith, KentIMPLAUSIBLE SIGHTSSir, Regarding Rose Wild's reference to Ian Carman's remark about shoppers having £10 billion worth of clothes that they don't wear in their wardrobes (Feedback, Jan 6), in our village we regularly have signs advertising a Giant Rug Sale. I can assure you that the rugs are not giant. Similarly, I recently bought some drops for a sore eye. The packaging reads: "Infected Eye Drops".Catherine MoneyChobham, SurreyLetters to the Editor should be sent to [*letters@thetimes.co.uk*](mailto:letters@thetimes.co.uk)

**Load-Date:** January 8, 2018

**End of Document**



[***BISICHI MINING - Annual Financial Report***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SBJ-CWS1-JB72-13JV-00000-00&context=1516831)

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**Length:** 37825 words

**Dateline:** London, April 20

**Body**

BISICHI MINING PLC

Results for the year ended 31 December 2017

Summary:

|  |  |
| --- | --- |
| Reported EBITDA: | £3,700,000 (2016: £2,400,000) |
| Adjusted EBITDA: | £5,800,000 (2016: £1,500,000) |

·          Improved performance in the second half of the year from Black Wattle, the group's South African coal mining operation.

·          Investment in significant infrastructure improvements allowed Black Wattle to mine at a sustainably higher rate of production and achieve an increased yield from its washing plant.

·          Black Wattle was able to benefit from the significantly improved coal prices during the second half of the year.

·          UK property portfolio continues to perform well with average rental yields for the portfolio remaining stable during the year.

·          In light of the strong results achieved for the year, a special dividend of 1p (2016: Nil) per share proposed in addition to a final dividend of 3p (2016: 3p) taking full year dividend to 5p (2016: 4p) per share.

·          Dividend yield of 7.1% at year end share price.

Chairman, Sir Michael Heller, comments:

"The permanent infrastructure improvements at Black Wattle will have a positive impact on the returns achievable from our existing coal reserves and should open up new opportunities to mine similar coal reserves in the surrounding area. Accordingly, we remain confident about the ability of our South African coal mining operations to continue to contribute to our group earnings and cash generation for the foreseeable future."

For further information, please call:

Andrew Heller or Garrett Casey, Bisichi Mining PLC 020 7415 5030

BISICHI MINING PLC

ANNUAL REPORT 2017

Building on success at Black Wattle

Earnings before interest, tax, depreciation and amortisation (EBITDA) of

£3.7million

(2016: £2.4 million)

Operating profit before depreciation, fair value adjustments and exchange movements (Adjusted EBITDA) of

£5.8million

(2016: £1.5 million)

Dividend yield of

7.1%

at year end share price.

***Strategic*** report

The directors present the ***Strategic*** Report of the company for the year ending 31 December 2017. The aim of the ***Strategic*** Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the company for the collective benefit of shareholders.

Chairman's Statement

For the year ended 31 December 2017, we are very pleased to report that your company achieved earnings before interest, tax, depreciation and amortisation (EBITDA) of £3.7million (2016: £2.4 million) and operating profit before depreciation, fair value adjustments and exchange movements (Adjusted EBITDA) of £5.8million (2016: £1.5million).

These results can be attributed mainly to an improved performance in the second half of the year from Black Wattle, our South African coal mining operation. The decision by your management in the first half of the year to invest in significant infrastructure improvements to the mine's washing plant has allowed Black Wattle to mine at a higher rate of production and achieve an increased yield. In addition, the mine was able to benefit from significantly improved coal prices during the second half of the year. The permanent infrastructure improvements at Black Wattle will have a positive impact on the returns achievable from our existing coal reserves and should open up new opportunities to mine similar coal reserves in the surrounding area. Accordingly, we remain confident about the ability of our South African coal mining operations to continue to contribute to our group earnings and cash generation for the foreseeable future.

In other mining news, we are pleased to announce the appointment of Millicent Zvarayi to the Board of Black Wattle Colliery (Pty) Ltd. Since 2012, Ms Zvarayi has had a major role in the management of Black Wattle's export sales via Richards Bay Coal Terminal under the Quattro ***programme***. As a member of its Board, we look forward to Ms Zvarayi's direct contribution to the development of Black Wattle's long term strategy.

A fuller explanation on the performance of our mining operations for the year can be found within the Mining Review and Financial & Performance Review sections of this report.

The company's UK retail property portfolio, which underpins the group and which is managed actively by London & Associated Properties Plc, continues to perform well, with average rental yields for the portfolio remaining stable during the year. A fuller explanation of the portfolio's valuation results and financial position are discussed in the Financial & Performance Review and Directors report.

Looking forward, management is currently investigating other major investment opportunities in both the mining sector and the domestic property sector and is conserving the group's cash reserves accordingly. This is in line with the company's stated strategy of balancing the high risk of our mining operations with a dependable cash flow from our UK property investment operations.

Finally, in light of the strong results achieved for the year, your directors recommend a special dividend of 1p (2016: Nil) per share in addition to a final dividend of 3p (2016: 3p). Both dividends will be payable on Friday 27 July 2018 to shareholders registered at the close of business on 6 July 2018. This takes the total dividends per share for the year to 5p (2016: 4p). Based on the 2017 year end share price, this represents a 7.1% yield.

On behalf of the Board and shareholders, I would like to thank all of our staff for their hard work during the course of the year.

Sir Michael Heller

Chairman

20 April 2018

Principal activity, strategy & business model

The company carries on business as a mining company and its principal activity is coal mining in South Africa. The company's strategy is to create and deliver long term sustainable value to all our stakeholders through our business model which can be broken down into three key areas

|  |  |  |
| --- | --- | --- |
| **1 Acquisition & investment** | **2 Production & sustainability** | **3 Processing & marketing** |
| **Strategy**  The group actively seeks new opportunities to extend the life of mine of its existing mining operations or develop new independent mining operations in South Africa. The group aims to achieve this through new commercial arrangements and the acquisition of additional coal reserves nearby to or independent from our existing mining operations. | **Strategy**  The group strives to mine its coal reserves in an economical and sustainable manner that delivers long term value to all our stakeholders. | **Strategy**  The group seeks to achieve additional value from its mining investments through the washing, transportation and marketing of coal into both the domestic and export markets. |

In addition to the three key areas outlined above, we seek to balance the high risk of our mining operations with a dependable cash flow from our UK property investment operations. The company invests in retail property across the UK. The UK property portfolio is managed by London & Associated Properties PLC whose responsibility is to actively manage the portfolio to improve rental income and thus enhance the value of the portfolio over time.

Mining Review

The strong performance of Black Wattle, our South African coal mining operation, can be attributed to increased mining production from our opencast reserves and the successful completion of coal infrastructure improvements to our washing plant. This allowed the group to benefit from the higher prices achievable for our coal, particularly in the second half of the year.

Production and operations

For the first half of 2017 production at Black Wattle was impacted by higher than expected seasonal rains as well as ongoing stone contamination issues at our opencast areas. Overall, the mine achieved mining production of 582,000 metric tonnes (2016 H1: 795,000 metric tonnes) during the first half of the year. The stone contamination issues affected both yield and mining production through the washing plant, thus impacting on sales volumes and earnings in the first half of the year.

During the second half of the year, further development of our opencast areas and the successful completion of infrastructure improvements to our washing plant allowed the mine to increase mining production to 714,000 metric tonnes (2016 H2: 465,000 tonnes) during the period. In addition, the completion of infrastructure improvements assisted in reducing the stone contamination through the washing plant and increasing our overall yield.

As a result of the higher production in the second half of the year, overall mining production from Black Wattle increased in 2017, with total mining production for the year of 1.30million metric tonnes (2016: 1.26million metric tonnes). As part of Black Wattle's mining ***plan***, the opencast areas that were mined in 2017 will continue to be mined throughout 2018. We expect mining production levels achieved in the second half of 2017 to be maintained in 2018.

As mentioned in the Chairman's statement, the infrastructure improvements completed at Black Wattle in 2017 will continue to have a positive impact on the returns achievable from our remaining reserves. In addition, the new machinery will allow Black Wattle to mine or buy in coal from similar reserves within the area that may be affected by stone contamination issues thus broadening the scope of new opportunities for the group to extend the life of mine of our mining operations in South Africa.

Main trends/markets

During 2017 management continued to sell coal into both the export and domestic market. Black Wattle's export sales were via Richards Bay Coal Terminal and primarily under the Quattro ***programme***, which allows junior black-economic empowerment coal ***producers*** direct access to the coal export market via Richards Bay Coal Terminal. We would like to thank Vunani Limited, our black economic empowered shareholders at Black Wattle, for managing and developing this opportunity.

Although International coal prices fell in the first half of 2017, a surge in the international price in the second half of the year ensured an overall improvement in prices achievable for our coal for the year. At the beginning of 2017, the average weekly price of Free on Board (FOB) Coal from Richards Bay Coal Terminal (API4) was $85. During the year the API4 price steadily decreased to around $70 by May 2017 before rebounding and steadily increasing to $95 by the end of the year. A less volatile South African Rand against the US Dollar ensured that the movements in the Rand prices achievable for our export coal as a result of exchange movements remained limited. Overall, the group achieved an average Rand price of R773 per tonne of export coal sold in 2017 from the mine compared to R632 in 2016.

In the domestic market, a continued high demand impacted positively on prices achievable for our coal in 2017. In the last quarter of 2016, the average Rand price achievable per tonne of coal sold was R276 increasing to R390 by the second quarter of 2017 and over R400 by the last quarter of 2017. Overall, the group achieved an average price of R397 per tonne of domestic coal sold in 2017 compared to R279 in 2016. Looking forward, domestic prices are expected to remain stable as long as the shortage of coal in the domestic market continues.

Overall, the increase in group revenue, compared to the prior year, can mainly be attributed to the higher volume of coal sold at Black Wattle as well as the higher prices achieved for our coal.

Looking forward into 2018, both the export and domestic coal prices have continued to remain stable at these higher levels and we continue to see strong demand for our coal in both markets.

Sustainable development

Black Wattle continues to strive to conduct business in a safe, environmentally and socially responsible manner. Some highlights of our Health, Safety and Environment performance in 2017:

· Black Wattle Colliery recorded one Lost Time Injury during 2017 (2016: One).

· No cases of Occupational Diseases were recorded.

· Zero claims for the Compensation for Occupational Diseases were submitted.

We continue to adhere and make progress in terms of our Social and Labour ***Plan*** and our various BEE initiatives. A fuller explanation of these can be found in our Sustainable Development Report on page 8.

Prospects

Looking forward to 2018, management will focus on maintaining production at the higher levels achieved in the second half of 2017 and increasing our life of mine through the acquisition of additional reserves. With strong demand and improved prices achievable for our coal, we believe the group is in a strong position to achieve significant value from our South African mining operations in 2018.

Andrew Heller

Managing Director

20 April 2018

Sustainable development

The group is fully committed to ensuring the sustainability of both our UK and South African mining operations and delivering long term value to all our stakeholders.

Health, Safety & Environment (HSE)

Black Wattle is committed to creating a safe and healthy working environment for its employees and the health and safety of our employees is of the utmost importance.

HSE performance in 2017:

No cases of Occupational Diseases were recorded.Zero claims for the Compensation for Occupational Diseases were submitted.No machines operating at Black Wattle exceeded the regulatory noise level.Black Wattle Colliery recorded one Lost time Injury during 2017.

In addition to the required personnel appointments and assignment of direct health and safety responsibilities on the mine, a system of Hazard Identification and Risk Assessments has been designed, implemented and maintained at Black Wattle.

Health and Safety training is conducted on an on going basis. We are pleased to report all relevant employees to date have received training in hazard identification and risk assessment in their work areas.

A medical surveillance system is also in place which provides management with information used in determining measures to eliminate, control and minimise employee health risks and hazards and all Occupational Health hazards are monitored on an on going basis.

Various systems to enhance the current HSE strategy have been introduced as follows:

In order to improve hazard identification before the commencing of tasks, mini risk assessment booklets have been distributed to all mine employees and long term contractors on the mine.Dover testing is conducted for all operators. Dover testing is a risk detection and accident reduction tool which identifies employees' problematic areas in their fundamental skills in order to receive appropriate training.On going basic rigging training is being conducted for all washing plant personnel.A Job Safety Analysis form is utilised to ensure effective identification of hazards in the workplace.In order to capture and record investigation findings from incidents, an incident recording sheet is utilised by line management and contractors.Black Wattle Colliery utilises ICAM (Incident Cause Analysis Method).On going training on conveyor belt operation is being conducted with all employees involved with this discipline.

Black wattle colliery social and labour ***plan*** (slp) progress

Black Wattle Colliery is committed to true transformation and empowerment as well as poverty eradication within the surrounding and labour providing communities.

Black Wattle is committed to providing opportunities for the sustainable socio-economic development of its stakeholders, such as:

Employees and their families, through Skills Development, Education Development, Human Resource Development, Empowerment and Progression ***Programmes***.Surrounding and labour sending communities, through Local Economic Development, Rural and Community Development, Enterprise Development and Procurement ***Programmes***.Empowering partners, through Broad-Based Black Economic Empowerment (BBBEE) and Joint Ventures with Historically Disadvantaged South African (HDSA) new mining entrants and enterprises.The company engages in on going consultation with its stakeholders to develop strong company-employee relationships, strong company-community relationships and strong company-HDSA enterprise relationships.

The key focus areas in terms of the detailed SLP ***programmes*** were updated as follows:

Implementation of new action ***plans***, projects, targets and budgets were established through regular workshops with all stakeholders.A comprehensive desktop socio-economic assessment was undertaken on baseline data of the Steve Tshwete Local Municipality (STLM) and Nkangala District Municipality (NDM).Black Wattle has drawn up a new SLP ***Plan*** for the next five years (2017 - 2021).The current Black Wattle Colliery Local Economic Development (LED) ***programmes*** were upgraded, and new LED projects were selected in consultation with the key stakeholders from the STLM.An appropriate forum was established on the mine and a process initiated for the consultation, empowerment and participation of the employee representatives in the Black Wattle Colliery SLP process.Included within the new SLP ***Plan*** is a new LED project which includes the upgrading of Phumelele Secondary School in the Rockdale Township. The primary focus is to build additional facilities, including classrooms to cater for the growing population in the area.Black Wattle Colliery has concluded extensive work on various ***Agricultural*** projects as well as the E-Bag Recycling projects. The E-Bag Recycling project aims to minimize the environmental impact of post-consumer Polyethylene Terephthalate plastic (PET) on the South African landscape. The project was awarded the PET Entrepreneur award for 2013. To date in 2017, the E-Bag recycling project has initiated up to 70 local community jobs in the region. Black Wattle Colliery has entered into a joint venture project with Enviroserve Waste Management to further develop and ensure the future sustainability of this project.Various upgrades were initiated at the Evergreen School nearby to Black Wattle including the erection of new toilet facilities for the boys and girls, which formed part of the mines portable skills development ***programme*** for our employees.

Social, community and human rights issues

The group believes that it is in the shareholders' interests to consider social and human rights issues when conducting business activities both in the UK and South Africa.

Environment & Environment Management ***Programme***

South Africa

Under the terms of the mine's Environmental Management ***Programme*** approved by the Department of Mineral Resource ("DMR"), Black Wattle undertakes a host of environmental protection activities to ensure that the approved Environmental Management ***Plan*** is fully implemented. In addition to these routine activities, Black Wattle regularly carries out environmental monitoring activities on and around the mine, including evaluation of ground water quality, air quality, noise and lighting levels, ground vibrations, air blast monitoring, and assessment of visual impacts. In addition to this Black Wattle also does quarterly monitoring of all boreholes around the mine to ensure that no contaminated water filters through to the surrounding communities.

Black Wattle is fully compliant with the regulatory requirements of the Department of Water Affairs and Forestry and has an approved water use licence.

Black Wattle Colliery has substantially improved its water management by erecting and upgrading all its pollution control dams in consultation with the Department of Water Affairs and Forestry.

A performance assessment audit was conducted to verify compliance to our Environmental Management ***Programme*** and no significant deviations were found.

United Kingdom

The group's UK activities are principally property investment whereby we provide premises which are rented to retail businesses. We seek to provide those tenants with good quality premises from which they can operate in an efficient and environmentally sound manner.

Procurement

Black Wattle is a level 7 contributor to B-BBEE and has achieved a 50% BEE procurement recognition level. In compliance with the Mining Charter and the Mineral and Petroleum Resource Development Act, Black Wattle has implemented a BBBEE-focussed procurement policy which strongly encourages our suppliers to establish and maintain BBBEE credentials. At present, BBBEE companies provide approximately 88 percent of Black Wattle's equipment and services.

We closely monitor our monthly expenditure and welcome potential BBBEE suppliers to compete for equipment and service contracts at Black Wattle.

Employment

As part of Black Wattle's commitment to the South African government Mining Charter, the company seeks to:

Expand opportunities for historically disadvantaged South Africans (HDSAs), including women, to enter the mining and minerals industry and benefit from the extraction and processing of the country's resources;Utilise the existing skills base for the empowerment of HDSAs; andExpand the skills base of HDSAs in order to serve the community.

In addition Black Wattle is committed to achieving the goals of the South African Employment Equity Act and is pleased to report the following:

Black Wattle Colliery has exceeded the 10 percent women in management and core mining target.Black Wattle Colliery has achieved 12 percent women in core mining.94 percent of the women at Black Wattle Colliery are HDSA females.

Black Wattle Colliery has successfully submitted their annual Employment Equity Report to the Department of Labour.

In terms of staff training some highlights for 2017 were:

11 employees were trained in ABET (Adult Basic Educational Training) on various levels;An additional 5 disabled women continued their training on ABET level one and two.2 HDSA Females have completed and qualified in their respective apprenticeships at the mine.Black Wattle had several of the staff of Silver Solutions CC, a black owned private contractor on the mine, trained to become competent to perform plastic pipe welding. The mine makes extensive use of their services in this area.

Employment terms and conditions for our employees based at our UK office and at our South African mining operations are regulated by and are operated in compliance with all relevant prevailing national and local legislation. Employment terms and conditions provided to mining staff meet or exceed the national average. The group's mining operations and coal washing plant facility are labour intensive and unionised. During the year no labour disputes, strikes or wage negotiations disrupted production or had a significant impact on earnings. The group's relations to date with labour representatives and labour related unions continue to remain strong.

In terms of directors, employees and gender representation, at the year end the group had 6 directors (6 male, 0 female), 7 senior managers (6 male, 1 female) and 196 employees (143 male, 53 female).

Green House Gas reporting

We have reported on all of the emission sources required under the Companies Act 2006 (***Strategic*** Report and Directors' Reports) Regulations.

The group has employed the Operational Control boundary definition to outline our carbon footprint boundary. Included within that boundary are Scope 1 & 2 emissions from coal extraction and onsite mining processes for Black Wattle Colliery. We have not measured and reported on our Scope 3 emissions sources. Excluded from the footprint boundary are emission sources considered non material by the group, including refrigerant use onsite.

We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and a methodology adapted from the Intergovernmental Panel on Climate Change (2006) to calculate fugitive emissions from surface coal mining activities. Further emission factors were used from UK Government's GHG Conversion Factors for company Reporting 2017.

|  |  |  |
| --- | --- | --- |
| The group's carbon footprint: | **2017**  **CO2e**  **Tonnes** | 2016  CO2e  Tonnes |
| **Emissions source:** |  |  |
| Scope 1 Combustion of fuel & operation of facilities | **15,575** | 11,860 |
| Scope 1 Emissions from coal mining activities | **22,683** | 22,171 |
| Scope 2 Electricity, heat, steam and cooling purchased for own use | **11,210** | 8,530 |
| **Total** | **49,468** | 42,561 |
| **Intensity:** |  |  |
| Intensity 1 Tonnes of CO2 per pound sterling of revenue | **0.0013** | 0.0019 |
| Intensity 2 Tonnes of CO2 per tonne of coal ***produced*** | **0.038** | 0.034 |

Principal risks & uncertainties

|  |  |
| --- | --- |
| **PRINCIPAL RISK** | **PERFORMANCE AND MANAGEMENT OF THE RISK** |
| **COAL PRICE RISK**  The group is exposed to coal price risk as its future revenues will be derived based on contracts or agreements with physical off-take partners at prices that will be determined by reference to market prices of coal at delivery date.  The group's South African mining operational earnings are significantly dependent on movements in both the export and domestic coal price.  The price of export sales is derived from a US Dollar-denominated export coal price and therefore the price achievable in South African Rands can be influenced by movements in exchange rates and overall global demand and supply.  The domestic market coal prices are denominated in South African Rand and are primarily dependant on local demand and supply. | The group primarily focuses on managing its underlying production costs to mitigate coal price volatility as well as from time to time entering into forward sales contracts with the goal of preserving future revenue streams. The group has not entered into any such contracts in 2017 and 2016.  The group's export and domestic sales are determined based on the ability to deliver the quality of coal required by each market and Quattro ***programme*** quotas, together with the market factors set out opposite. Volumes of export sales achieved during the year were primarily dependent on the mine's ability to ***produce*** the higher quality of coal required for export as well as allowable quotas under the Quattro ***programme*** and overall global demand. The volume of domestic market sales achieved during the year were primarily dependant on local demand and supply as well as the mine's ability to ***produce*** the lower overall quality of coal required. |
| **MINING RISK**  As with many mining operations, the reserve that is mined has the risk of not having the qualities and accessibility expected from geological and environmental analysis. This can have a negative impact on revenue and earnings as the quality and quantity of coal mined and sold by our mining operations may be lower than expected. | This risk is managed by engaging independent geological experts, referred to in the industry as the "Competent Person", to determine the estimated reserves and their technical and commercial feasibility for extraction. In addition, management engage Competent Persons to assist management in the production of detailed life of mine ***plans*** as well as in the monitoring of actual mining results versus expected performance and management's response to variances. The group continued to engage an independent Competent Person in the current year. Refer to page 6 for details of mining performance. |
| **CURRENCY RISK**  The group's operations are sensitive to currency movements, especially those between the South African Rand, US Dollar and British Pound. These movements can have a negative impact on the group's mining operations revenue as noted above, as well as operational earnings.  The group is exposed to currency risk in regard to the Sterling value of inter-company trading balances with its South African operations. It arises as a result of the retranslation of Rand denominated inter-company trade receivable balances into Sterling that are held within the UK and which are payable by South African Rand functional currency subsidiaries.  The group is exposed to currency risk in regard to the retranslation of the group's South African functional currency net assets to the Sterling reporting functional currency of the group. A weakening of the South African Rand against Sterling can have a negative impact on the financial position and net asset values reported by the group. | Export sales within the group's South African operations are derived from a US Dollar-denominated export coal price. A weakening of the US Dollar can have a negative impact on the South African Rand prices achievable for coal sold by the group's South African mining operations. This in turn can have a negative impact on the group's mining operations revenue as well as operational earnings as the group's mining operating costs are Rand denominated. In order to mitigate this, the group may enter into forward sales contracts in local currencies with the goal of preserving future revenue streams. The group has not entered into any such contracts in 2017 and 2016.  Although it is not the group's policy to obtain forward contracts to mitigate foreign exchange risk on inter-company trading balances or on the retranslation of the group's South African functional currency net assets, management regularly review the requirement to do so in light of any increased risk of future volatility.  Refer to the 'Financial Review' for details of significant currency movement impacts in the year. |
| **NEW RESERVES AND MINING PERMISSIONS**  The life of the mine, acquisition of additional reserves, permissions to mine (including ongoing and once-off permissions) and new mining opportunities in South Africa generally are contingent on a number of factors outside of the group's control such as approval by the Department of Mineral Resources, the Department of Water Affairs and Forestry and other regulatory or state owned entities.  In addition, the group's South African operations are subject to the government Mining Charter.  Any regulatory changes to the Mining Charter, or failure to meet existing targets, could adversely affect the mine's ability to retain its mining rights in South Africa. | The maintenance of compliance with permits includes factors such as environmental management, health and safety, labour laws and Black Empowerment legislation; as failure to maintain appropriate controls and compliance may in turn result in the withdrawal of the necessary permissions to mine. The management of these regulatory risks and performance in the year is noted on page 17 under the headings environmental risk, health & safety risk and labour risk. Additionally, in order to mitigate this risk, the group strives to provide adequate resources to this area including the employment of adequate personnel and the utilisation of third party consultants competent in regulatory compliance related to mining rights and mining permissions  The group also continues to actively seek new opportunities to expand it mining operations in South Africa through the acquisition of additional coal reserves and new commercial arrangements with existing mining right holders. |
| **POWER SUPPLY RISK**  The current utility provider for power supply in South Africa is the government run Eskom. Eskom continues to undergo capacity problems resulting in power cuts and lack of provision of power supply to new projects. Any power cuts or lack of provision of power supply to the group's mining operations may disrupt mining production and impact on earnings. | The group's mining operations have to date not been affected by power cuts. However the group manages this risk through regular monitoring of Eskom's performance and ongoing ability to meet power requirements. In addition, the group continues to assess the ability to utilise diesel generators as an alternative means of securing power in the event of power outages. |
| **PRINCIPAL RISK** | **PERFORMANCE AND MANAGEMENT OF THE RISK** |
| **FLOODING RISK**  The group's mining operations are susceptible to seasonal flooding which could disrupt mining production and impact on earnings. | Management monitors water levels on an ongoing basis and various projects have been completed, including the construction of additional dams, to minimise the impact of this risk as far as possible. |
| **ENVIRONMENTAL RISK**  The group's South African mining operations are required to adhere to local environmental regulations. Any failure to adhere to local environmental regulations, could adversely affect the mine's ability to mine under its mining right in South Africa. | In line with all South African mining companies, the management of this risk is based on compliance with the Environment Management ***Plan***. In order to ensure compliance, the group strives to provide adequate resources to this area including the employment of personnel and the utilisation of third party consultants competent in regulatory compliance related to environmental management.  To date, Black Wattle is fully compliant with the regulatory requirements of the Department of Water Affairs and Forestry and has an approved water use licence. Further details of the group's Environment Management ***Programme*** are disclosed in the Sustainable development report on page 9. |
| **HEALTH & SAFETY RISK**  Attached to mining there are inherent health and safety risks. Any such safety incidents disrupt operations, and can slow or even stop production. In addition, the group's South African mining operations are required to adhere to local Health and Safety regulations. | The group has a comprehensive Health and Safety ***programme*** in place to mitigate this risk. Management strive to create an environment where Health and safety of our employees is of the utmost importance. Our Health & Safety ***programme*** provides clear guidance on the standards our mining operation is expected to achieve. In addition, management receive regular updates on how our mining operations are performing. Further details of the group's Health and Safety ***Programme*** are disclosed in the Sustainable development report on page 8. |
| **LABOUR RISK**  The group's mining operations and coal washing plant facility are labour intensive and unionised. Any labour disputes, strikes or wage negotiations may disrupt production and impact earnings. | In order to mitigate this risk, the group strives to ensure open and transparent dialogue with employees across all levels. In addition, appropriate channels of communication are provided to all employment unions at Black Wattle to ensure effective and early engagement on employment matters, in particular wage negotiations and disputes.  Refer to the 'Employment' section on page 12 for further details. |
| **CASHFLOW RISK**  Commodity price risk, currency volatility and the uncertainties inherent in mining may result in favourable or unfavourable cashflows. | In order to mitigate this, we seek to balance the high risk of our mining operations with a dependable cash flow from our UK property investment operations which are actively managed by London & Associated Properties PLC. Due to the long term nature of the leases, the effect on cash flows from property investment activities are expected to remain stable as long as tenants remain in operation. Refer to page 22 for details of the property portfolio performance. |
| **PROPERTY VALUATION RISK**  Fluctuations in property values, which are reflected in the Consolidated Income Statement and Balance Sheet, are dependent on an annual valuation of commercial properties. A fall in UK commercial property can have a marked effect on the profitability and the net asset value of the group as well as impact on covenants and other loan agreement obligations.  The economic performance of the United Kingdom, including the potential impact of the United Kingdom leaving the European Union ("Brexit"), may impact the level of rental income, yields and associated property valuations of the group's UK property assets. | The group utilises the services of London & Associated Properties PLC whose responsibility is to actively manage the portfolio to improve rental income and thus enhance the value of the portfolio over time. In addition, management regularly monitor banking covenants and other loan agreement obligations as well as the performance of our property assets in relation to the overall market over time.  Management continue to monitor and evaluate the impact of Brexit on the future performance of the Group's existing UK portfolio. In addition, the group assesses on an ongoing basis the impact of Brexit on the group's banking covenants, loan obligations and future investment decisions.  Refer to page 22 for details of the property portfolio performance. |

Financial & performance review

The movement in the Group's Adjusted EBITDA from £1.5million in 2016 to £5.8million in 2017 can mainly be attributed to the higher prices achieved for our coal and increased mining production at Black Wattle offsetting the impact of higher mining and washing costs. As we continue into 2018, the group's financial position remains strong and we expect to achieve significant value from our existing mining operations as noted in the Mining Review.

EBITDA, adjusted EBITDA and mining production are used as key performance indicators for the group and its mining activities as the group has a ***strategic*** focus on the long term development of its existing mining reserves and the acquisition of additional mining reserves in order to realise shareholder value. Mining production can be defined as the coal quantity in metric tonnes extracted from our reserves during the period and held by the mine before any processing through the washing plant. Whilst profit/(loss) before tax is considered as one of the key performance indicators of the group, the profitability of the group and the group's mining activities can be impacted by the volatile and capital intensive nature of the mining sector. Accordingly, EBITDA and adjusted EBITDA are primarily used as key performance indicators as they are indicative of the value associated with the group's mining assets expected to be realised over the long term life of the group's mining reserves. In addition, for the group's property investment operations, the net property valuation and net property revenue are utilised as key performance indicators as the group's substantial property portfolio reduces the risk profile for shareholders by providing stable cash generative UK assets and access to capital appreciation.

|  |  |  |
| --- | --- | --- |
| **Key performance indicators**  The key performance indicators for the group are: | **2017**  **£'000** | 2016  £'000 |
| **For the group:** |  |  |
| Operating profit before depreciation, fair value adjustments and exchange movements (adjusted EBITDA) | **5,819** | 1,516 |
| EBITDA | **3,734** | 2,415 |
| Profit/(loss) before tax | **1,485** | 346 |
| **For our property investment operations:** |  |  |
| Net property valuation (excluding joint ventures) | **13,245** | 13,245 |
| Net property revenue (excluding joint ventures) | **1,125** | 1,084 |
| **For our mining activities:** |  |  |
| Operating profit before depreciation, fair value adjustments and exchange movements (adjusted EBITDA) | **4,894** | 755 |
| EBITDA | **2,811** | 1,204 |

|  |  |  |
| --- | --- | --- |
|  | **Tonnes**  **'000** | Tonnes  '000 |
| Mining production | **1,296** | 1,260 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| The key performance indicators of the group can be reconciled as follows: | Mining  £'000 | Property  £'000 | Other  £'000 | **2017**  **£'000** |
| **Revenue** | **36,300** | **1,125** | **34** | **37,459** |
| Mining and washing costs | (25,664) | - | - | **(25,664)** |
| Other operating costs excluding depreciation | (5,742) | (228) | (6) | **(5,976)** |
| **Operating profit before depreciation, fair value adjustments and exchange movements (adjusted EBITDA)** | **4,894** | **897** | **28** | **5,819** |
| Exchange movements | (256) | - | - | **(256)** |
| Fair value adjustments | - | (13) | - | **(13)** |
| Gain on disposal of other investments | - | - | 3 | **3** |
| Operating profit excluding depreciation | 4,638 | 884 | 31 | **5,553** |
| Share of (loss)/profit and write off's in joint venture | (1,827) | 8 | - | **(1,819)** |
| **EBITDA** | **2,811** | **892** | **31** | **3,734** |
| Net interest movement |  |  |  | **(459)** |
| Depreciation |  |  |  | **(1,790)** |
| **Profit/(loss) before tax** |  |  |  | **1,485** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| The key performance indicators of the group can be reconciled as follows: | Mining  £'000 | Property  £'000 | Other  £'000 | **2016**  **£'000** |
| **Revenue** | **21,703** | **1,084** | **28** | **22,815** |
| Mining and washing costs | (16,184) | - | - | **(16,184)** |
| Other operating costs excluding depreciation | (4,764) | (348) | (3) | **(5,115)** |
| **Operating profit before depreciation, fair value adjustments and exchange movements (adjusted EBITDA)** | **755** | **736** | **25** | **1,516** |
| Exchange movements | 449 | - | - | **449** |
| Fair value adjustments | - | 445 | 12 | **457** |
| Operating profit excluding depreciation | 1,204 | 1,181 | 37 | **2,422** |
| Share of (loss)/profit in joint venture | - | (7) | - | **(7)** |
| **EBITDA** | **1,204** | **1,174** | **37** | **2,415** |
| Net interest movement |  |  |  | **(284)** |
| Depreciation |  |  |  | **(1,785)** |
| **Profit/(loss) before tax** |  |  |  | **346** |

Adjusted EBITDA is used as a key indicator of the trading performance of the group and its operating segments representing operating profit  before the impact of depreciation, fair value adjustments, gains/(losses) on disposal of other investments and foreign exchange movements. The group's operating segments include its South African mining operations and UK property investments. The performance of these two operating segments are discussed in more detail below.

The group achieved EBITDA for the year of £3.7 million (2016: £2.4million). The movement compared to the prior year can mainly be attributed to increased operating profits before depreciation from our mining activities of £4.9million (2016: £1.2million) offset by the group's share of losses in joint venture mining assets of £1.8million (2016: £nil). The share of losses in joint ventures can be attributed to the write off of our joint venture mining investment in Ezimbokodweni Mining (Pty) LTD of £1.8million which is discussed in further detail below.

Depreciation for the year, related to our mining operations, remained stable at £1.8million (2016: £1.8million) with the group reporting an overall profit before tax of £1.5million (2016: £0.3million).

SOUTH AFRICAN MINING OPERATIONS

Performance

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| The key performance indicators of the group's South African mining operations are presented in South African Rand and UK Sterling as follows: | South African Rand | UK Sterling |  |  |
| **2017**  **R'000** | 2016  R'000 | **2017**  **£'000** | 2016  £'000 |  |
| Revenue | **622,691** | 432,481 | **36,300** | 21,703 |
| Mining and washing costs | **(440,241)** | (322,505) | **(25,664)** | (16,184) |
| Operating profit before other operating costs and depreciation | **182,450** | 109,976 | **10,636** | 5,519 |
| Other operating costs (excluding depreciation) |  |  | **(5,742)** | (4,764) |
| **Operating profit before depreciation, fair value adjustments and exchange movements (adjusted EBITDA)** |  |  | **4,894** | 755 |
| Exchange movements |  |  | **(256)** | 449 |
| Share of loss in joint ventures |  |  | **(1,827)** | - |
| **EBITDA** |  |  | **2,811** | 1,204 |

|  |  |  |
| --- | --- | --- |
|  | **2017**  **'000** | 2016  '000 |
| **Mining production in tonnes** | **1,296** | 1,260 |

|  |  |  |
| --- | --- | --- |
|  | **2017**  **R** | 2016  R |
| Revenue per tonne of mining production | **480** | 343 |
| Mining and washing costs per tonne of mining production | **(340)** | (256) |
| Operating profit per tonne of mining production before other operating costs and depreciation | **140** | 87 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| A breakdown of the quantity of coal sold and revenue of the group's South African mining operations are presented in metric tonnes and South African Rand as follows: |  |  |  |  |  |  |
|  | **Domestic**  **'000** | **Export**  **'000** | **2017**  **'000** | Domestic  '000 | Export  '000 | 2016  '000 |
| **Quantity of coal sold in tonnes** | **1,267** | **155** | **1,422** | 1,219 | 147 | 1,366 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Domestic**  **R'000** | **Export**  **R'000** | **2017**  **R'000** | Domestic  R'000 | Export  R'000 | 2016  R'000 |
| **Total Revenue** | **502,818** | **119,873** | **622,691** | 339,611 | 92,870 | 432,481 |
|  | **R** | **R** | **R** | R | R | R |
| **Revenue per tonne of coal sold** | **397** | **773** | **438** | 279 | 632 | 317 |

The quantity of coal sold can be defined as the quantity of coal sold in metric tonnes from the mine in any given period. Revenue per tonne of coal sold can be defined as the net revenue price achieved per metric tonne of coal sold.

Total revenue for the group's mining operations increased for the year from R317 per tonne of coal sold in 2016 to R438 in 2017, attributable to the average price increases achieved in both the domestic and export market. As a result of the overall higher mining production, the quantity of coal sold for the year increased to 1.422million tonnes (2016: 1.366million tonnes). Overall, the revenue for the group's South African mining operations increased in the year to R622.7million (2016: R432.5 million).

The overall increase in cost per tonne from R256 per tonne to R340 per tonne can mainly be attributed to the movement of mining operations to new opencast reserves at Black Wattle which have higher inherent mining costs. As a result of the higher mining cost per tonne and the increase in total mining production, total mining and washing costs for the group increased from R322.5million in 2016 to R440.2million in 2017.

Other operating costs (excluding depreciation) of £5.7million (2016: £4.8million) include general administrative costs as well as administrative salaries and wages related to our South African mining operations that are incurred both in South Africa and in the UK. These costs are not significantly impacted by movements in mining production and the increase during the year can mainly be attributed to exchange movements on the translation of South African Rand costs into Sterling. Overall costs were in line with management's expectations and local inflation.

Overall, the group's South African mining operations achieved an adjusted EBITDA of £4.9million (2016: £0.8million) attributable to the increase in mining production for the year and higher prices achievable for our coal offsetting the higher mining cost per tonne of our new opencast reserves.

The group's EBITDA for mining activities of £2.8million (2016: £1.2million) for the year, in comparison to the result achieved for adjusted EBITDA were negatively impacted by the share of loss in joint ventures of £1.8million (2016: £nil) related to the write off of our investment in Ezimbokodweni Mining (Pty) Ltd as well as an exchange rate loss of £0.3million in the current year compared to an exchange rate gain of £0.4million incurred during the prior year. These exchange movements can mainly be attributable to the retranslation of Rand denominated inter-company trade receivable balances with our South African mining operations that are held within the UK.

A further explanation of the mines operational performance can be found in the Mining Review on page 6.

Other mining Investments

During the year the group wrote off its £1.8million investment in Ezimbokodweni Mining (Pty) Limited ("Ezimbokodweni") made up of a £1.4million loan (2016: £1.4million) and a £0.4million (2016: £0.4million) joint venture investment.

The carrying value of the investment was dependent upon the completion of the acquisition of the Pegasus coal project ("the project") in South Africa. Although a proposed sale and purchase agreement had been negotiated and a deposit paid for the project, the conclusion of the transaction had been delayed pending the commercial transfer of the prospecting right from the current owners of the project to Ezimbokodweni. Although the group has always remained committed to completing the transaction, previous negotiations to complete the commercial acquisition of the project had been beset by various delays outside of its control and at the beginning of 2017, the current owners of the project notified Ezimbokodweni that they no longer wished to divest the project. More recently, the group was notified that an agreement was reached between the current owners of the project and the directors of Ezimbokodweni for the deposit for the project to be returned and any further negotiations with Ezimbokodweni to acquire the project to be terminated. Although, a legal claim by the group has been issued against Ezimbokodweni and its representatives, in order for the group to recover some of the investment, the Board has considered it to be appropriate to write off the investment in full in the 2017 year end.

Uk property investment

Performance

The group's portfolio is managed actively by London & Associated properties plc and continues to perform well with net property revenue (excluding joint ventures) across the portfolio increasing marginally during the year to £1.125million (2016: £1.084million). The property portfolio was externally valued at 31 December 2017 and the value of UK investment properties attributable to the group at year end remained unchanged at £13.25 million (2016: £13.25million).

Joint venture property investments

The group holds a £0.9million (2016: £0.9million) joint venture investment in Dragon Retail Properties Limited, a UK property investment company. The open market value of the company's share of investment properties included within its joint venture investment in Dragon Retail Properties remained unchanged at £1.3million (2016: £1.3million).

Overall, the group achieved net property revenue of £1.21million (2016: £1.17million) for the year which includes the company's share of net property revenue from its investment in joint ventures of £83,000 (2016: £86,000).

Loans

South Africa

In July 2017, the group increased its South African structured trade finance facility with Absa Bank Limited from R80million (South African Rand) to R100million. The facility is renewable annually at 30 June and is secured against inventory, debtors and cash that are held in the group's South African operations. This facility comprises of a R80million revolving facility to cover the fluctuating working capital requirements of the group's South African operations, and a fully drawn R20million loan facility to cover guarantee requirements related to the group's South African mining operations. The Board anticipate the facility will be renewed again this year.

United Kingdom

In December 2014, the group signed a £6 million term loan facility with Santander. The Loan is secured against the group's UK retail property portfolio. The facility has a five year term, and is repayable at the end of the term. The interest cost of the loan is 2.35% above LIBOR. No covenants were breached during the year.

|  |  |  |
| --- | --- | --- |
| **Cashflow & financial position**  The following table summarises the main components of the consolidated cashflow for the year: | **Year ended**  **31 December**  **2017**  **£'000** | Year ended  31 December  2016  £'000 |
| **Cash flow generated from operations before working capital and other items** | **5,819** | 1,625 |
| **Cash flow from operating activities** | **7,270** | 2,614 |
| **Cash flow from investing activities** | **(1,936)** | (1,691) |
| **Cash flow from financing activities** | **(429)** | (521) |
| **Net (decrease) / increase in cash and cash equivalents** | **4,905** | 402 |
| Cash and cash equivalents at 1 January | **(890)** | (626) |
| Exchange adjustment | **50** | (666) |
| **Cash and cash equivalents at 31 December** | **4,065** | (890) |
| **Cash and cash equivalents at 31 December comprise:** |  |  |
| Cash and cash equivalents as presented in the balance sheet | **5,327** | 2,444 |
| Bank overdrafts (secured) | **(1,262)** | (3,334) |
|  | **4,065** | (890) |

Cash flow generated from operating activities increased compared to the prior year to £7.3million (2016: £2.6 million) mainly due to the improved operating performance of our South African mining operations, as outlined above. Overall the group achieved an increase in operating profit during the year of £3.8million (2016: £0.6million). In addition to operating profit, the increase in cashflow generation from operating activities can also be attributed to a cashflow increase from trade receivables of £0.9million (2016: £0.2million), as a result of an decrease in the trade receivables balances of our South African domestic coal customers, and a cashflow increase from inventories of £0.9million (2016: decrease of £0.26million), as a result of improved coal sales from our South African mining operations in the last quarter of 2017.

Investing cashflows primarily reflect the net effect of capital expenditure during the year of £1.8million (2016: £2.9million) which can mainly be attributable to the new infrastructure improvements to the washing plant facility at Black Wattle, as outlined in the Mining Review. As at year end the group's mining reserves, plant and equipment had a net asset value of £8.6million (2016: £8.5million) with capital expenditure being offset by depreciation of £1.8million (2016: £1.8milion) for the year.

Cash outflows from financing activities included dividends paid to shareholders of £0.4million (2016: 0.4 million).

Overall, the group managed to achieve an overall increase in cash and cash equivalents of £4.9million (2016: £0.4million) for the year. After taking into account an exchange gain of £0.05million (2016: loss of £0.7million) on the translation of the group's year end net balance of cash and cash equivalents that were held in South African Rands, the group's net balance of cash and cash equivalents (including bank overdrafts) at year end was £4.1 million (2016: balance owing of: £0.9million).

The group has considerable financial resources available at short notice including cash and cash equivalents (excluding bank overdrafts) of £5.3million (2016: £2.4million), investments available for sale of £1.1million (2016: £0.8million) and its £2m loan to Dragon Retail Properties Limited which accrues annual interest at 6.875 per cent. The above financial resources totalling £8.4million (2016: £5.2million).

The net assets of the group reported as at year end were £17.7million (2016: £17.0million). Total assets remained stable at £36.6million (2016: £36.9million) mainly due to a decrease in inventory and trade receivables balances at year end, as outlined above, and the write off of the groups' joint venture investment in Ezimbokodweni Mining (Pty) Ltd of £1.8million offsetting the increase in the groups' cash and cash equivalents balance from £2.4million to £5.3million during the year. Liabilities decreased from £19.9million to £18.8million during the year primarily due to a decrease in current borrowings from £3.4million in 2016 to £1.3million in 2017. This decrease can mainly be attributed to a decrease in borrowings drawn from the groups' South African structured trade facility utilised by the groups' mining operations. The overall exchange gain recorded through the translation reserve on translation of the group's South African net assets at year end decreased to £0.1million (2016: £1.0million) as a result of the reduced movement of the South African Rand against UK sterling year to year.

Further details on the group's cashflow and financial position are stated in the Consolidated Cashflow Statement on page 59 and the Consolidated Balance Sheet on page 56.

FUTURE PROSPECTS

As we continue into 2018, the group's financial position remains strong and we expect to achieve significant additional value from our existing mining operations. The group continues to seek to expand its operations in South Africa through the acquisition of additional coal reserves, in particular in areas surrounding Black Wattle where additional value can be achieved through the use of our existing infrastructure. In addition, management is currently investigating other major investment opportunities in the domestic property sector in line with the groups' overall strategy of balancing the high risk of our mining operations with a dependable cash flow and capital appreciation from our UK property investment operations.

Further information on the outlook of the company can be found in both the Chairman's Statement on page 2 and the Mining Review on page 6 which form part of the ***Strategic*** Report.

Signed on behalf of the Board of Directors

Garrett Casey

Finance Director

20 April 2018

Governance

Management team

1Sir Michael Heller

   Chairman

   Bisichi Mining PLC

2Andrew Heller

   Managing Director

   Bisichi Mining PLC

   Managing Director

   Black Wattle Colliery

3Christopher Joll

Senior Independent Director

Chairman Audit and Remuneration Committees

4Garrett Casey

Finance Director

Bisichi Mining PLC

Director Black Wattle Colliery

5Robert Grobler

Director of Mining

Bisichi Mining PLC

Director Black Wattle Colliery

6Ethan Dube

   Director

   Black Wattle Colliery

7Millicent Zvarayi

Director

Black Wattle Colliery

8Nico Serfontein

   Mine Manager

   Black Wattle Colliery

Directors and advisors

\*    Sir Michael Heller

      MA, FCA (Chairman)

      Andrew R Heller

      MA, ACA

      (Managing Director)

     Garrett Casey

      CA (SA)

      (Finance Director)

      Robert Grobler

      Pr Cert Eng

      (Director of mining)

O+ Christopher A Joll

          MA (Non-executive)

Christopher Joll was appointed a Director on 1 February 2001. He has held a number of non-executive directorships of quoted and un-quoted companies and is currently senior partner of MJ2 Events LLP an event management business.

O \*John A Sibbald

          BL (Non-executive)

John Sibbald has been a Director since 1988. After qualifying as a Chartered Accountant he spent over 20 years in stockbroking, specialising in mining and international investment.

\*Member of the nomination committee

+Senior independent director

O Member of the audit, nomination and remuneration committees.

Secretary andregistered office

Garrett Casey CA (SA)

24 Bruton Place

London W1J 6NE

Black Wattle CollieryDirectors

Andrew Heller

(Managing Director)

Ethan Dube

Robert Grobler Millicent Zvarayi

Garrett Casey

Property portfolio asset manager

James Charlton BSc MRICS

Company Registration

Company registration No. 112155 (Incorporated in England and Wales)

Website

[*http://www.bisichi.co.uk*](http://www.bisichi.co.uk)

E-mail

[*admin@bisichi.co.uk*](mailto:admin@bisichi.co.uk)

Auditor

BDO LLP

Principal bankers

United Kingdom

Santander UK PLC

National Westminster Bank PLC

Investec PLC

South Africa

ABSA Bank (SA)

First National Bank (SA)

Standard Bank (SA)

Corporate solicitors

United Kingdom

Fladgate LLP, London

Memery Crystal, London

Olswang LLP, London

South Africa

Brandmullers Attorneys, Middelburg

Herbert Smith Freehills, Johannesburg

Hogan Lovells, Johannesburg

Tugendhaft Wapnick Banchetti and Partners, Johannesburg

Stockbrokers

Shore Capital & Corporate Ltd

Registrars and transfer office

Link Asset Services

65 Gresham Street

London

EC2V 7NQ

Telephone 0871 664 0300

(Calls cost 12p per minute + network extras) or

+44 (0) 371 664 0300 for overseas callers

[*http://www.linkassetservices.com*](http://www.linkassetservices.com)

[*Email:shareholderenquiries@linkgroup.co.uk*](mailto:Email:shareholderenquiries@linkgroup.co.uk)

Five year summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 | 2014  £'000 | 2013  £'000 | 2012  £'000 |
| **Consolidated income statement items** |  |  |  |  |  |
| Revenue | **37,459** | 22,815 | 25,655 | 26,500 | 35,105 |
| Operating profit/(loss) | **3,763** | 637 | 150 | 1,364 | 123 |
| Profit/(loss) before tax | **1,485** | 346 | (147) | 1,568 | 102 |
| Trading profit/(loss) before tax | **3,317** | (74) | (188) | 1,157 | 17 |
| Revaluation and impairment profit/(loss) before tax | **(1,832)** | 420 | 41 | 411 | 85 |
| EBITDA | **3,734** | 2,415 | 1,365 | 4,609 | 3,039 |
| Operating profit before depreciation, fair value adjustments and exchange movements (adjusted EBITDA) | **5,819** | 1,516 | 1,717 | 4,276 | 3,834 |
|  |  |  |  |  |  |
| **Consolidated balance sheet items** |  |  |  |  |  |
| Investment properties | **13,245** | 13,245 | 12,800 | 11,575 | 11,559 |
| Fixed asset investments | **925** | 2,703 | 2,112 | 4,090 | 4,370 |
|  | **14,170** | 15,948 | 14,912 | 15,665 | 15,929 |
| Available for sale investments | **1,050** | 781 | 594 | 796 | 822 |
|  | **15,220** | 16,729 | 15,506 | 16,461 | 16,751 |
| Other assets less liabilities less non-controlling interests | **1,922** | (72) | (196) | 854 | (123) |
| **Total equity attributable to equity shareholders** | **17,142** | 16,657 | 15,310 | 17,315 | 16,628 |
| **Net assets per ordinary share (attributable)** | **160.6p** | 156.0p | 143.4p | 162.2p | 156.3p |
| **Dividend per share** | **5.00p** | 4.00p | 4.00p | 4.00p | 4.00p |

Financial calendar

|  |  |
| --- | --- |
| **6 June 2018** | Annual General Meeting |
| **27 July 2018** | Payment of final and special dividend for 2017 (if approved) |
| **Late August 2018** | Announcement of half-year results to 30 June 2018 |
| **Late April 2019** | Announcement of results for year ending 31 December 2018 |

Directors' report

The directors submit their report together with the audited financial statements for the year ended 31 December 2017.

Review of business, future developments and post balance sheet events

The group continues its mining activities. Income for the year was derived from sales of coal from its South African operations. The group also has a property investment portfolio for which it receives rental income.

The results for the year and state of affairs of the group and the company at 31 December 2017 are shown on pages 54 to 94 and in the ***Strategic*** Report on pages 2 to 23. Future developments and prospects are also covered in the ***Strategic*** Report and further details of any post balance sheet events can be found in note 31 to the financial statements. Over 99 per cent. of staff are employed in the South African coal mining industry - employment matters and health and safety are dealt with in the ***Strategic*** Report.

The management report referred to in the Director's responsibilities statement encompasses this Directors' Report and ***Strategic*** Report on pages 2 to 23.

Corporate responsibility

Environment

The environmental considerations of the group's South African coal mining operations are covered in the ***Strategic*** Report on pages 2 to 23.

The group's UK activities are principally property investment whereby premises are provided for rent to retail businesses. The group seeks to provide those tenants with good quality premises from which they can operate in an efficient and environmentally friendly manner. Wherever possible, improvements, repairs and replacements are made in an environmentally efficient manner and waste re-cycling arrangements are in place at all the company's locations.

Greenhouse Gas Emissions

Details of the group's greenhouse gas emissions for the year ended 31 December 2017 can be found on page 12 of the ***Strategic*** Report.

Employment

The group's policy is to attract staff and motivate employees by offering competitive terms of employment. The group provides equal opportunities to all employees and prospective employees including those who are disabled. The ***Strategic*** Report gives details of the group's activities and policies concerning the employment, training, health and safety and community support and social development concerning the group's employees in South Africa.

Dividend policy

An interim dividend for 2017 of 1p was paid on 9 February 2018 (Interim 2016: 1p). The directors recommend the payment of a final dividend for 2017 of 3p per ordinary share (2016: 3p) as well as a special dividend of 1p (2016: Nil) making a total dividend for 2017 of 5p (2016: 4p).

Subject to shareholder approval, the total dividend per ordinary share for 2017 will be 5p per ordinary share.

The final dividend and the special dividend will be payable on Friday 27 July 2018 to shareholders registered at the close of business on 6 July 2018.

Investment properties

The investment property portfolio is stated at its open market value of £13,245,000 at 31 December 2017 (2016: £13,245,000) as valued by professional external valuers. The open market value of the company's share of investment properties included within its investments in joint ventures is £1,315,000 (2016: £1,315,000).

Financial instruments

Note 21 to the financial statements sets out the risks in respect of financial instruments. The Board reviews and agrees overall treasury policies, delegating appropriate authority to the managing director. Financial instruments are used to manage the financial risks facing the group. Treasury operations are reported at each Board meeting and are subject to weekly internal reporting.

Directors

The directors of the company for the whole year were Sir Michael Heller, A R Heller, G J Casey, C A Joll, R J Grobler (a South African citizen), and J A Sibbald.

The directors retiring by rotation are Mr A R Heller and Mr R J Grobler who offers themselves for re-election.

Mr A R Heller has been an executive director of the company since 1998. He is a Chartered Accountant and has been employed by the group since 1994 under a contract of employment determinable at three months' notice. The board recommends the re-election of AR Heller.

Mr R J Grobler was appointed as General Mine Manager by Black Wattle Colliery (Proprietary) Ltd on 1 May 2000. He was appointed to the Board of Bisichi Mining PLC as Director of Mining on 22 August 2008. He has over 40 years' experience in the South African coal mining industry. The board recommends the re-election of RJ Grobler.

No director had any material interest in any contract or arrangement with the company during the year other than as shown in this report.

Directors' shareholdings

The interests of the directors in the shares of the company, including family and trustee holdings where appropriate, are shown on

page 38 of the Annual Remuneration Report.

Substantial interests

The following have advised that they have an interest in 3 per cent. or more of the issued share capital of the company as at 16 April 2018:

London & Associated Properties PLC - 4,432,618 shares representing 41.52 per cent. of the issued capital. (Sir Michael Heller is a director and shareholder of London & Associated Properties PLC).

|  |  |
| --- | --- |
| Sir Michael Heller - | 330,117 shares representing 3.09 per cent. of the issued capital. |
| A R Heller - | 785,012 shares representing 7.35 per cent. of the issued capital. |
| Cavendish Asset Management  Limited - | 1,892,654 shares representing 17.73 per cent. of the issued share capital. |
| James Hyslop - | 351,126 shares representing 3.29 per cent. of the issued share capital. |

Disclosure of information to auditor

The directors in office at the date of approval of the financial statements have confirmed that as far as they are aware that there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all reasonable steps they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

INDEMNITIES AND INSURANCE

The Articles of Association and Constitution of the company provide for them to indemnify, to the extent permitted by law, directors and officers (excluding the Auditor) of the companies, including officers of subsidiaries, and associated companies against liabilities arising from the conduct of the Group's business. The indemnities are qualifying third-party indemnity provisions for the purposes of the UK Companies Act 2006 and each of these qualifying third-party indemnities was in force during the course of the financial year ended 31 December 2017 and as at the date of this Directors' report. No amount has been paid under any of these indemnities during the year.

The Group has purchased directors' and officers' insurance during the year. In broad terms, the insurance cover indemnifies individual directors and officers against certain personal legal liability and legal defence costs for claims arising out of actions taken in connection with Group business.

CORPORATE GOVERNANCE

The Board acknowledges the importance of the guidelines set out in the Quoted Companies Alliance (QCA) published Corporate Governance Code and complies with these so far as is appropriate having regard to the size and nature of the company. The paragraphs below set out how the company has applied this guidance during the year.

Principles of corporate governance

The group's Board appreciates the value of good corporate governance not only in the areas of accountability and risk management, but also as a positive contribution to business prosperity. The Board endeavours to apply corporate governance principles in a sensible and pragmatic fashion having regard to the circumstances of the group's business. The key objective is to enhance and protect shareholder value.

Board structure

During the year the Board comprised the executive chairman, the managing director, two other executive directors and two non-executive directors. Their details appear on page 27. The Board is responsible to shareholders for the proper management of the group. The Directors' responsibilities statement in respect of the accounts is set out on page 46. The non-executive directors have a particular responsibility to ensure that the strategies proposed by the executive directors are fully considered. To enable the Board to discharge its duties, all directors have full and timely access to all relevant information and there is a procedure for all directors, in furtherance of their duties, to take independent professional advice, if necessary, at the expense of the group. The Board has a formal schedule of matters reserved to it and meets bi-monthly.

The Board is responsible for overall group strategy, approval of major capital expenditure projects and consideration of significant financing matters.

The following Board committees, which have written terms of reference, deal with specific aspects of the group's affairs:

The nomination committee is chaired by Christopher Joll and comprises the non-executive directors and the executive chairman. The committee is responsible for proposing candidates for appointment to the Board, having regard to the balance and structure of the Board. In appropriate cases recruitment consultants are used to assist the process. Each director is subject to re-election at least every three years.The remuneration committee is responsible for making recommendations to the Board on the company's framework of executive remuneration and its cost. The committee determines the contractual terms, remuneration and other benefits for each of the executive directors, including performance related bonus schemes, pension rights and compensation payments. The Board itself determines the remuneration of the non-executive directors. The committee comprises the non-executive directors. It is chaired by Christopher Joll. The company's executive chairman is normally invited to attend meetings. The report on directors' remuneration is set out on pages 35 to 42.The audit committee comprises the two non-executive directors and is chaired by Christopher Joll. Its prime tasks are to review the scope of external audit, to receive regular reports from the company's auditor and to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on accounting policies and areas of management judgment and estimation. The committee is responsible for monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders. The committee acts as a forum for discussion of internal control issues and contributes to the Board's review of the effectiveness of the group's internal control and risk management systems and processes. The committee also considers annually the need for an internal audit function. It advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and discusses the nature and scope of the audit with the external auditors. The committee, which meets formally at least twice a year, provides a forum for reporting by the group's external auditors.

Meetings are also attended, by invitation, by the company chairman, managing director and finance director.

The audit committee also undertakes a formal assessment of the auditors' independence each year which includes:

a review of non-audit services provided to the group and related fees;discussion with the auditors of a written report detailing consideration of any matters that could affect independence or the perception of independence;a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; andobtaining written confirmation from the auditors that, in their professional judgement, they are independent.

The audit committee report is set out on page 43.

An analysis of the fees payable to the external audit firm in respect of both audit and non-audit services during the year is set out in Note 4 to the financial statements.

Performance evaluation - board, board committees and directors

The performance of the board as a whole and of its committees and the non-executive directors is assessed by the chairman and the managing director and is discussed with the senior independent director. Their recommendations are discussed at the nomination committee prior to proposals for re-election being recommended to the Board. The performance of executive directors is discussed and assessed by the remuneration committee. The senior independent director meets regularly with the chairman and both the executive and non-executive directors individually outside of formal meetings. The directors will take outside advice in reviewing performance but have not found this necessary to date.

Independent directors

The senior independent non-executive director is Christopher Joll. The other independent non-executive director is John Sibbald.

Christopher Joll has been a non-executive director for over fifteen years and John Sibbald has been a non-executive director for over twenty five years. The Board encourages Christopher Joll and John Sibbald to act independently. The board considers that their length of service and connection with the company's public relations advisers, does not, and has not, resulted in their inability or failure to act independently. In the opinion of the Board, Christopher Joll and John Sibbald continue to fulfil their role as independent non-executive directors.

The independent directors regularly meet prior to Board meetings to discuss corporate governance issues.

Board and board committee meetings

The number of meetings during 2017 and attendance at regular Board meetings and Board committees was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Meetings  held | Meetings Attended |
| Sir Michael Heller | Board  Nomination committee | 5  1 | 5  1 |
| A R Heller | Board  Audit committee | 5  2 | 5  2 |
| G J Casey | Board  Audit committee | 5  2 | 5  2 |
| R J Grobler | Board | 5 | 1 |
| C A Joll | Board  Audit committee  Nomination committee  Remuneration committee | 5  2  1  1 | 5  2  1  1 |
| J A Sibbald | Board  Audit committee  Nomination committee  Remuneration committee | 5  2  1  1 | 5  2  1  1 |

Internal control

The directors are responsible for the group's system of internal control and review of its effectiveness annually. The Board has designed the group's system of internal control in order to provide the directors with reasonable assurance that its assets are safeguarded, that transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected within a timely period. However, no system of internal control can eliminate the risk of failure to achieve business objectives or provide absolute assurance against material misstatement or loss.

The key elements of the control system in operation are:

the Board meets regularly with a formal schedule of matters reserved to it for decision and has put in place an organisational structure with clearly defined lines of responsibility and with appropriate delegation of authority;there are established procedures for ***planning***, approval and monitoring of capital expenditure and information systems for monitoring the group's financial performance against approved budgets and forecasts;UK property and financial operations are closely monitored by members of the Board and senior managers to enable them to assess risk and address the adequacy of measures in place for its monitoring and control. The South African operations are closely supervised by the UK based executives through daily, weekly and monthly reports from the directors and senior officers in South Africa. This is supplemented by monthly visits by the UK based finance director to the South African operations which include checking the integrity of information supplied to the UK. The directors are guided by the internal control guidance for directors issued by the Institute of Chartered Accountants in England and Wales.

During the period, the audit committee has reviewed the effectiveness of internal control as described above. The Board receives periodic reports from its committees.

There are no significant issues disclosed in the Annual Report for the year ended 31 December 2017 (and up to the date of approval of the report) concerning material internal control issues. The directors confirm that the Board has reviewed the effectiveness of the system of internal control as described during the period.

Communication with shareholders

Communication with shareholders is a matter of priority. Extensive information about the group and its activities is given in the Annual Report, which is made available to shareholders. Further information is available on the company's website,[*http://www.bisichi.co.uk*](http://www.bisichi.co.uk). There is a regular dialogue with institutional investors. Enquiries from individuals on matters relating to their shareholdings and the business of the group are dealt with informatively and promptly.

Takeover directive

The company has one class of share capital, ordinary shares. Each ordinary share carries one vote. All the ordinary shares rank pari passu. There are no securities issued in the company which carry special rights with regard to control of the company. The identity of all substantial direct or indirect holders of securities in the company and the size and nature of their holdings is shown under the "Substantial interests" section of this report above.

A relationship agreement dated 15 September 2005 (the "Relationship Agreement") was entered into between the company and London & Associated Properties PLC ("LAP") in regard to the arrangements between them whilst LAP is a controlling shareholder of the company. The Relationship Agreement includes a provision under which LAP has agreed to exercise the voting rights attached to the ordinary shares in the company owned by LAP to ensure the independence of the Board of directors of the company.

Other than the restrictions contained in the Relationship Agreement, there are no restrictions on voting rights or on the transfer of ordinary shares in the company. The rules governing the appointment and replacement of directors, alteration of the articles of association of the company and the powers of the company's directors accord with usual English company law provisions. Each director is re-elected at least every three years. The company is not party to any significant agreements that take effect, alter or terminate upon a change of control of the company following a takeover bid. The company is not aware of any agreements between holders of its ordinary shares that may result in restrictions on the transfer of its ordinary shares or on voting rights.

There are no agreements between the company and its directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

The Bribery Act 2010

The Bribery Act 2010 came into force on 1 July 2011, and the Board took the opportunity to implement a new Anti-Bribery Policy. The company is committed to acting ethically, fairly and with integrity in all its endeavours and compliance of the code is closely monitored.

Annual General Meeting

The annual general meeting of the company ("Annual General Meeting") will be held at 24 Bruton Place, London W1J 6NE on Wednesday, 6 June 2018 at 11.00 a.m. Resolutions 1 to 9 will be proposed as ordinary resolutions. More than 50 per cent. of shareholders' votes cast must be in favour for those resolutions to be passed. Resolutions 10 to 12 will be proposed as special resolutions. At least 75 per cent. of shareholders' votes cast must be in favour for those resolutions to be passed.

The directors consider that all of the resolutions to be put to the meeting are in the best interests of the company and its shareholders as a whole. The Board recommends that shareholders vote in favour of all resolutions.

Please note that the following paragraphs are only summaries of certain resolutions to be proposed at the Annual General Meeting and not the full text of the resolutions. You should therefore read this section in conjunction with the full text of the resolutions contained in the notice of Annual General Meeting.

Directors' authority to allot shares (Resolution 9)

In certain circumstances it is important for the company to be able to allot shares up to a maximum amount without needing to seek shareholder approval every time an allotment is required. Paragraph 9.1.1 of resolution 9 would give the directors the authority to allot shares in the company and grant rights to subscribe for, or convert any security into, shares in the company up to an aggregate nominal value of £355,894. This represents approximately 1/3 (one third) of the ordinary share capital of the company in issue (excluding treasury shares) at 16 April 2018 (being the last practicable date prior to the publication of this Directors' Report). Paragraph 9.1.2 of resolution 9 would give the directors the authority to allot shares in the company and grant rights to subscribe for, or convert any security into, shares in the company up to a further aggregate nominal value of £355,894, in connection with a pre-emptive rights issue. This amount represents approximately 1/3 (one third) of the ordinary share capital of the company in issue (excluding treasury shares) at 16 April 2018 (being the last practicable date prior to the publication of this Directors' Report).

Therefore, the maximum nominal value of shares or rights to subscribe for, or convert any security into, shares which may be allotted or granted under resolution 9 is £711,788.

Resolution 9 complies with guidance issued by the Investment Association (IA).

The authority granted by resolution 9 will expire on 31 August 2019 or, if earlier, the conclusion of the next annual general meeting of the company. The directors have no present intention to make use of this authority. However, if they do exercise the authority, the directors intend to follow emerging best practice as regards its use as recommended by the IA.

Disapplication of pre-emption rights (Resolution 10)

A special resolution will be proposed at the Annual General Meeting in respect of the disapplication of pre-emption rights.

Shares allotted for cash must normally first be offered to shareholders in proportion to their existing shareholdings. The directors will, at the forthcoming Annual General Meeting seek power to allot equity securities (as defined by section 560 of the Companies Act 2006) or sell treasury shares for cash as if the pre-emption rights contained in Section 561 of the Companies Act 2006 did not apply:

(a)  in relation to pre-emptive offers and offers to holders of other equity securities if required by the rights of those securities or as the directors otherwise consider necessary, up to a maximum nominal amount of £355,894 which represents approximately 1/3 (one third) of the ordinary share capital of the company in issue (excluding treasury shares) and, in relation to rights issues only, up to a maximum additional amount of £355,894 which represents approximately 1/3 (one third) of the ordinary share capital of the company in issue (excluding treasury shares), in each case as at 16 April 2018 (being the last practicable date prior to the publication of this Directors' Report); and

(b)  in any other case, up to a maximum nominal amount of £53,384 which represents approximately 5 per cent. of the ordinary share capital of the company in issue (excluding treasury shares) as at 16 April 2018 (being the last practicable date prior to the publication of this Directors' Report).

In compliance with the guidelines issued by the Pre-emption group, the directors will ensure that, other than in relation to a rights issue, no more than 7.5 per cent. of the issued ordinary shares (excluding treasury shares) will be allotted for cash on a non-pre-emptive basis over a rolling three year period unless shareholders have been notified and consulted in advance.

The power in resolution 10 will expire when the authority given by resolution 9 is revoked or expires.

The directors have no present intention to make use of this authority.

NOTICE OF GENERAL MEETINGS (RESOLUTION 11)

Resolution 11 will be proposed to allow the company to call general meetings (other than an Annual General Meeting) on 14 clear days' notice. A resolution in the same terms was passed at the Annual General Meeting in 2017. The notice period required by the Companies Act 2006 for general meetings of the company is 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual General Meetings must always be held on at least 21 clear days' notice. It is intended that the flexibility offered by this resolution will only be used for time-sensitive, non-routine business and where merited in the interests of shareholders as a whole. The approval will be effective until the company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. In order to be able to call a general meeting on less than 21 clear days' notice, the company must make a means of electronic voting available to all shareholders for that meeting.

Purchase of own Ordinary Shares (Resolution 12)

The effect of resolution 12 would be to renew the directors' current authority to make limited market purchases of the company's ordinary shares of 10 pence each. The power is limited to a maximum aggregate number of 1,067,683 ordinary shares (representing approximately 10 per cent. of the company's issued share capital as at 16 April 2018 (being the last practicable date prior to publication of this Directors' Report)). The minimum price (exclusive of expenses) which the company would be authorised to pay for each ordinary share would be 10 pence (the nominal value of each ordinary share). The maximum price (again exclusive of expenses) which the company would be authorised to pay for an ordinary share is an amount equal to 105 per cent. of the average market price for an ordinary share for the five business days preceding any such purchase.

The authority conferred by resolution 12 will expire at the conclusion of the company's next annual general meeting or 15 months from the passing of the resolution, whichever is the earlier. Any purchases of ordinary shares would be made by means of market purchase through the London Stock Exchange. If granted, the authority would only be exercised if, in the opinion of the directors, to do so would result in an increase in earnings per share or net asset value per share and would be in the best interests of shareholders generally. In exercising the authority to purchase ordinary shares, the directors may treat the shares that have been bought back as either cancelled or held as treasury shares (shares held by the company itself). No dividends may be paid on shares which are held as treasury shares and no voting rights are attached to them.

As at 16 April 2018 (being the last practicable date prior to the publication of this Directors' Report) the total number of new ordinary shares over which options have been granted was 380,000 shares representing 3.56 per cent. of the company's issued share capital (excluding treasury shares) as at that date. Such number of options to subscribe for new ordinary shares would represent approximately 3.95 per cent. of the reduced issued share capital of the company (excluding treasury shares) assuming full use of the authority to make market purchases sought under resolution 12.

Donations

No political or charitable donations were made during the year (2016: Nil).

Going concern

The group's business activities, together with the factors likely to affect its future development are set out in the Chairman's Statement on the preceding page 2, the Mining Review on pages 6 to 7 and its financial position is set out on page 22 of the ***Strategic*** Report. In addition Note 21 to the financial statements includes the group's treasury policy, interest rate risk, liquidity risk, foreign exchange risks and credit risk.

The group has prepared cash flow forecasts which demonstrate that the group has sufficient resources to meet its liabilities as they fall due for at least the next 12 months.

In July 2017, the group increased its South African structured trade finance facility with Absa Bank Limited from R80million (South African Rand) to R100million. The facility is renewable annually at 30 June and is secured against inventory, debtors and cash that are held in the group's South African operations. This facility comprises of a R80million revolving facility to cover the fluctuating working capital requirements of the group's South African operations, and a fully drawn R20million loan facility to cover guarantee requirements related to the group's South African mining operations. The Directors do not foresee any reason why the facility will not continue to be renewed at the next renewal date, in line with prior periods and based on their banking relationships.

The directors expect that the improved coal market conditions experienced by Black Wattle Colliery, its direct mining asset in 2017 and the first quarter of 2018 will be similar for at least the next 12 months. The directors therefore have a reasonable expectation that the mine will continue to achieve positive levels of cash generation for the group for at least the next 12 months. As a consequence, the directors believe that the group is well placed to manage its South African business risks successfully.

In the UK, a £6 million term loan facility repayable in 2019 is held with Santander Bank PLC. The loan is secured against the company's UK retail property portfolio. The debt package has a five year term and is repayable at the end of the term. The interest cost of the loan is 2.35% above LIBOR.

If required, the group has sufficient financial resources available at short notice including cash, available-for-sale investments and its £2m loan to Dragon Retail Properties Limited which is repayable on demand. In addition its investment property assets benefit from long term leases with the majority of its tenants.

As a result of the banking facilities held as well as the acceptable levels of profitability and cash generation the group's South African operations are expected to achieve for at least the next 12 months, the Directors believe that the group has adequate resources to continue in operational existence for the foreseeable future and that the group is well placed to manage its business risks. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

By order of the board

G.J Casey

Secretary

24 Bruton Place

London W1J 6NE

20 April 2018

Statement of the Chairman of the remuneration committee

The remuneration committee presents its report for the year ended 31 December 2017.

The remuneration committee presents its report for the year ended 31 December 2017.

The Annual Remuneration Report details remuneration awarded to directors and non-executive directors during the year. The shareholders will be asked to approve the Annual Remuneration Report as an ordinary resolution (as in previous years) at the AGM in June 2018.

A copy of the remuneration policy, which details the remuneration policy for directors, can be found at[*http://www.bisichi.co.uk*](http://www.bisichi.co.uk). The current remuneration policy was subject to a binding vote which was approved by shareholders at the AGM in June 2017. The approved policy took effect from 7 June 2017 and will apply for a three year period.

The remuneration committee reviewed the existing policy and deemed no changes necessary to the current arrangements.

Both of the above reports have been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The company's auditors, BDO LLP are required by law to audit certain disclosures and where disclosures have been audited they are indicated as such.

Christopher Joll

Chairman - remuneration committee

24 Bruton Place

London W1J 6NE

20 April 2018

Annual remuneration report

The following information has been audited:

Single total figure of remuneration for the year ended 31 December 2017:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Salaries  and Fees  £'000 | Bonuses  £'000 | Benefits  £'000 | Pension  £'000 | **Total before Share options £'000** | Share  options  £'000 | **Total**  **2017**  **£'000** |
| **Executive Directors** |  |  |  |  |  |  |  |
| Sir Michael Heller | 75 | - | - | - | **75** | - | **75** |
| A R Heller | 450 | 350 | 66 | 32 | **898** | - | **898** |
| G J Casey | 133 | 125 | 14 | 18 | **290** | - | **290** |
| R Grobler | 188 | 122 | 16 | 11 | **337** | - | **337** |
| **Non-Executive Directors** |  |  |  |  |  |  |  |
| C A Joll\* | 30 | - | - | - | **30** | - | **30** |
| J A Sibbald\* | 2 | - | 3 | - | **5** | - | **5** |
| **Total** | **878** | **597** | **99** | **61** | **1,635** | **-** | **1,635** |

\*Members of the remuneration committee for the year ended 31 December 2017

Single total figure of remuneration for the year ended 31 December 2016:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Salaries  and Fees  £'000 | Bonuses  £'000 | Benefits  £'000 | Pension  £'000 | **Total before Share options £'000** | Share  options  £'000 | **Total**  **2016**  **£'000** |
| **Executive Directors** |  |  |  |  |  |  |  |
| Sir Michael Heller | 75 | - | - | - | **75** | - | **75** |
| A R Heller | 450 | 300 | 68 | 32 | **850** | - | **850** |
| G J Casey | 133 | 100 | 14 | 18 | **265** | - | **265** |
| R Grobler | 154 | 60 | 14 | 8 | **236** | - | **236** |
| **Non-Executive Directors** |  |  |  |  |  |  |  |
| C A Joll\* | 30 | - | - | - | **30** | - | **30** |
| J A Sibbald\* | 2 | - | 3 | - | **5** | - | **5** |
| **Total** | **844** | **460** | **99** | **58** | **1,461** | **-** | **1,461** |

\*Members of the remuneration committee for the year ended 31 December 2016

|  |  |  |  |
| --- | --- | --- | --- |
| Summary of directors' terms | Date of contract | Unexpired term | Notice period |
| **Executive directors** |  |  |  |
| Sir Michael Heller | November 1972 | Continuous | 6 months |
| A R Heller | January 1994 | Continuous | 3 months |
| G J Casey | June 2010 | Continuous | 3 months |
| R J Grobler | April 2008 | Continuous | 3 months |
| **Non-executive directors** |  |  |  |
| C A Joll | February 2001 | Continuous | 3 months |
| J A Sibbald | October 1988 | Continuous | 3 months |

Pension schemes and incentives

Three (2016: Three) directors have benefits under money purchase pension schemes. Contributions in 2017 were £61,000 (2016: £58,000), see table above.

Scheme interests awarded during the year

No scheme interests were awarded in the year ended 31 December 2017. Subsequent to year end the company granted options over ordinary shares in the Company of 10 pence (the "Options") to the following directors of the Company, under the Company's Unapproved Executive Share Option Scheme 2012 ("the Scheme"), as set out below:

Andrew Heller: 150,000 options granted on 6 February 2018 at an exercise price of £0.7350 per shareGarrett Casey: 230,000 options granted on 6 February 2018 at an exercise price of £0.7350 per share

The above Options are subject to the terms and conditions set out in the rules of the Scheme, and subject to the memorandum and articles of association of the Company. These Options are exercisable at any time during the next 10 years from the dates of grant stated above. No consideration has been paid for the granting of these Options.

Share option schemes

The company currently has one "Unapproved" Share Option Schemes which is not subject to HM Revenue and Customs (HMRC) approval. The "2010 Scheme" was approved by shareholders on 7 June 2011. The "2012 Scheme" was approved by the remuneration committee of the company on 28 September 2012.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Number of share options |  |  |  |  |  |
|  | Option  price\* | 1 January  2017 | Options  lapsed  in  2017 | 31  December  2017 | Exercisable  from | Exercisable  to |
| **The 2010 Scheme** |  |  |  |  |  |  |
| G J Casey | 202.05p | 80,000 | - | 80,000 | 31/08/2013 | 30/08/2020 |
| **The 2012 Scheme** |  |  |  |  |  |  |
| A R Heller | 87.01p | 150,000 | - | 150,000 | 18/09/2015 | 17/09/2025 |
| G J Casey | 87.01p | 150,000 | - | 150,000 | 18/09/2015 | 17/09/2025 |

\*Middle market price at date of grant

No consideration is payable for the grant of options under the 2012 Unapproved Share Option Scheme. There are no performance conditions attached to the 2012 Unapproved Share Option scheme.

On the 5 February 2018 the company entered into an agreement with Garrett Casey to surrender the 80,000 Options which were granted on 31 August 2010 under the 2010 Scheme. The aggregate consideration paid by the Company to effect the cancellation was £1.

Payments to past directors

No payments were made to past directors in the year ended 31 December 2017.

Payments for loss of office

No payments for loss of office were made in the year ended 31 December 2017.

STATEMENT OF DIRECTORS' SHAREHOLDING AND SHARE INTEREST

Directors' interests

The interests of the directors in the shares of the company, including family and trustee holdings where appropriate, were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Beneficial | Non-beneficial |  |  |
|  | 31.12.2017 | 1.1.2017 | 31.12.2017 | 1.1.2017 |
| Sir Michael Heller | 148,783 | 148,783 | 181,334 | 181,334 |
| A R Heller | 785,012 | 785,012 | - | - |
| C A Joll | - | - | - | - |
| J A Sibbald | - | - | - | - |
| R J Grobler | - | - | - | - |
| G J Casey | 40,000 | 40,000 | - | - |

The following section is unaudited.

The following graph illustrates the company's performance compared with a broad equity market index over a ten year period. Performance is measured by total shareholder return. The directors have chosen the FTSE All Share Mining index as a suitable index for this comparison as it gives an indication of performance against a spread of quoted companies in the same sector.

The middle market price of Bisichi Mining PLC ordinary shares at 31 December 2017 was 70.5p (2016-74p). During the year the share price ranged between 68.25p and 82.50p.

Remuneration of the Managing Director over the last ten years

The table below demonstrates the remuneration of the holder of the office of Managing Director for the last ten years for the period from 1 January 2008 to 31 December 2017.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Year | Managing  Director | Managing Director  Single total figure of  remuneration  £'000 | Annual bonus payout  against maximum  opportunity\*  % | Long-term incentive  vesting rates against  maximum opportunity\*  % |
| 2017 | A R Heller | 898 | 25% | N/A |
| 2016 | A R Heller | 850 | 22% | N/A |
| 2015 | A R Heller | 912 | 22% | N/A |
| 2014 | A R Heller | 862 | 22% | N/A |
| 2013 | A R Heller | 614 | N/A | N/A |
| 2012 | A R Heller | 721 | N/A | N/A |
| 2011 | A R Heller | 626 | N/A | N/A |
| 2010 | A R Heller | 568 | N/A | N/A |
| 2009 | A R Heller | 817 | N/A | N/A |
| 2008 | A R Heller | 961 | N/A | N/A |

Bisichi Mining PLC does not have a Chief Executive so the table includes the equivalent information for the Managing Director.

\*There were no formal criteria or conditions to apply in determining the amount of bonus payable or the number of shares to be issued prior to 2014.

Percentage change in remuneration of director undertaking role of Managing Director

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Managing Director  £'000 | UK based employees  £'000 |  |  |  |  |  |  |
|  | 2017 | 2016 | % change | 2017 | 2016 | % change |  |  |
| Base salary | 450 | 450 | 0% | 208 | 208 | 0% |  |  |
| Benefits | 66 | 68 | (3.03%) | 14 | 14 | 0% |  |  |
| Bonuses | 350 | 300 | 16.67% | 125 | 100 | 25% |  |  |
|  |  |  |  |  |  |  |  |  |

Bisichi Mining PLC does not have a Chief Executive so the table includes the equivalent information for the Managing Director.

The comparator group chosen is all UK based employees as the remuneration committee believe this provides the most accurate comparison of underlying increases based on similar annual bonus performances utilised by the group.

Relative importance of spend on pay

The total expenditure of the group on remuneration to all employees (see Notes 28 and 8 to the financial statements) is shown below:

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Employee remuneration | 6,396 | 5,321 |
| Distribution to shareholders | **534** | 427 |

Statement of implementation of new remuneration policy

The remuneration policy was approved at the AGM in June 2017. The policy took effect from 7 June 2017 and will apply for 3 years unless changes are deemed necessary by the Remuneration committee. The company may not make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a director of the company unless that payment is consistent with the approved remuneration policy, or has otherwise been approved by a resolution of members.

Consideration by the directors of matters relating to directors' remuneration

The remuneration committee considered the executive directors remuneration and the board considered the non-executive directors remuneration in the year ended 31 December 2017. No increases were awarded and no external advice was taken in reaching this decision.

SHAREHOLDER VOTING

At the Annual General Meeting on 7 June 2017, there was an advisory vote on the resolution to approve the remuneration report, other than the part containing the remuneration policy. In addition, on 7 June 2017 there was a binding vote on the resolution to approve the current remuneration policy the results of which are detailed below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | % of votes  for | % of votes  against | No of votes  withheld |
| Resolution to approve the Remuneration Report (7 June 2017) | 74.75% | 25.18% | - |
| Resolution to approve the Remuneration Policy (7 June 2017) | 74.77% | 25.16% | - |

Service contracts

All executive directors have full-time contracts of employment with the company. Non-executive directors have contracts of service. No director has a contract of employment or contract of service with the company, its joint venture or associated companies with a fixed term which exceeds twelve months. Directors notice periods (see page 37 of the annual remuneration report) are set in line with market practice and of a length considered sufficient to ensure an effective handover of duties should a director leave the company.

All directors' contracts as amended from time to time, have run from the date of appointment. Service contracts are kept at the registered office.

Remuneration policy table

The remuneration policy table below is an extract of the group's current remuneration policy on directors' remuneration, which was approved by a binding vote at the 2017 AGM. The approved policy took effect from 7 June 2017. A copy of the full policy can be found at[*http://www.bisichi.co.uk*](http://www.bisichi.co.uk).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Element | Purpose | Policy | Operation | Opportunity and performance conditions |
| **Executive directors** |  |  |  |  |
| Base salary | To recognise:  Skills  Responsibility  Accountability  Experience  Value | Considered by remuneration committee on appointment.  Set at a level considered appropriate to attract, retain motivate and reward the right individuals. | Reviewed annually  Paid monthly in cash | No individual director will be awarded a base salary in excess of £700,000 per annum.  No specific performance conditions are attached to base salaries. |
| Pension | To provide competitive retirement benefits | Company contribution offered at up to 10% of base salary as part of overall remuneration package | The contribution payable by the company is included in the  director's contract of employment.  Paid into money purchase schemes | Company contribution offered at up to 10% of base salary as part of overall remuneration package.  No specific performance conditions are attached to pension contributions |
| Benefits | To provide a competitive benefits  package | Contractual benefits can include but are not limited to:  Car or car allowance  Group health cover  Death in service cover  Permanent health insurance | The committee retains the discretion  to approve changes in contractual benefits in exceptional circumstances or where factors outside the control of the Group lead to increased  costs (e.g. medical inflation) | The costs associated with benefits offered are closely controlled and reviewed on an annual basis.  No director will receive benefits of a value in excess of 30% of his base salary.  No specific performance conditions are attached to contractual benefits.  The value of benefits for each director for the year ended 31 December 2017 is shown in the table on page 36. |
| Annual Bonus | To reward and incentivise | In assessing the performance of the executive team, and in particular to determine whether bonuses are merited the remuneration committee takes into account the overall performance of the business.  Bonuses are generally offered in cash | The remuneration committee determines the level of bonus on an annual basis applying such performance conditions and performance measures as it considers appropriate | The current maximum bonus opportunity will not exceed 200% of base salary in any one year, but the remuneration committee reserves the power to award up to 300% in an exceptional year.  Performance conditions will be assessed on an annual basis. The performance measures applied may be financial, non-financial, corporate, divisional or individual and in such proportion as the remuneration committee considers appropriate |
| Share Options | To provide executive directors with a long-term interest in the company | Granted under existing schemes (see page 37) | Offered at appropriate times by the remuneration committee | Entitlement to share options is not subject to any specific performance conditions.  Share options will be offered by the remuneration committee as appropriate.  The aggregate number of shares over which options may be granted under all of the company's option schemes (including any options and awards granted under the company's employee share ***plans***) in any period of ten years, will not exceed, at the time of grant, 10% of the ordinary share capital of the company from time to time. In determining the limits no account shall be taken of any shares where the right to acquire the shares has been released, lapsed or has otherwise become incapable of exercise.  The company currently has two Share Option Schemes (see page 37). The performance conditions for the 2010 scheme requires growth in net assets over a three year period to exceed the growth in the retail price index by a scale of percentages. For the 2012 scheme the remuneration committee has the ability to impose performance criteria in respect of any new share options granted, however there is no requirement to do so. There are no performance conditions attached to the options already issued under the 2012 scheme. |
| **Non-executive directors** |  |  |  |  |
| Base salary | To recognise:  Skills  Experience  Value | Considered by the board on appointment.  Set at a level considered appropriate to attract, retain and motivate the individual.  Experience and time required for the role are considered on appointment. | Reviewed annually | No individual director will be awarded a base salary in excess of £40,000 per annum.  No specific performance conditions are attached to base salaries. |
| Pension |  | No pension offered |  |  |
| Benefits |  | No benefits offered except  to one non-executive director who is eligible for health  cover (see annual remuneration report  page 36) | The committee retains the discretion to approve changes in contractual benefits in exceptional circumstances or where factors outside the control of the Group lead to increased costs (e.g. medical inflation) | The costs associated with the benefit offered is closely controlled and reviewed on an annual basis.  No director will receive benefits of a value in excess of 30% of his base salary.  No specific performance conditions are attached to contractual benefits. |
| Share Options |  | Non-executive directors do not participate in the share option schemes |  |  |

In order to ensure that shareholders have sufficient clarity over director remuneration levels, the company has, where possible, specified a maximum that may be paid to a director in respect of each component of remuneration. The remuneration committee consider the performance measures outlined in the table above to be appropriate measures of performance and that the KPI's chosen align the interests of the directors and shareholders.

For details of remuneration of other company employees can be found in Note 28 to the financial statements.

Audit committee report

The committee's terms of reference have been approved by the board and follow published guidelines, which are available from the company secretary. The audit committee comprises the two non-executive directors, Christopher Joll (chairman), an experienced financial PR executive and John Sibbald, a retired chartered accountant.

The Audit Committee's prime tasks are to:

· review the scope of external audit, to receive regular reports from the auditor and to review the half-yearly and annual accounts before they are presented to the board, focusing in particular on accounting policies and areas of management judgment and estimation;

· monitor the controls which are in force to ensure the integrity of the information reported to the shareholders;

· assess key risks and to act as a forum for discussion of risk issues and contribute to the board's review of the effectiveness of the group's risk management control and processes;

· act as a forum for discussion of internal control issues and contribute to the board's review of the effectiveness of the group's internal control and risk management systems and processes;

· consider each year the need for an internal audit function;

· advise the board on the appointment of external auditors and rotation of the audit partner every five years, and on their remuneration for both audit and non-audit work, and discuss the nature and scope of their audit work;

· participate in the selection of a new external audit partner and agree the appointment when required;

· undertake a formal assessment of the auditors' independence each year which includes:

   ~           a review of non-audit services provided to the group and related fees;

   ~           discussion with the auditors of a written report detailing all relationships with the company and any other parties that could affect independence or the perception of independence;

   ~           a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and

   ~           obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

Meetings

The committee meets prior to the annual audit with the external auditors to discuss the audit ***plan*** and again prior to the publication of the annual results. These meetings are attended by the external audit partner, managing director, director of finance and company secretary. Prior to bi-monthly board meetings the members of the committee meet on an informal basis to discuss any relevant matters which may have arisen. Additional formal meetings are held as necessary.

During the past year the committee:

· met with the external auditors, and discussed their reports to the Audit Committee;

· approved the publication of annual and half-year financial results;

· considered and approved the annual review of internal controls;

· decided that due to the size and nature of operation there was not a current need for an internal audit function;

· agreed the independence of the auditors and approved their fees for both audit related and non-audit services as set out in note 4 to the financial statements.

FINANCIAL REPORTING

As part of its role, the Audit Committee assessed the audit findings that were considered most significant to the financial statements, including those areas requiring significant judgment and/or estimation. When assessing the identified financial reporting matters, the committee assessed quantitative materiality primarily by reference to the carrying value of the group's total assets, given that the group operates a principally asset based business. The Board also gave consideration to the value of revenues generated by the group, given the importance of production, and its Adjusted EBITDA, given that it is a key trading KPI, when determining quantitative materiality. The qualitative aspects of any financial reporting matters identified during the audit process were also considered when assessing their materiality. Based on the considerations set out above we have considered quantitative errors individually or in aggregate in excess of approximately £300,000 to £350,000 to be material.

External Auditors

BDO LLP held office throughout the year. In the United Kingdom the company is provided with extensive administration and accounting services by London & Associated Properties PLC which has its own audit committee and employs a separate firm of external auditors, RSM UK Audit LLP (Formerly Baker Tilly UK Audit LLP). In South Africa Grant Thornton (Jhb) Inc. acts as the external auditor to the South African companies, and the work of that firm was reviewed by BDO LLP for the purpose of the group audit.

Christopher Joll

Chairman - audit committee

24 Bruton Place

London W1J 6NE

20 April 2018

Valuers' certificates

To the directors of Bisichi Mining PLC

In accordance with your instructions we have carried out a valuation of the freehold property interests held as at 31 December 2017 by the company as detailed in our Valuation Report dated 20 February 2018.

Having regard to the foregoing, we are of the opinion that the open market value as at 31 December 2017 of the interests owned by the company was £13,245,000 being made up as follows:

|  |  |
| --- | --- |
|  | £'000 |
| Freehold | 10,550 |
| Leasehold | 2,695 |
|  | **13,245** |
| Leeds  20 February 2018 | **Carter Towler**  Regulated by Royal Institute of Chartered Surveyors |

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss for the group for that period.

In preparing these financial statements, the directors are required to:

· select suitable accounting policies and then apply them consistently;

· make judgements and accounting estimates that are reasonable and prudent;

· state with regard to the group financial statements whether they have been prepared in accordance with IFRSs as adopted by the European Union subject to any material departures disclosed and explained in the financial statements;

· state with regard to the parent company financial statements, whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

· prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business; and

· prepare a director's report, a ***strategic*** report and director's remuneration report which comply with the requirements of the Companies Act 2006.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The directors confirm to the best of their knowledge:

· the group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the group.

· the annual report includes a fair review of the development and performance of the business and the financial position of the group and the parent company, together with a description or the principal risks and uncertainties that they face.

Independent auditor's report

To the members of Bisichi Mining PLC

Opinion

We have audited the financial statements of Bisichi Mining Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated balance sheet, the consolidated statement of changes in shareholders' equity, the consolidated cash ?ow statement, the parent company balance sheet, the parent company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion the financial statements:

give a true and fair view of the state of the group's and of the parent company's affairs as at  31 December 2017 and of the group's profit for the year then ended;the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; andthe financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; orthe directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following key audit matters were identified for the period under review:

The risk that estimates and judgments in the life of mine model may be inappropriate and mining assets require impairment.The risk that investment property valuations are inappropriate.The risk that judgments,  estimates  and disclosure associated with the carrying value of Ezimbokedwini and impairment charges are inappropriate

|  |  |
| --- | --- |
| **Key Audit Matter** | **How the matter was addressed in our audit** |
| ***The risk that estimates and judgments in the life of mine model may be inappropriate and mining assets require impairment.***  The mining assets amounted to £8.6m as at 31 December 2017 (2016: £8.5m) and relate to the South African mining operations. These assets represent a significant part of the Group's balance sheet (See note 11).  Management performed an impairment assessment based on the Board approved Life of Mine ***plan*** at 31 December 2017 as detailed in the Key Judgements and Estimates note.  The assessment by management of inputs to the Life of Mine ***plan*** requires significant judgment and estimate, including determination of forecast coal prices, production, coal reserves and costs  These factors caused this area to be a significant focus for our audit. | We have evaluated management's discounted cash flow impairment assessment, including the underlying Life of Mine ***plan***.  In doing so, we critically assessed key inputs to the model including forecast coal prices, exchange rates, production, costs and the discount rate.  This included assessment compared to empirical data and trends, pricing information and market data.  In respect of the coal reserves included in the model, we reviewed the independent Competent Person's Report and held discussions with the Competent Person. In relying on the Competent Person we assessed their independence and competence.  We performed sensitivity analysis on the impairment model in respect of factors such as pricing, costs, yields, exchange rates and the discount rate.  We evaluated the disclosures in the Key Judgements and Estimates note based on our audit procedures. |
| **Our findings**  Our work on the impairment test supported management's conclusion that no impairment exists to be appropriate. We found the key assumptions to be balanced and appropriately considered by management and the disclosures in the Key Judgements and Estimates note to be sufficient. |  |

|  |  |
| --- | --- |
| **Key Audit Matter** | **How the matter was addressed in our audit** |
| ***The risk that investment property valuations are inappropriate.***  The Group holds investment property at fair value of £13.2m together with further investment property held at fair value of £2.6m (100% basis) in the Group's Dragon Retail Joint Venture (notes 10 and 13). The assessment of fair value for the property portfolio requires significant judgement and estimates by the Directors, including assessment of independent third party valuations obtained for the portfolio.  Each valuation requires consideration of the individual nature of the property, its location, its cash flows and comparable market transactions. The valuation of these properties requires assessment of the market yield as well as consideration of the current rental agreements.  Any significant input inaccuracies or unreasonable bases used in these judgements (such as in respect of estimated rental value and net initial yield applied) could result in a material misstatement.  There is also an inherent risk that management may influence valuation judgments.  Given these factors, this area was considered to be a significant focus for our audit given the subjective nature of certain assumptions inherent in each valuation. | We obtained an understanding of management's approach to the valuation of investment properties.  We reviewed the independent external valuation reports and confirmed their consistency with the valuations presented in the financial statements. We met with the group's independent external valuers, who valued all of the group's investment properties, to understand the assumptions and methodologies used in valuing these properties, the market evidence supporting the valuation assumptions and the valuation movements in the period.  We assessed the competency, independence and objectivity of the independent external valuer which included making inquiries regarding interests and relationships that may have created a threat to the valuer's objectivity.  We used our knowledge and experience to evaluate and challenge the valuation assumptions, methodologies and the inputs used. This included establishing our own range of expectations for the valuation of investment property based on externally available metrics.  We agreed a sample of key observable valuation inputs supplied to and used by the external valuer and Directors to information audited by us, where applicable, or supporting market documentation. |
| **Our findings**  We found the valuations determined by the group for its investment properties in note 10 and investment properties included within the Dragon retain Joint Venture in note 13 to be consistent with the independent external valuation reports. |  |

|  |  |
| --- | --- |
| **Key Audit Matter** | **How the matter was addressed in our audit** |
| ***The risk that judgments, estimates and disclosure associated with the carrying value of Ezimbokedweni and impairment charges are inappropriate.***  As at 31 December 2016 the group's net investment in Ezimbokedweni Mining (Pty) Limited ("Ezimbokedweni"), an equity accounted joint venture was £1.8m. The carrying value was dependent upon the ultimate completion of a sale and purchase agreement to acquire the Pegasus coal project in South Africa, under which a deposit had been paid by Ezimbokedweni.  During the year the joint venture was placed into Business Rescue under the South African Companies Act by the group's joint venture partner. The original deposit has been returned to Ezimbokodweni and as a result, the Board consider there to be no reasonable prospect of the Pegasus coal project transaction completing.  Further to these developments, the Board performed an impairment review of the carrying value of the net investment in Ezimbokedwini and recorded an impairment of the net investment of £1.8m, with any further movements since 31 December 2016 reflecting foreign exchange differences.  The assessment of the carrying value, subsequent impairment and associated disclosure represented a significant focus for our audit.  Additionally, the tax treatment of this transaction was considered to be an area of risk of material misstatement. This was also considered to be an area requiring specialist knowledge and expertise. | We will have made specific inquiries of management and the Board to gain an understanding of the fact pattern and events during the year regarding Ezimbokedweni.  We have reviewed minutes of Board meetings, legal documents and correspondence relating to the joint venture, the Business Rescue and assessments of the resulting financial position and interests of the joint venture.  We have assessed the Board's conclusion that the net investment is impaired based on the facts and circumstances, including assessment of the probability of value being recovered from the joint venture.  We have assessed the tax treatment of the transaction applied by management in conjunction with our valuation specialists and those of the component auditor in South Africa.  We have assessed the accounting entries in respect of the impairment as well as the disclosures in note 13 and the Key Estimates and Judgments note. |
| **Our findings**  We consider the judgements made by management relating to the impairment recorded by the group to be appropriate based on the developments during the year. We consider the disclosures at note 13 and the Key Estimates and Judgments note to be acceptable. |  |

Our application of materiality

The materiality level we applied was calculated based on 1% of total assets reflecting both the significant asset base of the group and the transitionary phase of mining.

Whilst materiality for the Financial Statements as a whole was £300,000 (FY 2016: £350,000), each significant component of the Group was audited to a lower materiality as detailed in the table below.

Performance materiality is the application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality was set at £225,000 (2016: £260,000) which represents 75% (2016 75%) of the above materiality levels.

|  |  |  |
| --- | --- | --- |
| **Materiality** | **FY2017** | **FY2016** |
| Materiality for the Financial Statements as a whole | £300,000 | £350,000 |
| Materiality levels used for the audits of the significant components of the audit | £23,000 to £170,000 | £15,000 to £210,000 |
| Audit scope coverage | 100% of total assets, 100% of revenue and 100% of profit before tax |  |

We agreed with the Audit Committee that we would report to them all individual audit differences identified during the course of our audit in excess of £15,000. We also agreed to report differences below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Whilst Bisichi Mining Plc is a company listed on the Standard Segment of the London Stock Exchange, the Group's operations principally comprise investment property in the United Kingdom and an operating mine located in South Africa. We assessed there to be significant components within the group, comprising the mine in South Africa, corporate accounting function and property companies.

We performed a full scope audit of each of the UK property companies, corporate accounting function and consolidation.

A non-BDO member firm performed a full scope audit of the mine in South Africa, under our direction and supervision as group auditors under ISA 600.

As part of our audit strategy, as group auditors:

Detailed group reporting instructions were sent to the component auditor, which included the significant areas to be covered by the audit (including areas that were considered to be key audit matters as detailed above), and set out the information required to be reported to the group audit team.We performed a review of the component audit files and held meetings with the component audit team during the ***planning*** and completion phases of their audit.The group audit team was actively involved in the direction of the audits performed by the component auditors for group reporting purposes, along with the consideration of findings and determination of conclusions drawn. We performed our own additional procedures in respect of the significant risk areas that represented Key Audit Matters in addition to the procedures performed by the component auditor.The remaining non-significant companies within the group were principally subject to analytical review procedures.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

the information given in the ***strategic*** report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; andthe ***strategic*** report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the ***strategic*** report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; orthe parent company financial statements are not in agreement with the accounting records and returns; orcertain disclosures of directors' remuneration specified by law are not made; orwe have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 46, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006.  Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose.  To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:[*http://www.frc.org.uk/auditorsresponsibilities*](http://www.frc.org.uk/auditorsresponsibilities).  This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed to audit the financial statements for the year ending 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement is 30 years, covering the years ending 1987 to 2017.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Ryan Ferguson

(Senior Statutory Auditor)

For and on behalf of BDO LLP

Statutory Auditor

London, United Kingdom

20 April 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial statements

Consolidated income statement

for the year ended 31 December 2017

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Notes | **2017**  **Trading**  **£'000** | **2017**  **Revaluations**  **and impairment**  **£'000** | **2017**  **Total**  **£'000** | 2016  Trading  £'000 | 2016  Revaluations and  impairment  £'000 | 2016  Total  £'000 |
| **Group revenue** | 1 | **37,459** | **-** | **37,459** | 22,815 | - | 22,815 |
| Operating costs | 2 | **(31,640)** | **-** | **(31,640)** | (21,299) | - | (21,299) |
| Operating profit before depreciation, fair value adjustments and exchange movements |  | **5,819** | **-** | **5,819** | 1,516 | - | 1,516 |
| Depreciation | 2 | **(1,790)** | **-** | **(1,790)** | (1,785) | - | (1,785) |
| Operating profit/(loss) before fair value adjustments and exchange movements | 1 | **4,029** | **-** | **4,029** | (269) | - | (269) |
| Exchange (losses)/gains |  | **(256)** | **-** | **(256)** | 449 | - | 449 |
| Decrease/increase in value of investment properties | 3 | **-** | **(13)** | **(13)** | - | 445 | 445 |
| Gain on disposal of other investments |  | **3** | **-** | **3** | - | - | - |
| Increase in value of other investments |  | **-** | **-** | **-** | - | 12 | 12 |
| **Operating profit/(loss)** | 1 | **3,776** | **(13)** | **3,763** | 180 | 457 | 637 |
| Share of profit/(loss) in joint ventures | 12 | **-** | **8** | **8** | 30 | (37) | (7) |
| Write-off of investment in joint venture | 12 | **-** | **(1,827)** | **(1,827)** | - | - | - |
| **Profit/(loss) before interest and taxation** |  | **3,776** | **(1,832)** | **1,944** | 210 | 420 | 630 |
| Interest receivable |  | **205** | **-** | **205** | 270 | - | 270 |
| Interest payable | 6 | **(664)** | **-** | **(664)** | (554) | - | (554) |
| **Profit/(loss) before tax** | 4 | **3,317** | **(1,832)** | **1,485** | (74) | 420 | 346 |
| Taxation | 7 | **(588)** | **24** | **(564)** | 150 | (89) | 61 |
| **Profit/(loss) for the year** |  | **2,729** | **(1,808)** | **921** | 76 | 331 | 407 |
| **Attributable to:** |  |  |  |  |  |  |  |
| Equity holders of the company |  | **2,557** | **(1,808)** | **749** | 148 | 331 | 479 |
| Non-controlling interest | 26 | **172** | **-** | **172** | (72) | - | (72) |
| Profit/(loss) for the year |  | **2,729** | **(1,808)** | **921** | 76 | 331 | 407 |
| Profit per share - basic | 9 |  |  | **7.02p** |  |  | 4.48p |
| Profit per share - diluted | 9 |  |  | **7.02p** |  |  | 4.48p |

Trading gains and losses reflect all the trading activity on mining and property operations and realised gains from Joint ventures. Revaluation gains and losses reflects the revaluation of investment properties and other assets within the group and any proportion of unrealised gains and losses within Joint Ventures. The total column represents the consolidated income statement presented in accordance with IAS 1.

Consolidated statement of other comprehensive income

for the year ended 31 December 2017

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| **Profit for the year** | **921** | 407 |
| **Other comprehensive income/(expense):** |  |  |
| **Items that may be subsequently recycled to the income statement:** |  |  |
| Exchange differences on translation of foreign operations | **91** | 1,106 |
| Gain on available for sale investments | **103** | 193 |
| Taxation | **(20)** | (13) |
| **Other comprehensive income for the year net of tax** | **174** | 1,286 |
| **Total comprehensive income for the year net of tax** | **1,095** | 1,693 |
| **Attributable to:** |  |  |
| Equity shareholders | **912** | 1,665 |
| Non-controlling interest | **183** | 28 |
|  | **1,095** | 1,693 |

Consolidated balance sheet

at 31 December 2017

|  |  |  |  |
| --- | --- | --- | --- |
|  | Notes | **2017**  **£'000** | 2016  £'000 |
| **Assets** |  |  |  |
| **Non-current assets** |  |  |  |
| Value of investment properties | 10 | **13,245** | 13,245 |
| Fair value of head lease | 30 | **152** | 181 |
| Investment properties |  | **13,397** | 13,426 |
| Mining reserves, plant and equipment | 11 | **8,613** | 8,520 |
| Investments in joint ventures accounted for using equity method | 12 | **874** | 1,321 |
| Loan to joint venture | 12 | **-** | 1,350 |
| Other investments | 12 | **51** | 32 |
| **Total non-current assets** |  | **22,935** | 24,649 |
| **Current assets** |  |  |  |
| Inventories | 15 | **828** | 1,721 |
| Trade and other receivables | 16 | **6,417** | 7,246 |
| Corporation tax recoverable |  | **-** | 32 |
| Available for sale investments | 17 | **1,050** | 781 |
| Cash and cash equivalents |  | **5,327** | 2,444 |
| **Total current assets** |  | **13,622** | 12,224 |
| **Total assets** |  | **36,557** | 36,873 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | Notes | **2017**  **£'000** | 2016  £'000 |
| **Liabilities** |  |  |  |
| **Current liabilities** |  |  |  |
| Borrowings | 19 | **(1,288)** | (3,358) |
| Trade and other payables | 18 | **(7,381)** | (6,950) |
| Current tax liabilities |  | **(356)** | (18) |
| **Total current liabilities** |  | **(9,025)** | (10,326) |
| **Non-current liabilities** |  |  |  |
| Borrowings | 19 | **(5,872)** | (5,876) |
| Provision for rehabilitation | 20 | **(1,349)** | (1,236) |
| Finance lease liabilities | 30 | **(152)** | (181) |
| Deferred tax liabilities | 22 | **(2,485)** | (2,248) |
| **Total non-current liabilities** |  | **(9,858)** | (9,541) |
| **Total liabilities** |  | **(18,883)** | (19,867) |
| **Net assets** |  | **17,674** | 17,006 |
| **Equity** |  |  |  |
| Share capital | 23 | **1,068** | 1,068 |
| Share premium account |  | **258** | 258 |
| Translation reserve |  | **(1,671)** | (1,751) |
| Available for sale reserve |  | **143** | 60 |
| Other reserves | 24 | **683** | 683 |
| Retained earnings |  | **16,661** | 16,339 |
| **Total equity attributable to equity shareholders** |  | **17,142** | 16,657 |
| Non-controlling interest | 26 | **532** | 349 |
| **Total equity** |  | **17,674** | 17,006 |

These financial statements were approved and authorised for issue by the board of directors on 20 April 2018 and signed on its behalf by:

A R Heller              G J Casey                             Company Registration No. 112155

Director                   Director

Consolidated statement of changes in shareholders' equity

for the year ended 31 December 2017

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Share**  **capital**  **£'000** | **Share**  **Premium**  **£'000** | **Translation**  **reserves**  **£'000** | **Available- for-sale reserves**  **£'000** | **Other**  **reserves**  **£'000** | **Retained**  **earnings**  **£'000** | **Total**  **£'000** | **Non-**  **controlling**  **interest**  **£'000** | **Total**  **equity**  **£'000** |
| Balance at 1 January 2016 | 1,068 | 258 | (2,757) | (120) | 574 | 16,287 | **15,310** | 321 | **15,631** |
| Revaluation and impairments | - | - | - | - | - | 331 | **331** | - | **331** |
| Trading | - | - | - | - | - | 148 | **148** | (72) | **76** |
| Profit/(loss) for the year | - | - | - | - | - | 479 | **479** | (72) | **407** |
| Other comprehensive expense | - | - | 1,006 | 180 | - | - | **1,186** | 100 | **1,286** |
| Total comprehensive expense for the year | - | - | 1,006 | 180 | - | 479 | **1,665** | 28 | **1,693** |
| Dividend (note 8) | - | - | - | - | - | (427) | **(427)** | - | **(427)** |
| Share options charge | - | - | - | - | 109 | - | **109** | - | **109** |
| Balance at 1 January 2017 | 1,068 | 258 | (1,751) | 60 | 683 | 16,339 | **16,657** | 349 | **17,006** |
| Revaluation and impairments | - | - | - | - | - | (1,808) | **(1,808)** | - | **(1,808)** |
| Trading | - | - | - | - | - | 2,557 | **2,557** | 172 | **2,729** |
| Profit/(loss) for the year | - | - | - | - | - | 749 | **749** | 172 | **921** |
| Other comprehensive income | - | - | 80 | 83 | - | - | **163** | 11 | **174** |
| Total comprehensive income for the year | - | - | 80 | 83 | - | 749 | **912** | 183 | **1,095** |
| Dividend (note 8) | - | - | - | - | - | (427) | **(427)** | - | **(427)** |
| **Balance at 31 December 2017** | **1,068** | **258** | **(1,671)** | **143** | **683** | **16,661** | **17,142** | **532** | **17,674** |

Consolidated cash flow statement

for the year ended 31 December 2017

|  |  |  |
| --- | --- | --- |
|  | **Year ended**  **31 December**  **2017**  **£'000** | Year ended  31 December  2016  £'000 |
| **Cash flows from operating activities** |  |  |
| Operating profit | **3,763** | 637 |
| Adjustments for: |  |  |
| Depreciation | **1,790** | 1,785 |
| Share based payments | **-** | 109 |
| Unrealised loss/(gain) on investment properties | **13** | (445) |
| Realised gain on disposal of other investments | **(3)** | - |
| Unrealised gain on other investments | **-** | (12) |
| Exchange adjustments | **256** | (449) |
| **Cash flow before working capital** | **5,819** | 1,625 |
| Change in inventories | **896** | (258) |
| Change in trade and other receivables | **919** | 224 |
| Change in trade and other payables | **69** | 1,396 |
| **Cash generated from operations** | **7,703** | 2,987 |
| Interest received | **124** | 121 |
| Interest paid | **(546)** | (448) |
| Income tax paid | **(11)** | (46) |
| **Cash flow from operating activities** | **7,270** | 2,614 |
| **Cash flows from investing activities** |  |  |
| Acquisition of reserves, property, plant and equipment | **(1,754)** | (2,859) |
| Share of income from joint ventures | **-** | 30 |
| Disposal of other investments | **14** | - |
| Acquisition of available for sale investments | **(196)** | - |
| Disposal of non-current asset held for sale | **-** | 1,138 |
| **Cash flow from investing activities** | **(1,936)** | (1,691) |
| **Cash flows from financing activities** |  |  |
| Borrowings drawn | **23** | 37 |
| Borrowings repaid | **(25)** | (131) |
| Equity dividends paid | **(427)** | (427) |
| **Cash flow from financing activities** | **(429)** | (521) |
| **Net increase in cash and cash equivalents** | **4,905** | 402 |
| Cash and cash equivalents at 1 January | **(890)** | (626) |
| Exchange adjustment | **50** | (666) |
| **Cash and cash equivalents at 31 December** | **4,065** | (890) |
| Cash and cash equivalents at 31 December comprise: |  |  |
| Cash and cash equivalents as presented in the balance sheet | **5,327** | 2,444 |
| Bank overdrafts (secured) | **(1,262)** | (3,334) |
|  | **4,065** | (890) |

Group accounting policies

for the year ended 31 December 2017

Basis of accounting

The results for the year ended 31 December 2017 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. In applying the group's accounting policies and assessing areas of judgment and estimation materiality is applied as detailed on page 44 of the Audit Committee Report. The principal accounting policies are described below:

The group financial statements are presented in £ sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise stated.

The functional currency for each entity in the group, and for joint arrangements and associates, is the currency of the country in which the entity has been incorporated. Details of which country each entity has been incorporated can be found in Note 14 for subsidiaries and Note 13 for joint arrangements and associates.

The exchange rates used in the accounts were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **£1 Sterling: Rand** | **£1 Sterling: Dollar** |  |  |
|  | **2017** | 2016 | **2017** | 2016 |
| Year-end rate | **16.6686** | 16.9472 | **1.35028** | 1.23321 |
| Annual average | **17.1540** | 19.9269 | **1.29174** | 1.35477 |

Going concern

The group has prepared cash flow forecasts which demonstrate that the group has sufficient resources to meet its liabilities as they fall due for at least the next 12 months.

In South Africa, a structured trade finance facility for R100million is held by Black Wattle Colliery (Pty) Limited ("Black Wattle") with Absa Bank Limited, a South African subsidiary of Barclays Bank PLC. The facility is renewable annually at 30 June and is secured against inventory, debtors and cash that are held in the group's South African operations. The Directors do not foresee any reason why the facility will not continue to be renewed at the next renewal date, in line with prior periods and based on their banking relationships. This facility comprises of a R80million revolving facility to cover the working capital requirements of the group's South African operations, and a R20million loan facility to cover guarantee requirements related to the group's South African mining operations.

The directors expect that that the coal market conditions experienced by Black Wattle Colliery, its direct mining asset, in the second half of 2017 and the first quarter of 2018 will be similar going into the remainder of 2018. The directors therefore have a reasonable expectation that the mine will achieve positive levels of cash generation for the group in 2018. As a consequence, the directors believe that the group is well placed to manage its South African business risks successfully.

In the UK, a £6 million term loan facility repayable in December 2019 is held with Santander Bank PLC. The loan is secured against the company's UK retail property portfolio. The amount repayable on the loan at year end was £5.9million (2016: £5.9million). The debt package has a five year term and is repayable at the end of the term. The interest cost of the loan is 2.35% above LIBOR.

If required, the group has sufficient financial resources available at short notice including cash, available-for-sale investments and its £2m loan to Dragon Retail Properties Limited which is repayable on demand. In addition its investment property assets benefit from long term leases with the majority of its tenants.

As a result of the banking facilities held as well as the acceptable levels of profitability and cash generation the group's South African operations is expected to achieve for the next 12 months, the Directors believe that the group has adequate resources to continue in operational existence for the foreseeable future and that the group is well placed to manage its business risks. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

International Financial Reporting Standards (IFRS)

The Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") that are relevant to its operations and effective for accounting periods beginning 1 January 2017. An amendment to IAS 7 "Statement of Cash Flows: Disclosure Initiative", which is mandatory for 2017, requires entities to provide disclosures about changes in liabilities arising from financing activities, including changes from financing cash flows and non-cash changes (such as foreign exchange gains or losses). This amendment has been endorsed by the EU. The adoption of this amendment and other new and revised Standards and Interpretations had no material effect on the profit or loss or financial position of the Group.

The Group has not adopted any Standards or Interpretations in advance of the required implementation dates.

IFRS 15 'Revenue from Contracts with Customers' was issued by the IASB in May 2014. It is effective for accounting periods beginning on or after 1 January 2018. The new standard will replace existing accounting standards, and provides enhanced detail on the principle of recognising revenue to reflect the transfer of goods and services to customers at a value which the company expects to be entitled to receive. The standard also updates revenue disclosure requirements. The standard was endorsed by the EU on 22 September 2017. The Directors are continuing to assess the impact of IFRS 15 on the results of the Group. Whilst management do not envisage a material impact, the impact of adopting this standard cannot be reliably estimated until the transition review is complete.

IFRS 9 was published in July 2014 and will be effective for the group from 1 January 2018. The standard was endorsed by the EU on 22 November 2017. It is applicable to financial assets and financial liabilities, and covers the classification, measurement, impairment and de-recognition of financial assets and financial liabilities together with a new hedge accounting model. IFRS 9 also introduces the expected credit loss model for impairment of financial assets. Application of the IFRS 9 impairment model is expected to have minimal impact given the Group's credit risk management policies. The Directors are continuing to assess the impact on the results of the Group and will complete the assessment during H1 2018.

IFRS 16 'Leases' - IFRS 16 'Leases' was issued by the IASB in January 2017 and is effective for accounting periods beginning on or after 1 January 2019. The new standard will replace IAS 17 'Leases' and will eliminate the classification of leases as either operating leases or finance leases and, instead, introduce a single lessee accounting model. The standard, which has been endorsed by the EU, provides a single lessee accounting model, specifying how leases are recognised, measured, presented and disclosed. The Directors are currently evaluating the financial and operational impact of this standard including the application to service contracts at the mine containing leases. The review of the impact of IFRS 16 will require an assessment of all leases and the impact of adopting this standard cannot be reliably estimated until this work is substantially complete.

The Directors do not anticipate that the adoption of the other standards and interpretations not listed above will have a material impact on the accounts. Certain of these standards and interpretations will, when adopted, require addition to or amendment of disclosures in the accounts.

We are committed to improving disclosure and transparency and will continue to work with our different stakeholders to ensure they understand the detail of these accounting changes. We continue to remain committed to a robust financial policy

Key judgements and estimates

Areas where key estimates and judgements are considered to have a significant effect on the amounts recognised in the financial statements include:

Life of mine and reserves

The directors consider their judgements and estimates surrounding the life of the mine and its reserves to have significant effect on the amounts recognised in the financial statements and to be an area where the financial statements are at most risk of a significant estimation uncertainty. The life of mine remaining is currently estimated at 4 years. This life of mine is based on the groups existing coal reserves and excludes future coal purchases and coal reserve acquisitions. The group's estimates of proven and probable reserves are prepared and subject to assessment by an independent Competent Person experienced in the field of coal geology and specifically opencast and pillar coal extraction. Estimates of coal reserves impact assessments of the carrying value of property, plant and equipment, depreciation calculations and rehabilitation and decommissioning provisions. There are numerous uncertainties inherent in estimating coal reserves and changes to these assumptions may result in restatement of reserves. These assumptions include geotechnical factors as well as economic factors such as commodity prices, production costs and yield.

Depreciation, amortisation of mineral rights, mining development costs and plant & equipment

The annual depreciation/amortisation charge is dependent on estimates, including coal reserves and the related life of mine, expected development expenditure for probable reserves, the allocation of certain assets to relevant ore reserves and estimates of residual values of the processing plant. The charge can fluctuate when there are significant changes in any of the factors or assumptions used, such as estimating mineral reserves which in turn affects the life of mine or the expected life of reserves. Estimates of proven and probable reserves are prepared by an independent Competent Person. Assessments of depreciation/amortisation rates against the estimated reserve base are performed regularly. Details of the depreciation/amortisation charge can be found in note 11.

Provision for mining rehabilitation including restoration and de-commissioning costs

A provision for future rehabilitation including restoration and decommissioning costs requires estimates and assumptions to be made around the relevant regulatory framework, the timing, extent and costs of the rehabilitation activities and of the risk free rates used to determine the present value of the future cash outflows. The provisions, including the estimates and assumptions contained therein, are reviewed regularly by management. The group engages an independent expert to assess the cost of restoration and decommissioning annually as part of management's assessment of the provision. Details of the provision for mining rehabilitation can be found in note 20.

Impairment

Property, plant and equipment representing the group's mining assets in South Africa are reviewed for impairment at each reporting date. The impairment test is performed using the approved Life of Mine ***plan*** and those future cash flow estimates are discounted using asset specific discount rates and are based on expectations about future operations. The impairment test requires estimates about production and sales volumes, commodity prices, proven and probable reserves (as assessed by the Competent Person), operating costs and capital expenditures necessary to extract reserves in the approved Life of Mine ***plan***. Changes in such estimates could impact recoverable values of these assets. Details of the carrying value of property, plant and equipment can be found in note 11.

The impairment test indicated significant headroom as at 31 December 2017 and therefore no impairment is considered appropriate. The key assumptions include: coal prices, including domestic coal prices based on recent pricing and assessment of market forecasts for export coal; production based on proven and probable reserves assessed by the independent Competent Person and yields associated with mining areas based on assessments by the Competent Person and empirical data. A 9% reduction in average forecast coal prices or a 9% reduction in yield would give rise to a breakeven scenario. However, the directors consider the forecasted yield levels and pricing to be achievable.

Fair value measurements of investment properties

An assessment of the fair value of investment properties, is required to be performed. In such instances, fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged between market participants. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However, such information is by nature subject to uncertainty. The directors note that the fair value measurement of the investment properties, can be considered to be less judgemental where external valuers have been used and as a result of the nature of the underlying assets. The fair value of investment property is set out in note 10, whilst the carrying value of investments in joint ventures which themselves include investment property held at fair value by the joint venture is set out at note 12.

Write off of Ezimbokodweni joint venture

During the year the group wrote off its £1.8million (2016: £1.8million) investment in Ezimbokodweni Mining (Pty) Limited ("Ezimbokodweni") made up of a £1.4million loan (2016: £1.4million) and a £0.4million (2016: £0.4million) joint venture investment.

The carrying value of the investment was dependent upon the completion of the acquisition of the Pegasus coal project ("the project") in South Africa. Although a proposed sale and purchase agreement had been negotiated and a deposit paid for the project, the conclusion of the transaction had been delayed pending the commercial transfer of the prospecting right from the current owners of the project to Ezimbokodweni. Although the group has always remained committed to completing the transaction, previous negotiations to complete the commercial acquisition of the project had been beset by various delays outside of its control and at the beginning of 2017, the current owners of the project notified Ezimbokodweni that they no longer wished to divest the project. More recently, the group was notified that an agreement was reached between the current owners of the project and the directors   of Ezimbokodweni for the deposit for the project to be returned and any further negotiations with Ezimbokodweni to acquire the project to be terminated.

Although, a legal claim by the group has been issued against Ezimbokodweni and its representatives, in order for the group to recover some of the investment, the board has exercised significant judgement in considering it to be appropriate to write off the investment in full in the 2017 year end.

BASIS of consolidation

The group accounts incorporate the accounts of Bisichi Mining PLC and all of its subsidiary undertakings, together with the group's share of the results of its joint ventures. Non-controlling interests in subsidiaries are presented separately from the equity attributable to equity owners of the parent company. On acquisition of a non-wholly owned subsidiary, the non-controlling shareholders' interests are initially measured at the non-controlling interests' proportionate share of the fair value of the subsidiaries net assets. Thereafter, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. For subsequent changes in ownership in a subsidiary that do not result in a loss of control, the consideration paid or received is recognised entirely in equity.

The definition of control assumes the simultaneous fulfilment of the following three criteria:

The parent company holds decision-making power over the relevant activities of the investee,The parent company has rights to variable returns from the investee, andThe parent company can use its decision-making power to affect the variable returns.

Investees are analysed for their relevant activities and variable returns, and the link between the variable returns and the extent to which their relevant activities could be influenced in order to ensure the definition is correctly applied.

Revenue

Revenue comprises sales of coal and property rental income. Revenue is recognised when the customer has a legally binding obligation to settle under the terms of the contract and has assumed all significant risks and rewards of ownership.

Revenue is only recognised on individual sales of coal when all of the significant risks and rewards of ownership have been transferred to a third party. Export revenue is generally recognised when the product is delivered to the export terminal location specified by the customer, at which point the customer assumes risks and rewards under the contract. Domestic coal revenues are generally recognised on collection by the customer from the mine when loaded into transport, where the customer pays the transportation costs.

Rental income which excludes services charges recoverable from tenants, is recognised in the group income statement on a straight-line basis over the term of the lease. This includes the effect of lease incentives.

Expenditure

Expenditure is recognised in respect of goods and services received. Where coal is purchased from third parties at point of extraction the expenditure is only recognised when the coal is extracted and all of the significant risks and rewards of ownership have been transferred.

Investment properties

Investment properties comprise freehold and long leasehold land and buildings. Investment properties are carried at fair value in accordance with IAS 40 'Investment Properties'. Properties are recognised as investment properties when held for long-term rental yields, and after consideration has been given to a number of factors including length of lease, quality of tenant and covenant, value of lease, management intention for future use of property, ***planning*** consents and percentage of property leased. Investment properties are revalued annually by professional external surveyors and included in the balance sheet at their fair value. Gains or losses arising from changes in the fair values of assets are recognised in the consolidated income statement in the period to which they relate. In accordance with IAS 40, investment properties are not depreciated. The fair value of the head leases is the net present value of the current head rent payable on leasehold properties until the expiry of the lease.

Mining reserves, plant and equipment

The cost of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in accordance with agreed specifications. Freehold land is not depreciated. Other property, plant and equipment is stated at historical cost less accumulated depreciation. The cost recognised includes the recognition of any decommissioning assets related to property, plant and equipment.

Mine reserves and development cost

The purpose of mine development is to establish secure working conditions and infrastructure to allow the safe and efficient extraction of recoverable reserves. Depreciation on mine development is not charged until production commences or the assets are put to use. On commencement of full commercial production, depreciation is charged over the life of the associated mine reserves extractable using the asset on a unit of production basis. The unit of production calculation is based on tonnes mined as a ratio to proven and probable reserves and also includes future forecast capital expenditure. The cost recognised includes the recognition of any decommissioning assets related to mine development.

Post production stripping

In surface mining operations, the group may find it necessary to remove waste materials to gain access to coal reserves prior to and after production commences. Prior to production commencing, stripping costs are capitalised until the point where the overburden has been removed and access to the coal seam commences. Subsequent to production, waste stripping continues as part of extraction process as a mining production activity. There are two benefits accruing to the group from stripping activity during the production phase: extraction of coal that can be used to ***produce*** inventory and improved access to further quantities of material that will be mined in future periods. Economic coal extracted is accounted for as inventory. The production stripping costs relating to improved access to further quantities in future periods are capitalised as a stripping activity asset, if and only if, all of the following are met:

it is probable that the future economic benefit associated with the stripping activity will flow to the group;the group can identify the component of the ore body for which access has been improved; andthe costs relating to the stripping activity associated with that component or components can be measured reliably.

In determining the relevant component of the coal reserve for which access is improved, the group componentises its mine into geographically distinct sections or phases to which the stripping activities being undertaken within that component are allocated. Such phases are determined based on assessment of factors such as geology and mine ***planning***.

The group depreciates deferred costs capitalised as stripping assets on a unit of production method, with reference the tons mined and reserve of the relevant ore body component or phase. The cost is recognised within Mine development costs within the balance sheet.

Other assets and depreciation

The cost, less estimated residual value, of other property, plant and equipment is written off on a straight-line basis over the asset's expected useful life. This includes the washing plant and other key surface infrastructure. Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Changes to the estimated residual values or useful lives are accounted for prospectively. Heavy surface mining and other plant and equipment is depreciated at varying rates depending upon its expected usage.

The depreciation rates generally applied are:

|  |  |
| --- | --- |
| Mining equipment | 5 - 10 per cent per annum, but shorter of its useful life or the life of the mine |
| Motor vehicles | 25 - 33 per cent per annum |
| Office equipment | 10 - 33 per cent per annum |

Provisions

Provisions are recognised when the group has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated.

A provision for rehabilitation of the mine is initially recorded at present value and the discounting effect is unwound over time as a finance cost. Changes to the provision as a result of changes in estimates are recorded as an increase / decrease in the provision and associated decommissioning asset. The decommissioning asset is depreciated in line with the group's depreciation policy over the life of mine. The provision includes the restoration of the underground, opencast, surface operations and de-commissioning of plant and equipment. The timing and final cost of the rehabilitation is uncertain and will depend on the duration of the mine life and the quantities of coal extracted from the reserves.

Employee benefits

Share based remuneration

The company operates a share option scheme. The fair value of the share option scheme is determined at the date of grant. This fair value is then expensed on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest. The fair value of options granted is calculated using a binomial or Black-Scholes-Merton model. Payments made to employees on the cancellation or settlement of options granted are accounted for as the repurchase of an equity interest, ie as a deduction from equity. Details of the share options in issue are disclosed in the Directors' Remuneration Report on page 37 under the heading Share option schemes which is within the audited part of that report.

Pensions

The group operates a defined contribution pension scheme. The contributions payable to the scheme are expensed in the period to which they relate.

Foreign currencies

Monetary assets and liabilities are translated at year end exchange rates and the resulting exchange rate differences are included in the consolidated income statement within the results of operating activities if arising from trading activities, including inter-company trading balances and within finance cost/income if arising from financing.

For consolidation purposes, income and expense items are included in the consolidated income statement at average rates, and assets and liabilities are translated at year end exchange rates. Translation differences arising on consolidation are recognised in other comprehensive income. Foreign exchange differences on intercompany loans are recorded in other comprehensive income when the loans are not considered as trading balances and are not expected to be repaid in the foreseeable future. Where foreign operations are disposed of, the cumulative exchange differences of that foreign operation are recognised in the consolidated income statement when the gain or loss on disposal is recognised.

Transactions in foreign currencies are translated at the exchange rate ruling on transaction date.

Financial instruments

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Bank loans and overdrafts

Bank loans and overdrafts are included as financial liabilities on the group balance sheet at the amounts drawn on the particular facilities net of the unamortised cost of financing. Interest payable on those facilities is expensed as finance cost in the period to which it relates.

Finance lease liabilities

Finance lease liabilities arise for those investment properties held under a leasehold interest and accounted for as investment property. The liability is initially calculated as the present value of the minimum lease payments, reducing in subsequent reporting periods by the apportionment of payments to the lessor.

Available for sale investments

Financial assets available for sale are measured at fair value. Any changes in fair value above cost are recognised in other comprehensive income and accumulated in the available-for-sale reserve. For any changes in fair value below cost a provision for impairment is recognised in the profit or loss account.

Other investments classified as non-current available for sale investments comprise of shares in listed companies and are carried at fair value.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated recoverable amounts as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

Other financial assets and liabilities

The groups other financial assets and liabilities not disclosed above are accounted for at amortised cost.

Joint ventures

Investments in joint ventures, being those entities over whose activities the group has joint control, as established by contractual agreement, are included at cost together with the group's share of post-acquisition reserves, on an equity basis. Dividends received are credited against the investment. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when decisions about relevant ***strategic*** and/or key operating decisions require unanimous consent of the parties sharing control. Control over the arrangement is assessed by the group in accordance with the definition of control under IFRS 10. Loans to joint ventures are classified as non-current assets when they are not expected to be received in the normal working capital cycle. Trading receivables and payables to joint ventures are classified as current assets and liabilities.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and overheads relevant to the stage of production. Cost is determined using the weighted average method. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Impairment

Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. This includes mining reserves, plant and equipment and net investments in joint ventures. A review involves determining whether the carrying amounts are in excess of their recoverable amounts. An asset's recoverable amount is determined as the higher of its fair value less costs of disposal and its value in use. Such reviews are undertaken on an asset-by-asset basis, except where assets do not generate cash flows independent of other assets, in which case the review is undertaken on a cash generating unit basis.

If the carrying amount of an asset exceeds its recoverable amount an asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less cost to sell and value in use) if that is less than the asset's carrying amount. Any change in carrying value is recognised in the comprehensive income statement.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the tax computations, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. In respect of the deferred tax on the revaluation surplus, this is calculated on the basis of the chargeable gains that would crystallise on the sale of the investment portfolio as at the reporting date. The calculation takes account of indexation on the historical cost of the properties and any available capital losses.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the group income statement, except when it relates to items charged or credited directly to other comprehensive income, in which case it is also dealt with in other comprehensive income.

Dividends

Dividends payable on the ordinary share capital are recognised as a liability in the period in which they are approved.

Cash and cash equivalents

Cash comprises cash in hand and on-demand deposits. Cash and cash equivalents comprises short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and original maturities of three months or less. The cash and cash equivalents shown in the cashflow statement are stated net of bank overdrafts that are repayable on demand as per IAS 7. This includes the structured trade finance facility held in South Africa as detailed in note 21. These facilities are considered to form an integral part of the treasury management of the group and can fluctuate from positive to negative balances during the period.

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs of sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property which continue to be measured in accordance with the group's other accounting policies.

Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investment is no longer equity accounted.

Segmental reporting

For management reporting purposes, the group is organised into business segments distinguishable by economic activity. The group's only business segments are mining activities and investment properties. These business segments are subject to risks and returns that are different from those of other business segments and are the primary basis on which the group reports its segment information. This is consistent with the way the group is managed and with the format of the group's internal financial reporting. Significant revenue from transactions with any individual customer, which makes up 10 percent or more of the total revenue of the group, is separately disclosed within each segment. All coal exports are sales to coal traders at Richard Bay's terminal in South Africa with the risks and rewards passing to the coal trader at the terminal. Whilst the coal traders will ultimately sell the coal on the international markets the Company has no visibility over the ultimate destination of the coal. Accordingly, the export sales are recorded as South African revenue.

Notes to the financial statements

for the year ended 31 December 2017

1. SEGMENTAL REPORTING

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017** |  |  |  |
| **Business analysis** | Mining  £'000 | Property  £'000 | Other  £'000 | **Total**  **£'000** |
| Significant revenue customer A | 27,528 | - | - | **27,528** |
| Significant revenue customer B | 7,226 | - | - | **7,226** |
| Significant revenue customer C | 412 | - | - | **412** |
| Other revenue | 1,134 | 1,125 | 34 | **2,293** |
| **Segment revenue** | 36,300 | 1,125 | 34 | **37,459** |
| Operating (loss)/profit before fair value adjustments & exchange movements | 3,104 | 897 | 28 | **4,029** |
| Revaluation of investments & exchange movements | (256) | (13) | 3 | **(266)** |
| **Operating profit and segment result** | 2,848 | 884 | 31 | **3,763** |
| **Segment assets** | 13,500 | 13,803 | 3,050 | **30,353** |
|  |  |  |  |  |
| **Unallocated assets** |  |  |  |  |
| - Non-current assets |  |  |  | **3** |
| - Cash & cash equivalents |  |  |  | **5,327** |
| **Total assets excluding investment in joint ventures and assets held for sale** |  |  |  | **35,683** |
| Segment liabilities | (9,238) | (2,270) | (214) | **(11,722)** |
| Borrowings | (1,329) | (5,832) | - | **(7,161)** |
| **Total liabilities** | (10,567) | (8,102) | (214) | **(18,883)** |
| **Net assets** |  |  |  | **16,800** |
| **Non segmental assets** |  |  |  |  |
| - Investment in joint ventures |  |  |  | **874** |
| **Net assets as per balance sheet** |  |  |  | **17,674** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Geographic analysis** | United  Kingdom  £'000 | South  Africa  £'000 | **Total**  **£'000** |
| Revenue | 1,159 | 36,300 | **37,459** |
| Operating profit/(loss) and segment result | 854 | 2,909 | **3,763** |
| Non-current assets excluding investments | 13,400 | 8,610 | **22,010** |
| Total net assets | 13,416 | 4,258 | **17,674** |
| Capital expenditure | 13 | 1,741 | **1,754** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2016** |  |  |  |
| **Business analysis** | Mining  £'000 | Property  £'000 | Other  £'000 | **Total**  **£'000** |
| Significant revenue customer A | 14,543 | - | - | **14,543** |
| Significant revenue customer B | 4,581 | - | - | **4,581** |
| Significant revenue customer C | 445 | - | - | **445** |
| Other revenue | 2,134 | 1,084 | 28 | **3,246** |
| **Segment revenue** | 21,703 | 1,084 | 28 | **22,815** |
| Operating (loss)/profit before fair value adjustments & exchange movements | (1,030) | 736 | 25 | **(269)** |
| Revaluation of investments & exchange movements | 449 | 445 | 12 | **906** |
| **Operating (loss)/profit and segment result** | (581) | 1,181 | 37 | **637** |
| **Segment assets** | 15,082 | 13,889 | 2,781 | **31,752** |
|  |  |  |  |  |
| **Unallocated assets** |  |  |  |  |
| - Non-current assets |  |  |  | **6** |
| - Cash & cash equivalents |  |  |  | **2,444** |
| **Total assets excluding investment in joint ventures and assets held for sale** |  |  |  | **34,202** |
| Segment liabilities | (8,098) | (2,320) | (215) | **(10,633)** |
| Borrowings | (3,424) | (5,810) | - | **(9,234)** |
| **Total liabilities** | (11,522) | (8,130) | (215) | **(19,867)** |
| **Net assets** |  |  |  | **14,335** |
| **Non segmental assets** |  |  |  |  |
| - Investment in joint ventures |  |  |  | **1,321** |
| - Loan to joint venture |  |  |  | **1,350** |
| **Net assets as per balance sheet** |  |  |  | **17,006** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Geographic analysis** | United  Kingdom  £'000 | South  Africa  £'000 | **Total**  **£'000** |
| Revenue | 1,112 | 21,703 | **22,815** |
| Operating profit/(loss) and segment result | 1,231 | (595) | **636** |
| Non-current assets excluding investments | 13,432 | 8,517 | **21,949** |
| Total net assets | 12,291 | 4,715 | **17,006** |
| Capital expenditure | 1 | 2,858 | **2,859** |

2. OPERATING COSTS

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Mining | **25,664** | 16,184 |
| Property | **151** | 211 |
| Cost of sales | **25,815** | 16,395 |
| Administration | **7,615** | 6,689 |
| **Operating costs** | **33,430** | 23,084 |
| The direct property costs are: |  |  |
| Ground rent | **8** | 10 |
| Direct property expense | **130** | 177 |
| Bad debts | **13** | 24 |
|  | **151** | 211 |

Operating costs above include depreciation of £1,790,000 (2016: £1,785,000).

3. (LOSS)/GAIN ON REVALUATION OF INVESTMENT PROPERTIES

The reconciliation of the investment surplus to the gain on revaluation of investment properties in the income statement is set out below:

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Investment surplus | **16** | 458 |
| Loss on valuation movement in respect of head lease payments | **(29)** | (13) |
| **(Loss)/gain on revaluation of investment properties** | **(13)** | 445 |

4. PROFIT/(LOSS) BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Staff costs (see note 28) | **6,396** | 5,321 |
| Depreciation | **1,790** | 1,785 |
| Exchange loss/(gain) | **256** | (449) |
| Fees payable to the company's auditor for the audit of the company's annual accounts | **41** | 40 |
| Fees payable to the company's auditor and its associates for other services: |  |  |
| The audit of the company's subsidiaries pursuant to legislation | **10** | 10 |
| Audit related services | **1** | 32 |
| Non-audit related services | **1** | - |

The directors consider the auditors were best placed to provide the above non-audit and audit related services which refer to regulatory matters. The audit committee reviews the nature and extent of non-audit services to ensure that independence is maintained.

5. DIRECTORS' EMOLUMENTS

Directors' emoluments are shown in the Directors' remuneration report on page 36 which is within the audited part of that report.

6.   INTEREST PAYABLE

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| On bank overdrafts and bank loans | **443** | 395 |
| Unwinding of discount | **92** | 78 |
| Other interest payable | **129** | 81 |
| **Interest payable** | **664** | 554 |

7. TAXATION

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
|  |  |  |
| **(a) Based on the results for the year:** |  |  |
| Current tax - UK | **231** | 10 |
| Current tax - Overseas | **136** | 60 |
| Corporation tax - adjustment in respect of prior year - UK | **(5)** | - |
| Current tax | **362** | 70 |
| Deferred tax | **202** | (131) |
| **Total tax in income statement charge / (credit)** | **564** | (61) |

 The 2016 deferred tax recognised in income of £131,000 includes a credit of £168,000 arising on the correction of an error in the calculation of deferred tax in 2015 related to the accounting of a deferred tax liability incorrectly recognised in respect of management fees. The company adjusted the effect of this error in its 2016 financial statements by reducing the tax charge for the year by £168,000 and reducing the associated deferred tax liability as it was not considered to be material to the current or prior year financial statements.

(b) Factors affecting tax charge for the year:

The corporation tax assessed for the year is different from that at the standard rate of corporation tax in the United Kingdom of 19.25% (2016: 20%).

The differences are explained below:

|  |  |  |
| --- | --- | --- |
| Profit/(Loss) on ordinary activities before taxation | **1,485** | 346 |
| Tax on profit on ordinary activities at 19.25% (2016: 20%) | **286** | 69 |
| Effects of: |  |  |
| Expenses not deductible for tax purposes | **107** | 20 |
| Capital gains on disposal | **-** | 153 |
| Adjustment to tax rate | **201** | (117) |
| Other differences | **(27)** | (32) |
| Adjustment in respect of prior years | **(3)** | (154) |
| **Total tax in income statement (credit) / charge** | **564** | (61) |

 (c) Analysis of United Kingdom and overseas tax:

United Kingdom tax included in above:

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Corporation tax | **231** | 10 |
| Adjustment in respect of prior years | **(5)** | - |
| Current tax | **226** | 10 |
| Deferred tax | **(197)** | 8 |
|  | **29** | 18 |
| Overseas tax included in above: |  |  |
| Current tax | **136** | 60 |
| Deferred tax | **399** | (139) |
|  | **535** | (79) |

8. DIVIDENDS PAID

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017**  **Per share** | **2017**  **£'000** | 2016  Per share | 2016  £'000 |
| Dividends paid during the year relating to the prior period | **4.00p** | **427** | 4.00p | 427 |
| Dividends relating to the current period: |  |  |  |  |
| Interim dividend for 2017 paid on 9 February 2018 | **1.00p** | **107** | 1.00p | 107 |
| Proposed final dividend for 2017 | **3.00p** | **320** | 3.00p | 320 |
| Proposed special dividend for 2017 | **1.00p** | **107** | - | - |
|  | **5.00p** | **534** | 4.00p | 427 |

The dividends relating to the current period are not accounted for until they have been approved at the Annual General Meeting. The amount, in respect of 2017, will be accounted for as an appropriation of retained earnings in the year ending 31 December 2018.

9.   PROFIT AND DILUTED PROFIT PER SHARE

Both the basic and diluted profit per share calculations are based on a profit of £749,000 (2016: £479,000). The basic profit per share has been calculated on a weighted average of 10,676,839 (2016: 10,676,839) ordinary shares being in issue during the period. The diluted profit per share has been calculated on the weighted average number of shares in issue of 10,676,839 (2016: 10,676,839) plus the dilutive potential ordinary shares arising from share options of nil (2016: nil) totalling 10,676,839 (2016: 10,676,839).

Share options exercisable as at 31 December 2017 do not have a dilutive effect as the average market price of ordinary shares during the period does not exceed the exercise price of the options.

10. INVESTMENT PROPERTIES

|  |  |  |  |
| --- | --- | --- | --- |
|  | Freehold  £'000 | Long  Leasehold  £'000 | **Total**  **£'000** |
| Valuation at 1 January 2017 | 10,550 | 2,695 | **13,245** |
| Additions | 13 | - | **13** |
| Revaluation | (13) | - | **(13)** |
| **Valuation at 31 December 2017** | **10,550** | **2,695** | **13,245** |
|  |  |  |  |
| Valuation at 1 January 2016 | 10,150 | 2,650 | **12,800** |
| Revaluation | 400 | 45 | **445** |
| **Valuation at 31 December 2016** | **10,550** | **2,695** | **13,245** |
| Historical cost |  |  |  |
| **At 31 December 2017** | **5,836** | **728** | **6,564** |
| At 31 December 2016 | 5,823 | 728 | **6,551** |

Long leasehold properties are those for which the unexpired term at the balance sheet date is not less than 50 years. All investment properties are held for use in operating leases and all properties generated rental income during the period.

Freehold and Long Leasehold properties were externally professionally valued at 31 December on an open market basis by:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |  |
| Carter Towler | **13,245** | 13,245 |  |
|  |  |  |  |

The valuations were carried out in accordance with the Statements of Asset Valuation and Guidance Notes published by The Royal Institution of Chartered Surveyors.

Each year external valuers are appointed by the Executive Directors on behalf of the Board. The valuers are selected based upon their knowledge, independence and reputation for valuing assets such as those held by the group.

Valuations are performed annually and are performed consistently across all investment properties in the group's portfolio. At each reporting date appropriately qualified employees of the group verify all significant inputs and review the computational outputs. Valuers submit their report to the Board on the outcome of each valuation round.

Valuations take into account tenure, lease terms and structural condition. The inputs underlying the valuations include market rent or business profitability, likely incentives offered to tenants, forecast growth rates, yields, EBITDA, discount rates, construction costs including any specific site costs (for example section 106), professional fees, developer's profit including contingencies, ***planning*** and construction timelines, lease regear costs, ***planning*** risk and sales prices based on known market transactions for similar properties to those being valued.

Valuations are based on what is determined to be the highest and best use. When considering the highest and best use a valuer will consider, on a property by property basis, its actual and potential uses which are physically, legally and financially viable. Where the highest and best use differs from the existing use, the valuer will consider the cost and likelihood of achieving and implanting this change in arriving at its valuation.

There are often restrictions on Freehold and Leasehold property which could have a material impact on the realisation of these assets. The most significant of these occur when ***planning*** permission or lease extension and renegotiation of use are required or when a credit facility is in place. These restrictions are factored in the property's valuation by the external valuer.

IFRS 13 sets out a valuation hierarchy for assets and liabilities measured at fair value as follows:

Level 1:   valuation based on inputs on quoted market prices in active markets

Level 2:   valuation based on inputs other than quoted prices included within level 1 that maximise the use of observable data directly or from market prices or indirectly derived from market prices.

Level 3:   where one or more Significant inputs to valuations are not based on observable market data

The inter-relationship between key unobservable inputs and the groups' properties is detailed in the table below:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Class of property Level 3** | **Valuation technique** | **Key unobservable inputs** | **Carrying/**  **fair value**  **2017**  **£'000** | Carrying/  fair value  2016  £'000 | **Range**  **(weighted**  **average)**  **2017** | Range  (weighted  average)  2016 |
| Freehold - external valuation | Income capitalisation | Estimated rental  value per sq ft p.a | **10,550** | 10,550 | **£7 - £25**  **(£18)** | £7 - £27  (£20) |
|  |  | Equivalent Yield |  |  | **7.1% - 11.0%**  **(8.7%)** | 7.8% - 11.0%  (8.9%) |
| Long leasehold - external valuation | Income capitalisation | Estimated rental  value per sq ft p.a | **2,695** | 2,695 | **£8 - £8**  **(£8)** | £8 - £8  (£8) |
|  |  | Equivalent yield |  |  | **7.7% - 7.7%**  **(7.7%)** | 7.6% - 7.6%  (7.6%) |
| **At 31 December 2017** |  |  | **13,245** | 13,245 |  |  |

There are interrelationships between all these inputs as they are determined by market conditions. The existence of an increase in more than one input would be to magnify the input on the valuation. The impact on the valuation will be mitigated by the interrelationship of two inputs in opposite directions, for example, an increase in rent may be offset by an increase in yield.

The table below illustrates the impact of changes in key unobservable inputs on the carrying / fair value of the group's properties:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Estimated rental value**  **10% increase or decrease** | **Equivalent yield**  **25 basis point contraction or expansion** |  |  |
|  | **2017**  **£'000** | 2016  £'000 | **2017**  **£'000** | 2016  £'000 |
| Freehold - external valuation | **1,055 / (1,055)** | 1,055 / (1,055) | **331 / (311)** | 316 / (298) |
| Long Leasehold - external valuation | **270 / (270)** | 270 / (270) | **90 / (85)** | 92 / (86) |

11. MINING RESERVES, PLANT AND EQUIPMENT

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Mining  reserves  £'000 | Mining  equipment and development costs  £'000 | Motor  vehicles  £'000 | Office  equipment  £'000 | **Total**  **£'000** |
| Cost at 1 January 2017 | 1,345 | 23,724 | 235 | 146 | **25,450** |
| Exchange adjustment | 22 | 447 | 3 | 2 | **474** |
| Additions | - | 1,731 | - | 10 | **1,741** |
| Disposals | - | - | (38) | - | **(38)** |
| **Cost at 31 December 2017** | **1,367** | **25,902** | **200** | **158** | **27,627** |
|  |  |  |  |  |  |
| Accumulated depreciation at 1 January 2017 | 1,287 | 15,370 | 154 | 119 | **16,930** |
| Exchange adjustment | 21 | 308 | 2 | 1 | **332** |
| Charge for the year | 1 | 1,763 | 17 | 9 | **1,790** |
| Disposals | - | - | (38) | - | **(38)** |
| **Accumulated depreciation at 31 December 2017** | **1,309** | **17,441** | **135** | **129** | **19,014** |
| **Net book value at 31 December 2017** | **58** | **8,461** | **65** | **29** | **8,613** |
| Cost at 1 January 2016 | 995 | 15,453 | 150 | 120 | **16,718** |
| Exchange adjustment | 350 | 5,858 | 47 | 19 | **6,274** |
| Additions | - | 2,814 | 38 | 7 | **2,859** |
| Disposals | - | (401) | - | - | **(401)** |
| **Cost at 31 December 2016** | **1,345** | **23,724** | **235** | **146** | **25,450** |
|  |  |  |  |  |  |
| Accumulated depreciation at 1 January 2016 | 949 | 10,201 | 99 | 95 | **11,344** |
| Exchange adjustment | 336 | 3,824 | 28 | 14 | **4,202** |
| Charge for the year | 2 | 1,746 | 27 | 10 | **1,785** |
| Disposals | - | (401) | - | - | **(401)** |
| **Accumulated depreciation at 31 December 2016** | **1,287** | **15,370** | **154** | **119** | **16,930** |
| **Net book value at 31 December 2016** | **58** | **8,354** | **81** | **27** | **8,520** |

12. INVESTMENTS HELD AS NON-CURRENT ASSETS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017**  **Net investment in joint**  **ventures**  **assets**  **£'000** | **2017**  **Other**  **£'000** | 2016  Net investment  in joint  ventures  assets  £'000 | 2016  Other  £'000 |
| At 1 January | **1,321** | **36** | 1,198 | 29 |
| Share of gain in investment | **-** | **19** | - | 6 |
| Exchange adjustment | **(8)** | **-** | 130 | 1 |
| Share of (loss)/gain in joint ventures | **8** | **-** | (7) | - |
| Write-off of investment | **(447)** | **-** | - | - |
| **Net assets at 31 December** | **874** | **55** | **1,321** | **36** |
|  |  |  |  |  |
| Loan to joint venture (Ezimbokodweni): |  |  |  |  |
| At 1 January | **1,350** | **-** | 900 | - |
| Exchange adjustments | **(16)** | **-** | 336 | - |
| Additions - interest | **46** | **-** | 114 | - |
| Write-off of loan | **(1,380)** | **-** | - | - |
| **At 31 December** | **-** | **-** | **1,350** | **-** |
| **At 31 December** | **874** | **55** | **2,671** | **36** |
|  |  |  |  |  |
| Provision for diminution in value: |  |  |  |  |
| At 1 January | **-** | **(4)** | - | (15) |
| Exchange adjustment | **-** | **-** | - | (1) |
| Write back/(down) of investment | **-** | **-** | - | 12 |
| **At 31 December** | **-** | **(4)** | **-** | **(4)** |
| **Net book value at 31 December** | **874** | **51** | **2,671** | **32** |

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Net book value of unquoted investments | **-** | - |
| Net book and market value of investments listed on overseas stock exchanges | **51** | 32 |
|  | **51** | **32** |

13. JOINT VENTURES

Dragon Retail Properties Limited

The company owns 50% of the issued share capital of Dragon Retail Properties Limited, an unlisted property investment company. At year end, the carrying value of the investment held by the group was £874,000 (2016: £866,000). The remaining 50% is held by London & Associated Properties PLC. Dragon Retail Properties Limited is incorporated in England and Wales and its registered address is 24 Bruton Place, London, W1J 6NE. It has issued share capital of 500,000 (2016: 500,000) ordinary shares of £1 each. No dividends were received during the period.

Ezimbokodweni Mining (Pty) Ltd

The company owned 49% of the issued share capital of Ezimbokodweni Mining (Pty) Limited ("Ezimbokodweni"), an unlisted coal exploration and development company incorporated in South Africa. During the year the group wrote off its net investment in Ezimbokodweni at a carrying value of £1,827,000. The write-off included a loan at an amount of a £1,380,000 as well as an equity investment of £447,000. At year end, the carrying value of the net investment, as disclosed in joint venture assets in note 12, is a loan to Ezimbokodweni of £nil (2016: £1,350,000) and an equity investment of £nil (2016: £455,000). Refer to page 62 for details regarding the write-off of the asset.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Dragon  50%  £'000 | Ezimbokodweni  49%  £'000 | **2017**  **£'000** | 2016  £'000 |
| **Turnover** | **83** | **-** | **83** | 86 |
| **Profit and loss** |  |  |  |  |
| Profit/(loss) before depreciation, interest and taxation | 26 | - | **26** | 12 |
| Depreciation and amortisation | (6) | - | **(6)** | (13) |
| Loss before interest and taxation | 20 | - | **20** | (1) |
| Interest Income | 68 | - | **68** | 69 |
| Interest expense | (83) | - | **(83)** | (85) |
| Loss before taxation | 5 | - | **5** | (17) |
| Taxation | 3 | - | **3** | 10 |
| **Loss after taxation** | **8** | **-** | **8** | (7) |
| **Balance sheet** |  |  |  |  |
| **Non-current assets** | **1,317** | **-** | **1,317** | 2,672 |
| Cash and cash equivalents | 46 | - | **46** | 61 |
| Other current assets | 1,218 | - | **1,218** | 1,165 |
| Current borrowings | - | - | **-** | - |
| Other current liabilities | (1,062) | - | **(1,062)** | (2,388) |
| **Net current assets** | **202** | **-** | **202** | (1,162) |
| Non-current borrowings | (609) | - | **(609)** | (603) |
| Other non-current liabilities | (36) | - | **(36)** | (41) |
| **Share of net assets at 31 December** | **874** | **-** | **874** | 866 |
| **Reconciliation of net assets to carrying value of joint venture assets:** |  |  |  |  |
| **Share of net assets at 31 December** | **874** | **-** | **874** | 866 |
| Pre-acquisition costs capitalised | - | - | **-** | 455 |
| **Carrying value of joint venture assets at 31 December** | **874** | **-** | **874** | 1,321 |

14. SUBSIDIARY COMPANIES

The company owns the following ordinary share capital of the subsidiaries which are included within the consolidated financial statements:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Activity | Percentage of  share capital | Registered address | Country of  incorporation |  |
| Mineral Products Limited | Share dealing | 100% | 24 Bruton Place, London, W1J6NE | England and Wales |  |
| Bisichi (Properties) Limited | Property | 100% | 24 Bruton Place, London, W1J6NE | England and Wales |  |
| Bisichi Northampton Limited | Property | 100% | 24 Bruton Place, London, W1J6NE | England and Wales |  |
| Bisichi Trustee Limited | Property | 100% | 24 Bruton Place, London, W1J6NE | England and Wales |  |
| Urban First (Northampton) Limited | Property | 100% | 24 Bruton Place, London, W1J6NE | England and Wales |  |
| Bisichi Mining (Exploration) Limited | Holding company | 100% | 24 Bruton Place, London, W1J6NE | England and Wales |  |
| Ninghi Marketing Limited | Dormant | 90.1% | 24 Bruton Place, London, W1J6NE | England and Wales |  |
| Bisichi Mining Managements Services Limited | Dormant | 100% | 24 Bruton Place, London, W1J6NE | England and Wales |  |
| Black Wattle Colliery (Pty) Limited | Coal mining | 62.5% | Samora Machel Street, Bethal Road, Middelburg, Mpumalanga, 1050 | South Africa |  |
| Bisichi Coal Mining (Pty) Limited | Coal mining | 100% | Samora Machel Street, Bethal Road, Middelburg, Mpumalanga, 1050 | South Africa |  |
| Black Wattle Klipfontein (Pty) Limited | Coal mining | 62.5% | Samora Machel Street, Bethal Road,  Middelburg, Mpumalanga, 1050 | South Africa |  |
| Amandla Ehtu Mineral Resource  Development (Pty) Limited | Dormant | 70% | Samora Machel Street, Bethal Road,  Middelburg, Mpumalanga, 1050 | South Africa |  |
|  |  |  |  |  |  |

Details on the non-controlling interest in subsidiaries are shown under note 26.

15. INVENTORIES

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| **Coal** |  |  |
| Washed | **301** | 1,139 |
| Mining Production | **286** | 83 |
| Work in progress | **227** | 458 |
| Other | **14** | 41 |
|  | **828** | 1,721 |

16. TRADE AND OTHER RECEIVABLES

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| **Amounts falling due within one year:** |  |  |
| Trade receivables | **3,908** | 4,076 |
| Amount owed by joint venture | **2,000** | 2,000 |
| Other receivables | **415** | 754 |
| Prepayments and accrued income | **94** | 416 |
|  | **6,417** | 7,246 |

17. AVAILABLE FOR SALE INVESTMENTS

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| **Market value of listed Investments:** |  |  |
| Listed in Great Britain | **1,003** | 721 |
| Listed outside Great Britain | **47** | 60 |
|  | **1,050** | 781 |
| Original cost of listed investments | **922** | 737 |
| Unrealised surplus / defecit of market value versus cost | **128** | 44 |

The Directors have reviewed the individual investments for impairment and do not consider the investments which are below cost to be impaired.

18. TRADE AND OTHER PAYABLES

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Trade payables | **3,771** | 3,610 |
| Amounts owed to joint ventures | **192** | 192 |
| Other payables | **1,402** | 1,422 |
| Accruals | **1,787** | 1,493 |
| Deferred Income | **229** | 233 |
|  | **7,381** | 6,950 |

19. FINANCIAL LIABILITIES - BORROWINGS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Current** | **Non-current** |  |  |
|  | **2017**  **£'000** | 2016  £'000 | **2017**  **£'000** | 2016  £'000 |
| Bank overdraft (secured) | **1,262** | 3,334 | **-** | - |
| Bank loan (secured) | **26** | 24 | **5,872** | 5,876 |
|  | **1,288** | 3,358 | **5,872** | 5,876 |

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Bank overdraft and loan instalments by reference to the balance sheet date: |  |  |
| Within one year | **1,288** | 3,358 |
| From one to two years | **17** | 26 |
| From two to five years | **5,855** | 5,850 |
|  | **7,160** | 9,234 |
| Bank overdraft and loan analysis by origin: |  |  |
| United Kingdom | **5,832** | 5,810 |
| Southern Africa | **1,328** | 3,424 |
|  | **7,160** | 9,234 |

The United Kingdom bank loans and overdraft are secured by way of a first charge over the investment properties in the UK which are included in the financial statements at a value of £13,245,000. The South African bank loans are secured by way of a first charge over specific pieces of mining equipment, inventory and the debtors of the relevant company which holds the loan which are included in the financial statements at a value of £6,123,500. No banking covenants were breached by the group during the year

Consistent with others in the mining and property industry, the group monitors its capital by its gearing levels. This is calculated as the total bank loans and overdraft less remaining cash and cash equivalents as a percentage of equity. At year end the gearing of the group was calculated as follows:

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Total bank loans and overdraft | **7,160** | 9,234 |
| Less cash and cash equivalents (excluding overdraft) | **(5,327)** | (2,444) |
| **Net debt** | **1,833** | 6,790 |
| **Total equity attributable to shareholders of the parent** | **17,209** | 16,657 |
| **Gearing** | **10.7%** | 40.8% |

Analysis of the changes in liabilities arising from financing activities:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Bank borrowings  (including  overdraft)  £'000 | Finance  leases  £'000 | **2017**  **£'000** | 2016  £'000 |
| Balance at 1 January | 9,234 | 181 | **9,415** | 8,401 |
| Exchange adjustments | (4) | - | **(4)** | 854 |
| Cash movements excluding exchange adjustments | (2,070) | - | **(2,070)** | 173 |
| Valuation movements | - | (29) | **(29)** | (13) |
| Balance at 31 December | 7,160 | 152 | **7,312** | 9,415 |

20. PROVISION FOR REHABILITATION

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| As at 1 January | **1,236** | 847 |
| Exchange adjustment | **21** | 311 |
| Unwinding of discount | **92** | 78 |
| As at 31 December | **1,349** | 1,236 |

21. FINANCIAL INSTRUMENTS

Total financial assets and liabilities

The group's financial assets and liabilities are as follows, representing both the fair value and the carrying value:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Loans and  receivables  £'000 | Financial Liabilities  measured at  amortised cost  £'000 | Available for sale investments  £'000 | **2017**  **£'000** | 2016  £'000 |
| Cash and cash equivalents | 5,327 | - | - | **5,327** | 2,444 |
| Current available for sale investments | - | - | 1,050 | **1,050** | 781 |
| Non-current available for sale investments | - | - | 51 | **51** | 32 |
| Trade and other receivables | 6,323 | - | - | **6,323** | 6,830 |
| Bank borrowings and overdraft | - | (7,160) | - | **(7,160)** | (9,234) |
| Finance leases | - | (152) | - | **(152)** | (181) |
| Other liabilities | - | (7,152) | - | **(7,152)** | (6,735) |
|  | 11,650 | (14,464) | 1,101 | **(1,713)** | (6,063) |

Available for sale investments are held at fair value and fall under level 1 of the fair value hierarchy into which fair value measurements are recognised in accordance with the levels set out in IFRS 7. The comparative figures for 2016 fall under the same category of financial instrument as 2017.

The carrying amount of short term (less than 12 months) trade receivable and other liabilities approximate their fair values. The fair value of non-current borrowings in note 19 approximates its carrying value and was determined under level 2 of the fair value hierarchy and is estimated by discounting the future contractual cash flows at the current market interest rates for UK borrowings and for the South African overdraft facility. The fair value of the finance lease liabilities in note 30 approximates its carrying value and was determined under level 2 of the fair value hierarchy and is estimated by discounting the future contractual cash flows at the current market interest rates.

Treasury policy

Although no derivative transactions were entered into during the current and prior year, the group may use derivative transactions such as interest rate swaps and forward exchange contracts as necessary in order to help manage the financial risks arising from the group's activities. The main risks arising from the group's financing structure are interest rate risk, liquidity risk, market risk, credit risk, currency risk and commodity price risk. There have been no changes during the year of the main risks arising from the group's finance structure. The policies for managing each of these risks and the principal effects of these policies on the results are summarised below.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cashflows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that the group uses. Treasury activities take place under procedures and policies approved and monitored by the Board to minimise the financial risk faced by the group. Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets and loans to joint ventures. Interest bearing borrowings comprise bank loans, bank overdrafts and variable rate finance lease obligations. The rates of interest vary based on LIBOR in the UK and PRIME in South Africa.

As at 31 December 2017, with other variables unchanged, a 1% increase or decrease in interest rates, on investments and borrowings whose interest rates are not fixed, would respectively change the profit/loss for the year by £82,000 (2016: £56,000). The effect on equity of this change would be an equivalent decrease or increase for the year of £82,000 (2016: £56,000).

Liquidity risk

The group's policy is to minimise refinancing risk. Efficient treasury management and strict credit control minimise the costs and risks associated with this policy which ensures that funds are available to meet commitments as they fall due. As at year end the group held borrowing facilities in the UK in Bisichi Mining PLC and in South Africa in Black Wattle Colliery (Pty) Ltd.

The following table sets out the maturity profile of contractual undiscounted cashlfows of financial liabilities as at 31 December:

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Within one year | **9,110** | 10,658 |
| From one to two years | **198** | 239 |
| From two to five years | **6,054** | 6,277 |
| Beyond five years | **105** | 125 |
|  | **15,467** | 17,299 |

The following table sets out the maturity profile of contractual undiscounted cashlfows of financial liabilities as at 31 December maturing within one year:

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Within one month | **3,824** | 2,119 |
| From one to three months | **2,278** | 2,926 |
| From four to twelve months | **3,008** | 5,613 |
|  | **9,110** | 10,658 |

In South Africa, an increased structured trade finance facility for R100million was signed by Black Wattle Colliery (Pty) Limited in July 2017 with Absa Bank Limited. The facility is renewable annually at 30 June and is secured against inventory, debtors and cash that are held by Black Wattle Colliery (Pty) Limited. The trade facility, which is repayable on demand, is included in cash and cash equivalents within the cashflow statement.

This trade facility comprises of a R80million revolving facility to cover the working capital requirements of the group's South African operations, and a R20million loan facility to cover guarantee requirements related to the group's South African mining operations. The interest cost of the loan is at the South African prime lending rate.

In December 2014, the group signed a £6 million term loan facility with Santander. The loan is secured against the group's UK retail property portfolio. The debt package has a five year term and is repayable at the end of the term. The interest cost of the loan is 2.35% above LIBOR.

As a result of the above agreed banking facilities, the Directors believe that the group is well placed to manage its liquidity risk.

Credit risk

The group is mainly exposed to credit risk on its cash and cash equivalents, trade and other receivables and amounts owed by joint ventures as per the balance sheet. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet which at year end amounted to £11,650,000 (2016: £9,274,000). The group's credit risk is primarily attributable to its trade receivables. The group had amounts due from its significant revenue customers at the year end that represented 93% (2016: 85%) of the trade receivables balance. These amounts have been subsequently settled.

Trade debtor's credit ratings are reviewed regularly. The group only deposits surplus cash with well-established financial institutions of high quality credit standing. As at year end the amount of trade receivables held past due date was £24,000 (2016: £157,000). To date, the amount of trade receivables held past due date that has not subsequently been settled is £18,000 (2016: £134,000). Management have no reason to believe that this amount will not be settled.

Financial assets maturity

On 31 December 2017, cash at bank and in hand amounted to £5,327,000 (2016: £2,444,000) which is invested in short term bank deposits maturing within one year bearing interest at the bank's variable rates. Cash and cash equivalents all have a maturity of less than 3 months.

Foreign exchange risk

All trading is undertaken in the local currencies except for certain export sales which are invoiced in dollars. It is not the group's policy to obtain forward contracts to mitigate foreign exchange risk on these contracts as payment terms are within 15 days of invoice or earlier. Funding is also in local currencies other than inter-company investments and loans and it is also not the group's policy to obtain forward contracts to mitigate foreign exchange risk on these amounts. During 2017 and 2016 the group did not hedge its exposure of foreign investments held in foreign currencies.

The directors consider there to be no significant risk from exchange rate movements of foreign currencies against the functional currencies of the reporting companies within the group, excluding inter-company balances. The principle currency risk to which the group is exposed in regard to inter-company balances is the exchange rate between Pounds sterling and South African Rand. It arises as a result of the retranslation of Rand denominated inter-company trade receivable balances held within the UK which are payable by South African Rand functional currency subsidiaries.

Based on the group's net financial assets and liabilities as at 31 December 2017, a 25% strengthening of Sterling against the South African Rand, with all other variables held constant, would decrease the group's profit after taxation by £34,000 (2016: £435,000). A 25% weakening of Sterling against the South African Rand, with all other variables held constant would increase the group's profit after taxation by £56,000 (2016: £725,000).

The 25% sensitivity has been determined based on the average historic volatility of the exchange rate for 2016 and 2017.

The table below shows the currency profiles of cash and cash equivalents:

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Sterling | **3,402** | 1,717 |
| South African Rand | **1,923** | 725 |
| US Dollar | **2** | 2 |
|  | **5,327** | 2,444 |

Cash and cash equivalents earn interest at rates based on LIBOR in Sterling and Prime in Rand.

The tables below shows the currency profiles of net monetary assets and liabilities by functional currency of the group:

|  |  |  |
| --- | --- | --- |
| **2017:** | **Sterling**  **£'000** | **South African**  **Rands**  **£'000** |
| Sterling | **(832)** | **-** |
| South African Rand | **54** | **(1,304)** |
| US Dollar | **13** | **-** |
|  | **(765)** | **(1,304)** |

|  |  |  |
| --- | --- | --- |
| 2016: | Sterling  £'000 | South  African  Rands  £'000 |
| Sterling | (2,522) | - |
| South African Rand | 36 | (2,262) |
| US Dollar | 35 | - |
|  | (2,451) | (2,262) |

22. DEFERRED TAXATION

|  |  |  |
| --- | --- | --- |
|  | **2017 £'000** | 2016  £'000 |
| As at 1 January | **2,248** | 2,002 |
| Recognised in income | **202** | (131) |
| Recognised in comprehensive income | **-** | 13 |
| Exchange adjustment | **35** | 364 |
| As at 31 December | **2,485** | 2,248 |
| The deferred tax balance comprises the following: |  |  |
| Revaluation of properties | **691** | 715 |
| Capital allowances | **2,389** | 2,361 |
| Short term timing difference | **(513)** | (184) |
| Unredeemed capital deductions | **(80)** | (642) |
| Losses and other deductions | **(2)** | (2) |
|  | **2,485** | 2,248 |

Refer to note 7 for details of adjustments in respect of the prior year deferred tax in the current year.

23. SHARE CAPITAL

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Authorised: 13,000,000 ordinary shares of 10p each | **1,300** | 1,300 |

Allotted and fully paid:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017**  **Number of**  **ordinary**  **shares** | 2016  Number of  ordinary  shares | **2017**  **£'000** | 2016  £'000 |
| At 1 January and outstanding at 31 December | **10,676,839** | 10,676,839 | **1,068** | 1,068 |

24. OTHER RESERVES

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Equity share options | **597** | 597 |
| Net investment premium on share capital in joint venture | **86** | 86 |
|  | **683** | 683 |

25. SHARE BASED PAYMENTS

Details of the share option scheme are shown in the Directors' remuneration report on page 37 under the heading Share option schemes which is within the audited part of this report. Further details of the share option schemes are set out below.

The Bisichi Mining PLC Unapproved Option Schemes:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year of grant | **Subscription**  **price per share** | **Period within**  **which options**  **exercisable** | Number of share  for which options  outstanding at  31 December 2016 | Number of  share options  lapsed  during year | **Number of share**  **for which options**  **outstanding at**  **31 December 2017** |
| 2010 | **202.5p** | **Aug 2013 - Aug 2020** | 80,000 | - | **80,000** |
| 2016 | **87.0p** | **Sep 2015 - Sep 2025** | 300,000 | - | **300,000** |

On the 5 February 2018 the company entered into an agreement with G.Casey to surrender the 80,000 options which were granted in 2010. The aggregate consideration paid by the group to effect the cancellation was £1. There are no performance or service conditions attached to 2015 options which are outstanding at 31 December 2017 which vested in 2015.

On 6 February 2018 the company granted additional options to the following directors of the company:

A.Heller 150,000 options at an exercise price of 73.50p per share.G.Casey 230,000 options at an exercise price of 73.50p per share.

The above options vest on date of grant and are exercisable within a period of 10 years from date of grant. There are no performance or service conditions attached to the options.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017**  **Number** | **2017**  **Weighted**  **average**  **exercise price** | 2016  Number | 2016  Weighted  average  exercise price |
| Outstanding at 1 January | **380,000** | **111.3p** | 705,000 | 133.1p |
| Lapsed during the year | **-** | **-** | (325,000) | 237.5p |
| Outstanding at 31 December | **380,000** | **111.3p** | 380,000 | 111.3p |
| **Exercisable at 31 December** | **380,000** | **111.3p** | 380,000 | 111.3p |

26. NON-CONTROLLING INTEREST

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| As at 1 January | **349** | 321 |
| Share of profit/(loss) for the year | **172** | (72) |
| Exchange adjustment | **11** | 100 |
| As at 31 December | **532** | 349 |

The non-controlling interest comprises of a 37.5% shareholding in Black Wattle Colliery (Pty) Ltd. A coal mining company incorporated in South Africa. Summarised financial information reflecting 100% of the underlying subsidiary's relevant figures, is set out below.

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Revenue | **36,300** | 21,703 |
| Expenses | **(35,150)** | (22,185) |
| **Profit/(loss) for the year** | **1,150** | (482) |
| Other comprehensive Income | **-** | - |
| **Total comprehensive income for the year** | **1,150** | (482) |
| Balance sheet |  |  |
| Non-current assets | **8,613** | 8,516 |
| Current assets | **6,747** | 8,600 |
| Current liabilities | **(8,652)** | (12,151) |
| Non-current liabilities | **(3,155)** | (2,635) |
| **Net assets at 31 December** | **3,553** | 2,330 |

The non-controlling interest relates to the disposal of a 37.5% shareholding in Black Wattle Colliery (Pty) Ltd in 2010 when the total issued share capital in Black Wattle Colliery (Pty) Ltd was increased from 136 shares to 1,000 shares at par of R1 (South African Rand) through the following shares issue:

- a subscription for 489 ordinary shares at par by Bisichi Mining (Exploration) Limited increasing the number of shares held from 136 ordinary shares to a total of 625 ordinary shares;

- a subscription for 110 ordinary shares at par by Vunani Mining (Pty) Ltd;

- a subscription for 265 "A" shares at par by Vunani Mining (Pty) Ltd

Bisichi Mining (Exploration) Limited is a wholly owned subsidiary of Bisichi Mining PLC incorporated in England and Wales.

Vunani Mining (Pty) Ltd is a South African Black Economic Empowerment company and minority shareholder in Black Wattle Colliery (Pty) Ltd.

The "A" shares rank pari passu with the ordinary shares save that they will have no dividend rights until such time as the dividends paid by Black Wattle Colliery (Pty) Ltd on the ordinary shares subsequent to 30 October 2008 will equate to R832,075,000.

A non-controlling interest of 15% in Black Wattle Colliery (Pty) Ltd is recognised for all profits distributable to the 110 ordinary shares held by Vunani Mining (Pty) Ltd from the date of issue of the shares (18 October 2010). An additional non-controlling interest will be recognised for all profits distributable to the 265 "A" shares held by Vunani Mining (Pty) Ltd after such time as the profits available for distribution, in Black Wattle Colliery (Pty) Ltd, before any payment of dividends after 30 October 2008, exceeds R832,075,000.

27. RELATED PARTY TRANSACTIONS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **At 31 December** | **During the year** |  |  |
|  | Amounts  owed  to related  party  £'000 | Amounts  owed  by related  party  £'000 | Costs  recharged  (to)/by  related  party  £'000 | Cash paid  (to)/by  related  party  £'000 |
| **Related party:** |  |  |  |  |
| London & Associated Properties PLC (note (a)) | 33 | - | 138 | (140) |
| Langney Shopping Centre Unit Trust (note (b)) | - | - | - | - |
| Dragon Retail Properties Limited (note (c)) | 147 | (2,000) | (180) | 204 |
| Ezimbokodweni Mining (Pty) Limited (note (d)) | - | - | (46) | - |
| **As at 31 December 2017** | **180** | **(2,000)** | **(88)** | **64** |
|  |  |  |  |  |
| London & Associated Properties PLC (note (a)) | 35 | - | 138 | (162) |
| Langney Shopping Centre Unit Trust (note (b)) | - | - | - | 64 |
| Dragon Retail Properties Limited (note (c)) | 123 | (2,000) | (174) | 150 |
| Ezimbokodweni Mining (Pty) Limited (note (d)) | - | (1,350) | (114) | - |
| **As at 31 December 2016** | **158** | **(3,350)** | **(150)** | **52** |

(a) London & Associated Properties PLC- London & Associated Properties PLC is a substantial shareholder and parent company of Bisichi Mining PLC. Property management, office premises, general management, accounting and administration services are provided for Bisichi Mining PLC and its UK subsidiaries.

(b) Langney Shopping Centre Unit Trust- Langney Shopping Centre Unit Trust is an unlisted property unit trust incorporated in Jersey. On the 11 March 2016, the company disposed of its investment in Langney Shopping Centre Unit Trust.

(c) Dragon Retail Properties Limited- ("Dragon") is owned equally by the company and London & Associated Properties PLC. Dragon is accounted as a joint venture and is treated as a non-current asset investment. During 2012 the company lent £2million to Dragon at 6.875 per cent annual interest which has been classified as a trading balance and which is unsecured and payable on demand.

(d) Ezimbokodweni Mining (Pty) Limited- Ezimbokodweni Mining is a prospective coal production company based in South Africa. Ezimbokodweni Mining (Pty) Limited is a joint venture and a loan to the joint venture is treated as part of the net investment in the joint venture. Further details on the net investment in Ezimbokodweni can be found in note 13.

Details of key management personnel compensation and interest in share options are shown in the Directors' Remuneration Report on pages 36 and 37 under the headings Directors' remuneration, Pension schemes and incentives and Share option schemes which is within the audited part of this report. Refer also to note 25 for details of IFRS 2 charges. The total employers' national insurance paid in relation to the remuneration of key management was £156,000 (2016: 143,000). In 2012 a loan was made to one of the directors, Mr A R Heller, for £116,000. Interest is payable on the Director's Loan at a rate of 6.14 per cent. There is no fixed repayment date for the Director's Loan. The loan amount outstanding at year end was £56,000 (2016: £71,000) and a repayment of £15,000 (2016: £15,000) was made during the year.

The non-controlling interest to Vunani Limited is shown in note 26. In addition, the group holds an investment in Vunani Limited classified as non-current available for sale investments with a fair value of £51,000 (2016: £32,000).

28. EMPLOYEES

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| The average weekly numbers of employees of the group during the year were as follows: |  |  |
| Production | **192** | 185 |
| Administration | **15** | 15 |
|  | **207** | 200 |
| Staff costs during the year were as follows: |  |  |
| Salaries | **5,993** | 4,864 |
| Social security costs | **161** | 148 |
| Pension costs | **242** | 200 |
| Share based payments | **-** | 109 |
|  | **6,396** | 5,321 |

29. CAPITAL COMMITMENTS

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Commitments for capital expenditure approved and contracted for at the year end | **-** | 762 |
| Share of commitment of capital expenditure in joint venture | **-** | 1,489 |

30. HEAD LEASE COMMITMENTS AND FUTURE PROPERTY LEASE RENTALS

Present value of head leases on properties

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Minimum lease  payments | Present value of  minimum lease  payments |  |  |
|  | **2017**  **£'000** | 2016  £'000 | **2017**  **£'000** | 2016  £'000 |
| Within one year | **10** | 11 | **10** | 11 |
| Second to fifth year | **38** | 45 | **30** | 36 |
| After five years | **1,199** | 1,436 | **112** | 134 |
|  | **1,247** | 1,492 | **152** | 181 |
| Discounting adjustment | **(1,095)** | (1,311) | **-** | - |
| **Present value** | **152** | 181 | **152** | 181 |

The Company has one finance lease contract for an investment property. The remaining term for the leased investment property is 131 years. The annual rent payable is the higher of £7,500 or 6.25% of the revenue derived from the leased assets.

The group has entered into operating leases on its investment property portfolio consisting mainly of commercial properties. These leases have terms of between 1 and 68 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Within one year | **914** | 981 |
| Second to fifth year | **2,460** | 2,533 |
| After five years | **9,327** | 9,262 |
|  | **12,701** | 12,776 |

31. CONTINGENT LIABILITIES AND POST BLANCE SHEET EVENTS

Bank guarantees have been issued by the bankers of Black Wattle Colliery (Pty) Limited on behalf of the company to third parties. The guarantees are secured against the assets of the company and have been issued in respect of the following:

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Rail siding | **64** | 63 |
| Rehabilitation of mining land | **1,387** | 1,364 |
| Water & electricity | **58** | 57 |

Company balance sheet

at 31 December 2017

|  |  |  |  |
| --- | --- | --- | --- |
|  | Notes | **2017**  **£'000** | 2016  £'000 |
| **Fixed assets** |  |  |  |
| Tangible assets | 34 | **48** | 51 |
| Investment in joint ventures | 35 | **165** | 847 |
| Other investments | 35 | **7,395** | 7,599 |
|  |  | **7,609** | 8,497 |
| **Current assets** |  |  |  |
| Debtors - amounts due within one year | 36 | **3,471** | 3,253 |
| Debtors - amounts due in more than one year | 36 | **-** | 843 |
| Bank balances |  | **2,129** | 1,118 |
|  |  | **5,599** | 5,214 |
| Creditors - amounts falling due within one year | 37 | **(1,406)** | (1,328) |
| **Net current assets** |  | **4,193** | 3,886 |
| **Total assets less current liabilities** |  | **11,802** | 12,383 |
| Provision for liabilities and charges | 38 | **(18)** | (18) |
| **Net assets** |  | **11,784** | 12,365 |
| **Capital and reserves** |  |  |  |
| Called up share capital | 23 | **1,068** | 1,068 |
| Share premium account |  | **258** | 258 |
| Available for sale reserve |  | **25** | 6 |
| Other reserves |  | **598** | 598 |
| Retained earnings | 32 | **9,835** | 10,435 |
| Shareholders' funds |  | **11,784** | 12,365 |

The loss for the financial year, before dividends, was £173,000 (2016: loss of £224,000)

The company financial statements were approved and authorised for issue by the board of directors on 20 April 2018 and signed on its behalf by:

A R Heller                       G J Casey                            Company Registration No. 112155

Director                                   Director

Company statement of changes in equity

for the year ended 31 December 2017

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Share  capital  £'000 | Share  premium  £'000 | Available for sale reserve  £'000 | Other  reserve  £'000 | Retained  earnings  £'000 | **Shareholders**  **funds**  **£'000** |
| Balance at 1 January 2016 | 1,068 | 258 | - | 489 | 11,086 | **12,901** |
| Dividend paid | - | - | - | - | (427) | **(427)** |
| Share option charge | - | - | - | 109 | - | **109** |
| Profit and total comprehensive income for the year | - | - | 6 | - | (224) | **(218)** |
| **Balance at 1 January 2017** | 1,068 | 258 | 6 | 598 | 10,435 | **12,365** |
| Dividend paid | - | - | - | - | (427) | **(427)** |
| Profit and total comprehensive income for the year | - | - | 19 | - | (173) | **(154)** |
| **Balance at 31 December 2017** | 1,068 | 258 | 25 | 598 | 9,835 | **11,784** |

Company accounting policies for the year ended 31 December 2017

The following are the main accounting policies of the company:

Basis of preperation

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies adopted in the preparation of the financial statements are set out below.

The financial statements have been prepared on a historical cost basis, except for the revaluation of investment property and certain financial instruments.

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101 as well as disclosure exemptions conferred by IFRS 2, 7 and 13.

Therefore these financial statements do not include:

certain comparative information as otherwise required by EU endorsed IFRS;certain disclosures regarding the company's capital;a statement of cash flows;the effect of future accounting standards not yet adopted;the disclosure of the remuneration of key management personnel; anddisclosure of related party transactions with the company's wholly owned subsidiaries.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the company's Consolidated Financial Statements.

Dividends received

Dividends are credited to the profit and loss account when received.

Depreciation

Provision for depreciation on tangible fixed assets is made in equal annual instalments to write each item off over its useful life. The rates generally used are:

Motor vehicles         25 - 33 per cent

Office equipment     10 - 33 per cent

Joint ventures

Investments in joint ventures, being those entities over whose activities the group has joint control as established by contractual agreement, are included at cost, less impairment.

Other Investments

Investments of the company in subsidiaries are stated in the balance sheet as fixed assets at cost less provisions for impairment.

Other investments comprising of shares in listed companies are classified as non-current available for sale investments and are carried at fair value. Any changes in fair value above cost are recognised in other comprehensive income and accumulated in the available-for-sale reserve. For any changes in fair value below cost a provision for impairment is recognised in the profit or loss account.

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies have been translated at the rates of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

Financial instruments

Details on the group's accounting policy for financial instruments can be found on page 64.

Deferred taxation

Details on the group's accounting policy for deferred taxation can be found on page 65.

Leased assets and obligations

All leases are "Operating Leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term. Rent free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the lease term.

Pensions

Details on the group's accounting policy for pensions can be found on page 64.

Share based remuneration

Details on the group's accounting policy for share based remuneration can be found on page 64. Details of the share options in issue are disclosed in the directors' remuneration report on page 37 under the heading share option schemes which is within the audited part of this report.

32. PROFIT & LOSS ACCOUNT

A separate profit and loss account for Bisichi Mining PLC has not been presented as permitted by Section 408(2) of the Companies Act 2006. The loss for the financial year, before dividends, was £173,000 (2016: loss of £224,000)

Details of share capital are set out in note 23 of the group financial statements and details of the share options are shown in the Directors' Remuneration Report on page 37 under the heading Share option schemes which is within the audited part of this report and note 25 of the group financial statements.

33. DIVIDENDS

Details on dividends can be found in note 8 in the group financial statements.

34. TANGIBLE FIXED ASSETS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Leasehold  Property  £'000 | Motor  vehicles  £'000 | Office  equipment  £'000 | **Total**  **£'000** |
| Cost at 1 January 2017 | 45 | 37 | 67 | **149** |
| Revaluation | - | (37) | - | **(37)** |
| Cost at 31 December 2017 | 45 | - | 67 | **112** |
|  |  |  |  |  |
| Accumulated depreciation at 1 January 2017 | - | 37 | 61 | **98** |
| Charge for the year | - | - | 3 | **3** |
| Accumulated depreciation at 31 December 2017 | - | 37 | 64 | **101** |
| **Net book value at 31 December 2017** | **45** | **-** | **3** | **48** |
| Net book value at 31 December 2016 | 45 | - | 6 | **51** |

Leasehold property consists of a single unit with a long leasehold tenant. The term remaining on the lease is 42 years.

35. INVESTMENTS

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Joint**  **ventures**  **shares**  **£'000** | Shares in subsidiaries  £'000 | Loans  £'000 | Other  investments  £'000 | **Total**  **£'000** |
| Net book value at 1 January 2017 | **847** | 6,356 | 1,211 | 32 | **7,599** |
| Repaid during year | **-** | - | (223) | - | **(223)** |
| Write-off of investment | **(682)** | - | - | - | **-** |
| Unrealised surplus of market value versus cost | **-** | - | - | 19 | **19** |
| **Net book value at 31 December 2017** | **165** | **6,356** | **988** | **51** | **7,395** |
|  |  |  |  |  |  |

During the year, the company wrote off its investment in Ezimbokodweni Mining (Pty) Ltd. Further information relating to the write down of Ezimbokodweni Mining (Pty) Ltd can be found in Note 13.

Investments in subsidiaries are detailed in note 14. In the opinion of the directors the aggregate value of the investment in subsidiaries is not less than the amount shown in these financial statements.

Other investments comprise £52,000 (2016: £32,000) shares.

36. DEBTORS

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| **Amounts due within one year:** |  |  |
| Amounts due from subsidiary undertakings | **1,289** | 1,006 |
| Trade receivables | **16** | 7 |
| Other debtors | **78** | 89 |
| Joint venture | **2,000** | 2,070 |
| Prepayments and accrued income | **88** | 81 |
|  | **3,471** | 3,253 |
|  |  |  |
| **Amounts due in more than one year:** |  |  |
| Amounts due from subsidiary undertakings | **-** | 834 |

37. CREDITORS

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| **Amounts falling due within one year:** |  |  |
| Amounts due to subsidiary undertakings | **279** | 359 |
| Joint venture | **192** | 192 |
| Current taxation | **123** | - |
| Other taxation and social security | **38** | 26 |
| Other creditors | **659** | 592 |
| Accruals and deferred income | **115** | 159 |
|  | **1,406** | 1,328 |
|  |  |  |

38. PROVISIONS FOR LIABILITIES

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| Deferred taxation: |  |  |
| Balance at 1 January | **18** | 182 |
| Provision | **-** | (164) |
| Transfer | **-** | - |
|  | **18** | 18 |

39. RELATED PARTY TRANSACTIONS

|  |  |  |  |
| --- | --- | --- | --- |
|  | **At 31 December** | **During the year** |  |
| At 31 December | Amounts owed  by related party  £'000 | Costs recharged /  accrued (to)/ by related party  £'000 | Cash paid (to)/ by  related party  £'000 |
| **Related party:** |  |  |  |
| Black Wattle Colliery (Pty) Ltd (note (a)) | (165) | (999) | 2,768 |
| Ninghi Marketing Limited (note (b)) | (102) | - | - |
| **As at 31 December 2017** | **(267)** | **(999)** | **2,768** |
| Black Wattle Colliery (Pty) Ltd (note (a)) | (1,934) | (1,421) | 644 |
| Ninghi Marketing Limited (note (b)) | (102) | - | - |
| **As at 31 December 2016** | **(2,036)** | **(1,421)** | **644** |

(a)          Black Wattle Colliery (Pty) Ltd- Black Wattle Colliery (Pty) Ltd is a coal mining company based in South Africa.

(b)          Ninghi Marketing Limited- Ninghi Marketing Limited is a dormant coal marketing company incorporated in England & Wales.

Black Wattle Colliery (PTY) Ltd and NInghi Marketing Limited are subsidiaries of the company.

In addition to the above, the company has issued a company guarantee of R17,000,000 (2016: R17,000,000) (South African Rand) to the bankers of Black Wattle Colliery (Pty) Ltd in order to cover bank guarantees issued to third parties in respect of the rehabilitation of mining land.

A provision of £102,000 has been raised against the amount owing by Ninghi Marketing Limited in prior years as the company is dormant.

In 2012 a loan was made to one of the directors, Mr A R Heller, for £116,000. Further details on the loan can be found in Note 27 of the group financial statements.

Under FRS 101, the company has taken advantage of the exemption from disclosing transactions with other wholly owned group companies. Details of other related party transactions are given in note 27 of the group financial statements.

40. EMPLOYEES

|  |  |  |
| --- | --- | --- |
|  | **2017**  **£'000** | 2016  £'000 |
| The average weekly numbers of employees of the company during the year were as follows: |  |  |
| Directors & administration | **5** | 5 |
|  |  |  |
| Staff costs during the year were as follows: |  |  |
| Salaries | **1,227** | 1,125 |
| Social security costs | **161** | 148 |
| Pension costs | **62** | 65 |
| Share based payments | **-** | 109 |
|  | **1,450** | 1,447 |

**Load-Date:** May 16, 2018

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[***UK farmlands: green and pleasant?***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PGM-BY01-JCM7-G3YT-00000-00&context=1516831)

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**Length:** 2252 words

**Byline:** Laura Battle

**Body**

“You look around here,” says Chris Musgrave, gesturing at a patchwork of grassland, arable fields, hedgerows, fir belts and deciduous copses. “Back when I started in 1983 there wasn’t a flipping tree.” We are standing — sun and wind buffeting our faces, the shriek of buzzards below — on an elevated ridge within the Marlborough Downs, an expanse of rolling chalk hills in Wiltshire, southern England, and at the heart of one of the most innovative farmland projects in the country.

Musgrave began as an assistant shepherd on this land, farming like a New Zealander, he says, “boys on bikes, with dogs” patrolling acres of arable prairie. Now he is estate manager for this and two neighbouring estates, an enthusiastic conservationist and a linchpin of the Marlborough Downs Nature Enhancement Partnership.

Looking around this project, which spans 29 holdings and 25,000 acres, you are soon aware that something is different and wildlife has a chance: arable monotony is broken up by colourful nectar plots, tree sparrow “villages” and areas of managed grassland that form part of a conservation network across the site. The collaboration, which began in 2012 as a three-year pilot with government funding, is now a fully-fledged and independent project uniting 57 land managers (including farmers, landowners and game keepers) with the belief that commercial farms can make a positive contribution to the local landscape, wildlife and community. “What we are proving here is you can farm profitably with a care for the environment,” Musgrave says. “It’s working, it’s been acknowledged, and that’s why farmers want to jump on the bandwagon.”

Earlier in the day I joined Jemma Batten, co-founder and project manager of the scheme for a downland safari in her battered 4x4. She showed me nectar plots filled with mayweed, yarrow and cornflowers, and alive with butterflies and bees. We walked through thick tufted grass now attracting mice, voles and short-eared owls, and inspected one of the 15 new or restored dew ponds that have brought freshwater, and pond life, to this land. And she spoke of the farmland birds, including corn buntings, linnets and tree sparrows — a species that saw its population drop by 93 per cent nationally between 1970 and 2008 — now flourishing across the project thanks to the restoration of habitat and ***strategic*** feeding plots.

As we bounced along dirt tracks, greeting farmers and gamekeepers on their rounds, Batten explained that it was as much a social challenge as an environmental one. “So many people told me it wouldn’t work, [they said] you’ll never get farmers to work together . . . but we’ve proved them completely wrong.” She admitted she nearly gave up in the project’s first year, but the biodiversity it has achieved on a landscape scale is reflected in the unlikely alliances forged between farmers and environmentalists, landowners and the local community. Managed public access to this land through “owl prowls”, bat walks, carriage driving for the disabled and an annual open farm Sunday event has been another key benefit.

As the countdown to Brexit continues, the balance between food production and “natural capital” on UK farmland is being scrutinised as never before — so could this Marlborough Downs project provide inspiration for a new ***agricultural*** policy?

Under the Common ***Agricultural*** Policy, farmers are offered a basic payment, calculated according to acres occupied. This support, which goes towards the cost of production and environmental measures, is intended to keep prices down for the consumer. Larger environmental efforts are recompensed through a separate two-tiered scheme. But in a speech in July, the environment secretary Michael Gove suggested that beyond 2022 support could be entirely dependent on environmental efforts. Meanwhile, organisations including the National Farmers Union (NFU), the Country Land and Business Association (CLA) and the National Trust, have set out contrasting visions for the countryside.

One thing seems clear: once ***agriculture*** is in direct competition for funding with social care and the NHS, farmers will have to depend heavily on the interest and support of the public. It’s a challenge the NFU is determined to take on. Its “Vision for the Future of Farming” sets out the need for measures “to alleviate the impact of farming’s exposure to adverse weather, pests and diseases, price volatility and low bargaining power” alongside a productivity ***programme***, which would include the promotion of technologies, and an environmental scheme.

Thirty years ago, the UK ***produced*** 80 per cent of its own food; today it ***produces*** 60 per cent, and is on track to be just 50 per cent self-sufficient in 10 years’ time. Reasons for this decline include the changing tastes of consumers and higher standards of UK food production, which raise costs above imports. The NFU has warned that continued support is essential to ensure food security in an increasingly uncertain world. “I do not believe any British government would wish us to be only 50 per cent self-sufficient in food, and we believe that this is not what the British consumer wants either,” says NFU president Meurig Raymond. “The British public have a huge respect for the quality and provenance of British food and the standards to which it’s ***produced***.”

Already there has been fierce debate over the prospect of chlorine-washed chicken being sold into the UK market as a requirement of a possible trade deal with the US, and the risks of undermining the UK’s high standards of animal welfare. If cheap imported meat and grain flood the domestic market, large numbers of UK farmers will go out of business. Raymond also highlights the 3.9m people who are employed in the UK’s food industry, whose jobs could be threatened by an increase in imports. “You look at ***agricultural*** policy, whether it’s the US, whether it’s Canada, or other parts of the world, [and] most global governments do support their farming and food production,” he adds.

The CLA sees its members increasingly as entrepreneurs. Its New Opportunities report is described by president Ross Murray as “not just an ***agricultural*** policy; it’s a land use policy”. The report argues that farmers could be encouraged to become more efficient and productive through new technologies, spurred on by grants and tax incentives. Meanwhile, the rural economy could be stimulated by investment in new business ventures, better business and marketing advice and improved infrastructure, including superfast broadband, according to these proposals.

Central to the CLA’s vision is the Land Management Contract, a legal agreement whereby farmers would be rewarded for public benefits, such as planting trees, improving water quality and enhancing wildlife, contracted over a 10-year period (20 years for trees). It puts environmental concerns at the forefront of ***agricultural*** policy and suggests many farmers will be forced to consider some diversification, as Murray explains: “You’ve got to ultimately value what you want the land manager to ***produce***, whether it’s growing trees, or [encouraging] lapwing, or ‘flood wash’, or it’s production of high-quality food — each of those needs quantifying as to what measure is required and whether the land manager will voluntarily put his hand up and say: ‘Well, I’m going to stop farming food but I’m going to farm for the environment’. ”

The contract would be tailored to the specific requirements of different regions in what Murray admits would be a “very complicated matrix of incentives” but it is unclear what would happen if, despite best efforts, contractual obligations were unfulfilled. Say a farmer received payments to maintain a grassland habitat to encourage ground-nesting lapwings but the birds failed to flourish, who would decide — and how — if this was due to factors, such as raptors or unfavourable weather conditions, outside the farmer’s control?

The CLA is not alone in looking to incentivise farmers to farm less. It is the implicit theme of the National Trust’s manifesto, “Public money for public benefit: the basis for a post-Brexit farm system”, which proposes that farmers should be offered support for benefits enjoyed by the public, including access and recreation, healthy soils, carbon sequestration and “heritage and cultural landscapes”, but excluding food. Food production, it argues, ought to be rewarded through the market, while food security can be addressed through trade policy.

With 618,00 acres of land in its care, the National Trust describes itself as “the nation’s largest farmer” but it considers the preservation of places of natural beauty as one of its primary roles. To this end, the organisation has allied itself with 12 environmental organisations — including WWF and the Woodland Trust — to create Greener UK, a group that is lobbying the government for greater environmental protection.

Last month, Helen Ghosh, director-general of the National Trust, said there had been a “dramatic decline in nature and species, soils and water” under the current EU system and stated that in future rewards should be available to farmers “who deliver the most public benefit”. She detailed pilot schemes for flood protection and “slow, clean water”, and gave the example of a farmer in the Yorkshire Dales who has reduced livestock numbers on his 400 acres to increase the profitability of the farm, and has developed a holiday rental and ready-meal business on the side.

“What we are doing with a number of our farm tenants is adjusting the balance, taking the opportunities, looking at what the land can ***produce***,” Ghosh explains. “In some cases the land can now — and into the future — successfully ***produce*** food, with a positive impact on nature. In other cases, it may be that a move into ***producing*** other services like ‘slow water’ upstream is the right thing to do, alongside food production.”

Like the CLA, the National Trust stresses the need for a flexible and local approach — promising a range of opportunities while risking a system of even greater complexity — but it seems likely that a large number of farmers would simply be unable to adapt to a future in which food production, already a lossmaking operation for many, was left unsubsidised. It is easy to talk of diversification, but what about those corners of the country that tourists rarely visit, where there is little demand for office/workshop conversions or where those looking to ***produce*** green energy have been denied access to the grid?

For some, the prospect of farmers deserting their land is reason to celebrate. Debates about rewilding — the process of returning a landscape to its uncultivated state, including the reintroduction of certain species — have raged across Europe. Rewilding Britain, a charity spearheaded by the environmentalist George Monbiot, is campaigning to establish at least three core areas of rewilded land totalling 300,000 hectares by 2030, and promotes the reintroduction of bison, lynx and wolves to parts of the UK. Many farmers fear risk to their livestock and way of life, but it is also unclear how this process could be funded on a national scale: even rewilding requires management, and management requires investment.

Although hugely unpopular in some quarters, rewilding has gained some mainstream traction, and even the National Trust has come under scrutiny. Last year its purchase of Thorneythwaite, a sheep farm in an idyllic Cumbrian valley, prompted outcry, not simply because its offer of £950,000 for the 303 acres of land was £200,000 more than the guide price, and well beyond the reach of local farmers, but because it chose not to buy the accompanying farmhouse, and because its ***plan*** to promote “healthy soil, natural water management and thriving natural habitats” is seen as a threat to the local sheep farming tradition.

Ghosh argues the rewilding term has come to represent a spectrum of interests. “At one end you have George Monbiot [saying] let nature take its course . . . ,” she says. “And at the other end it’s used to describe any approach to farming that introduces more of a balance between nature and production.”

Musgrave admits he has grave concerns about the future of ***agriculture***; he says tenant farmers on less than 500 acres will find life extremely difficult if the basic support is slashed. But he believes the success of the Marlborough Downs project offers hope. “If we can work together on an environmental basis, [then] if things get tight and we lose 50 per cent of our [direct payment], what are the options? Could we do more on our farming scale? Do we all need to own a combine, or could we work collectively on farming as well?”

With farmland accounting for 70 per cent of the UK’s land area, a new ***agricultural*** policy will shape not just the appearance of the countryside but the future for the wildlife and people who ought to thrive there. A successful outcome would offer farmers the confidence to continue farming while incentivising schemes that help the environment and rural community to flourish throughout the country. A disastrous one would risk a cleavage between the landed and the stranded — between mega farms and large estates with the capital and opportunities to diversify, and tenants and smaller-scale farmers facing little choice but abandonment — with the environment hanging in the balance.

*Laura Battle is deputy editor of House & Home. Her family farms in Lincolnshire*

*Photographs: Jon Tonks; David White; Jemma Batten*

*Illustrations by Matthew Cook*

**Load-Date:** December 22, 2017

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[***Fisheries and natural resources are at the heart of push to boost industry in PNG***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-73DX-00000-00&context=1516831)

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**Body**

Although smaller than its petroleum, mining and ***agricultural*** sectors, Papua New Guinea industry and manufacturing are major contributors to the nation's revenue base, and hold significant potential for future investment and development.

Manufacturers face several challenges, including high transportation, utilities and security costs, import dependency, currency depreciation, a foreign exchange shortage and land acquisition difficulties. However, the country benefits from a wealth of natural resources that hold considerable potential for value-added processing, most notably in the fisheries and ***agriculture*** segment. Long-term industrial development should also support investment in construction materials and petrochemicals, a crucial step in government efforts to reduce imports and build up a robust local production base. Despite delays to the opening of a dedicated marine industrial park that is expected to attract new manufacturing investment in the country's powerhouse tuna industry, the sector's growth potential is highlighted by the recent announcement that Chinese investors are set to invest nearly $4bn in new industrial parks near the country's border with Indonesia. This is expected to pave the way for diversified long-term industrial and manufacturing growth, enabling PNG to expand its non-mineral export base, and encouraging new investment in labour-intensive businesses.

**At A Glance**

PNG's modern industrial development began during the 1990s with the Industrial Development (Pioneer Status) Act, which was introduced to create a legal framework for industrial development policies in the country. The act gave pioneer firms investing in PNG manufacturing and processing activities a five-year income tax break. The establishment of the act saw an influx of new investment, with a total of eight pioneer certificates issued in 1997 and 1998.

Today, PNG's manufacturing sector is considerably smaller than energy, mining and ***agriculture***, consisting largely of food and beverage manufacturing, food canning, tobacco processing and furniture making. Growth has been steady, however, and in June 2014 the Department of Trade, Commerce and Industry (DTCI) reported that the total value of the manufacturing sector rose from under PGK300m ($95.1m) in the early 1990s to surpass PGK1bn ($317m) for the first time in 2006, before hitting PGK1.4bn ($443.8m) in 2009 and PGK1.6bn ($507.2m) in 2011. Its share of GDP peaked at just over 10% in 1989, and stood at around 6% in 2011, according to data from the DTCI.

**Consumer Products**

Major manufacturers in the market include Coca-Cola, which ***produces*** BU-branded products, Nestlé, food company Goodman Fielder, plastic and consumer goods manufacturer KK Kingston, Laga Industries, Lae Biscuit Company, New Britain Palm Oil, Paradise Foods, Ramu Agri-Industries and Trukai Industries. According to the Asian Development Bank (ADB), small-scale engineering, metal processing, clothing and other light industries are also present in the market, although these segments remain relatively small. The bank notes that the majority of manufactured products in PNG are targeted exclusively to the domestic market, except for tuna processing, which has become a major export segment in recent years.

***Strategic* Development**

Although the country has not established a dedicated industrial development strategy, industrial targets are included in the PNG Vision 2050 long-term economic development ***plan***. Targets include establishing an Industrial Technology and Development Institute, as well as an industrialisation master ***plan*** to guide long-term development. The master ***plan*** focuses on developing an economic corridor and a national export-import bank, along with a stabilisation fund for revenues from non-renewable resource sectors, to channel money into education, health, communication, utilities infrastructure, and law and order. It also targets the development of a robust manufacturing sector, noting, "Opportunities exist in food production for the domestic market, high-value export crops, developing import-competing industries, plantations and forestry... Downstream agro-industries, small-scale and light manufacturing, ecotourism, and the service industry are also good prospects."

**Recent Growth**

The Bank of PNG (BPNG) reported that manufacturing sales rose by 23.6% in the second quarter of 2016, following a 3.9% decline in the previous quarter. The pick up in manufacturing was driven by increased sales and production of tobacco products, alcoholic drinks, processed tuna, general consumable goods, steel fabrication, chemicals and paints. Despite this positive growth, the BPNG noted that manufacturing sales fell by 7.4% in the 12 months to June 2016.

Gradual improvements to commodities prices are expected to keep the manufacturing sector on a steady growth path in 2017, with the BPNG reporting that the country has benefitted from a recent increase in commodities prices. The weighted average kina price of export commodities, excluding liquefied natural gas, jumped by 10% year-on-year in the third quarter of 2016, despite an 11.6% decline in the weighted average kina price of mineral exports such as copper and crude oil. ***Agricultural***, timber and marine product export prices rose by 5.6% in the same period. This led to a PGK240m ($76.1m) balance of payments surplus during the first nine months of 2016, compared to a PGK394m ($124.9m) deficit during the same period in 2015.

**Challenges**

Developing local manufacturing is a critical element for broader macroeconomic expansion. The Manufacturers Council of PNG (MCPNG) reported in August 2016 that manufacturers are the second-highest contributors to superannuation, and the largest single contributors to sales, payroll and company taxes to the government, eclipsing contributions made by the country's extractive sector, which benefits from a range of concessions.

However, industry stakeholders have noted that the manufacturing sector's expansion has faced several obstacles, including a shortage of skilled labour, complicated regulations, high utility and transportation overhead costs, and low productivity, creating significant challenges for new investors. "PNG is an expensive place to do business. Elsewhere in South-east Asia you can buy a 15-kg bottle of liquefied petroleum gas for $15, but here it costs PGK150 ($47.60). The same goes for many imported products, which are often re-exports from other economies and hence very expensive. More local industry and manufacturing is required," Michael McWalter, a PNG-based petroleum expert, told OBG.

According to the MCPNG, the main challenges facing manufacturers are: land acquisition difficulties and the limited availability of long-term land leases; unreliable and expensive utilities; poor and costly government services; and high investment risk. The council reported that manufacturers in Indonesia pay an average of two cents per KW of electricity, compared to the 47 cents paid in PNG, while water and sewerage costs are between four and six times higher in PNG than in other Asia-Pacific markets. New electrical capacity is urgently needed, as industrial energy demand is forecast to rise at an average annual rate of 4.4% until 2035, when it will hit 1.9m tonnes of oil equivalent (toe), up from 600,000 toe in 2010. According to investors, 15% of a company's overhead costs are spent on security expenses, compared to less than 1% in more developed markets.

**Forex Troubles**

Depressed global commodities prices, the Ok Tedi copper mine's 2016 shutdown (see Mining chapter) and subdued macroeconomic growth have also negatively affected manufacturing and industrial development, causing a chronic foreign exchange shortage since mid-2014, which has driven up business costs for the import-dependent manufacturing sector. Businesses have reported significant delays in receiving new shipments paid in kina, while the central bank has implemented a forex rationing ***programme*** that has faced criticism from manufacturing stakeholders.

"If you pay for something in kina, you get the product in four or five months. If you pay for it in a foreign currency, you'll get it in a few weeks," Chey Scovell, CEO of the MCPNG, told OBG. "The central bank's forex prioritisation is also a problem. There are Chinese companies out here that get something like $8m or $9m each month for imports of things we really don't need, and then you have local factory owners who are about to shut down because they can't buy sheet metal." This has significantly affected recent growth, with the Department of Treasury reporting that the manufacturing sector expanded by 2% in 2016, against earlier projections of 4%. The slowing in growth was largely attributed to increased competition from lower-priced imports as well as lack of foreign currency availability.

**Silver Lining**

There could be some upsides to the forex shortage for the manufacturing sector, however. In February 2017 Frank McQuoid, chairman of steel fabricator Steel Industries, told local media outlet EMTV that a difficulty in accessing foreign exchange had created a situation where PNG-made goods were becoming increasingly attractive to local businesses.

The MCPNG also noted that fast-moving consumer goods, which are comparatively well-represented in the manufacturing segment, had experienced surging demand throughout late 2016 and early 2017, especially given currency depreciation - the kina has lost around 35% of its value against the dollar since 2012 - which had previously driven up the cost of imports. According to the council, the metal trades industry now holds 20% of the domestic market, with annual growth of between 10% and 15% anticipated in the next few years.

**Tuna Power**

Fisheries growth has also been robust in recent years, with the tuna industry becoming one of PNG's most significant non-mineral export earners. According to a 2013 report by the Pacific Tuna Forum, roughly 18% of global tuna stock is located in PNG's 2.5m-sq-km Exclusive Economic Zone (EEZ), with tuna processing rising to become a significant manufacturing growth driver in recent years.

An estimated 750,000 tonnes of tuna is caught each year in PNG's waters, which equates to a raw value of approximately $1.5bn, although most of this is taken to other countries for further processing. The MCPNG reported that countries such as the Philippines and China add an estimated PGK30bn ($9.5bn) to their own economies annually by processing raw tuna exports that come from PNG. The PNG Fishing Industry Association (FIA) reported that fisheries in the country generated over PGK1bn ($317m) in export revenues in 2016, an increase on 2015 figures, with the association targeting a goal of PGK3bn ($951m) annually in the future.

PNG is also a member of the Parties to the Nauru Agreement (PNA), a group of South Pacific countries that control waters where 50% of the world's skipjack tuna are caught. PNG, the Solomon Islands, Tuvalu, Kiribati, the Marshall Islands, Nauru, the Federated States of Micronesia and Palau are PNA members.

**EU Exports**

Under an economic partnership agreement signed with the EU in 2011, PNG has duty-free access to EU markets, including exports of processed fish to the bloc from any vessel fishing outside its territorial waters, effectively exempting the country from EU Rules of Origin requirements.

The EU is one of PNG's largest tuna markets, and fisheries products comprised the second-largest share of exports to the EU in 2016, at (EURO)110m, or 16.1% of the total, behind (EURO)502m of ***agricultural*** exports. Fish exports to the EU have declined in recent years, however, dropping from (EURO)139m in 2013 to (EURO)111m in 2015. With EU exports moderating, industry regulator the National Fisheries Authority (NFA) is seeking new markets, with the Middle East, China and other Asian nations earmarked as potential export targets.

**Processing**

Investment in new tuna processing facilities has been steady, and several new plants have launched in recent years, including four in Malahang, located near the city of Lae. These included the PGK80m ($25.4m) Majestic Seafood tuna canning plant, which opened in June 2013. The development was followed by separate facilities owned by South Korean companies Dong Wong and Nambawan Seafoods, and China's Haili Sheng. Lae is also home to canneries owned by Malaysia's International Food Corporation, as well as the Philippines' Frabelle Fishing. RD Tuna, the country's largest tuna canner, also opened a cannery in Madang in 2014. The new plant is expected to be the centrepiece of PNG's long-***planned*** Pacific Marine Industrial Zone (PMIZ), a fisheries-oriented export and processing area, which officials hope will host 10 tuna canneries, along with related port facilities and other businesses.

**Domestic Demand**

The PMIZ development could play a fundamental role in helping the country meet rising domestic tuna demand. Despite steady investment inflows, the FIA reported in February 2017 that PNG still imports more canned tuna than it exports. Data from FY 2012/13 revealed that the country exported 35,000 tonnes of canned tuna, against 40,000 tonnes of imports, making development of value-added processing a priority for PNG's manufacturing sector. The 110-ha industrial zone will be complemented by an additional 115 ha of residential and commercial space, providing employment for up to 30,000 people and generating revenues of $2bn to $4bn annually once operational. In April 2016 the Ministry of Trade, Commerce and Industry issued a construction commencement order to China Shenyang International Economical and Technical to commence work on the PMIZ.

Under development for over a decade, the project has faced delays and cost overruns, while landowners and environmental groups have also protested against the development, arguing that it fails to offer any benefits to the local community. In March 2017 local media reported that the EXIM Bank of China, which signed an agreement to finance 78% of the PMIZ project, had seen its budget rise from PGK300m ($95.1m) to PGK494m ($156.6m), and that additional financing was being sought. Authorities had ***planned*** to open the PMIZ during the first half of 2017, but the opening date is now expected to be later in the year.

**Restrictions**

While in the past PNG's tuna industry required greater value-added processing capacity, government policies to address the issue have met with mixed results and reactions from stakeholders. For example, in September 2015 authorities announced ***plans*** to prohibit tuna fishing vessels from operating in the country's archipelagic waters unless the catch was processed in PNG, with the target of processing 100% of EEZ tuna domestically in the coming years. However, according to a report published by *Undercurrent* News, industry stakeholders raised questions about the viability of the new regulations, which were criticised as being unfavourable to local industry, as export growth to the EU was expected to flatten. There were fears that the additional regulations could provide tuna ***producers*** from other countries with an export advantage in relation to processing costs.

The report stated that countries such as the Philippines, Vietnam, China, Ecuador, Ghana, Senegal, the Seychelles and Mauritius are more capable of selling processed tuna to the EU at lower prices than PNG, where the cost of processing yellow fin tuna can be up to $400 higher than in some competing markets. Stakeholders also raised concerns that tuna fishers would become a captive market for local processors and buyers, which would put them at a disadvantage when negotiating their contracts.

**Vessel Day Scheme**

The changes, which came into effect in 2016, are in addition to the Vessel Day Scheme (VDS) regulation, which places restrictions on PNG's tuna vessels from fishing in the high sea areas of the Eastern Pacific, or in areas beyond PNA water. In 2010 PNA member states agreed to adopt the VDS, an integrated management system aimed at controlling fishing efforts by limiting the number of days a vessel can spend fishing, rather than implementing weight-based catch quotas on fishing crews. The VDS records detailed catch data from vessels and independent fisheries, subsequently allowing authorities to track the quantities of fish being caught in certain locations, while also helping to monitor illegal fishing. In April 2016 Transform Aqorau, the PNA's chief executive, announced that the group had agreed to keep the VDS scheme, reporting that since full implementation of the system, fishery revenues had risen from $60m annually to an estimated $400m in 2015.

**Sustainability**

Despite the economic benefits, the VDS has faced some criticism. Although the US is a member of the South Pacific Tuna Treaty, an agreement which ratifies the VDS system, US authorities have increasingly pushed to roll out a catch-based quota system in place of the VDS, which US trade representatives argue is fairer for all companies fishing in PNA waters, and would strengthen the industry against major South-east Asian export competitors.

In January 2016, following complaints from Tri Marine, Dongwan Industries and the South Pacific Tuna Corporation, the US announced it would withdraw from the South Pacific Tuna Treaty. While this decision was reversed in March 2016, PNG tuna industry stakeholders have increasingly argued against VDS. In March 2017 the FIA told local media that the government should focus on fostering revenue growth under a quota system rather than continue with the VDS.

Nonetheless, VDS compliance could be important for the country as it moves to expand its tuna exports; the European Commission gave PNG a "yellow card" warning in June 2014 for not doing enough to combat illegal fishing, putting the country at risk of trade sanctions on its EU fisheries exports. The yellow card was lifted in 2015, but sustainability remains a key priority for tuna stakeholders, as evidenced by the March 2017 announcement from NFA managing director John Kasu, who told local media that the authority was moving to establish surveillance and monitoring stations in Vanimo, Wewak and other coastal towns as part of efforts to crack down on illegal fishing.

**Export Diversification**

With regulatory uncertainty challenging growth, and the industry awaiting the completion of the PMIZ, industrial stakeholders are increasingly focusing on diversifying the development of export-oriented industries to enable PNG to capitalise on its resource wealth.

The development of new industrial parks looks likely to be an important component of export diversification. Although PNG passed a Free Trade Zone Act in 2000, subsequently enabling the establishment of export-oriented developments that offer incentives to investors engaging in new projects, the country has yet to build a robust portfolio of industrial parks. Major developments at present include the PNG Dockyard in Port Moresby, the AES-owned Ravuvu Industrial Park, and a ***planned*** business zone as part of the Lae Port Development Project, with the second phase of the project on hold as of mid-2017.

**New Industrial Park Development**

Perhaps the most significant recent development for industrial stakeholders was the December 2016 announcement that investors from China's third-largest city, Shenzhen, had signed a memorandum of understanding to build two new industrial parks in West Sepik, near the Indonesian border. The estimated project budget is $3.8bn, and includes ***plans*** for one park dedicated to fisheries, timber-product processing, cassava and tropical spices, which will be built adjacent to an industrial park offering facilities for Shenzhen-based companies to ***produce*** steel, cement and other industrial products. The Shenzhen development coincided with an announcement that investors from China's Fujian province were close to signing an agreement to build a "furniture city" at a yet to be announced location. Meanwhile, ***planned*** resource-extraction projects are also expected to stimulate growth. "If it comes on-line, Papua LNG will be a watershed for industry and the whole country," Takeshi Abe, former CEO of Ela Motors, told OBG.

**Outlook**

While the manufacturing and industrial sector, like the broader PNG economy, is dealing with the challenges of subdued macroeconomic growth, currency depreciation and low commodities prices, development of new labour-intensive manufacturing ventures could accelerate significantly in the coming years. New investment in West Sepik's industrial parks should support decentralised manufacturing expansion, boosting the country's production base and generating new export growth at a crucial time. Together with the PMIZ, these parks and other investments should support stable mid-term manufacturing growth, with new value-added tuna processing to continue augmenting government coffers and export receipts in the future.

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[***Ghana Monthly Briefing December 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T0T-P8P1-JC8V-4062-00000-00&context=1516831)

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**Body**

**ABSTRACT**

***President Nana Addo Dankwa Akufo-Addo (2017-present) meets French President Emmanuel Macron (2017-present) in Accra. The Bank of Ghana (BoG) (central bank) releases a press statement following its monetary policy committee (MPC) meeting, announcing a 100 basis-point reduction in its benchmark interest rate to 20%. The Ghana Investment Promotion Centres (GIPC) third quarter 2017 report reveals total investment in Ghana amounted $5.63 billion in Q1-Q3 2017.***

**FULL TEXT**

**President Akufo-Addo meets French President Macron in Accra**

President **Nana Addo Dankwa Akufo-Addo** (2017-present) met **French** President **Emmanuel Macron** (2017-present) on 30 November.[[1]](#footnote-2)1 The meeting, part of Macron's five-day **West Africa** tour, is significant because **Ghana** is not traditionally France's closest partner in the region.[[2]](#footnote-3)2 Although Macron visited both **Côte d'Ivoire** (France's strongest West African economic partner) and **Burkina Faso** (for the launch of the **G5 Sahel** regional anti-terrorism force), he omitted historic partners such as **Senegal** and **Mali** from his tour.[[3]](#footnote-4)3 During a press conference, Akufo-Addo said he wanted to shift the focus and type of relationship between France and Ghana,

*"We want our relations with France to be characterised by an increase in trade and investment co-operation, not aid... We want to build a value-added, industrialised economy with a modernised* ***agriculture****, which is neither victim nor pawn of the world economic order."*[[4]](#footnote-5)4

In 2015 Ghana was France's seventh largest investment destination on the **African** continent, with a total of 1.5 billion ($1.8 billion) worth of investments.[[5]](#footnote-6)5 Akufo-Addo said that an improvement in trade and diplomatic ties with France will serve as a platform for Ghana's development in the **Economic Community of West African States (ECOWAS)**, which comprises almost exclusively French-speaking countries,

*"Ghana's* ***strategic*** *interest requires that we actively promote regional integration of the countries of West Africa, grouped in the ECOWAS. We have to play a central role in hastening the process of creating a genuine regional market out of ECOWAS, which is dominated by francophone countries."*[[6]](#footnote-7)6

Local sources believe that Akufo-Addo's longstanding relations with France will aid good relations with Macron,

*"No doubt, President Akufo-Addo brings something new. He was schooled in the West including the* ***United Kingdom (UK)*** *and France and speaks and writes fluent French... The French perceive him as an ally."*[[7]](#footnote-8)7

Akufo-Addo and Macron both appear to have a desire to build Franco-Ghanaian relations. Prior exposure to both French culture and language will undoubtedly aid Akufo-Addo in this endeavour, while Macron is pushing for stronger relations with Anglophone Africa. Akufo-Addo also appears keen to transition towards a more egalitarian relationship with respect to both trade and aid flows. Akufo-Addo will therefore be seeking to attract inward foreign direct investment (FDI) from French companies, in a bid to attain his value-added industrial growth targets.

**Bank of Ghana lowers benchmark policy rate 100 basis points to 20%**

The **Bank of Ghana (BoG)** (central bank) on 27 November released a press statement following its monetary policy committee (MPC) meeting, announcing a 100 basis-point reduction in its benchmark interest rate to 20%.[[8]](#footnote-9)8 The interest policy rate decision continues a downward trend since Akufo-Addo entered office, as the BoG had already reduced its benchmark interest rate 450 basis points from a peak of 25.5% in January.[[9]](#footnote-10)9 The BoG's new strategy to lower interest rates has been met positively by the business community, which claims it has had a positive impact on lending and growth.[[10]](#footnote-11)10 The MPC cited the following economic factors as the foundations for its decision:[[11]](#footnote-12)11

* Headline inflation - consumer price index (CPI) - has lowered from 15.4% in December 2016 to 11.6% at the end of October;

1. A mixed performance of Ghana's predominant commodities exports prices, with an increase in crude oil, a moderation of gold, and a further decrease of cocoa prices;
2. GDP growth of 6.6% and 9% in the first and second quarter of 2017 respectively, projected to reach 7.9% at the end of the year;
3. Non-oil GDP growth of 3.9% and 4% in the first and second quarter of 2017 respectively;
4. A 22.6% increase in broad money supply year-on-year as of October, compared to 19.8% year-on-year growth in October 2016;
5. Year-on-year growth of 20.5% in total asset base of banks to 88.9 billion cedis (¢) ($19.2 billion) in October 2017, compared to October 2016;
6. The ratio of non-performing loans (NPLs) declined from 21.9% in August to 21.6% in October;
7. A capital adequacy ratio (CAR) of 15% at the end of September;
8. An overall government deficit of 4.6% of GDP in the year to September 2017, against a target of 4.8%;
9. Total public debt stock of ¢138.9 billion ($30 billion) (68.6% of GDP) at the end of September, from ¢138.1 billion ($29.8 billion) (68.3% of GDP) in August;
10. A current account deficit of $1.1 billion (2.4% of GDP) in the first three quarters of 2017, compared to $2.1 billion (4.9% of GDP) in the same period of 2016;
11. Gross international reserves of $7.4 billion (4.1 months of import cover) as of 24 November, up from $6.2 billion (3.5 months of import cover) in December 2016.

Local sources view the macroeconomic environment as positive, and support the BoG's policy decision,

*"Clearly, the harmful macroeconomic indicators are all on the decline. It is obvious that BoG governor Dr* ***Ernest Addison*** *(an economist) and finance minister* ***Ken Ofori-Atta*** *(an investment banker) are making their professional expertise felt in the management of the economy. Monetary policy and fiscal policy are coherently working together to stabilise the economy and position it for growth."*[[12]](#footnote-13)12

On the other hand, sources believe that banks have been slow to react to BoG interest policy rate decreases in the past year,

*"Commercial banks have not responded equally to the reduction in the policy rate. Lending rates of commercial banks witnessed marginal reduction despite the substantial 5.5% cut in the policy rate [since December]. The banks argue that policy rate alone cannot engineer big cuts in lending rates."*[[13]](#footnote-14)13

The improvements to the macroeconomic environment are positive, especially since the launch of major oil production operations in the past year, giving an added gloss to the government's economic management. The challenge for the BoG, on the other hand, will be to persuade banks to adjust more responsively to policy rate decisions, and transfer these positive fluctuations to borrowers.

**... as inward investment increases to $5.63 billion in Q1-Q3 2017**

In its third quarter of 2017 report released on 20 November, the **Ghana Investment Promotion Centre**'s **(GIPC)** reveals that total investment in Ghana amounted to $5.63 billion, with an FDI component of $4.37 billion.[[14]](#footnote-15)14 The contents of the GIPC's quarterly report appear to indicate high investor confidence in the Akufo-Addo government. The GIPC only published detailed figures concerning investments that it processed and directly booked, which comprises 60% of the total investment figure into Ghana.[[15]](#footnote-16)15 Within the GIPC's figures, foreign direct investment (FDI) increased 80% between Q1-Q3 2016 and Q1-Q3 2017.[[16]](#footnote-17)16 According to the GIPC, although the total number of investment projects increased by just 2%, from 136 to 139, the total estimated value of investments that the GIPC processed increased 74% from $1.94 billion to $3.37 billion between Q1-Q3 2016 and Q1-Q3-2017.[[17]](#footnote-18)17 The FDI component of the investments that the GIPC processed increased from $1.8 billion to $3.25 billion - FDI today comprises 96.6% of all investment into Ghana through the GIPC.[[18]](#footnote-19)18 Therefore, the average estimated value per project processed with the GIPC increased from $14.3m to $24.2m.[[19]](#footnote-20)19 Furthermore, the share of joint ventures in investments processed at the GIPC decreased, from 23.5% to 20.1%.[[20]](#footnote-21)20 On a sector-by-sector basis, manufacturing comprised the lion's share of investments processed with the GIPC in Q1-Q3 2017, with 78.7% of total investments, showing that Akufo-Addo's 'One District, One Factory' policy initiative may be working.[[21]](#footnote-22)21

On a country-by-country basis, **The Netherlands** was by far the largest investor, comprising $2.44 billion in FDI by value, or 75.1% of total FDI the GIPC processed.[[22]](#footnote-23)22 It is unclear how the GIPC calculated this figure, as there have been no overtly Dutch investments since the beginning of the year. The GIPC considers the **Early Power Ltd** consortium a $2.5 billion investment (or 77% of FDI in Q1-Q3 2017), although publicly this was announced as a $953m deal in a joint venture with government, and was also signed in October 2016. It is unclear whether the consortium - between **United States (US)**-based **Endeavor Energy** and **General Electric (GE)**, and **Sage Petroleum (Sage)**, subsidiary of **Dubai**-based **Sage Group** - is registered in The Netherlands, which could explain the provenance of the investment.[[23]](#footnote-24)23 However, it does not explain the increase in value from $953m to $2.5 billion. It appears that the calculation includes the government's investment into the joint venture.

Local sources believe that the successes of FDI in the past year is a result of the reputation of the ruling **New Patriotic Party (NPP)**:

*"The NPP government has attracted investor interest. The government is making all the right statements about being open for business. To back the statements, the government has managed the economy in a way that enables businesses to* ***plan****. The relative economic stability achieved in 11 months sends the signal that Ghana is returning to the path of growth. Investor confidence is gradually rising."*[[24]](#footnote-25)24

The improvements to the investment environment are visible in the increased influx of investors in the past year. The NPP has presented a compelling business case for investors: political stability, growth and incentives. Although the Early Power investment may skew the level of investment, which nearly doubled in the past year, the success of large-scale investment projects will ***produce*** a useful case study for investors to inform their investment strategy.

**Planner**

30 May 2018 **Accra (Ghana)***Press Release*. The **West Africa Mining & Power Exhibition & Conference** begins;

Apr 2018 **(Ghana)***Press Release*. The government completes its ECF ***programme*** with the IMF;

19 Mar 2018 **Accra (Ghana)***10 Times*. The **Coastal and Maritime Surveillance Summit** begins;

25 Jan 2018 **Accra (Ghana)***Eventbrite*. The **Mining Investment West Africa** conference begins;

Dec 2017 **Accra (Ghana)***Press Release*. The third parliamentary meetings ends;

**Chronology**

7 Dec 2017 **Accra (Ghana)***Reuters*. **MTN Ghana Ltd**, subsidiary of **South Africa**-based **MTN Group**, concludes a 510m cedi (¢) ($113.2m) syndicated loan;

5 Dec 2017 **Accra (Ghana)***Bloomberg*. **Joseph Boahen Aidoo**, CEO of state-owned cocoa sector regulator, the **Ghana Cocoa Board**, announces that he ***plans*** to raise $750m in debt in order to replace swollen shoot-affected and older low-yield cocoa trees within the next decade;

30 Nov 2017 **Accra (Ghana)***Reuters*. The government announces that it has raised 5.3 billion cedis (¢) ($1.16 billion) in several local currency bonds;

27 Nov 2017 **Accra (Ghana)***Citi FM*. The **Bank of Ghana** (central bank) lowers its benchmark interest rate 100 basis points to 20%, from 21%;

27 Nov 2017 **(Burkina Faso, Côte d'Ivoire, Ghana)***France 24*. **French** President **Emmanuel Macron** begins a three-day state visit in **West Africa**;

25 Nov 2017 **Accra (Ghana)***Graphic Online*. The **Accra International Conference Centre** hosts the **Ghana-Japan Quality Infrastructure Dialogue**;

20 Nov 2017 **Accra (Ghana)***Press Release*. The **Ghana Investment Promotion Centre** announces that total investment in Ghana reached $5.63 billion in Q1-Q3 2017, with an FDI component of $4.37 billion;

16 Nov 2017 **Accra (Ghana)***Press Release*. Local government minister **Hajia Alima Mahama** announces the creation of 38 new metropolitan, municipal and districts assemblies;

15 Nov 2017 **Accra (Ghana)***Graphic Online*. Finance minister **Ken Ofori-Atta** presents the 2018 budget to parliament, with an emphasis on job creation, targeting 6.8% GDP growth in 2018;

14 Nov 2017 **Accra (Ghana)***Reuters*. Deputy energy minister **Mohamed Amid Adam** confirms that the government is in negotiations with **United States**-based **Exxon Mobil Corp** to allow the firm to undertake deep-water exploration;

**FOOTNOTES**

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**End of Document**



[***The importance of urban rainwater harvesting in circular economy: the case of Guadalajara city***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5YJX-P231-DY4C-F13B-00000-00&context=1516831)

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**Body**

**ABSTRACT**

Purpose

This paper aims to associate two fields of research: circular economy and the restoration of water cycle through the implementation of rainwater catchment systems in urban zones.

Design/methodology/approach

This study considers the case of the metropolitan zone of Guadalajara, México. This urban concentration is the second largest in Mexico. It faces floods each year with a cost of over US$26m, while demand of water has a production cost over US$24m. At the same time, the aquifers are drying due to uncontrolled urbanization and increasing the impervious area over the recharge zones. In addition, rainwater is combined with wastewater, elevating the cost of the wastewater treatment because the amount and quality of water to treat exceeds the systems’ capacity. This situation causes floods and decreases the availability of ground water. These problems are reflected in the imbalance of parameters of water cycle and a new approach is needed. The circular economy model can help to preserve one of our most vital resources. Scarcity is already so pronounced that we cannot reach many of our desired economic, social and environmental goals. Technologies that help balance supply and demand can also help water (both stock and flow) to become part of a circular model. To prove this, the authors present a hypothetical scenario based on a pilot project and a basin modeling of Guadalajara, Mexico.

Findings

Through this paper, it is possible to demonstrate that rainwater harvesting can play an important role in circular economy. Using the rainwater catchment systems, the cost of damages caused by floods could be decreased, the demand of water could be reduced, cost of production can be reduced, the aquifers can be recharged and the wastewater treatments can be improved.

Originality/value

Few papers have been developed to associate two fields of research (circular economy and the restoration of water cycle), using rainwater catchment systems as the central element.

**1. Introduction**

Three billion people will join the global consumer class over the next two decades, accelerating the degradation of natural resources, including water and escalating competition for them. The quantity of fresh water available for humanity is very limited, and furthermore, there is a growing imbalance in the water sector. Scarcity is so pronounced that we cannot reach many of our economic, social and environmental goals. Water management is especially a challenge in dense urban areas; cities have become the place where challenges and opportunities for development come together [WWAP (United Nations World Water Assessment ***Programme***), 2015], as most of the world population concentrates in urban areas. In 2014, 54 per cent of the global population lived in cities, and by 2050, two-thirds of the population is expected to live in cities [UNDESA (United Nations Department of Economic and Social Affairs), 2014]. One of the main issues cities in the world are dealing with is frequent floods that cause dramatic human and economic losses. If we continue business as usual, global demand for water will exceed viable resources by 40 per cent in 2030[WWAP (United Nations World Water Assessment ***Programme***), 2015].

A more integral vision of water management is required, and the circular economy model can help in this regard. For example, rather than focus solely on a specific water problem such as wastewater treatment, we should attempt to prevent contamination or create a system in which water circulates in closed loops, allowing repeated use. These shifts will require radical solutions grounded in a complete mind-set change, but they must happen soon, given the urgency of the situation. One of these shifts is also related to floods problems in the cities. Rainwater is being drained into the sewage system instead of being a component of the water cycle that recharges the underground aquifers (Sharma *et al.*, 2015). This situation causes serious economic losses and avoids its access to the aquifer, affecting the water cycle [WWAP (United Nations World Water Assessment ***Programme***), 2015]. One of the several proposals for resolving this problem is the implementation of technologies that can help both, the balance supply and the water demand, by encouraging both stock and flow, they support a circular model. One of these technologies are rainwater catchment systems, they can be implemented as a measure of water cycle restoration, which can be an important component of circular economy (Novak *et al.*, 2014). Under this assumption, the main research question of this study is: how the rainwater harvesting systems can help to restore the water cycle in urban zones? Based on a pilot project and a basin modeling of Guadalajara, the objective of this paper is to demonstrate the positive impacts of rainwater catchment systems and how they can help to decrease damages caused by floods, their economic losses, reduce the demand of water and its cost of production; and support both, the recharge of aquifers and the wastewater treatment improvement. The theoretical framework proposal is featured later in the text.

**2. Theoretical framework**

**2.1 The concept of circular economy**

Today’s linear “take, make, dispose” economic model relies on large quantities of cheap, easily accessible materials and energy; it is a model that is reaching its physical limits. A circular economy is an attractive and viable alternative that businesses have already started exploring today. A circular economy is restorative and regenerative by design, it aims to keep products, components and materials at their highest utility and value at all times. A circular economy is an alternative to the traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them while in use, then recover and regenerate products and materials at the end of each service life (Figure 1). The concept distinguishes between technical and biological cycles. As envisioned by the originators, a circular economy is a continuous positive development cycle that preserves and enhances natural capital, optimizes resource yields and minimizes system risks by managing finite stocks and renewable flows. It works effectively at every scale (Ellen Macarthur Foundation, 2015).

The circular economy aims to eradicate waste → not just from manufacturing processes, as lean management aspires to do, but systematically, throughout the life cycles and uses of products and their components. Indeed, tight component and product cycles of use and reuse, aided by product design, help define the concept of a circular economy and distinguish it from the linear take→make→dispose economy, which wastes large amounts of embedded materials, energy and labor (Zils, 2014).

**2.2 A new, “circular” perspective on water management**

Water has called the attention of circular economy, as it is one of the most important resources for production. Sectors such as ***agriculture*** or aquaculture depend almost entirely on it. For this reason, analyses about the role of water in a circular economy have been made. “Water has been pushed into a linear model in which it becomes successively more polluted as it travels through the system, rendering future use impossible” (Stuchtey, 2005). From the traditional linear “take, make, dispose”, resource-intensive model, our systems can shift to restorative or regenerative systems with the emergence of new business models based on usage versus production/consumption. This also entails behavioral changes with gaps needing to be filled by awareness raising an education (Veolia, 2014).

The global water crisis is real and graphically manifest. The root of this challenge is the violation of the principle that lies at the heart of any circular economy and which rests on these three basic beliefs (Stuchtey, 2005):

* All durables, which are products with a long or infinite life span, must retain their value and be reused but never discarded or down cycled (broken down into parts and repurposed into new products of lesser value).

1. All consumables, which are products with a short life span, should be used as often as possible before safely returning to the biosphere.
2. Natural resources may only be used to the extent that they can be regenerated (Stuchtey, 2005).

Even countries with advanced water-management systems violate these fundamental rules. They often fail to purify water before discharging it back into the environment because clean-up costs are high or prohibitive, even when energy or valuable chemicals could be extracted (Stuchtey, 2005). The substances contained in the water then become pollutants. Equally troubling, any volume of water removed from the system is seldom replaced with return flow of the same quality (Stuchtey, 2005).

When considering a redesign that will create a new, circular water system, we can take three different views:

* The product perspective, which calls for a strict distinction between water as a consumable and water as a durable, since there are different strategies for reducing waste in each category.

1. The resource perspective, which calls for a balance between withdrawals and return flows.
2. The utility perspective, which focuses on maximizing the value of our existing water infrastructure by increasing utilization and ensuring better recovery and refurbishment of assets.

As Voulvoulis (Bywater, 2016) stated, water is an important natural resource, essential for life and necessary for the survival of all ecosystems. It must find ways to manage this finite resource sustainably one solution may be to move from a linear economy to a circular economy, which seeks to eliminate losses and decouple economic growth from resource consumption. For an essential resource like water, this shift is not just necessary but also incredibly complex.

**2.3 Integrated water resources management**

Restoration of water cycle is contained within a global and edge concept: Integrated Water Resources Management (IWRM). IWRM is a process that promotes the coordinated development and management of water, land and related resources, to maximize the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems (Global Water Partnership, 2012a, 2012b).

The basis of IWRM is that the many different uses of finite water resources are interdependent. High irrigation demands and polluted drainage flows from ***agriculture*** mean less freshwater for drinking or industrial use. Contaminated municipal and industrial wastewater pollutes rivers and threatens ecosystems; if water has to be left in a river to protect fisheries and ecosystems, less can be diverted to grow crops. There are plenty more examples of the basic theme that unregulated use of scarce water resources is wasteful and inherently unsustainable (Global Water Partnership, 2012a, 2012b).

IWRM is particularly concerned with pursuing what might be termed an integrationist agenda; the integrated and coordinated management of water and land as a mean of balancing resource protection while meeting social and ecological needs, and promoting economic development (Odendaal, 2002). Thomas and Durham (2003) describe the concept as a sustainable approach to water management that recognizes its multidimensional character → time, space, multidiscipline and stakeholders → and the necessity to address, embrace and relate these dimensions holistically to reach sustainable solutions.

IWRM is not an end in itself, but a mean to achieve three key ***strategic*** objectives.

* efficiency to make water resources go as far as possible;

1. equity in the allocation of water across different social and economic groups; and
2. environmental sustainability, to protect the water resources base and associated ecosystems.

IWRM should be viewed as a *process* rather than a one-shot approach → one that is long-term and forward → moving but iterative rather than linear in nature. There is no such thing as a perfect IWRM system and the search for perfection can lead to action atrophy (Figure 2).

An integrated approach to urban water resources management calls for new objectives that recognize the mutual benefits of water resources, energy and land use management. More governments recognize the importance of taking such an approach to address the challenges of cities. There is a growing consensus around the principles of Integrated Urban Water Management (IUWM) which include the following (Srinivas, 2016):

* involving all key players;

1. considering the entire water cycle as one system;
2. assessing a portfolio of water sources;
3. a portfolio of options;
4. maximizing the benefits from wastewater;
5. designing adaptive systems;
6. urban water partnerships;
7. urban water catchment management;
8. waste as a resource;
9. integrated flood management; and
10. low cost, high impact solutions.

These two concepts are the basis of good water management. However, there is another important idea that arises from both concepts: Restoration of Water Cycle (RWC). RWC is defined as the process that seeks to restore the parameters of the hydrological cycle through the increment of green areas to elevate the evapotranspiration, the installation of rainwater harvesting systems to reduce the floods and to increase the water supply and the implementation of infiltration systems to both recharge the aquifers and to reduce the floods (Gleason, 2014a, 2014b). This concept is a practical tool to re-establish the parameters of the water cycle in high-deteriorated urban zones. Also, this idea is inspired in concepts such as Water Sensitive Urban Design (WSUD), which focuses on minimizing the hydrological impacts of urban development on the surrounding areas (Morison and Brown, 2011). Best management practices which is described as “an in-the-ground practical answer to diffuse pollution problems from all sources and sectors” (D’Arcy and Frost, 2001) and low impact development which is the generic term to call the new and different storm-water management techniques to face urban runoff problem including green roofs, permeable pavements, swales and bio-retention systems (Qin *et al.*, 2013).

The previously mentioned WSUD is an approach to the ***planning*** and design of urban environments that supports healthy ecosystems, lifestyles and livelihoods through smart management of all our waters. The National Water Commission in Australia defines water sensitive urban design as ensuring “[…] that urban water management is sensitive to natural hydrological and ecological cycles. It integrates urban ***planning*** with the management, protection and conservation of the urban water cycle” (Department of ***Planning*** and Local Government, 2009).

The three diagrams below illustrate how the water-cycle works in natural and urban areas. The diagram on the right highlights the potential benefits of Water Sensitive Urban Design in achieving a more natural hydrologic regime (Figure 3).

The RWC in urban zones is the result of re-establishing the parameters of the cycle. The purpose of restoration unlike WSUD is to restore the areas of the watershed that had been destroyed, basically it is related with ***planning*** (before the urbanization) and RWC is to restore the parameters of water cycle (after the urbanization). This concept and its aspects can be related with the circular economy model as it will be seen in the following section.

**2.4 Restoration of water cycle as part of circular economy**

The basic concept of a circular economy states that it is a continuous enhancing development cycle that preserves and enhances natural capital, in this sense; water is part of natural capital. This vital resource has been exploited affecting its availability in terms of quality and quantity, and it needs to be restored to achieve a sustainable development. Re-establishing the water cycle variables, the hydrological restoration at least partially should be a priority. This can be possible through the implementation of innovative technology. For example, the rainwater catchment systems can restore the infiltration rate and increase the underground water availability; the reforestation increases the evapotranspiration and thereby increases the precipitation; the installation of graywater systems and wastewater *in situ*, reduce the rates of contamination and increase the water supply. Figure 4 shows the current linear model of water.

The water supply system takes water from its cycle through rainwater, surface water and underground water. The metropolitan zone of Guadalajara consumes water and throws it away without treatment. All durables do not retain their value and is not reused. All consumables are not used as often as possible before safely returning to the biosphere. Figure 5 shows the result of the union of circular economy and restoration of water cycle.

Figure 5 shows that the industrial wastewater and rainwater can be recycled to increase water supply. This model reuses the rainwater and wastewater, decreases the demand of water and discharges less wastewater to the drainage diminishing the pollution, and increasing the infiltration rate. The main scope of the model lies in the implementation of rainwater harvesting systems as an alternative to restore the water cycle and to reduce the economic losses. The rainwater can be infiltrated to aquifers too. The technology that could be implemented in these cases, as commented before, is a rainwater catchment system. This alternative increases the water supply, recharges the aquifers and reduces the floods. The cost of services for water supply, wastewater treatment and storm-water infrastructure is very high. In contradiction the rainwater and wastewater are mixed ***producing*** damages in the cities to both humans and infrastructure. The hypothesis is that rainwater harvesting technology can be a proposal to restore the water cycle within the framework of circular economy. The rainwater collected can be used for water consumption and infiltration; this can help to reduce the exploitation of current sources and to avoid the economic losses caused by floods.

**3. Methodology**

The case study method embraces the full set of procedures needed to do the analysis. These tasks include design of a case study, collecting the study’s data, analyzing the data and presenting and reporting the results. The case studies describe actual ***interventions*** or experiences in organizations. A description of a legal case or a hypothetical case study is also used as an exemplification:

* designing a case study;

1. collecting the study’s data;
2. analyzing the data; and
3. reporting the results.

**3.1 Designing a case study**

The Metropolitan Zone of Guadalajara is located in western Mexico. It has more than 4 million inhabitants. The city is composed of three watersheds: Atemajac, Río Blanco and Ahogado (See Figure 6). This area faces many serious water problems, namely, water scarcity and floods. The water supply system receives water from Chapala Lake (60 per cent), aquifers (30 per cent) and a small dam (10 per cent). The cost for supplying and draining water is raising every year, and at the same time, it deals with the economic losses due to floods. To demonstrate that rainwater harvesting can play an important role in circular economy, a specific case will be used to analyze the possibility to implement rainwater catchment systems in Guadalajara to diminish the floods and to increase the availability of water. The implementation of rainwater catchment systems could support a circular economy model and the restoration of water cycle.

**3.2 Collecting the study data**

Yin (1994) identified six primary sources of evidence for case study research. The use of each of these might require different skills from the researcher. Not all sources are essential in every case study, but the importance of multiple sources of data to increase the reliability of the study is well established (Stake, 1995; Yin, 1994). The six sources identified by Yin (1994) are documentation, archival records, interviews, direct observation, participant observation and physical artefacts. For this work documentation, archival records and direct observation were used. Secondary data come from governmental entities. The basic information is related to the water supply system and its cost of production yearly [SIAPA (Sistema Intermunicipal de Agua Potable y Alcantarillado), 2008].

In this case, we analyzed the water situation in Guadalajara, based on the amount of rainwater that can be captured at the urban level on the basis of previous studies that one of the researchers of this paper has developed, including the cost of flood damages (Gleason, 2010). The information was collected by documentary search in public agencies. The information used in the analysis is shown in the Table I.

Table II shows the water sources from Guadalajara. As it can be seen, 70 per cent of water supply (Chapala lake and aquifers) comes from surface water, the rest comes from underground water. The annual cost is US$24m. This cost does not consider the leakages in the water supply network. Leakages represent 40 per cent in the metropolitan zone of Guadalajara. According to AWWA Leak detection and Water Accountability Committee (1996), the recommendation is 10 per cent for water losses in distribution systems (Sharma, 2008).

It is important to mention that there is water deficit in the amount of 3 m3/seg or 94 millions of m3/year. However, as this research will show, rainwater harvesting in roof areas can help to cover this deficit. It is an opportunity to reduce the deficit, as it will be shown below.

Rainwater harvesting is a good solution to both water scarcity and water safety. Rainwater collection or harvesting systems in urban areas can be implemented through the roof of the houses. The rainwater harvesting system on roofs offers good water quality because it is not contaminated as runoff water in the streets. In this sense, rainwater harvesting is the process by which rainwater that hits the roof is stored and reused. Roof catchment systems channel rainwater that falls onto a roof into a storage through a system of gutters and pipes. A first flush of rainwater is run to clean the surface of the roof of debris. Roof gutters are designed with sufficient inclination to avoid standing water. The water is transferred by rain gutters, through piping, then through filters to a rain harvesting tank that is sized to store up to 18 months of water for the household. Storage tanks are covered to prevent mosquito breeding and to reduce evaporation losses, contamination and algal growth. The captured water is piped back to the house for all domestic use after going through a series of filters and ultraviolet light. Rainwater is naturally pure and eliminates the need for any water softening systems. Rainwater harvesting systems require some regular maintenance, cleaning and testing to keep the system hygienic and in good working order (Figure 7).

The rainwater volume from Guadalajara is almost 314,000,000 m3 annually. This result comes from the area of Atemajac (35,000 has) and the annual rainfall (897 mm). Today, nearly half of this water goes to the drainage directly without usage causing more than US$26m losses every year.

If we want to make possible to catch all rainwater, it would be necessary to implement rainwater-harvesting systems in all the houses of Guadalajara. To reduce costs of this installation, it would be appropriated to consider first the houses that have cistern and water tank in the roof (tinaco). Table III shows the total of houses and the number of houses with cistern and tinaco. In this case, it is considered for the four municipalities that compose the metropolitan zone: Guadalajara, Zapopan, Tlaquepaque and Tonala. These municipalities are part of the Atemajac watershed.

To know the functionality in terms of costs, construction, efficiency and operation, a pilot project was developed. This pilot project was financed by home owners who were interested in capturing rainwater and the consultancy came from the University of Guadalajara. This experience can be used as a model to calculate the potential of rainwater catchment. The pilot project is located at Tlaquepaque municipality. Figure 8 presents the house with its rainwater catchment system.

This house has a roof with 43 m2 so the rainwater harvesting potential is 28 m3 per year (Area × rainfall × coefficient of efficiency). The house shares the downspout with other house on the left so that means there are two roofs, doubling the potential (56 m3). After three rainy seasons, the family has consumed 44 m3 during almost four months per year. This amount of water has been used for domestic consumption and the rest (8 m3) was infiltrated into a well. In short, this house does not drain rainwater into the urban drainage. The cost of the system is US$2,350, but it is necessary to consider that water supply was direct from the water utility, so there was no cistern and tinaco. Therefore, there was a need to implement both components, increasing the cost of the system. Figure 9 shows the operation of the rainwater system in the house.

The rainwater harvesting system is designed to operate as part of the central water supply system. This way, during dry season, water comes from the central water supply and as soon as the rain season starts, the valve from the central water supply is closed and the rainwater harvesting systems starts to operate. The rainwater descends by the downspout to the first flush tank. Once the tank is full, the rainwater goes to the 5,000 liters in the underground cistern. If the cistern is overfilled, the water overflows into the infiltration well. The stored water is pumped to the filters and then driven to a tank placed on the roof. Finally, the rainwater is distributed along the hydraulic system (Figure 5).

**4. Analysing the results**

“Data analysis consists of examining, categorizing, tabulating, or otherwise recombining the evidence to address the initial propositions of a study” (Yin, 1994). The analysis of this case study is still under develop. The researchers need to rely on experience and the literature to present the evidence in various ways, using various interpretations. As Miles and Huberman (1984) suggest, there are alternative analytic techniques of analysis in such situations, for example using arrays to display the data, creating displays, tabulating the frequency of events, ordering the information and other methods.

The data are analyzed considering the implementation of rainwater catchment systems in some houses in Guadalajara. First, it is necessary to calculate the water balance with its variables after urbanization. The water balance in urban conditions for each municipality is shown in Table IV.

In Table IV can be noted that runoff (Part of precipitation that appears as streamflow) represents 55 per cent of the precipitation. This amount of water ***produces*** serious human and economic problems. The question is how can it be reduced? The runoff can be reduced through the rainwater catchment systems by retaining water in the cistern and infiltrating rainwater into the ground. In this way, the floods are lowered and the availability of recharging underground water is increased. Based on the annual rainfall in the area, Table V shows the potential of harvested water.

After revision of the surfaces in the zone of study, it is concluded that the more common surface size is 60 m2; therefore, it is set as the average roof area. Also 897 mm per year and a coefficient 0.70 are used (according table of coefficient of efficiency) (Kniffen *et al.*, 2012).

The potential of harvest water is 21,128,973 m3 at cost of US$$336m. The cost is not very expensive if it is considered that the economic losses reach over US$26m every year. This situation has been presented during the past 30 years. Therefore, the cost of damage rises to over US$780m. The ecological benefits are shown in Table VI.

The table above shows that harvested water through the roofs is 21,128,972 m3/year. This only decreases 12 per cent points of runoff, but the significant change is shown when the infiltration variable is considered because through infiltration systems the amount could be 151,571,029 m3/year, plus the current infiltration, the total is 198,671,028 m3/year. This means that if the technology of rainwater systems was implemented through the roof and infiltration techniques, it is possible to reduce the floods and increase the availability of water significantly.

Some of the techniques for infiltration are the infiltration wells, the wells on the surface of the ground made for rainwater to seep into the ground. Infiltration wells are the opposite of drinking water wells. Infiltration wells are holes to introduce water into the ground, while the drinking water wells bring water to the surface. In addition, construction is also different. For the well depth, an impregnation hole is made above the surface of the ground water, while drinking water wells are made to a depth below the surface of the ground water. The purpose of the manufacture of infiltration wells are:

* preserving and improving the quality and quantity of groundwater;

1. cope with water shortages;
2. cultivating environmental awareness; and
3. conserve and save water resources long term.

Figure 10 shows the structure of the infiltration well.

Figure 11 shows the linear model applied to metropolitan zone of Guadalajara. As it can be seen, the inflows of water come from water cycle, but the water flows in one direction. Customers use the water without restrictions and the contamination impact is very high. As commented before, the cost to ***produce*** surface and underground water is around US$24m and the floods ***produce*** economic losses around US$26m.

Figure 12 shows the circular model that preserves the vital source and reuses the rainwater through its capture and infiltration into the ground. Potentially the floods can be reduced with both strategies and the economic losses as well.

If rainwater is captured for domestic consumption and for infiltration, the cost of operation will decrease from US$24m to US$16m because for four months it would not be necessary to use the central system, which represents a saving of US$8m per year.

The sum of economic losses (US$26m) and cost of operation (US$24m) is US$50m per year. If rainwater catchment systems were implemented, at least the economic loses could be decreased almost totally and the money could be used for other needs. Guadalajara has suffered floods during the past 30 years, it means that if we multiply the amount of economic losses until now; the result would be US$780m (26 × 30). This money is enough to pay the whole rainwater harvesting system twice.

The rainwater catchment systems could be paid in 13 years avoiding the economic losses. In this same period, it could save US$104m (8 × 13). This amount of money could cover almost a third part of the rainwater systems costs.

**5. Discussion of results**

One of the three basic beliefs of circular economy is that natural resources can only be used to the extent that they can be regenerated. If rainwater is used for water supply, it can represent a significant change in water perception. Normally, rainwater is drained into sewage system and is mixed with wastewater flowing into the river. This situation violates this basic belief. Rainwater can be used for domestic consumption and infiltration and therefore rainwater can be regenerated and used many times.

When considering a redesign that can create a new circular water system, three different views were considered:

* The product perspective, which calls for a strict distinction between water as a consumable and water as a durable, since there are different strategies for reducing waste in each category. Effectively the water is a consumable, but it should not be forgotten that it also is a durable. Rainwater infiltration assures water as a durable. Rainwater goes into the ground and recharges the aquifers ensuring the water availability for the next generations. Do not forget that water is a consumable, so the rainwater has the purpose to complement the water supply to every citizen.

1. The resource perspective, which calls for a balance between withdrawals and return flows. The rainwater system has the purpose to complement the domestic consumption at the household level and to infiltrate the rainwater into the ground. Today, withdrawals from the aquifers are very high. The balance needs to be recovered and the balance could be recovered.
2. The utility perspective, which focuses on maximizing the value of our existing water infrastructure by increasing utilization and ensuring better recovery and refurbishment of assets. Nowadays, floods causing economic losses cannot continue. The current water infrastructure is deteriorated, and it needs renovation as soon as possible. While this is happening, the technological alternatives at household level can help to solve the water problem in short term.

Finally, it should be noted that this paper does not take into account the grey and wastewater systems *in situ*. These systems can decrease the amount of wastewater and diminish the quantity of contaminants. Also, they can allow the reutilization of water in specific usages and diminish the water supply. In other paper, these systems will be developed further.

**6. Conclusions**

The pilot project demonstrated that there are ecological and economic benefits. First, the implementation of rainwater harvesting in the house showed water supply was covered by the rainwater for four months. This pilot project captures 56,000 liters per year whereof means 44,000 liters are used for consumption and 8,000 liters are conducted into the infiltration well. This shows that system can represent an ecological benefit at the local level because the current sources of water are not exploited, and the aquifer is recharged during the rainy season. Second, there is a money saving of US$150 per year, which if not a big saving it represents a modest economic benefit. What becomes clear is that a rainwater harvesting system is a feasible alternative for water supply at least for four months. This technology can be applied in similar urban areas.

However, these two benefits are strengthened when the implementation is accomplished at the urban level. The runoff is diminished 12 per cent when the rainwater is captured but when the rainwater is infiltrated is diminished 88 per cent. Consequently, the volume for water supply is minimum, but the infiltration volume is high. This reduction can avoid US$24m of economic losses ***produced*** by floods every year.

With this experience, there is physical evidence that rainwater harvesting systems can be associated with Circular Economy. Circular Economy is an alternative to a traditional linear economy (make, use, dispose), as well as the linear water cycle extracts, uses and drains to water bodies. This model needs to be changed. Million cubic meters of rainwater are conducted into the drainage ***producing*** contamination and floods. If this linear model continues, it will increase the water crisis. Withdrawals from the aquifers are excessive and they are being depleted, but if rainwater is infiltrated instead of draining to sewage, the recharge reduces the over-exploitation. Circular Economy also aims to eradicate waste and the RWC seeks to eradicate the wastewater. Every drop of water counts. It is not tolerable to drain an enormous amount of rainwater into the drainages. Catching the rainwater avoids the mixture with wastewater and reduces the costs of treatment.

It is still necessary to test more pilot projects in different sites of Guadalajara to precise the potential of harvested water. Also, it is necessary to mount a monitoring system that can measure the amount of water to be captured and the quantity of water to be infiltrated.

This paper is an effort to associate the Circular Economy theory with restoration of water cycle in urban zones concepts. It is necessary to deepen in this connection finding similarities, differences, strengths and weaknesses, to maximize their contribution for urban water problems in the world.

**Table I.**  Data collected for the study

| **Type of data** | **Quantity** |
| --- | --- |
| Total amount of houses in Guadalajara | 952,003 |
| Annual rainfall | 897 mmm |
| Coefficient of efficiency | 0.70 (Surface of roof) |
| Economic losses by floods per year | US$26m |
| Cost of water production per year | US$26m |
| Cost of RWH for houses (60 m2 of roof) | US$2,350 |

**Table II.**  Sources of water of Guadalajara and its cost of production

| **No.** | **Sources** | **Flow (m3/Sec)** | **Annual flow (m3/year)** | **(%)** | **Costs US$/annual** |
| --- | --- | --- | --- | --- | --- |
| 1 | Chapala Lake | 5.5 | 173?448,000 | 60 |  |
| 2 | Aquifers (Atemajac and Tesistan) | 3.0 | 94?608,000.00 | 30 | 24,000,000 |
| 3 | Calderón dam | 0.5 | 15?768,000 | 10 |  |
| 4 | Total | 9.0 | 283?824,000 | 100 |  |

**Table III.**  Houses in Guadalajara

| **Municipalities** | **Total of houses in metropolitan zone** | **Houses with cistern and tinaco** | **% of total** |
| --- | --- | --- | --- |
| Guadalajara | 381,300 | 199,229 | 52 |
| Zapopan | 318,505 | 238,560 | 75 |
| Tlaquepaque | 146,278 | 62,928 | 43 |
| Tonalá | 105,920 | 60,120 | 56 |
| Total | 952,003 | 560,837 | 59 |

**Table IV.**  Water balance of metropolitan zone

| **Municipalities** | **Total Precipitation m3/year** | **Territory** | **Precipitation per municipality** | **Evaporation 30%** | **Runoff 55%** | **Infiltration 15%** |
| --- | --- | --- | --- | --- | --- | --- |
| **100%** | **%** | **m3/year** | **m3/year** | **m3/year** | **m3/year** |
| **A** | **B** | **C** | **D** | **E** | **F** |
| Guadalajara |  | 70 | 219,800,000 | 65,940,000 | 120,890,000 | 32,970,000 |
| Zapopan | 314,000,000 | 20 | 62,800,000 | 18,840,000 | 34,540,000 | 9,420,000 |
| Tlaquepaque |  | 5 | 15,700,000 | 4,710,000 | 8,635,000 | 2,355,000 |
| Tonalá |  | 5 | 15,700,000 | 4,710,000 | 8,635,000 | 2,355,000 |
| Total |  | 100 | 314,000,000 | 94,200,000 | 172,700,000 | 47,100,000 |

**Table V.**  Harvested water and its cost

|  | **Houses with cistern and tinaco** | **Rainfall** | **Area** | **Coefficient** | **Harvested water** | **Cost per house** | **Total cost RWH** |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **mm** | **m2** | **C** | **m3/year** | **US$** | **US$** |
| **Municipalities** | **A** | **B** | **C** | **D** | **E** | **F** | **G** |
|  |  |  |  |  | **A \* B \* C \* D** |  | **A \* F** |
| Guadalajara | 199,229 | 897 | 60 | 0.7 | 7,505,753 | 600 | 119,537,400 |
| Zapopan | 238,560 | 897 | 60 | 0.7 | 8,987,509 | 600 | 143,136,000 |
| Tlaquepaque | 62,928 | 897 | 60 | 0.7 | 2,370,749 | 600 | 37,756,800 |
| Tonalá | 60,120 | 897 | 60 | 0.7 | 2,264,961 | 600 | 36,072,000 |
| Total | 560,837 |  |  |  | 21,128,973 |  | 336,502,200 |

**Table VI.**  Water balance with RWH technology

|  | **Urban conditions** | | | | **Restored conditions** | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Precipitation per municipality** | **Evaporation** | **Runoff** | **Infiltration** | **Harvested** | **Infiltration** | **New Infiltration** | **Water** |
|  |  | **30%** | **55%** | **15%** | **Water by RWH** | **by RHW** | **Old infil + New infil** | **Balance** |
|  | **m3/year** | **m3/year** | **m3/year** | **m3/year** | **m3/year** | **m3/year** | **m3/year** | **m3/year** |
| **Municipalities** | **A** | **B** | **C** | **D** | **F** | **G = C - F** | **H = D + G** | **I =B + F + H** |
| Guadalajara | 219,800,000 | 65,940,000 | 120,890,000 | 32,970,000 | 7,505,753 | 113,384,247 | 146,354,247 | 219,800,000 |
| Zapopan | 62,800,000 | 18,840,000 | 34,540,000 | 9,420,000 | 8,987,509 | 25,552,491 | 34,972,491 | 62,800,000 |
| Tlaquepaque | 15,700,000 | 4,710,000 | 8,635,000 | 2,355,000 | 2,370,749 | 6,264,251 | 8,619,251 | 15,700,000 |
| Tonalá | 15,700,000 | 4,710,000 | 8,635,000 | 2,355,000 | 2,264,961 | 6,370,039 | 8,725,039 | 15,700,000 |
| Total | 314,000,000 | 94,200,000 | 172,700,000 | 47,100,000 | 21,128,972 | 151,571,028 | 198,671,028 | 314,000,000 |

**Load-Date:** April 2, 2020

**End of Document**



[***Assisted suicide and protecting the vulnerable***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RDJ-RY41-F021-610V-00000-00&context=1516831)

thetimes.co.uk

January 15, 2018 Monday 12:01 AM GMT

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**Section:** COMMENT; Version:1

**Length:** 1842 words

**Byline:** LETTERS TO THE EDITOR SHOULD BE SENT TO , [*LETTERS@THETIMES.CO.UK*](mailto:letters@thetimes.co.uk)

**Body**

Sir, As a doctor specialising in the care of people with life-limiting illnesses, I read Emma Duncan's article "I wish I could have helped Mum end her life" (Jan 11) with interest. Ms Duncan's mother wanted to die because she was elderly and her daughter appears to believe that is sufficient reason to change the law to license assisted suicide. Even campaigners insist they support a change in the law only for terminally ill people. Ms Duncan's mother seems to have lived a very different life from most people approaching the end of life. Their experience has been less about exercising their autonomy and more about just coping.

Those of us who work in the front line of ageing, frailty, serious illness and dying see a very different picture. The focus needs to be on protecting the vulnerable, not on offering choices for suicide to the strong-willed.Dr Iain LawrieVice-president, the association for palliative medicine of Great Britain and Ireland

Sir, A cultural shiftis taking place in Britain concerning death. The rise of "death cafés" and ***programmes*** such as Joan Bakewell's We Need to Talk about Death on Radio 4 indicate that we are at last facing our fears.

One puzzle, though, is why we strive to honour a person's last wishes as to the nature of their funeral, but insist that terminally ill people should live on in pain if they do not want to do?

At present the law, which rightly protects life, also results in dying people being denied the death of their choice. Surely it is time to pass legislation that has enough safeguards to ensure the former but permit the latter. Otherwise we force people to suffer against their will, die abroad or commit suicide - neither humane nor religious responses.Rabbi Dr Jonathan RomainMaidenhead Synagogue, Berks

Sir, In recent years hundreds of Britons have broken the law by helping relatives to go to the Dignitas clinic in Switzerland, where assisted dying is legal. Yet the Crown Prosecution Service has turned a blind eye to prosecution.

Many deaths in Britain are by morphine overdose, administered by doctors, which allows patients to die painlessly, or by the removal of life support by medical staff on the patient's request. Both these actions are premeditated and legal. Yet assisting someone to die at the Dignitas Clinic could mean a 14-year prison sentence.

We have autonomy in almost every aspect of our lives except when it comes to that most profoundly private of choices: the manner of our dying. It is the state that decides. Surely only the most zealous of collectivists would continue to insist that the suffering should be kept alive against their will.David SimmondsWoking, Surrey

Sir, I would like to point out an objection to Emma Duncan's piece. While the term "assisted suicide" may be accurate in referring to indirect assisted suicide, it is incorrect when referring to another party providing the critical act that causes death. Being asked to put a pillow over her mother's head would mean not merely "assisting her suicide", but directly killing her. Gavriel CohnLondon NW4DEFENCE SPENDINGSir, Edward Lucas states that the UK defence priority should be the defence of Europe (Comment, Jan 12). Implicit in his thinking is the possibility of Russia conducting a full-scale invasion of western Europe. In fact, there is no such possibility. The Russians are, rightly, fearful of a nuclear response in such a scenario.

The vote for Brexit at least enables us to stop spending taxpayers' money to allow our European allies to duck their defence responsibilities. It is time EU members look after themselves.

Meanwhile, the UK can make a non-nuclear contribution to troublespots where our interests may be threatened - the Middle East is perhaps the likeliest possibility. The new aircraft carriers can be at the heart of such an expeditionary force. The Royal Marines and the Parachute Regiment are the soldiers needed.

Savings could be made by reducing tanks, artillery and some infantry and abolishing the RAF. The (non carrier-based) fixed-wing fighters and bombers are no longer needed. The transport wing could be taken under command of the army, and the navy could deal with the (carrier-based) fast jets. This would save on running costs of the hardware and negate the need for the costly bureaucratic edifice that underpins the RAF.Dr Graham MoyseBroadstone, Dorset

Sir, Britain can afford a global defence role. However, this is a political choice about Britain's role in the world, and one that has not been debated publicly. There are two choices. A global Britain requires investment that would take the budget over 2.5 per cent of GDP, enabling investment in naval platforms, ***strategic*** air power, a fully resourced army division and the nuclear deterrent. The second option, which is being forced on to the MoD, is to become a regional power limited to joint European defensive operations with a nuclear deterrent.

We are stretching defence and damaging the morale of personnel by asking the armed forces to have a global role on a regional budget.James A Glancy Former Royal Marines officerFISHERY PROTECTIONSir, Admiral Lord West of Spithead is right to spell out the importance and urgency of ensuring effective fishery protection after we leave the European Union and the common fisheries policy ("Plea for Dad's Navy", letter, Jan 10).

In answer to a parliamentary question last November, I was told that the government had established a joint maritime operations co-ordination centre "to co-ordinate all sea-based patrol activity across marine agencies to derive maximum surveillance benefit".

Reassuring words, but co-ordination needs vessels to co-ordinate. Urgent ***planning*** for - and, crucially, funding - that capability must be a high priority: 300,000 square miles of the UK's exclusive economic zone will need to be patrolled. There would be little point in negotiating fish stocks back under UK control if they could not then be policed and protected. Lord LisvaneClerk of the Commons 2011-14, House of LordsSUCCESSFUL FACTORS IN ARMY RECRUITINGSir, I write in response to your report "Army defends appeal to gays and Muslims" (Jan 11). I was director of army recruiting from 2003 to 2005. We met our targets of 10,000 young people every year. I concluded that advertising campaigns, good though they were - and "Be the best" was inspirational - had little effect on numbers. Most youngsters who joined had thought about the army at a young age; few just wandered into the recruiting office even after seeing marketing material.

Thereafter, the most positive influences were, in order of importance, unemployment levels, parents, young soldiers they had met (especially friends who had joined), overseas operations such as Iraq, and learning a trade. It was critical that the recruiting office was manned by mature non-commissioned officers who could reassure parents and encourage youngsters.

The current environment of relatively full employment, no overseas operations and a recruitment organisation run online by a private company has little chance of success. The "Army Belonging" campaign will have no impact.

The solution? Although many of the success factors are outside of the army's control the one thing it can do is regain control of its recruitment organisation and put youngsters in touch with people whose judgment they and their parents trust.Chris SextonDirector of army recruiting 2003-05OLDER DRIVERSSir, You report that "in 2012, of the 447 pedestrians killed by cars, drivers over the age of 70 were responsible for 7 per cent" ("Victim's family demands tests for older drivers to cut fatalities", Jan 13). However, drivers aged over 70 account for 11.6 per cent of driving-licence holders and are thus significantly under-represented in pedestrian deaths by car drivers. Accident research shows that drivers aged under 70 are involved in a far higher per capita proportion of accidents, including pedestrian deaths, than those aged over 70.

The petition raised by Benjamin Brooks-Dutton in your report calling for "compulsory age-appropriate testing" is targeting the wrong age group. If additional testing is required, it needs to be applied to the under-70s. Mark Teale London W6FUNDING FORESTSSir, Your editorial "Living forests" (Jan 9) rightly welcomes the Woodland Trust initiative to create a National Northern Forest. However, making this a reality will mean confronting the issues faced by previous efforts for a more natural environment to our degraded Pennines. These range from marginal ***agriculture*** to water catchment management, from planners to public prejudice, from grouse shooting to rambling.

The principal problem is money: £500 million sounds a lot, but over 25 years is derisory. It will need a more imaginative approach, such as that embraced by the National Forest in the Midlands, to bring about land-use change on any scale. Dare I mention tax relief for planters, a measure that created many wonderful and productive forests. Better to plant trees in the Pennines, you might think, than to finance dubious tax-avoidance schemes.David W G TaylorPast president, Institute of Chartered ForestersAI AND THE HEARTSir, There are no symptoms of cardiac arrest except perhaps transient faintness before consciousness is lost. So I was intrigued to read in your report "Robot 999 staff can spot deadly symptoms faster than humans" (Jan 13) that symptoms could be spotted "even when the caller is unaware that he or she is a victim". This is impossible.

What is perhaps being referred to is a cardiac arrest occurring, then the heart restarting soon afterwards, as when a short period of cardiac arrest causes temporary unconsciousness. It would have to be short.Dr Brian WatsonRetired cardiothoracic anaesthetistA PRICE ON ARTSir, Richard Morrison's article ("Let's follow New York and charge for our museums and galleries", Times2, Jan 12) raised a point that has been a bugbear of mine for some time.

While it is wonderful that the thousands of tourists who flock here want to visit our cash-strapped museums and galleries, I do not see that they would be deterred by a nominal entry charge. Surely it would not be hard to introduce a pre-paid touch card like an Oyster card, where each adult would have to pay, say, £2 for entry. This would not involve costly manpower and would ***produce*** a much-needed source of income for these arts establishments.Judy CahusacLondon SW6TOOLING UPSir, It is not only Cornwall where the long spade holds sway (letter, Jan 12). In the west of Ireland the ash-handled, 44in-long, narrow-bladed "loy" was the tool of choice in ground where there was scarcely enough "soil to bury a man", according to Edmund Ludlow, one of Cromwell's generals.Sean GallagherRibble Valley, Lancs

Sir, The recent letters published recommending the use of the mattock (Jan 11 and 12) fail to take account of the main reason for using a spade, which is that it provides an ideal resting place while doing nothing.Fergus WesselMilton under Wychwood, OxonLETTERS TO THE EDITOR SHOULD BE SENT TO [*LETTERS@THETIMES.CO.UK*](mailto:letters@thetimes.co.uk)

**Load-Date:** January 15, 2018

**End of Document**



[***Our Oceans - Our Future***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SB0-DCY1-JDG9-Y0DM-00000-00&context=1516831)

Nordic Daily

May 12, 2018 Saturday

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**Length:** 2204 words

**Body**

Oslo: Norwegian Government has issued the following media release:

Excellencies, Ladies and Gentlemen, I would like to thank the National Graduate Institute for Policy Studies, and the co-organisers, the Nippon Foundation and the Sasakawa Peace Foundation, for giving me the opportunity to speak on oceans and the importance of international cooperation.

The oceans on our planet flow into each other.

Separating one ocean from another is impossible. Some argue we can't talk about the oceans – but rather the ocean.

Ocean currents are constantly moving, they never stop.

As a result, pollution in one part of the world can have a serious impact on the other side of the globe.

I struggle to think of a better example of global interdependence than the oceans.

If we join forces today, this will help us to address the most serious issues of the future.

Close international cooperation on oceans can limit the effects of climate change, feed a growing global population and help develop a sustainable blue economy.

Japan and Norway are both maritime nations.

We share a commitment to advancing the global agenda on oceans.

We also both know that there are abundant resources we can harvest from the sea, if we manage to strike the right balance between production and protection.

\*\*\*

A quick glance at the map shows us why the oceans are so important for our two countries.

Unlike Japan, Norway is not an island, but if we measure the length of our coastlines, we would probably both end up in the global top ten.

For both our countries, the sea has always given us food, transport routes and ***strategic*** protection.

As seafaring nations, it was also our gateway to the rest of the world.

There are a number of parallels between Norway and Japan when you look at our maritime history.

In the 20th century, Norwegian and Japanese vessels travelled to the Antarctic to hunt for whale oil and meat.

Polar explorers Shirase and Amundsen competed with each other in their quest for knowledge about unknown frontiers in the Antarctic.

Amundsen may have been the first to reach the South Pole, but Japanese explorers made equally valuable contributions to polar history.

Norway and Japan are both significant actors in commercial shipping. As early as 1905, a Norwegian consulate general was opened in Yokohama to assist Norwegian seamen and ship-owners in Japan.

And not only do both Norway and Japan have a history of being leading ocean nations, we intend to play a leading role in the future, too.

This brings with it a responsibility to keep pushing the global agenda for sustainable ocean management forward.

\*\*\*

In 2017, the Norwegian Government presented two key documents on the oceans: a strategy for ensuring sustainable growth in our ocean industries and a white paper on the oceans in Norway's foreign and development policy.

The white paper is the first of its kind, and in it we pay specific attention to three areas:

1. promoting the sustainable use of ocean resources, 2. ensuring that oceans are clean and healthy, and 3. strengthening the role of the blue economy in our development cooperation.

We are now working to put our policies into practice.

\*\*\* Norway is an Arctic nation. Much of our territory lies north of the Arctic Circle. Sea areas account for a large part.

For us, the Arctic is not a merely a remote, icy place. For many Norwegians, it is where we live, raise our families and run businesses.

As a result of climate change, we are seeing rapid and dramatic changes to the Arctic environment.

The consequences of climate change are severe, not only for the local communities in the Arctic but for the planet as a whole.

Rising sea levels and altered climatic conditions will have a global impact. The full and swift implementation of the Paris Agreement is therefore of crucial importance for the Arctic region, for the oceans – and for us all. \*\*\* The changes are happening fast.

So fast that researchers are struggling to understand and predict the effects they will eventually have on ecosystems.

No country can acquire the knowledge that is needed alone. International research cooperation is the only way forward.

In Ny-Ålesund, high up north on the Svalbard archipelago, an international research community is dedicated to studying the Arctic.

Since 1991, the Japanese research station NIPR-Rabben has made valuable contributions.

Norwegian universities and research institutions enjoy close cooperation with the National Institute for Polar Research (NIPR), the Japan Agency for Marine-Earth Science and Technology (JAMSTEC) and Hokkaido University.

The cooperation between the Norwegian Polar Institute and the University of Hokkaido is a good example.

For many years they have worked together to understand the atmosphere-ice-ocean-ecosystem processes in the Arctic Ocean.

In 2015, Japanese and Norwegian researchers spent a long, dark and cold winter on the Norwegian polar research vessel Lance, drifting with the sea ice to collect rare, but important, data.

The cooperation will continue with a new international research expedition to the same region in 2019-2020.

\*\*\* The Arctic Council plays an important role in ensuring predictable and inclusive cooperation in the Arctic region. We appreciate the contributions of Japan and other observers to the Council's work. Compliance with international law and the sustainable use of natural resources are vital for the peaceful and profitable development of the Arctic. \*\*\* The same can be said for the oceans in general. The oceans cover two thirds of our planet, ***produce*** half of the oxygen we breathe, and absorb around one third of our CO2 emissions.

If we are to reach the SDGs, it is essential that we work for healthy and productive oceans.

In order to protect the oceans, we are dependent on close international cooperation.

The UN Convention on the Law of the Sea provides the international legal framework for our efforts.

Respect for the multilateral system and international rules and conventions is essential.

Clear rules are necessary for ensuring a level playing field and equal opportunities.

To ensure that our efforts are as effective as possible, we must all work for full implementation of the Law of the Sea and our other global commitments.

\*\*\* It is said that we know more about the surface of the moon and the planet Mars, than the bottom of the ocean.

We do not yet know the full potential the oceans hold and the opportunities they offer.

Science is gradually helping us to uncover the secrets of the sea and the seabed.

Knowledge has been – and remains – the key to unlocking the full potential of the oceans.

\*\*\*

At present, over two thirds of Norwegian export revenues come from coastal and ocean-based activities – fisheries, aquaculture, shipping, and energy production (oil and gas).

To maintain the balance between conservation and consumption, we rely on integrated management ***plans*** for Norway's sea areas.

These ***plans*** brings together actors from all relevant parts of the public administration, along with the research and development sector, and not least the ocean and coast-based industries. In our view, Norway's experience is relevant for developing a global sustainable blue economy.

Responsible ocean management ensures sustainable harvesting and food production as well as employment, growth and welfare for generations to come.

\*\*\*

Experience shows that we can harvest the sea's resources without reducing their value.

In 1989, the Arctic cod stock was at a historically low level. It was obvious to both Norway and Russia that something had to be done.

Ever since, Norwegian and Russian scientists have carried out joint research on the management of fisheries.

Their knowledge and advice has been passed on to decision-makers on both sides of the border.

The results are striking.

Today, the cod stock is ten times the size it was, and is now the largest in the world. Its annual economic value is estimated at around 2 billion dollars.

This means that Norway's offshore production of oil and gas coexists with some of the healthiest wild fisheries in the world.

\*\*\*

You can frequently find Norwegian seafood on Japanese dinner tables, salmon and mackerel in particular.

Last week, Japan's Minister of ***Agriculture***, Forestry and Fisheries, Mr Ken Saito, visited the western part of Norway to explore the potential for new partnerships and learn more about Norwegian fisheries.

Japan is not only an important market for Norwegian seafood.

You are also an important partner in developing the global seafood market through industrial partnerships and technological development.

In Norway and Japan we know that sustainably harvested fish and seafood are healthy foods. But today, only 2-5 % of global food consumption is seafood.

We agree that people should eat more fish and seafood, and we need to give fish and seafood the importance they deserve in ensuring food security.

\*\*\*

There is no reason why the blue economy cannot drive growth in developing countries.

Norway is intensifying our efforts to share knowledge, technology and sustainable management strategies with developing economies.

According to the World Bank, the fisheries sector is losing a staggering 83 billion dollars each year, largely because of overfishing. Small island states and developing nations are often the hardest hit.

Last year we launched a state-of-the-art research vessel, Dr Fridtjof Nansen, which will play a role in promoting sustainable fisheries and management of ocean resources in developing countries in the years to come.

\*\*\* We are currently facing a double challenge.

On the one hand, we have to stop the world's marine ecosystems from being destroyed. On the other, it is essential that we increase ocean productivity.

The state of our oceans is not encouraging: three out of ten of the world's commercial fish stocks are overexploited.

Marine ecosystems are under severe pressure from global warming, ocean acidification and pollution.

The world has everything to gain from keeping the oceans productive and healthy. To a large degree, our future level of welfare will be determined by how well we manage the oceans and harvest their resources.

By 2050, there will be close to 10 billion people on the planet. 10 billion people will need more food, more energy and more means of transport.

The SDGs, and particularly SDG 14 on the conservation and sustainable use of the oceans, are our common guidelines.

If we are to stand a chance of meeting the targets, sustainable ocean management must start immediately.

The UN Ocean Conference last year was a significant milestone.

It was the first time the UN spearheaded a global conference exclusively focusing on the health of the oceans.

To maintain the momentum, we need an even stronger focus on sustainable oceans in the UN in the years to come.

\*\*\* Every year, a staggering amount of tonnes of plastic ends up in the ocean. This simply has to stop.

Plastic does not disappear from the sea. It stays there, and the volume increases every year.

Over the next ten years, projections show we will use even more plastic-intensive consumer goods.

Most of this growth will take place in countries where waste-management systems are just emerging.

In December last year, the third session of the UN Environment Assembly adopted a resolution, proposed by Norway, with the aim of stopping the flow of plastic into the ocean.

The Norwegian Government recently launched a ***programme***, with a budget of 15 million dollars, to combat waste and plastics in the oceans in developing countries.

A zero vision for plastics in the ocean is ambitious, but if we join forces and commit to the necessary global teamwork, we can make substantial progress.

\*\*\* The many new ocean-related initiatives show that the issue of the state of the oceans is moving higher up the international agenda. For Norway, it is important to make sure that the various initiatives are coordinated and work towards our common goal, which is to meet the SDGs as set out in Agenda 2030. Prime Minister Solberg has taken the initiative to establish an international High-level Panel on Building a Sustainable Ocean Economy. The panel consists of leaders from a number of ocean states, and will cooperate closely with the UN and other international initiatives.

Representatives of ocean industries and civil society will give advice and input, and a group of experts will provide the scientific background information.

The overall objective of the Panel is to increase global awareness of how responsible ocean management can help us to achieve the SDGs. The High-level Panel's final report will be presented in 2020. A milestone will be the Our Ocean Conference in Oslo in October next year. A key point on the agenda of the Conference will be how we can strike a balance between sustainable use of ocean resources and maintaining a healthy ocean environment as a precondition for increased economic growth. \*\*\* The oceans hold tremendous, untapped potential, as a source of food, medicines and energy.

Knowledge is the key to unlocking this potential.

And the only way to get the knowledge we need is through international cooperation.

Norway and Japan share the objective of making healthy and productive oceans a global priority.

It is our responsibility to keep building the momentum.

Thank you.

**Load-Date:** May 14, 2018

**End of Document**



[***P8\_TA(2016)0034 Mid-term review of the EU's Biodiversity Strategy European Parliament resolution of 2 February 2016 on the mid-term review of the EU’s Biodiversity Strategy (2015/2137(INI))***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RK3-P7W1-JDG9-Y0VY-00000-00&context=1516831)

Impact News Service

February 3, 2018 Saturday

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**Length:** 7505 words

**Body**

Brussels: Official Journal of the European Union has issued the following notice:

P8\_TA(2016)0034

Mid-term review of the EU's Biodiversity Strategy

European Parliament resolution of 2 February 2016 on the mid-term review of the EU’s Biodiversity Strategy (2015/2137(INI))

(2018/C 035/01)

The European Parliament,

—

having regard to the Commission report of 2 October 2015 entitled ‘The mid-term review of the EU biodiversity strategy to 2020’ (COM(2015)0478),

—

having regard to the Commission report of 20 May 2015 entitled ‘The State of Nature in the European Union: Report on the status of and trends for habitat types and species covered by the Birds and Habitats Directives for the 2007-2012 period as required under Article 17 of the Habitats Directive and Article 12 of the Birds Directive’ (COM(2015)0219),

—

having regard to the ‘Report on the open public consultation of the “fitness check” on the Birds and Habitats Directives’ (1),

—

having regard to the Eurobarometer survey published in October 2015 on the attitudes of people in Europe towards biodiversity (‘Special Eurobarometer 436’),

—

having regard to the report of the European Environment Agency entitled ‘The European Environment — state and outlook 2015’ (‘SOER 2015’),

—

having regard to the Commission communication of 7 February 2014 on the EU Approach against Wildlife Trafficking (COM(2014)0064),

—

having regard to the final report of the Horizon 2020 group of experts on Nature-Based Solutions and Re-Naturing Cities entitled ‘Towards an EU Research and Innovation policy agenda for Nature-Based Solutions and Re-Naturing Cities’, published in 2015,

—

having regard to the Natural Capital Financing Facility (NCFF), which forms part of the LIFE financial instrument for environmental and climate measures,

—

having regard to the Commission consultation on the future EU initiative under the motto ‘no net loss of biodiversity and ecosystem services’,

—

having regard to the results of the 12th Conference of the Parties (COP 12) to the UN Convention on Biological Diversity (CBD), in particular: the mid-term review of progress in implementing the ***strategic*** biodiversity action ***plan*** 2011-2020, including the fourth edition of the Global Diversity Outlook, with a view to achieving the Aichi Biodiversity Targets; and measures to improve implementation,

—

having regard to the COP 10 Decision X/34 on biodiversity, which stresses the importance of ***agricultural*** biodiversity for food security and nutrition, especially in the face of climate change and limited natural resources, as recognised by the Rome Declaration of the 2009 World Summit on Food Security,

—

having regard to the conclusions of the Environment Council meeting of 12 June 2014, in particular the undertaking by the EU and its Member States to increase resources with a view to achieving the Hyderabad commitments, by doubling total biodiversity-related financial resources flows by 2015;

—

having regard to the report of the CBD secretariat and the World Health Organisation (WHO) entitled ‘Connecting Global Priorities: Biodiversity and Human Health — A State of Knowledge Review’, published in 2015,

—

having regard to the motion for a resolution submitted at the 69th session of the UN General Assembly for approval of the post-2015 development agenda, entitled ‘Transforming our world: the 2030 Agenda for Sustainable Development’,

—

having regard to the reports on The Economics of Ecosystems and Biodiversity (TEEB), a worldwide initiative geared to ‘making nature's values visible’,

—

having regard to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and to the Convention on Migratory Species (CMS),

—

having regard to the International Union for the Conservation of Nature (IUCN) Red List of endangered animal species,

—

having regard to Regulation (EU) No 1143/2014 of the European Parliament and of the Council of 22 October 2014 on the prevention and management of the introduction and spread of invasive alien species (2),

—

having regard to the International Maritime Organisation International Convention for the Control and Management of Ships' Ballast Water and Sediments,

—

having regard to the Common ***Agricultural*** Policy after 2013, and in particular to Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common ***agricultural*** policy (3) and to Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European ***Agricultural*** Fund for Rural Development (EAFRD) (4),

—

having regard to Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC (5),

—

having regard to the Multiannual Financial Framework (MFF) 2014-2020,

—

having regard to its resolution of 20 April 2012 on our life insurance, our natural capital: an EU biodiversity strategy to 2020 (6),

—

having regard to its resolution of 12 December 2013 on Green Infrastructure — Enhancing Europe’s Natural Capital (7),

—

having regard to its resolution of 28 April 2015 on ‘A new EU Forest Strategy: for forests and the forest-based sector’ (8),

—

having regard to the European Parliamentary Research Service study of April 2015 entitled ‘Safeguarding biological diversity — EU policy and international agreements’,

—

regard to the report by Forest Europe entitled ‘State of Europe's Forests 2015’ (9),

—

having regard to the study by its Policy Department for Citizens’ Rights and Constitutional Affairs of 2009 on national legislation and practices with regard to the implementation of Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, particularly Article 6,

—

having regard to the opinion of the Committee of the Regions, adopted at the 115th plenary session of 3 and 4 December 2015, entitled ‘Contribution to the Fitness Check on the EU Birds and Habitats Directives’,

—

having regard to Rule 52 of its Rules of Procedure,

—

having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinion of the Committee on Development (A8-0003/2016),

A.

recalling that biodiversity encompasses the unique variety of ecosystems, habitats, species and genes on Earth, on which human beings are heavily dependent;

B.

whereas biodiversity has an overwhelming intrinsic value that must be protected for the benefit of future generations; whereas biodiversity also provides benefits for human health and contributes enormous social and economic value, and whereas the socio-economic opportunity cost of missing the biodiversity headline target is estimated to be EUR 50 billion a year;

C.

whereas ***agriculture*** plays a major role in the achievement of biodiversity objectives; whereas the need for efficient food production — to feed a rapidly increasing world population — and energy policy objectives which call for increased use of biomass as an energy source are making significant demands of the farming industry;

D.

whereas the ***agricultural*** and forestry sectors contribute to preserving biodiversity in the context of the application of existing legislation;

E.

whereas the diversity of plant species and varieties traditionally cultivated by small and medium-sized farms and family farms is of huge importance in terms of both responding to various needs and uses in rural communities and reducing crop vulnerability to adverse weather, pests and diseases;

F.

whereas sustainable and responsible land cultivation and livestock breeding make an essential contribution to preserving biodiversity;

G.

whereas biodiversity is under severe pressure worldwide, which is bringing about irreversible changes that are profoundly detrimental to nature, society and the economy;

H.

whereas Aichi Target 11 calls for the protection of at least 17 % of terrestrial and inland water areas through effectively managed systems of protected areas; whereas the proportion of European ecoregions having 17 % of their territory within protected areas is much reduced when areas protected solely by Natura 2000 are excluded;

I.

whereas the restoration of ecosystems can have a positive impact on both the mitigation of, and adaptation to, climate change;

J.

whereas at least 8 in every 10 EU citizens regard the impact of biodiversity loss as serious, and whereas 552 470 citizens participated in the public consultation on the fitness check for the Nature Directives, the largest-ever response to any Commission consultation; whereas, according to the Eurobarometer survey, citizens wish to receive more information about biodiversity loss and most people are not familiar with Natura 2000;

K.

whereas considerable numbers of committed citizens, acting either on their own initiative or as members of local or regional action groups, are taking local and regional measures to promote biodiversity and are thereby achieving positive results within a relatively short timeframe;

L.

whereas 65 % of EU citizens live within 5 km of a Natura 2000 site, and 98 % live within 20 km, suggesting that these sites have the potential to help raise awareness of biodiversity and to deliver ecosystem services that contribute to the well-being of a large proportion of the EU's population;

M.

whereas biodiversity policies must be in full compliance with the principle of subsidiarity, so that regional differences in landscapes and habitats are fully respected;

N.

having regard to the importance of biodiversity in the outermost regions and the overseas countries and territories, which represent unique reserves of endemic flora and fauna species; whereas the Birds and Habitats Directives are nonetheless not applied in some of these regions;

General remarks

1.

Welcomes the mid-term review of the biodiversity strategy, and the ‘State of Nature’ and ‘SOER 2015’ reports; stresses the ***strategic*** importance of these reports for achieving the EU’s biodiversity targets;

2.

Expresses its serious concern about the continuing loss of biodiversity; notes that the 2020 targets will not be achieved without additional, substantial and continuous efforts; observes, at the same time, that scientific evidence has demonstrated that Europe’s nature would be in a much worse state without the positive impact of the EU Birds and Habitats Directives, and that targeted and appropriately financed efforts genuinely ***produce*** positive results; stresses, however, that there is still great potential for improvement;

3.

Stresses that habitat destruction is the most important factor driving biodiversity loss and is a particular priority when it comes to addressing this loss, i.e through reducing degradation and fragmentation;

4.

Stresses that biodiversity loss refers not only to species and habitats but also to genetic diversity; calls on the Commission to develop a strategy for the conservation of genetic diversity;

5.

Underlines the critical role of biodiversity in the Sustainable Development Goals (SDGs), in particular Goals 14 (‘Conserve and sustainably use the oceans, seas and marine resources’) and 15 (‘Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss’); recalls that the EU has incredible biodiversity, in particular thanks to its outermost regions, but also to the overseas countries and territories associated with it; calls, therefore, for the EU to remain strongly committed to further strengthening the Convention on Biological Diversity and to ensure that it is implemented effectively;

6.

Notes that habitat fragmentation, degradation and destruction as a result of land-use change, climate change, unsustainable consumption patterns and the use of the seas are some of the main pressures and drivers causing biodiversity loss in the EU and beyond its borders; emphasises, therefore, the need to identify and establish indicators that unequivocally and scientifically measure the state of biodiversity in a given area or region and to support rational and sustainable use of resources both within the EU and at global level, including in developing countries, and, in particular, urges the EU to better anchor its international biodiversity commitments to its climate change and Europe 2020 strategies; stresses that a more resource-efficient economy and a reduction in overconsumption could enable the EU to reduce its dependence on natural resources, in particular from outside Europe; recalls also that ecosystem-based approaches to climate change mitigation and adaptation could provide cost-effective alternatives to technological solutions, while progress in many applied sciences depends on the long-term availability and diversity of natural assets;

7.

Stresses the crucial importance of increased political will at the highest level to safeguard biodiversity and halt biodiversity loss; considers the implementation of existing legislation, enforcement and further integration of biodiversity protection into other policy areas to be essential; calls, in particular, on regional and local authorities in the Member States to provide information about, and raise awareness of, biodiversity;

8.

Deplores the fact that, in Europe, around a quarter of wild species are at risk of extinction and many ecosystems are degraded, giving rise to severe social and economic damage for the EU;

9.

Stresses that nature and economic development are not mutually exclusive; is convinced of the need to embed nature more fully in society, including the economy and private enterprises, in order to generate sustainable economic growth and take proactive measures to protect, restore and better manage the environment; considers, in particular, that a commitment to reducing the exploitation of resources must be central in merging environmental and economic goals;

10.

Emphasises that biodiversity loss has devastating economic costs for society, which until now have not been integrated sufficiently into economic and other policies; considers it vital to recognise that investing in biodiversity is essential from a socio-economic point of view; notes that one in six jobs in the EU depends to some extent on nature and biodiversity; stresses that biodiversity has significant potential to create new skills, jobs and business opportunities; welcomes methods for measuring the economic value of biodiversity; considers that these instruments can raise awareness, improve the use of available resources and result in better decision-making;

11.

Calls on the Commission to enhance the role that biodiversity and ecosystems play in economic affairs, with a view to moving to a green economy urges the Commission to step up the measures taken in support of the greening of the European Semester; stresses that biodiversity is an overall social responsibility which cannot be based solely on public expenditure;

12.

Takes the view that the economic value of biodiversity should be reflected in indicators which guide decision-making, without leading to the commodification of biodiversity, and which go beyond GDP; is convinced that this will benefit the pursuit of the SDGs; calls, in this connection, for the systematic integration of biodiversity values into national accounting systems as part of the SDG monitoring process;

13.

Stresses that the EU and its Member States failed to meet the Biodiversity Strategy targets for 2010; calls on the Commission, given the lack of progress towards achieving the 2020 biodiversity targets, to provide Parliament with two-yearly reports in which the Council and the Commission elaborate on the state of play, reasons for non-achievement and the strategy for ensuring future compliance;

Mid-term review of the Biodiversity Strategy

Headline target

14.

Calls on the Commission and Member States, as a matter of urgency, to give higher priority to achieving the 2020 targets; calls for a multi-stakeholder approach and stresses the vital role of national, regional and local actors, and of their full participation in this process; stresses that funding and greater public awareness and understanding of, and support for, biodiversity protection are also essential; considers that a good information policy and the early involvement of all actors concerned, including socio-economic actors, is therefore key to achieving these objectives;

15.

Calls for the EU to reduce its biodiversity footprint worldwide, in line with the principle of Policy Coherence for Development, and to bring it within the ecological limits of ecosystems by making progress in achieving the biodiversity headline targets and fulfilling the commitments on biodiversity protection; calls also for the EU to assist developing countries in their efforts to conserve biodiversity and ensure its sustainable use;

Target 1

16.

Deplores the slow progress made by Member States in implementing EU environmental legislation; highlights the need for more information on the status of implementation in the Member States;

17.

Stresses that full implementation and enforcement, and adequate financing, of the Nature Directives is a vital prerequisite for ensuring the success of the strategy as a whole and meeting its headline target; calls, given the short time available, on all parties concerned to do their utmost to achieve this and to generate broad support;

18.

Urges EU leaders to listen to the half a million citizens who have called for our strong nature protection laws to be upheld and better implemented;

19.

Calls on the Commission to improve the guidelines, which should facilitate the full implementation and enforcement of the directives in accordance with existing case law; calls on the Commission to give higher priority to dialogue with Member States and all relevant stakeholders, including socio-economic actors, in order to encourage exchanges of best practices;

20.

Acknowledges that one of the principal benefits of the Nature Directives is the extent to which they help ensure a level playing field across the EU by providing a basic standard of environmental protection that all Member States must meet, in accordance with the requirements for common standards and the principle of mutual recognition within the single market;

21.

Notes that in 2012 only 58 % of the Natura 2000 sites had management ***plans***; is concerned by the divergent levels of implementation; urges the Member States to complete the designation of terrestrial and marine Natura 2000 sites and draw up management ***plans***, in consultation with all stakeholders;

22.

Stresses that while the management of Natura 2000 sites across the EU costs a minimum of EUR 5,8 billion, they bring environmental and socio-economic benefits worth EUR 200 billion to EUR 300 billion annually; calls on the Member States to ensure that Natura 2000 sites are managed transparently;

23.

Acknowledges the vital contribution that Marine Protected Areas established under the Natura 2000 network will play in achieving a Good Environmental Status under the Marine Strategy Framework Directive, and in delivering the global target of 10 % of coastal and marine areas being protected, as set out in Aichi Biodiversity Target 11, by 2020; regrets that this target is still far from being achieved;

24.

Calls on the Commission and the Member States to increase data collection and the monitoring of habitats and species, in particular where there are major gaps, in order to evaluate the progress made in achieving these targets;

25.

Expresses its concern that there is still no detailed insight into the actual funding and financing of nature conservation by each Member State; considers this to be a significant gap in our knowledge; calls on the Commission and the Member States to identify and compile the relevant national budget lines without delay;

26.

Reiterates its previous calls for EU co-funding for the management of Natura 2000 sites, which should be complementary to the rural development, structural and fisheries funds, and to funds made available by the Member States;

27.

Urges the Commission and the Member States to continue to enforce the Nature Directives conscientiously; stresses that compliance with, and enforcement of, EU legislation must be improved by, for example, the use of proportionate, effective and dissuasive penalties;

28.

Calls, in that context, for additional efforts to halt all illegal killing, trapping and trading of birds and to resolve resulting local conflicts; calls on the Commission and the Member States to develop new tools for detecting illegal activities within Natura 2000 sites;

Target 2

29.

Calls on the Commission to come forward with a specific proposal for the development of a trans-European network for green infrastructure (TEN-G) by 2017; encourages the joint development, in conjunction with the Member States, of a strategy for European wildlife corridors for targeted species;

30.

Calls on those Member States that have not done so to develop and implement ecosystem restoration prioritisation frameworks immediately;

31.

Calls on the Member States to prioritise the target of restoring 15 % of degraded ecosystems by 2020 and to use the appropriations available within the MFF for this purpose; calls on the Commission to come forward with guidelines on how to use such appropriations for restoring degraded ecosystems and for biodiversity protection in general;

32.

Draws attention to the importance of ***agriculture*** and forestry for attaining this target, and to the need for sustainable solutions for ***agriculture*** and forestry;

33.

Recognises the adverse impact of air pollution on biodiversity and ecosystem services, with critical loads for nutrient nitrogen and acidity being used as an indicator of pressure on natural ecosystems and species diversity;

34.

Calls on the Commission and the Member States to invest in biodiversity in order to support companies’ ability to innovate, particularly in the area of ecological engineering;

Target 3

35.

Notes that incorporating nature conservation into other policy areas remains of paramount importance, and stresses the crucial role of ***agriculture*** and forestry in this connection;

36.

Stresses that the preservation of biodiversity is key for the production of food and feed, and is therefore in the vested interest of farmers; highlights the importance of a multi-stakeholder approach which also actively involves and encourages farmers and forestry operators to address these challenges jointly;

37.

Recalls that the Common ***Agricultural*** Policy (CAP) already has instruments for restoring, preserving and enhancing biodiversity, such as the Ecological Focus Areas (EFAs); points out that restoring, preserving and enhancing ecosystems related to ***agriculture*** and forestry, including in Natura 2000 areas, is highlighted as one of six key priorities for rural development in the EU;

38.

Notes with regret that there has not yet been a measurable improvement in biodiversity status in ***agriculture***, but recognises that it is still too early to gauge the real effectiveness of the reformed CAP; welcomes the Commission’s ***plans*** to evaluate progress in implementing the CAP, and urges the Commission and the Member States to monitor, assess and, if necessary, improve the effectiveness of greening measures –including the assessment of Member State flexibility — and relevant rural development measures in the context of the CAP; calls on the Commission to take account of its findings in the mid-term review of the CAP;

39.

Calls on the Member States to make better use of existing CAP and cohesion policy instruments to assist farmers and forestry operators in achieving biodiversity targets; highlights the need to promote the sustainable use of plant genetic resources and traditional ***agricultural*** varieties, together with sustainable solutions for ***agriculture*** and forestry;

40.

Stresses that EFAs should in principle be areas for the protection and promotion of agro-ecological processes such as pollination and soil conservation; asks the Commission to publish data on how many Member States have been permitting the use of pesticides and fertilisers in these EFAs since Regulation (EU) No 1307/2013 came into force;

41.

Calls on the Commission, in the interests of transparency, to make public the justifications given by Member States for their choice of greening measures;

42.

Insists that the Commission and the Member States ensure that financial resources under the CAP are redirected from subsidising environmentally harmful activities to financing sustainable ***agricultural*** practices and maintaining connected biodiversity;

43.

Stresses the need to protect ***agricultural*** biodiversity in developing countries in order to achieve food security; calls on the Commission, therefore, to invest in agro-ecology in developing countries, in line with the recommendations of the UN Special Rapporteur on the right to food;

44.

Calls on the Commission to promote the sustainable management of the world's forests by ensuring ecological processes and forest biodiversity and productivity and by respecting the rights of indigenous people to sustain forest resources; calls, in addition, on the Commission to prohibit the destruction of natural forests, to safeguard endangered species and to ban toxic pesticides and the planting of genetically modified trees;

45.

Calls on the Commission to take greater account, as part of its strategy to support biodiversity, of tropical forests, given their concentration of ecosystems, habitats and particularly endangered vulnerable species, their vital role for the environmental balance and the climate, and their social and cultural function for native populations;

46.

Calls for the Member States to develop and implement forest management ***plans*** with the aim of improving the conservation status of forest habitats and species and improving the availability of information; asks the Commission to develop criteria and standards for the collection of information on forest biodiversity, with a view to ensuring consistency and comparability;

47.

Draws attention to the potential threat to biodiversity posed by the growing demand for agrofuels and the increasingly intense pressure on developing countries to ***produce*** them, through the conversion and degradation of habitats and ecosystems such as wetlands and forests;

48.

Urges that social and environmental sustainability criteria for biomass production form a coherent part of the framework laid down by the Renewable Energy Directive (RED); deems it crucial to develop sustainability standards for all sectors in which biomass may be used, together with sustainable forest management criteria to ensure that bioenergy does not contribute to climate change or become an additional driver of land grabs and food insecurity;

49.

Notes with concern that 90 % of the palm oil consumed in the world is ***produced*** in Indonesia and Malaysia at the expense of peat forests, which are burned down to make way for large acacia and oil-palm plantations; points to the fact that, according to a study conducted by the World Bank, Indonesia has become the third-largest emitter of greenhouse gases, precisely because of forest fires;

Target 4

50.

Calls on the Commission and the Member States to implement the reformed Common Fisheries Policy correctly and promptly, applying ecosystem-based fisheries management in order to achieve the goal of maximum sustainable yield by, inter alia, promoting sustainable and innovative catch methods; stresses the importance of reducing pollution in order to safeguard, inter alia, marine biodiversity and stocks, and to support economic growth via the blue economy;

51.

Stresses the fundamental importance of marine ecosystems and resources as a foundation for sustainable development for coastal countries; calls on the Member States to implement previous commitments fully and to work with governments at the global, regional and national levels to deliver a significant scale-up of ambition and action with a view to achieving equitable and economically and ecologically sustainable fisheries;

52.

Calls on the Commission and the Member States to ensure that the EU plays a leading role in securing an agreement under the UN Convention on the Law of the Sea (UNCLOS) regarding the conservation and sustainable use of marine biodiversity beyond the jurisdiction of states;

53.

Calls on the Commission to work with Member States and third countries to improve the implementation of Council Regulation (EC) No 1005/2008 on illegal, unreported and unregulated (IUU) fishing;

54.

Calls on the Commission and the Member States to improve the environmental quality of EU seas by carrying out projects seeking to cut chemical, physical and microbiological pollution by optimising the sustainability of maritime traffic and protecting biodiversity, which is inevitably endangered; notes, in this connection, that 12,7 million tonnes of plastic (5 % of total production) end up in the oceans each year through sewer systems, waterways and landfills along coasts, which disrupts the environment and the biodiversity of the entire planet;

Target 5

55.

Urges the Commission to establish, without delay and in accordance with Article 4 of Regulation (EU) No 1143/2014, an accurate and comprehensive list of invasive alien species which are of concern to the Union, on the understanding that such a list should not be limited to a fixed number of species and should include complete and coherent implementation actions — underpinned by appropriate resources — aimed at achieving the targets; stresses the importance of regularly updating this list and carrying out additional risk assessments for species, so that the legislation on invasive alien species can act as a powerful lever;

56.

Calls on all Member States to ratify the International Maritime Organisation Ballast Water Management Convention with a view to preventing the spread of invasive alien species through maritime and inland water transport and contributing to the implementation and achievement of the target;

57.

Calls on the Member States to monitor imports of exotic species into their territory and to report regularly on them to the Commission and other Member States; calls for greater restrictions on imports and private possession of endangered species, including primates, reptiles and amphibians;

Target 6

58.

Calls on the Commission and the Member States to phase out environmentally harmful subsidies by 2020, ensuring that evaluations of such subsidies are completed by 2016 and that reporting requirements are incorporated into relevant EU sectoral policy areas; urges the Commission and the Member States to fully endorse and facilitate the transition to a circular economy;

59.

Urges the remaining Member States to ratify the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilisation ahead of COP-MOP 2 in December 2016;

60.

Recalls that, at the global level, the EU makes a significant contribution to the fight against biodiversity loss and that, with its Member States, it is the main donor of funds for biodiversity conservation and the biggest contributor of official development assistance for biodiversity;

61.

Welcomes the Commission's B4Life flagship project for 2014-2020, but believes that the EU must step up its contribution to averting global biodiversity loss, and calls for the EU and its Member States to deliver on their Hyderabad commitments to double total biodiversity-related funding flows to developing countries by 2015 and to maintain this level until at least 2020;

62.

Stresses that wildlife crime and habitat loss pose a direct and prevalent threat to global biodiversity; recognises that the omission of wildlife trafficking and the lack of action relating to EU involvement in CITES are a serious gap in the EU Biodiversity Strategy; underlines the urgent need for coordinated action to combat the illegal wildlife trade; calls on the Commission to submit an ambitious action ***plan*** for combating illegal trafficking in wild animals and plants, and in products derived from them, and calls for similar measures to be taken to tackle deforestation and forest degradation;

Fitness check of the Nature Directives

63.

Stresses that the Nature Directives are milestones for nature policy, not only within the EU but also internationally; considers that, thanks to their concise, coherent and consistent form, these Nature Directives can, so to speak, be regarded as smart regulation avant la lettre;

64.

Stresses that Natura 2000 is still a relatively young network, whose full potential is far from having been achieved; considers that the Nature Directives remain relevant and that best practices in implementation demonstrate their effectiveness; stresses that there is ample flexibility in the Nature Directives, including the option for adaptation according to technical and scientific progress; notes that smart implementation and international cooperation are essential for reaching the biodiversity targets;

65.

Opposes a possible revision of the Nature Directives because this would jeopardise the implementation of the Biodiversity Strategy, would bring about a protracted period of legal uncertainty, with the risk that it would result in weakened legislative protection and financing, and would be bad for nature, for people and for business; emphasises, in this connection, that the ongoing REFIT check of the Nature Directives should focus on improving implementation;

66.

Is convinced that any difficulties in achieving the objectives of the Nature Directives and the Biodiversity Strategy in general lie not with the legislation but primarily with its incomplete, divergent and inadequate implementation, enforcement and integration into other policy areas;

67.

Stresses that there is ample flexibility within the Nature Directives to facilitate their implementation taking into account economic, social, cultural and regional requirements, as enshrined in the Habitats Directive; urges the Commission, nevertheless, to clarify their interpretation and implementation guidelines in order to avoid and resolve sticking points;

68.

Calls for a detailed examination of the role of large predators and the possible introduction of adjustment measures to ensure that biodiversity, the ***agricultural*** landscape and the centuries-old practice of letting stock graze in mountain regions are maintained;

69.

Recognises the benefits of EU nature legislation for the preservation of ecosystems, habitats and species in protected areas; regrets, however, that the French outermost regions, which constitute unique reserves of species and ecosystems and represent a significant proportion of European and global biodiversity, are excluded from this legislative framework and from all other legislative frameworks adapted to their specific characteristics; emphasises, however, the success of all projects financed by the LIFE+ ***programme*** in these regions and of the European BEST initiative to strengthen biodiversity conservation and adaptation to climate change in the outermost regions and the overseas countries and territories;

70.

Calls on the Commission, following on from the BEST preparatory action, to introduce a sustainable funding mechanism for biodiversity protection in the outermost regions and the overseas countries and territories;

The way ahead: additional measures

71.

Regards biodiversity loss outside protected nature areas as a gap in the strategy; encourages the Commission and the Member States to gather information about these habitats and species and to develop appropriate frameworks to prevent habitat fragmentation and the net loss of biodiversity and ecosystem services by working with local authorities and civil society;

72.

Considers that such a framework must comprise a bundle of complementary measures that address the root causes of biodiversity loss and improve the integration of biodiversity in sectoral policies, including ***agriculture***, forestry, fisheries, energy and transport;

73.

Encourages the Member States to ensure, by means of urban ***planning*** initiatives, the carefully considered use of space and adequate protection of the Natura 2000 network, to preserve open spaces — in particular by opting for a pastoralist approach rather than abandoning the land, which increases natural risks such as avalanches, mudslides and ground movements — and to establish a coherent network of blue-green infrastructure in rural and urban areas, while at the same time creating the requisite legal certainty for economic activities; calls on the Commission to ***produce*** an overview of best practices in this area;

74.

Considers it essential, in order to use the available resources more efficiently and in a more targeted manner, that the Commission draw up specific criteria for the Natural Capital Financing Facility, which must guarantee that projects deliver appropriate, positive and scientifically tangible results for biodiversity; considers that LIFE projects should be linked to funding from other ***programme*** streams such as the Structural Funds, so as to scale up and replicate successful projects through the EU and create a larger multiplier effect;

75.

Calls on the Commission to expand the multi-fund approach to biodiversity financing, and calls for better linkage between the various financing tools;

76.

Calls on the Commission and the Member States to improve coherence across relevant sectoral policies with a view to incorporating biodiversity goals while ensuring that the next MFF guarantees no net overall loss of biodiversity and ecosystem services.

77.

Calls on the Commission to set up a high-level group on natural capital with a view to achieving these goals by giving them greater political prominence and priority;

78.

Regrets that EU environmental law is not subject to coherent and effective environmental inspections and surveillance aimed at detecting and preventing breaches of environmental law across different sectors, including for protected nature conservation sites; welcomes the preparatory work undertaken towards an EU framework for environmental inspections, and calls on the Commission to come forward with a legislative proposal without further delay;

79.

Stresses the importance of innovation, research and development in order to achieve the objectives of the Nature Directives, and calls on the Commission and the Member States to focus in particular on the links between biodiversity preservation and benefits to human health and economic well-being, and to coordinate data collection measures; recalls that there are still large gaps in knowledge regarding the state of marine ecosystems and fishery resources; calls on the Member States to ensure that data on the impact of fisheries and aquaculture on the wider environment are collected and are publicly available;

80.

Calls on the Commission and the Member States to launch a European initiative on pollinators without delay — paying particular attention to pest resistance in plants affecting bees and other pollinators — and on the basis of policies already conducted in the Member States, and to make proposals on the soil framework directive, on a directive on access to justice and on the revised EU legal framework for environmental inspections without further delay;

81.

Highlights with concern the increasing body of scientific evidence which demonstrates the negative effect neonicotinoid pesticides can have on essential services such as pollination and natural pest control; calls, therefore, on the Commission to maintain its ban on the use of neonicotinoids;

82.

Urges the Commission and the Member States to apply fully the precautionary principle when authorising the use and the environmental release of living modified organisms, in order to prevent any negative impact on biodiversity;

83.

Stresses the importance of the LIFE ***programme*** for the environment, and in particular the Nature and Biodiversity subprogramme, in order to protect and enhance European biodiversity;

84.

Strongly believes that the environment and innovation complement one another, and draws particular attention to nature-based solutions which provide both economically and environmentally smart solutions to address challenges such as climate change, scarcity of raw materials, pollution and antimicrobial resistance; calls on the relevant stakeholders to take up these ‘calls’ under Horizon 2020; calls on the Member States to be more effective in leaving regulatory room to facilitate smart solutions which deliver positive outcomes for biodiversity;

85.

Stresses that the issues relating to biodiversity, climate change and scarcity of raw materials are inseparably linked; recalls that maintaining climate change well below 2o Celsius as compared with pre-industrial levels will be essential for preventing biodiversity loss; recalls, meanwhile, that a range of ecosystems act as a buffer against natural hazards, thereby contributing to climate change adaptation and mitigation strategies;

86.

Calls on the Commission and the Member States to take this into account by ensuring that the EU Biodiversity Strategy for 2020 is fully integrated with the EU's position in discussions on a new international agreement on climate change, especially in the light of the fact that, according to the EU-funded ROBIN project, biodiversity protection is part of the solution to climate change mitigation and adaptation, particularly given that tropical forests have the potential to mitigate 25 % of total greenhouse gas emissions;

87.

Calls on the Commission to include matters relating to the environment and climate change in the international agreements it concludes and to carry out environmental analyses focused on the possibilities for protecting and improving biodiversity; stresses the importance of systematically identifying and evaluating potential impacts on biodiversity; calls on the Commission to follow up on the findings of the study entitled ‘Identification and mitigation of the negative impacts of EU demand for certain commodities on biodiversity in third countries’ by proposing possible ways to contribute to avoiding or minimising the loss of global biodiversity caused by certain production and consumption patterns in the EU;

88.

Urges the Member States — on the basis of the precautionary principle and the principle that preventive action should be taken, and taking into account the risks and the negative climate, environmental and biodiversity impacts involved in hydraulic fracturing for the extraction of unconventional hydrocarbons, and the gaps identified in the EU regulatory regime for shale gas activities — not to authorise any new hydraulic fracturing operations in the EU;

89.

Calls on the Commission and the Member States to ensure that the Guadeloupe roadmap adopted in October 2014 is acted on, and to put in place the necessary tools for biodiversity protection in the outermost regions and the overseas countries and territories;

90.

Stresses the global role of the EU Biodiversity Strategy; calls on the Commission to integrate biodiversity provisions into ongoing trade negotiations and to integrate biodiversity objectives into EU trade policies;

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91.

Instructs its President to forward this resolution to the Council and the Commission, and to the governments and parliaments of the Member States.

(1)  [*http://ec.europa.eu/environment/nature/legislation/fitness\_check/docs/consultation/public%20consultation\_FINAL.pdf*](http://ec.europa.eu/environment/nature/legislation/fitness_check/docs/consultation/public%20consultation_FINAL.pdf)

(2)  OJ L 317, 4.11.2014, p. 35.

(3)  OJ L 347, 20.12.2013, p. 608.

(4)  OJ L 347, 20.12.2013, p. 487.

(5)  OJ L 354, 28.12.2013, p. 22.

(6)  OJ C 258 E, 7.9.2013, p. 99.

(7)  Texts adopted, P7\_TA(2013)0600.

(8)  Texts adopted, P8\_TA(2015)0109.

(9)  [*http://www.foresteurope.org/fullsoef2015*](http://www.foresteurope.org/fullsoef2015)

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**End of Document**



[***Green and pleasant; The first in a series on the future of the British countryside looks at changes in agriculture andwhat these mean for the landscape. By Laura Battle ; House Home ; House Home***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PGS-B1W1-DY9P-N2V4-00000-00&context=1516831)

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**Section:** HOUSE AND HOME;FEATURES; Pg. 1,10,11

**Length:** 2245 words

**Byline:** Laura Battle

**Body**

You look around here," says ChrisMusgrave, gesturing at a patchwork of grassland, arable fields, hedgerows, fir belts and deciduous copses. "Back when I started in 1983 there wasn't a flipping tree."We are standing -sun and wind buffeting our faces, the shriek of buzzards below - on an elevated ridge within the Marlborough Downs, an expanse of rolling chalk hills in Wiltshire, southern England, and at the heart of one of the most innovative farmlandprojects inthe country.

Musgrave began as an assistant shepherd on this land, farming like a New Zealander, he says, "boys on bikes, with dogs" patrolling acres of arable prairie. Now he is estate manager for this and two neighbouring estates, an enthusiastic conservationist and a linchpin of the Marlborough Downs Nature EnhancementPartnership.

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**End of Document**



[***Green and pleasant; The first in a series on the future of the British countryside looks at changes in agriculture andwhat these mean for the landscape. By Laura Battle ; House Home ; House Home***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PGR-JC41-JBVM-Y1K8-00000-00&context=1516831)

Financial Times (London, England)

September 16, 2017 Saturday

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**Byline:** Laura Battle

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**End of Document**



[***Register of Commission documents: European Parliament resolution of 12 September 2017 on the impact of international trade and the EU’s trade policies on global value chains (2016/2301(INI)) Document date: 2017-09-12 P8\_TA-PROV(2017)0330 Texts adopted (provisional edition***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PW1-VNW1-F0YC-N4VW-00000-00&context=1516831)

Impact News Service

November 1, 2017 Wednesday

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**Body**

Brussels: Public Register European Parliament has issued the following document:

European Parliament 2014-2019 TEXTS ADOPTED Provisional edition P8\_TA-PROV(2017)0330 Impact of international trade and EU’s trade policies on global value chains European Parliament resolution of 12 September 2017 on the impact of international trade and the EU’s trade policies on global value chains (2016/2301(INI)) The European Parliament, – having regard to Article 208 of the Treaty on the Functioning of the European Union (TFEU), – having regard to Article 5 of the Treaty on European Union (TEU), – having regard to the Commission communication entitled ‘Trade for all: Towards a more responsible trade and investment policy’ (COM(2015)0497), – having regard to its resolution of 5 July 2016 on a new forward-looking and innovative future strategy for trade and investment1, – having regard to its resolution of 5 July 2016 on implementation of the 2010 recommendations of Parliament on social and environmental standards, human rights and corporate responsibility2, – having regard to its resolution of 16 May 2017 on the evaluation of external aspects of the customs performance and management as a tool to facilitate trade and fight illicit trade3, – having regard to its resolution of 25 November 2010 on corporate social responsibility in international trade agreements4, – having regard to its resolution of 25 October 2016 on corporate liability for serious human rights abuses in third countries5, 1 Texts adopted, P8\_TA(2016)0299. 2 Texts adopted, P8\_TA(2016)0298. 3 Texts adopted, P8\_TA(2017)0208. 4 OJ C 99 E, 3.4.2012, p. 101. 5 Texts adopted, P8\_TA(2016)0405. – having regard to its resolution of 27 April 2017 on the EU flagship initiative on the garment sector1, – having regard to its resolution of 4 April 2017 on palm oil and deforestation of rainforests2, – having regard to its resolution of 3 February 2016 containing the European Parliament’s recommendations to the Commission on the negotiations for the Trade in Services Agreement (TiSA)3, – having regard to its resolution of 8 July 2015 containing the European Parliament’s recommendations to the European Commission on the negotiations for the Transatlantic Trade and Investment Partnership (TTIP)4, – having regard to its Resolution of 14 June 2017 on the state of play of the implementation of the Sustainability Compact in Bangladesh5, – having regard to Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas6 (Conflict Minerals Regulation), – having regard to the Forest Law Enforcement Governance and Trade Action ***Plan*** (COM(2003)0251) and FLEGT Voluntary Partnership Agreements, – having regard to Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market7 (Timber Regulation), – having regard to Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences8 (GSP Regulation), – having regard to Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters9 (Brussels I Regulation), – having regard to Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non- 1 Texts adopted, P8\_TA(2017)0196. 2 Texts adopted, P8\_TA(2017)0098. 3 Texts adopted, P8\_TA(2016)0041. 4 Texts adopted, P8\_TA(2015)0252. 5 Texts adopted, P8\_TA(2017)0265. 6 OJ L 130, 19.5.2017, p. 1. 7 OJ L 295, 12.11.2010, p. 23. 8 OJ L 303, 31.10.2012, p. 1. 9 OJ L 351, 20.12.2012, p. 1. financial and diversity information by certain large undertakings and groups1 (Non-Financial Reporting Directive), – having regard to the 2007 joint strategy of the EU and its Member States entitled ‘Aid for trade: Enhancing EU support for trade-related needs in developing countries’, – having regard to the Commission staff working document of 24 April 2017 entitled ‘Sustainable garment value chains through EU development action’ (SWD(2017)0147), – having regard to the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, – having regard to Report IV of the 105th ILO Conference on decent work in global supply chains, – having regard to the 2030 UN Sustainable Development Goals, – having regard to the fundamental ILO Conventions on child labour, forced labour, discrimination, and freedom of association and collective bargaining, – having regard to the Council conclusions of 12 May 2016 on the EU and responsible global value chains, – having regard to the Commission communication on a renewed EU strategy 2011-14 for Corporate Social Responsibility (COM(2011)0681), – having regard to the UK Modern Slavery Act 2015 and the French law on the duty of care of multinational companies, – having regard to the UN Guiding Principles on Business and Human Rights and the UN Global Compact, – having regard to the UN International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, – having regard the new ILO Protocol on Forced Labour, – having regard to UN Human Rights Council Resolution 26/9 of 26 June 2014, in which the UNHRC decided to establish an open-ended intergovernmental working group with the mandate to elaborate an international legally binding instrument on transnational corporations and other business enterprises with respect to human rights, – having regard to the OECD Guidelines for Multinational Enterprises and several sector-specific OECD guidelines (financial, ***agricultural***, mineral, garment and footwear sectors), – having regard to the UNCTAD Trade and Development Reports of 2013 and 2016, – having regard to the 2015 UNCTAD Investment Policy Framework for Sustainable Development, 1 OJ L 330, 15.11.2014, p. 1. – having regard to the World Trade Organisation Technical Barriers to Trade (WTO TBT) Agreement, – having regard to the WTO General Agreement on Tariffs and Trade (GATT), – having regard to the UN Convention on the Rights of the Child, and the Children’s Rights and Business Principles developed by UNICEF, the UN Global Compact and Save the Children1, – having regard to voluntary country-specific partnerships, such as the Bangladesh Sustainability Compact and the Myanmar Labour Rights Initiative, – having regard to the Council conclusions of 20 June 2016 on Child Labour, – having regard to Rule 52 of its Rules of Procedure, – having regard to the report of the Committee on International Trade, the opinions of the Committee on Foreign Affairs and the Committee on Development and the position in the form of amendments of the Committee on Women’s Rights and Gender Equality (A8-0269/2017), A. whereas Article 207 of the TFEU stipulates that the EU’s trade policy must be built on the principles and objectives of EU external policy; whereas Article 208 of the TFEU establishes the principle of policy coherence for development and sets the eradication of poverty as the main objective; whereas the Commission’s Trade for All communication bases EU trade policy on three key principles – effectiveness, transparency and values; whereas this communication has a dedicated section on responding to the rise of global value chains and on the responsible management of supply chains, recalling its complexity, the fundamental need to think prospectively, for the involvement of a range of public, private and civil society actors and for the use of a mix of soft and innovative tools and legislative changes; B. whereas free trade has come under increasing public scrutiny of late and concerns about the inequitable distribution of the benefits and loads of trade have brought to the forefront a largely shared view that trade policy needs to put social and environmental values, as well as transparency and accountability, at its core; C. whereas global value chains (GVCs) are a complex, technology- driven and rapidly changing reality which have become a key feature of today’s global economy and may help developing countries to better integrate into it and to reduce poverty and create jobs, while at the same time increasing production capacity; whereas, on the one hand, GVCs offer new prospects for economic growth, sustainable development, the involvement of civil society, workers and business associations, and for job creation for companies within the production chain, by enabling them to focus on specific tasks while increasing their interdependence; whereas, on the other hand, their extremely complex nature, lack of transparency and dilution of liabilities may lead to a higher risk of human and labour rights violations, factual impunity for environmental crimes and large-scale tax avoidance and tax fraud; 1

[*http://childrenandbusiness.org*](http://childrenandbusiness.org) D. whereas trade policy must contribute to ensuring a transparent production process throughout the value chain, as well as compliance with fundamental environmental, social and safety standards; E. whereas EU trade and investment policy must maintain the multilateral system as its cornerstone and strengthen Europe’s position in fair global supply chains, but must also provide tools to establish clear rules and responsibilities for governments and companies in order to ensure compliance with international commitments such as the UN Sustainable Development Goals (SDGs); whereas sustainability and transparency are not only a matter of values but should also be seen as real drivers of increased added value in global trade and investment in the context of GVCs; F. whereas SMEs1 form an important part of the GVCs and play an important role in promoting economic growth, sustainable development and quality jobs and in keeping local populations from moving away from their regions; G. whereas participation in GVCs is beneficial for SMEs in terms of growth and internationalisation; whereas according to the 2015 Eurobarometer survey entitled ‘Internationalisation of Small and Medium-sized Enterprises’, only 31 % of SMEs in the EU were involved in business outside the Internal Market in the previous three years; whereas many SMEs face difficulties securing access to international and EU-based GVCs; whereas trade policy and trade agreements can help overcome the barriers and challenges that SMEs currently face in accessing GVCs; H. whereas voluntary due diligence and GVC transparency schemes are being used and promoted worldwide by economic and social partners and NGOs, ***producing*** substantive and positive results; I. whereas in its May 2016 conclusions, the Council underlined ‘the need for continued advocacy for the uptake of internationally agreed principles, guidelines and initiatives on CSR/RBC such as the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the ILO Tripartite Declaration on Principles concerning Multinational Enterprises and Social Policy, and the OECD Guidelines for Multinational Enterprises, including in non-OECD member countries, also contributing to anti-corruption efforts by creating more open and transparent business environments’; J. whereas responsible global management of GVCs is essential in order to align trade policy with the European values enshrined in the Treaties; whereas both the Commission and the Member States have been at the forefront of these debates worldwide; K. whereas several international conventions, guidelines and rules aim to prevent human rights abuses; whereas ***producer*** countries in particular have the obligation to implement them and to create the appropriate legal and economic conditions under which businesses can operate and find a place in global supply chains; whereas ***producer*** countries must also be able to implement international standards and norms, including 1 See definition of SME:   [*http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32003H0361&from=EN*](http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32003H0361&from=EN). drawing up, implementing and enforcing appropriate legislation, particularly in the area of establishing the rule of law and combating corruption; L. whereas the EU should respond even more effectively to social and environmental dumping and unfair competition and trade practices, and ensure a level playing field; M. whereas the EU is the world’s largest exporter and importer of goods and services taken together, the largest foreign direct investor and the most important destination for foreign direct investment (FDI); whereas the EU should use this strength to benefit both its own citizens and those in other parts of the world, particularly in the world’s poorest countries; N. whereas the EU has developed binding regulations in the area of corporate due diligence in specific sectors where there is a high risk of human rights abuses, such as timber and conflict minerals; whereas some Member States have also developed legislation, such as the UK Modern Slavery Act, the French Law on the duty of care of multinational companies (MNCs), which applies to large French companies numbering more than 5 000 workers, and the Dutch Child Labour Due Diligence Bill; whereas the EU has developed initiatives to promote due diligence and several European Parliament resolutions have called for the EU to develop binding rules on the issue; O. whereas the EU has already taken important steps towards a more responsible management of GVCs worldwide by developing specific partnerships,- such as the Bangladesh Sustainability Compact and the Labour Rights Initiative with Myanmar, and on specific issues, such as the conflict minerals initiative, illegal logging regulations, sustainability criteria for biofuels, corporate reporting on supply chain issues, and corporate transparency on payments made to governments by extractive and logging industries, as underlined in the Trade for All communication; P. whereas the Trade for All communication states that the Commission will promote ambitious trade and sustainable development (TSD) chapters in all trade and investment agreements; whereas recently concluded EU trade and investment agreements contain TSD chapters calling on the parties to the agreement to make commitments on the protection of human rights, social and environmental standards and corporate social responsibility; whereas such chapters have displayed differences in their level of ambition in successive EU trade agreements; whereas labour and environmental standards are not limited to TSD chapters but must be effective throughout all areas of trade agreements; whereas a dialogue-centred approach has not prevented severe violations of the freedom of association in some FTAs; Q. whereas the particular situation of Export Processing Zones (EPZs) is such that in some countries they are exempt from local labour laws and forbid or limit union activity, and that workers have no recourse to legal redress there, which constitutes a clear violation of ILO standards; R. whereas the lack of ethical behaviour in business is also a consequence of a lack of good governance, the powerlessness or non-existence of impartial public authorities acting in the general interest of citizens; whereas corruption, the lack of transparency of GVCs and exemptions from labour laws and taxation in EPZs could have a negative impact on human rights, in particular by undermining decent work and trade unions; S. whereas according to the ILO, 21 million people are victims of forced labour worldwide, and many of them are exploited in GVCs; whereas forced labour in the private economy generates USD 150 billion in illegal profits every year; T. whereas thanks to its global mandate, expertise and experience, the ILO, in collaboration with its Members, is well placed to lead global action for decent work in global supply chains; whereas the ILO Committee on Decent Work in Global Supply Chains has called for an assessment into the failures which lead to decent work deficits in global supply chains and for a reflection on the initiatives and standards needed to promote decent work and facilitate the reduction of decent work deficits in global supply chains; U. whereas a multilateral, global and holistic approach to corporate liability for human rights abuses and environmental sustainability is needed in the context of global trade and particularly in GVCs; whereas it is important, therefore, that the EU continues to lead these debates worldwide; whereas the EU has positioned itself as a front-runner in reforming the investor-state dispute settlement mechanism, notably through the development of a multilateral court system; whereas equal progress is expected in other critical areas of concern such as the enforcement of investors’ obligations in relation to human rights; V. whereas production in GVCs takes place in various jurisdictions with varying degrees of human rights protection and social, labour and environmental law enforcement; whereas victims of human rights abuses involving transnational companies may face multiple obstacles to accessing judicial remedies; W. whereas gender equality in all EU policies is firmly established in Article 8 of the TFEU; whereas trade and investment agreements tend to affect women and men differently on account of structural gender inequalities; whereas the gender equality perspective is often overlooked in the analysis of GVCs; whereas according to the ILO, in 2012 21 million people worldwide, of whom 55 % were women and girls, were the victims of forced labour, with 90 % of these were exploited in the private economy by individuals or enterprises; X. whereas women comprise the majority of workers in certain segments of the garment, horticulture, mobile phone and tourism global supply chains but tend to be more concentrated in low-wage or low-status forms of employment than men, leading to gender segregation in types of occupations and activities, gender gaps in wages and working conditions, and gender-specific constraints in access to productive resources, infrastructure and services; Y. whereas according to Article 3(3) of the TEU, the Union shall protect the rights of the child; whereas all the Member States ratified the UN Convention on the Rights of the Child; Z. whereas services are playing a greater role in GVCs, in particular for manufacturing production; whereas the increased integration of services into GVCs will require agreements supporting the digital economy, including the free flow of data; AA. whereas the development of global value chains further contributes to the integration of services into the production of goods; whereas a significant amount of the value of imported goods has been added through services from importing countries; AB. whereas EU Member States are the world’s largest exporters of financial services, and the sector is of ***strategic*** importance in the EU’s trade policy; whereas the inclusion of provisions relating to financial services in EU External Agreements, including FTAs, has raised some legitimate concerns regarding their potential negative effects in terms of money laundering and tax evasion and avoidance and further highlights the importance of considering the use of tools to address them; whereas trade and investment agreements offer a good opportunity to increase cooperation in the fight against corruption, money laundering, and tax fraud, evasion and avoidance; AC. whereas transparent and informative labelling can be a useful tool that allows EU consumers to make more informed and adequate choices; whereas, beyond the price and origin of a product, social and environmental criteria should also be made available to EU consumers; whereas such criteria can technically be developed in line with the WTO Agreement on Technical Barriers to Trade (TBT), which lays down conditions for the production process to enable the sale of a product; AD. whereas the full observance of human rights in the production chain and full compliance with the food safety standards of goods released for free circulation on the European market should be respected by both states and enterprises; whereas the burden of responsibility should not be borne solely by consumers, whose choice is constrained by both individual resources (economy, time, knowledge) and external elements (information, offers); AE. whereas Rules of Origin (RoO) have become increasingly important in the context of GVCs, for which production tends to span several countries; whereas lax rules of origin can create additional hurdles to establishing full transparency and accountability throughout supply chains; AF. whereas better, harmonised and more efficient customs procedures in Europe and abroad help facilitate trade and meet respective trade facilitation requirements, as well as help to prevent forgeries and illegal, dumped and counterfeit goods from entering the single market, which undermines EU economic growth and seriously exposes EU consumers; whereas greater access to customs data on imports entering the EU would increase GVC transparency and accountability; AG. whereas in a world of fragmented production networks, the distinction between imports and exports is blurred, as imported inputs account for a significant proportion of exports, and tariffs are accumulated each time intermediate inputs are traded across borders; whereas efficient customs and border procedures are especially important in this context; AH. whereas GSP and GSP+ trade incentives provide better market access to developing countries in exchange for respect for labour, environmental and social standards; AI. whereas the GSP+ is a key EU trade policy instrument which provides better market access and is accompanied by a stringent monitoring mechanism to promote human and labour rights, environmental protection and good governance in vulnerable developing countries; AJ. whereas the protection and enforcement of intellectual property rights (IPRs) could provide for effective further integration into GVCs; EU position within GVCs 1. Emphasises that trade and investment policy should aim to provide leverage, to create a level playing field for European businesses, promote European competitiveness and facilitate upward convergence on standards; calls on the Commission to ensure coherence between the EU’s environmental, public health, trade, investment and industrial policies, and to promote the European reindustrialisation strategy and the transition towards a low-carbon economy; 2. Believes that further integration of the EU into global value chains must not be to the detriment of the European social and regulatory model and the promotion of sustainable growth; 3. Calls on the Commission to support the awareness and uptake of existing fair trade schemes, as mentioned in the Trade for All strategy, both within the framework of the EU’s ***plan*** for sustainability and the European Consensus for Development; 4. Reiterates its call for the Commission and the Member States to adopt reinforced trade defence instruments to combat unfair commercial practices, taking into account social and environmental dumping; 5. Asks the Commission to evaluate the impact of the use of trade defence instruments, by the EU and by third countries, on the effective integration of EU businesses into GVCs; 6. Stresses the need for harmonised rules and reinforced EU coordination and supervision of the application of import duties by the Member States (including conventional, anti-dumping and countervailing duties) on all types of commodities and goods, especially involving false declarations of origin (in both preferential and non-preferential regimes) and the undervaluation and incorrect description of goods; GVCs and multilateralism 7. Calls on the Commission to actively work within the WTO in order to increase transparency, and to define and promote multilateral rules for trade, including the sustainable management of GVCs, which should, in particular, include the following: – mandatory supply chain due diligence and transparency requirements, building on the UN Guiding Principles on Business and Human Rights; – minimum health and safety standards, recognising in particular workers’ right to establish safety committees; – a social protection floor and respect for ILO labour standards; – the right to collective bargaining; 8. Asks the Commission and the Member States to continue to engage actively in all multilateral forums about business, GVCs, human and labour rights, economic growth and sustainable development, while promoting the European values enshrined in the Treaties and bearing in mind the fundamental need for the specific characteristics of SMEs to be protected; 9. Welcomes the ongoing negotiations on a binding UN Treaty for Transnational Corporations and Human Rights; calls on the Commission and the Member States to engage constructively in these negotiations and to play an active role and contribute to the development of concrete proposals, including access to remedies, investing all their efforts in achieving a positive outcome and encouraging trade partners to equally engage; asks the Commission, in this context, to consider the possibility of extensive mandatory due diligence, including at global level; 10. Calls on the Member States to expedite the application and increase the effectiveness of the National Action ***Plans*** (NAPs) implementing the UN Guiding Principles on Business and Human Rights; underlines that eight out of the 13 NAPs that have already been approved are from EU Member States and welcomes the fact that a further 11 EU NAPs are being drafted; asks the Commission to assist and promote the implementation of these UN Guiding Principles; 11. Welcomes the convergence of the international standards on business and human rights, particularly between the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises; 12. Welcomes the integral inclusion of Decent Work and the four pillars of the ILO Decent Work Agenda into the UN SDGs; calls on the Commission and the Member States to effectively apply these standards and to work within the ILO towards the adoption of a new international labour standard for decent work on GVCs, which will require, in particular, all companies to undertake ongoing risk management of the impact of their activities on the human rights of workers and communities and to take appropriate measures to prevent and mitigate these activities and provide remedy to those affected; 13. Supports all global anti-corruption initiatives, including the Extractive Industries Transparency Initiative (EITI), the Kimberley Process, the International Conference on the Great Lakes Regions (ICGLR), the principles set out in the United Nations Global Compact for businesses, the OECD guidelines for multinational enterprises and the OECD due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas; recalls the obligation for ***producer*** countries in particular to implement and enforce appropriate legislation, also in the area of establishing the rule of law and combating corruption; 14. Points out that in this area, in addition to the import and export of minerals and metals, transparent arrangements governing operating rights and customs duties are vital to the development of conflict or high-risk zones; stresses, therefore, the need to draw up an overview of existing corporate social responsibility measures being implemented by European businesses, and to enhance the coordination and exchange of information and best practices, in order to be able to identify good practices more effectively and contribute to the creation of a common action framework at European level; calls on the Commission to step up initiatives relating to corporate social responsibility and due diligence across the whole supply chain; 15. Points out that reliable access to raw materials is important for global competitiveness; 16. Stresses the importance of implementing, enforcing and transposing existing laws on GVCs at regional, national and international levels; Corporate responsibility 17. Highlights that trade and human rights reinforce each other, and that the business community has an important role to play in offering positive incentives in terms of promoting human rights, democracy and corporate responsibility; 18. Welcomes the many promising initiatives taken by the private sector, such as codes of conduct, labelling, self-assessment and social audits, which have significantly contributed to recent improvements in human rights and workers’ rights standards in global supply chains; 19. Is deeply concerned by cases of human rights violations and threats to environmental sustainability, committed as a result of some corporations’ management decisions; 20. Acknowledges the importance of the existence of clear international rules on corporate social responsibility (CSR), GVC and due diligence; welcomes the smart mix of regulatory and voluntary action, which has led to some positive results in the last few years and has enabled businesses to find their own dynamic and innovative measures; stresses that coordination, information sharing and the exchange of best practices may contribute to increasing the efficiency of private and public value chain initiatives and achieve positive results; recalls, however, that voluntary CSR may also lead to unfair competition for suppliers that have chosen to comply with international labour and environmental standards and is not sufficient per se to ensure that companies fully comply with international standards and obligations by implementing due diligence policy; stresses, therefore, the need to draw up an overview of existing CSR measures being implemented by European businesses, in order to be able to identify good practices more effectively and contribute to the creation of a common action framework at European level; strongly believes that the EU should swiftly seek ways to develop GVC transparency strategies and rules, including the possible consideration of immediate action towards developing binding and enforceable rules, associated remedies and independent monitoring mechanisms involving the EU Institutions, the Member States and civil society; stresses that such obligations should follow the required steps outlined in the UN Guiding Principles and the OECD Guidelines relating to the proactive identification of risks to human rights, the drawing up of rigorous and demonstrable action ***plans*** to prevent or mitigate these risks, adequate response to known abuses, and transparency; 21. Calls on the Commission to give greater prominence to such provisions and to promote the uptake of sectoral OECD guidelines and the UN Guiding Principles on Business and Human Rights; emphasises the need to engage civil society in a formal way in the implementation process through structures set up under TSD chapters; calls on the Commission to support the work of international standardisation bodies such as the International Standardisation Organisation (including ISO 26000) and the Global Reporting Initiative, in order to encourage businesses to report on sustainability and value-creation throughout the supply chain; 22. Invites the Commission to ensure compliance by European and international companies with the OECD Guidelines for Multinational Enterprises and the sector-specific OECD guidelines, such as the due diligence guidance for responsible supply chains of minerals from conflict-affected areas; recommends strengthening the role of OECD National Contact Points and their cooperation with independent national and regional human rights institutions with a view to improving the governance of GVCs; 23. Calls on the Commission to update its approach to CSR with a view to strengthening labour and environmental standards and, in particular, insisting on the inclusion of CSR provisions in the trade and investment agreements negotiated by

the EU; 24. Stresses that the coordination and exchange of information and best practices can help to make private and public value chain initiatives more effective; 25. Recalls that Parliament requested in 2010 that companies should publish their CSR balance sheets, the introduction of due diligence requirements for all undertakings, and the consolidation of the CSR concept on the basis of a harmonised definition of the relations between parent companies in order to establish the legal liability of each them; therefore notes with satisfaction that the disclosure of non-financial and diversity information will be required from large companies as from 2017, in accordance with the Non-Financial Reporting Directive; notes, however, that the disclosure of non-financial information by large companies has not yet been extended to cover all actors operating in GVCs; 26. Notes the ‘green card’ initiative launched by some national parliaments following the adoption of the French law on MNCs’ duty of care; calls on the Commission to consider proposals for corporate due diligence for companies operating both within and outside the EU, taking account of the ruling of the French Constitutional Court on the French law, namely on proportionality of sanctions; 27. Recalls that CSR policies must take into account the special characteristics of SMEs, and be flexible enough to ensure that they are not subjected to disproportionate burdens; invites the Commission, therefore, to establish a specific helpdesk for SMEs, paying special attention to small and micro enterprises, and to support them with tailored capacity-building ***programmes***; 28. Underlines that GVCs do not end when the product reaches the consumer, but include waste and how it is treated; urges taking into account the full lifecycle of products and enlarging the perspective on GVCs to include provisions on waste disposal without harming persons or the environment; calls on the EU to encourage international cooperation and legislative coherence regarding end-of-life products and materials and help partner countries develop stronger national regulations and enforcement capacities; calls on the EU to ensure that traceability applies to this spectrum of product life; 29. Urges the Commission to act swiftly, following the detailed proposals contained in Parliament’s resolution of 25 October 2016 on corporate liability for serious human rights abuses in third countries; Creating a more prominent role for private-sector initiatives 30. Emphasises the achievements of private-sector engagement; stresses that private-sector companies need to pursue sustainability strategies, not only so as to prevent damage to their reputation, but also because this offers them new opportunities and reduces their dependence on scarce resources; 31. Stresses the crucial role of consumers (and the effects of bad publicity); recalls that no consumer wants to continue buying products made by children or exploited men and women, or products that have caused major environmental damage; 32. Calls on the Commission to find new ways to support private-sector efforts to make global value chains more sustainable and to develop inclusive business models and related private-sector multi-stakeholder partnerships; 33. Emphasises that a smart mix between private and public funding is needed to promote sustainable global value chains; believes this should build on existing structures and ***programmes*** that have proven successful in promoting responsible business conduct; 34. Welcomes the many promising initiatives taken by the private sector, such as codes of conduct, labelling, self-assessment and social audits, and acknowledges the UN Global Compact, the ISO 26000 standard on social responsibility, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and the OECD Guidelines for Multinational Enterprises as tools which can mobilise responsibility in the business activities of enterprises; calls on companies, whether European or not, to apply human rights due diligence and to integrate their findings into internal policies and procedures, with resources and authority assigned accordingly and duly implemented; stresses that this requires that sufficient resources be allocated; stresses that transparency and communication regarding the measures taken to avoid human rights abuses in third countries are crucial to enable proper democratic oversight and to allow consumers to make fact-based choices; EU free trade agreements (FTAs) and GVCs 35. Welcomes the new trade and investment strategy for the European Union, Trade for All; asks the Commission to address, in its trade and investment policy and FTAs, the challenges associated with the rise of GVCs by taking into consideration the following measures: (a) strengthening ex ante Trade Sustainability Impact Assessments (TSIAs), adding assessment requirements on human rights and on gender, and making ex post TSIAs, with civil society input, mandatory and publicly available; (b) implementing fully Parliament’s recommendations of 2010 and 2016 with respect to TSD chapters in FTAs, which should include comprehensive, enforceable and ambitious TSD chapters and consideration of the following aspects: (i) a commitment by each of the parties to ratify and implement the eight core and four priority ILO Conventions, as well as the international multilateral environmental agreements; (ii) coverage of human rights clauses and TSD chapters by the general dispute settlement mechanisms, on an equal footing with the other parts of the agreement; (iii) the possibility to appeal and seek redress through a complaints procedure for social partners and civil society; (iv) effective deterrent measures: including in the form of monetary remedies, in the event of serious, proven breaches of the TSD provisions; (c) including enforceable anti-corruption and whistleblower protection provisions, within the competence of the EU, in all future FTAs and investment agreements; in this regard, stresses that the signatory parties to trade and investment agreements should take measures to promote active participation of the private sector, civil society organisations and domestic advisory groups in the implementation of the anti-corruption ***programmes*** and clauses in international trade and investment deals; (d) including standstill clauses setting a minimum level for social, environmental and safety standards, including animal health and welfare, in all EU FTAs, thus preventing the parties from lowering their social, environmental and safety norms in order to promote exports and attract investments; (e) including provisions on tax transparency (including OECD key transparency standards) and enhancing cooperation in the fight against money laundering, tax fraud and evasion and tax avoidance in FTAs, to be duly reflected in market opening requirements for financial services; (f) supplementing all the above provisions with supporting measures for developing countries and rigorously monitoring their implementation, including through inputs from national parliaments and stakeholders including civil society; (g) increasing linkage of priorities agreed bilaterally for the implementation of TSD chapters of FTAs and funding support from the EU development cooperation ***programmes***; 36. Recalls the key role SMEs can play in GVCs on the one hand, and the benefits of increased integration of SMEs into GVCs on the other; calls on the Commission to include SME chapters in all future trade agreements; further calls on the Commission, in this context, to evaluate existing support structures available to SMEs wanting to access GVCs, and to review and, if necessary, update the strategy ‘Small Business, Big World’ from 2011 in order to further facilitate SMEs’ engagement in GVCs; 37. Underlines that GVCs often include production and services in Export Processing Zones (EPZs), where labour and environmental standards are different from the rest of the country concerned and are often restricted; calls on the Commission to ensure that social and environmental standards subscribed to in FTAs apply throughout the territory of trade partners, including in EPZs; Labelling, traceability and customs data 38. Calls on the EU to work towards adequate and efficient solutions for the introduction of a transparent and functioning mandatory ‘social and environmental traceability’ labelling system along the entire production chain, in compliance with the WTO TBT Agreement, while in parallel promoting similar action at international level; 39. Calls on the Commission to consider introducing legislation for labelling rules regarding the origin of products entering the EU market, or to propose rules that guarantee effective traceability; 40. Calls on the Commission and encourages Member States to seek ways to enable parties having a public interest stake to access, subject to appropriate justification and upon a request made on the grounds of public interest, the customs data collected from parties trading in products or goods imported into the EU; Jurisdiction and access to remedies 41. Reaffirms the urgent need to effectively address human rights abuses by transnational corporations when they appear, and to address the legal problems resulting from the extra-territorial dimension of companies in particular through the establishment of joint legal liabilities throughout supply chains; calls on Member States to take appropriate steps to tackle the financial and procedural hurdles faced in civil litigation by victims; 42. Reiterates its call on the Commission to reflect on the extension of jurisdictional rules under the Brussels I Regulation to third-country defendants in cases brought against companies with a clear link with one Member State or companies for which the EU is an essential outlet and asks the Commission to swiftly present, if appropriate, a proposal to the Parliament and the Council; 43. Recalls that business enterprises should establish operational-level grievance mechanisms for workers affected by their operations, including in EPZs; reiterates its call for the EU and Member States to take the appropriate steps to tackle the legal, procedural and institutional obstacles to accessing effective remedies; Gender equality and children’s rights 44. Recalls that gender equality is firmly established in all EU policies as stated in Article 8 of the TFEU; deplores the fact that gender is not mentioned in the Trade for All strategy, and calls on the Commission to take gender and women’s empowerment into account in its mid-term review of the strategy; calls on the Commission to ensure that the gender perspective is included and mainstreamed in trade and investment policy, the Aid for Trade strategy, and all future FTAs and impact assessments; calls on the Commission to continue to discuss and negotiate within the WTO in order to take gender into account in WTO trade and investment policy; calls on the Commission to collect gender-disaggregated data for GVCs, especially in the ***agricultural*** sector, taking into account women’s empowerment going beyond pay issues, factors leading to violence against women, and social factors such as parental leave and health, with a view to devising legal forms for overcoming the negative side-effects of GVCs; welcomes the fact that the issue of gender equality is being addressed in the negotiations on updating the EU-Chile agreement and will be dealt with in the future updated agreement; 45. Calls for a comprehensive analysis of differences and inequalities in the framework of GVCs, with regard to: (i) gender differences in time use, mainly resulting from women’s primary responsibility for reproductive work; (ii) gender differences in access to productive inputs and resources, particularly land, credit, training, and networks; and (iii) gender differences stemming from failures and discrimination at the level of markets and institutions; 46. Stresses that women tend to be the ones who suffer most, and that very often in the case of women, labour trafficking of persons runs in parallel with sexual trafficking and femicide; 47. Proposes that at the level of international trade and EU trade policies on GVCs, a specific strategy should be developed to formally protect individuals who denounce practices such as femicide, labour trafficking of persons and sexual trafficking, and to defend the victims; stresses that these denouncers should be given similar recognition and protection as that requested in the case of whistleblowers in the field of international and EU trade; 48. Recalls that women are increasingly present in employment but are still overrepresented in low-skilled jobs with low wages, lacking access to social protection measures, including maternity protection, and being far too often subject to discrimination and sexual harassment; 49. Calls on the Commission, the Member States and regional and local authorities to promote sustainable public procurement by applying specific requirements on human rights and compliance with international law, particularly in relation to the promotion of gender equality and European competition rules, as well as transparency for suppliers and their international supply chains; 50. Underlines the importance of the ratification of ILO Conventions No 182 on the worst forms of child labour and No 138 on the minimum age for admission to employment and work by those countries which have not done so; recalls that the EU is committed to eradicating the worst forms of child labour at a global level, in line with its values, which include the prohibition of child labour in EU external action as enshrined in Article 21 of the TEU; reiterates its call for the harmonisation and strengthening of import and supply chain controls so as to ensure that only forced labour-free, child labour-free and modern slavery-free products enter the EU market; stresses its support for existing initiatives supporting SMEs and small farmers’ organisations with a view to them gaining a larger share of value in GVCs, such as in the case of fair trade; underlines the importance of including the fight against forced labour and child labour in all EU FTAs, through sustainable development chapters, so as to ensure that this objective is shared by trade partners; calls on the Commission and the Member States to vigorously defend this proposal in all international forums including the ILO, the OECD, the UN and the WTO, in order to make progress in the fight against forced labour and child labour; emphasises against this background that the goal of child labour-free products can only be achieved if it goes hand in hand with minimum living wages for the child’s family members; Developing countries 51. Underlines that GVCs constitute an important opportunity for firms in developing countries, particularly SMEs, to develop a link with the global economy; stresses that specific policies and accompanying measures are key to achieving this and to extending the potential advantages to all workers in our trading partner countries, particularly policies aimed at making administrative procedures more efficient, or helping the companies concerned to increase added value and expand their participation in GVCs while also improving their social and environmental standards; points out that the review of GSP and GSP+ should include binding rules on human and labour rights and environmental protection; notes that many developing countries are limited in their capacity and resources to effectively enforce compliance with social and environmental standards and regulations; calls on the EU to strengthen capacity-building and to provide the governments of partner developing countries with technical assistance wherever possible and needed; 52. Recalls the 2030 SDG agenda and its sustainable production, sustainable consumption and decent work approaches, and calls on the Commission to communicate in a transparent manner the reference to each SDG concerned in its reporting; reiterates its call on the Commission and the Member States to use trade to promote sustainable development and good governance according to the principles of policy coherence for development; stresses that EU trade and investment agreements concluded with developing countries should be consistent with the SDGs; reiterates the right of developing countries to regulate investment so as to ensure obligations and duties for all investors, including foreign ones, with the aim of protecting human rights, labour and environmental standards; 53. Welcomes the entry into force of the Trade Facilitation Agreement, which if properly implemented will simplify and modernise customs procedures, making it easier for developing countries, which generally have greater border barriers, to integrate into the global trading system; 54. Calls on the Commission to support the effective participation of SMEs in GVCs, by supporting match-making and partnerships between SMEs and small farmer groups in developing countries that aim to secure a larger share of value for ***producers*** while ensuring a high level of social, environmental and human rights protection, as in the case of fair trade; 55. Calls on the Commission to ensure that human rights conditions linked to unilateral trade preferences granted under the GSP are effectively enforced and monitored, and that procedures foreseen for cases of possible non-compliance with those conditions are implemented, in full compliance with the GSP Regulation; 56. Expects the GSP mid-term review to clarify definitions and provide an in-depth assessment of the current scheme; takes the view that trade policy must be a way to encourage the EU’s trade partners to adopt higher social, labour and environmental standards, which could be achieved through incentives such as additional tariff preferences for sustainably ***produced*** products; believes that this objective requires a revision of the GSP Regulation, and suggests in this regard including CSR conditions within its scope, in order to ensure compliance by transnational corporations with national and international legal obligations in the areas of human rights and labour and environmental standards; calls for special attention to be paid to the situation of labour rights and trade union rights in EPZs, and urges the Commission to address this issue, in close cooperation with the ILO, in the review of the GSP; 57. Calls on the Commission to ensure that all EU-funded development projects, including blending projects, are not only fully aligned with the internationally agreed development effectiveness principles, but also fully respect the principle of free, prior and informed consent as established in ILO Convention No 169; Rules of Origin (RoOs) 58. Notes that simplified, effective and preferential RoOs are key in the context of GVCs; recognises that inflexibility and complexity of RoOs can hamper the efficiency of trade patterns; 59. Calls on the Commission, to the extent possible, to use multilateral RoOs as preferential RoOs in FTAs; calls on the Commission, when designing specific preferential RoOs in FTAs, to lower the requirements of value added and to allow change of tariff subheading and ‘single transformation’ as a RoO; 60. Asks the Commission, specifically in the case of negotiations on FTAs with countries currently benefiting from GSP and EBA preferences, to ensure that the design of RoOs does not divert economic processes; 61. Considers that increased cumulation in FTAs should not be seen as a tool for back-door liberalisation, but, rather, as a tool to enable countries to specialise in economic activities according to the logic of comparative advantage; Intellectual property rights and data flows 62. Welcomes the Commission’s commitment to protect the entire spectrum of IPRs including patents, trademarks, copyright, designs, geographical indications (GIs), marking of origin and pharmaceuticals, while ensuring access to affordable medicines, both at WTO level and through FTAs; calls on the Commission to take further action on the possible extension of geographical indication protection to non-***agricultural*** products, as it happens already in several third countries via different legal systems; calls for an open and inclusive process for improved cooperation with third partners to combat fraud and counterfeit goods that take advantage of trust in trademarks and brand names; 63. Recognises that digital innovation and data flows are crucial drivers of the services economy and are an essential element of the GVC of traditional manufacturing companies, and that, therefore, forced localisation requirements should be curbed to the extent possible both within and outside Europe, allowing for the accommodation of necessary exemptions based on legitimate public purposes such as consumer protection and the protection of fundamental rights; recalls that data flow protection and the right to privacy are not trade barriers but fundamental rights, as enshrined in Article 39 of the TEU, Articles 7 and 8 of the Charter of Fundamental Rights of the European Union, and Article 12 of the Universal Declaration of Human Rights; o o o 64. Instructs its President to forward this resolution to the Council, the Commission, the European External Action Service, the World Trade Organisation and UNCTAD.

**Load-Date:** November 3, 2017

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[***Ukraine: Odessa Region media highlights 12-18 May 18***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SFD-7RK1-JC8S-C2F4-00000-00&context=1516831)

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**Length:** 2163 words

**Body**

The following are media highlights from Odessa Region's Odesskaya Zhizn newspaper, Grad and 7 Kanal TV channels, Trassa E-95 news agency website, Dumskaya, Taymer, Informatsionnyy Tsentr, Bessarabia INFORM, Sayt Goroda Odessy websites and Facebook for 12-18 May 2018:

Political

A grenade was thrown in the house of an Izmayil district councilor, Petro Poroshenko Bloc district branch head Oleksandr Petkov, Bessarabia INFORM news website reported. According to the website, there was nobody in the house during the explosion which broke the windows, damaged the iron fence and paving slabs in the yard. "Petkov is quite a well-known person in Bessarabia. He is the head of an ***agricultural*** company and owns thousands of hectares of land in Reni and Izmayil districts. He found himself in the spotlight because of a business conflict with a rival company owned by an Odessa regional councilor," the website reported. (Bessarabia INFORM website, bessarabiainform.com, 19 May 18)

Representatives of Odessa civil organisations and political parties held a rally in support of the proportional electoral system outside the Odessa regional administration, 7 Kanal TV channel reported. "The first-past-the post system enables our politicians to buy votes for buckwheat and so on. Unfortunately, most Ukrainians today do not understand their personal responsibility for politics and for what is going on in our country," the head of the Odessa branch of the Narodnyy Rukh of Ukraine party, Mykhaylo Kuzakon, said. The protesters signed an appeal and handed it over to the administration. "This is a reason for response from the state authorities and for further procedures," activist Pavlo Palamarchuk told the channel. (7 Kanal TV channel, 'Novosti na 7' news 15 May 18)

Outside the administration"Liberals and the far-right have demanded elections be held in a new way", moderately pro-Russian website Taymer reported. (Taymer website, timer-odessa.net, 0923 gmt 15 May 18)

Odesskaya Zhizn newspaper carried as an advertisement a big interview with a former Ukrainian prime minister, People's Front party leader Arseniy Yatsenyuk, "about the next parliamentary and presidential elections, restrictions on authority of the head of state, attacks on the incumbent governemtn and reintegration of Donbass". (Odesskaya Zhizn newspaper, pp 6-7, 20 16-27 May 18)

Commenting on the round table discussion on fighting Russian propaganda, journalist and activist Leonid Shtekel said on his blog on the popular privately-owned website Dumskaya that the authors of the report insisted on the need for control over media reports "for the sake of patriotic goals". "The idea of the report is very simple. Anyone who criticises the authorities is an agent of Russian propaganda. In general, our native 'Sovok [derogatory term for everything Soviet]' is in all its glory both in Moscow and Kiev. And now the situation is getting worse and worse. The closer to the elections the stronger this trend will be," Shtekel said. (Dumskaya website, dumskaya.net, 0835 gmt 17 May 18)

Odessa blogger Oleksandr Kovalenko aka Zloy Odessit voiced support for the Security Service of Ukraine (SBU) whose officers had searched the RIA Novosti Ukraine news agency and arrested its editor in chief Kyrylo Vyshynskyy. "To be absolutely frank, on 15 May the SBU behaved very loyally and did not lock up everyone it should have," Kovalenko said on Facebook. (Facebook, bit.ly/2rWH6On, 1359 gmt 17 May 18)

Taymer editor Yuriy Tkachov is of a different opinion. "If someone should be jailed for treason, these are people who were given foreign grants to 'promote democracy' and 'European integration'. Because I do not know what damage Vyshynskyy did to Ukraine just because his media outlet existed. On the other hand, we can see every time what damage has been done by these people when we get our utility bills," Tkachov said on Facebook. (Facebook, bit.ly/2KA5htV, 1744 gmt 17 May 18)

Tkachov said on Facebook that he had worked for RIA Novosti for some time and "it did not look like the Kremlin's propaganda leaflet at all. (Facebook, bit.ly/2IvnQmz, 1551 gmt 16 May 18)

Continuing its series of reports about local civil organisations, Odesskaya Zhizn newspaper interviewed "one of the most prominent activists", Serhiy Sternenko, who used to be the head of the local branch of the nationalist Right Sector party and currently heads the pro-Ukrainian civil organisation Nebayduzhi (Not Indiffirent). Sternenko said that he saw a lot of support "from the pro-Ukrainian side and antipathy on the part of the pro-Russian side". He described "collaborationism" as one of the main problems in Odessa. "This is not separatism. This is not a struggle for the secession of Odessa. In fact, a lot of Odessa residents support Russia's aggression against their own country today," Sternenko said. (Odesskaya Zhizn newspaper, p.4, ?20 16-27 May 18)

"Odessa nationalists" splashed red paint on the Soviet monument to Fighters who Fell Fighting for the Soviet Authorities on Kulykove Pole Square, Informatsionnyy Tsentr website reported. "The word 'occupier' has been inscribed on the plague," the website added. (Informatsionnyy Tsentr website,infocenter-odessa.com, 0730 gmt 18 May 18)

The monument was erected over the grave in which 119 people who were killed during the Civil War in 1918 were buried, Taymer reported, noting that "unknown people vandalised the monument". (Taymer website, timer-odessa.net, 0925 gmt 18 May 18)

Sayt Goroda Odessy website described the monument as "decommunised" and the inscription on the plague as "untrue". (Sayt Goroda Odessy website, 048.ua, 1036 gmt 18 May 18)

Economic

Commenting on the initiative by the Cabinet of Ministers to privatise 700 companies, including all the eight ports in Odessa Region, by 2020, Odessa economist Serhiy Yakuboskyy said in an interview with the Grad TV channel that officials "are trying to redistribute, almost for free, these 700 facilities among those who represent interests of the incumbent authorities". According to Yakubovskyy, the privatisation of strategically important companies is not beneficial to the country. "If ports become private assets of a company, it will lead to a complete loss of the state's influence on the ***strategic*** industrial branches and vital services in the country. In addition, the sale of the ports would deprive the state of serious sources of income," the TV channel said, quoting "a lot of economists". (Grad TV channel, 'Novosti' news 17 May 18)

Ukrainian sailors who work on merchant vessels under foreign flags "are donors to the national economy", Odesskaya Zhizn newspaper reported. According to the daily, one in five members of the command staff in the world fleet is a Ukrainian national. "Sailors contribute the country's purse some 2bn dollars a year," the newspaper said. (Odesskaya Zhizn newspaper, p.27, ?20 16-27 May 18)

Military

The Ukrainian Navy took part in the Sea Shield-2018 international exercise which was held in Romania, the Ukrainian Navy said on Facebook. "Joint drills help establish cooperation among the participating states, in this case it concerns the Black Sea basin countries. This is the region which has been very unstable lately," the Ukrainian Navy's press service quoted Deputy Navy commander Oleksiy Neyizhpapa as saying. (Facebook, bit.ly/2rU46hb, 0804 gmt 12 May 18)

A delegation of the Royal College of Defence Studies visited the Pivden (south) naval base, the Ukrainian Navy said on Facebook. "Also, the foreign delegation visited the frigate Hetman Sgaydachny," the Ukrainian Navy added.(Facebook, bit.ly/2kaDipe, 0727 gmt 12 May 18)

On 10-11 May, short-term ***strategic*** leadership courses were held in Odessa under the supervision of representative of the British army, the Ukrainian Navy reported. (Facebook, bit.ly/2kaPFSx, 1600 gmt 11 May 18)

Divers of the National Guard of Ukraine are undergoing the Navy Seals course of the US special forces, popular privately-owned website Dumskaya reported. "They practise in water up to 10 hours a day," the website said. (Dumskaya website, dumskaya.net, 0803gmt 19 May 18)

National Guardsmen who will maintain order in Odessa Region during the holiday season took part in drills, Dumskaya reported. "The guardsmen practised actions of a military patrol in various emergency situations which can be faced when on duty," the website said. Also, the servicemen practised handling weapons. (Dumskaya website, dumskaya.net, 2001 gmt 16 May 18)

The Ukrainian Navy Command ***plans*** to open its own educational institution, the Naval Academy, on the grounds of the Odessa Naval Academy, InformatsionnyyTsentr website reported. (Informatsionnyy Tsentr website, infocenter-odessa.com, 1527 gmt 18 May 18)

Cadets of the missile and artilelry department of the Odessa Military Academy held an exercise at a training ground, Dumskaya reported. "The cadets practised deploying an assembly station for damaged weapons and hardware, held control checks and maintenance of a howitzer, an antitank gun and a mortar," the website reported, quoting the press service of the Odessa Military Academy. (Dumskaya website, dumskaya.net, 0718 gmt 16 May 18)

The State Emergencies Service in Odessa Region and the emergencies service of the resort town of Zatoka held an exercise at a recreational facility, Bessarabia INFORM news website reported. The servicemen practiced to extinguis a notional fire. ""Odessa rescuers will continue to carry out comprehensive activities at public places of mass gathering," the regional emergencies service said. (Bessarabia INFORM website, bessarabiainform.com, 16 May 18)

Rescuers in Zakharovka District held a firefighting exercise at a local lyceum, regional news agency website Trassa E-95 reported. (Trassa E-95 newsagency website, trassae95.com, 0700 gmt 18 May 18)

Health

The highest levels of HIV were registered in Odessa Region, Odesskaya Zhizn newspaper reported. Also, the AIDS mortality rate remains high in the region. "A total of 33 people died of this disease in the region in April alone. A total of 137 HIV-infected people were diagnosed with AIDS," the newspaper added. (Odesskaya Zhizn newspaper, p.2, ?20 16-27 May 18)

Human rights

A lecture, "Human sexuality: fact checking", which was scheduled for 22 May in Odessa was cancelled, moderately pro-Russian website Taymer reported. The website quoted the organisers as saying that the reason for the cancellation was "aggressive behaviour of far-right movements" and "constant disruptions of lectures aimed at sexual education". "The ***programme*** of the lecture which was cancelled would also touch the issues of the origin of sexual orientation and explain transgenderism," the website added. (Taymer website, timer-odessa.net, 1252 gmt 15 May 18)

Several hundred activists from various organisations came to houses of Romani in a town near Odessa accompanied by policemen, 7 Kanal TV channel reported. According to the activists, drugs could be ***produced*** in these houses. "The protesters say that drugs are ***produced*** behind this gate," the correspondent said, pointing at the gate. The activists called their raid on the houses "Stop Narcotics". One of the protesters, captioned as Anatoliy Kolomiyets, said that there were eight-10 places where drugs were sold. According to the correspondent, there were no brawls. "The activists have promised to repeat their raid in the near future," the TV channel added. (7 Kanal TV channel, 'Novosti na 7' news 14 May 18)

"They have tried to dress up the rally against the protection of drug dealing points as a prevented Roma progrom," Sayt Goroda Odessy website reported, commenting on a statement by Ruslan Forostyak, an adviser to the Odessa regional police chief. Forostyak said earlier that "someone would very much like a conflict, similar to the ones between the Roma communities and radical activists in Kiev and Lviv, to happen in Odessa". The website noted that the rally had been staged not against Romani people but against police and the prosecutor's office which allegedly "protect" drug dealers. "Speakers of the raid told police that if activists register at least one case drug dealing, horrible events will follow, and law enforcers only will be to blame for them," the website added. (Sayt Goroda Odessy website, 048.ua, 0731 gmt 15 May 18)

Crime

SBU employees detained a senior investigator of a district police department in the act of taking a bribe, 7 Kanal TV channel reported. "The suspect extorted 5,000 dollars from an Odessa resident for the closure of a road accident case. He threatened the driver that his status would be changed from that of a witness to that of a suspect if the bribe were not given," the TV channel added. (7 Kanal TV channel, 'Novosti na 7' news 14 May 18)

A grenade was seized from a 54-year-old resident of the town of Artsyz, Odessa Region, Bessarabia INFORM news website reported. (Bessarabia INFORMwebsite, bessarabiainform.com, 18 May 18)

Source: Odessa Region media highlights 18 May 18

**Load-Date:** May 30, 2018

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[***Green and pleasant; The first in a series on the future of the British countryside looks at changes in agriculture andwhat these mean for the landscape. By Laura Battle***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PGR-JC41-JBVM-Y144-00000-00&context=1516831)

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**Section:** HOUSE AND HOME;NEWS; Pg. 1,10,11

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**Byline:** Laura Battle

**Body**

You look around here," says ChrisMusgrave, gesturing at a patchwork of grassland, arable fields, hedgerows, fir belts and deciduous copses. "Back when I started in 1983 there wasn't a flipping tree."We are standing -sun and wind buffeting our faces, the shriek of buzzards below - on an elevated ridge within the Marlborough Downs, an expanse of rolling chalk hills in Wiltshire, southern England, and at the heart of one of the most innovative farmlandprojects inthe country.

Musgrave began as an assistant shepherd on this land, farming like a New Zealander, he says, "boys on bikes, with dogs" patrolling acres of arable prairie.

Now he is estate manager for this and two neighbouring estates, an enthusiastic conservationist and a linchpin of the Marlborough Downs Nature EnhancementPartnership.

Looking around this project, which spans 29 holdings and 25,000acres, you are soon aware that something is different and wildlife has a chance: arable monotony is broken up by colourful nectar plots, tree sparrow"villages" and areas of managed grassland that form part of a conservation network across the site. The collaboration, which began in 2012 as a three-year pilot with government funding, is now a fullyfledged and independent project uniting 57 land managers (including farmers, landowners and game keepers) with the belief that commercial farms can make a positive contribution to the local landscape, wildlife and community. "What we are proving here is you can farm profitably with a care for the environment," Musgrave says. "It's working, it's been acknowledged, and that's why farmers want to jump on thebandwagon."

Earlier in the day I joined JemmaBatten, co-founder and project manager of the scheme for a downland safari in her battered 4x4. She showed me nectar plots filled with mayweed, yarrow and cornflowers, and alive with butterflies and bees. We walked through thick tufted grass now attracting mice, voles andshort-eared owls,andinspected one of the 15newor restoreddewponds that have brought freshwater, and pond life, to this land. And she spoke of the farmland birds, including corn buntings, linnets and tree sparrows - a species that saw its population drop by 93 per cent nationally between 1970 and 2008 - now flourishing across the project thanks to the restoration of habitat and ***strategic*** feeding plots.

As we bounced along dirt tracks, greeting farmers and gamekeepers on their rounds, Batten explained that it was as much a social challenge as an environmental one. "So many people told me it wouldn't work, [they said] you'll never get farmers to work together. .. but we've proved them completely wrong." She admitted she nearly gave up in the project's first year, but the biodiversity it has achieved on a landscape scale is reflected in the unlikely alliances forged between farmers and environmentalists, landowners and the local community. Managed public access to this land through "owl prowls", bat walks, carriage driving for the disabled and an annual open farm Sunday event has beenanotherkeybenefit.

AsthecountdowntoBrexit continues, the balance between food production and "natural capital" on UK farmland is being scrutinised as never before-so could this Marlborough Downs project provide inspiration for a new ***agricultural*** policy? Under the Common ***Agricultural*** Policy, farmers are offered a basic payment, calculated according to acres occupied. This support, which goes towards the cost of productionandenvironmental measures, is intended to keep prices down for the consumer. Larger environmental efforts are recompensed through a separate twotiered scheme. But in a speech in July, the environment secretary Michael Gove suggested that beyond 2022 support could be entirely dependent on environmental efforts. Meanwhile, organisations including the National Farmers Union (NFU), the Country Land and Business Association (CLA) and the National Trust, have set out contrasting visions for the countryside.

One thing seems clear: once agricul-ture is in direct competition for funding with social care and the NHS, farmers will have to depend heavily on the interest and support of the public. It's a challenge theNFUis determined to take on. Its "Vision for the Future of Farming" sets out theneedformeasures "to alleviate the impact of farming's exposure to adverse weather, pests and diseases, price volatility and low bargaining power" alongside a productivity ***programme***, which would include the promotion of technologies, and an environmentalscheme.

Thirty years ago, theUKproduced 80 per cent of its own food; today it ***produces*** 60 per cent, and is on track to be just 50 per cent self-sufficient in 10 years' time. Reasons for this decline include the changing tastes of consumers and higher standards of Continued on page10 Continued from page 1 C ti df UK food production, which raise costs above imports. The NFU has warned that continued support is essential to ensure food security in an increasingly uncertain world. "I do not believe any British government would wish us to be only 50 per cent self-sufficient in food, and we believe that this is not what the British consumer wants either," saysNFUpresidentMeurig Raymond. "The British public have a huge respect for the quality and provenance of British food and the standards to whichit'sproduced."

Already there has been fierce debate over the prospect of chlorine-washed chicken being sold into the UK market as a requirement of a possible trade deal with the US, and the risks of undermining the UK's high standards of animal welfare. If cheap imported meat and grain flood the domestic market, large numbers of UK farmers will go out of business. Raymond also highlights the 3.9m people who are employed in the UK's food industry, whose jobs could be threatened by an increase in imports. "You look at ***agricultural*** policy, whether it's theUS, whether it's Canada, or other parts of the world, [and] most global governments do support their farmingandfood production,"headds.

The CLA sees its members increasingly as entrepreneurs. Its New Oppor-tunities report is described by president Ross Murray as "not just an ***agricultural*** policy; it's a land use policy". The report argues that farmers could be encouraged to become more efficient and productive through new technologies, spurred on by grants and tax incentives. Meanwhile, the rural economy could be stimulated by investment in new business ventures, better business and marketing advice and improved infrastructure, including superfast broadband, according to these proposals.

Central to theCLA's vision is the Land Management Contract, a legal agreement whereby farmers would be rewarded for public benefits, such as planting trees, improving water quality and enhancing wildlife, contracted over a 10-year period (20 years for trees). It puts environmental concerns at the forefront of ***agricultural*** policy and suggests many farmers will be forced to considersomediversification, as Murray explains: "You've got to ultimately value what you want the land manager to ***produce***, whether it's growing trees, or [encouraging] lapwing, or 'flood wash', or it's production of high-quality food - each of those needs quantifying as to what measure is required and whether the land manager will voluntarily put his hand up and say: 'Well, I'mgoing to stop farming food but I'mgoing tofarmfor theenvironment'."

The contractwould be tailored to the specific requirements of different regions inwhatMurrayadmitswouldbe a "very complicated matrix of incentives" but it is unclear what would happen if, despite best efforts, contractual obligations were unfulfilled. Say a farmer received payments to maintain a grassland habitat to encourage ground-nesting lapwings but the birds failed to flourish, who would decide - and how-if this was due to factors, such as raptors or unfavourable weather conditions, outside the farmer's control? The CLA is not alone in looking to incentivise farmers to farm less. It is the implicit theme of the National Trust's manifesto, "Public money for public benefit: the basis for a post-Brexit farm system", which proposes that farmers should be offered support for benefits enjoyed by the public, including access and recreation, healthy soils, carbon sequestration and "heritage and cultural landscapes", but excluding food. Food production, it argues, ought to be rewarded through the market, while food security can be addressed through trade policy.

With 618,00 acres of land in its care, the National Trust describes itself as "the nation's largest farmer" but it considers the preservation of placesof natural beauty as one of its primary roles.To this end, the organisation has allied itself with 12 environmental organisations - includingWWFand theWoodland Trust - to create Greener UK, a group that is lobbying the government for greaterenvironmentalprotection.

Last month, Helen Ghosh, directorgeneral of the National Trust, said there had been a "dramatic decline in nature and species, soils and water" under the current EU systemandstated that in future rewards should be available to farmers "who deliver the most public benefit". She detailed pilot schemes for flood protection and "slow, clean water", and gave theexampleof a farmer in theYorkshire Dales who has reduced livestock numbers on his 400 acres to increase the profitability of the farm, and has developed a holiday rental and ready-meal businessonthe side.

"What we are doing with a numberof our farm tenants is adjusting the balance, taking the opportunities, looking at what the land can ***produce***," Ghosh explains. "In some cases the land can now-andinto the future-successfully ***produce*** food, with a positive impact on nature. In other cases, it may be that a move into ***producing*** other services like 'slow water' upstream is the right thing todo, alongside food production."

Like the CLA, the National Trust stresses the need for a flexible and local approach-promising a range of opportunities while risking a system of even greater complexity-but it seems likely that a large number of farmers would simply be unable to adapt to a future in which food production, already a lossmaking operation for many, was left unsubsidised. It is easy to talk of diversification, butwhatabout those corners of the country that tourists rarely visit, where there is little demand for office/workshop conversions or where those looking to ***produce*** green energy have beendenied access to the grid? For some, the prospect of farmers deserting their land is reason to celebrate. Debates about rewilding - the process of returning a landscape to its uncultivated state, including the reintroduction of certain species-have raged across Europe. Rewilding Britain, a charity spearheaded by the environmentalistGeorgeMonbiot, is campaigning to establish at least three core areas of rewilded land totalling 300,000 hectares by 2030, and promotes the reintroduction of bison, lynxandwolves to parts of the UK. Many farmers fear risk to their livestockandwayof life, but it is also unclear how this process could be funded on a national scale: even rewilding requires management, andmanagementrequires investment.

Although hugely unpopular in some quarters, rewilding has gained some mainstream traction, and even the National Trusthascomeunderscrutiny. Last year its purchase of Thor-neythwaite, a sheep farm in an idyllic Cumbrian valley, prompted outcry, not simply because its offer of £950,000 for the 303 acres of land was £200,000 more than the guide price, and well beyond the reach of local farmers, but because it chose not to buy the accompanying farmhouse, and because its ***plan*** to promote "healthy soil, natural water management and thriving natural habitats" is seen as a threat to the local sheep farming tradition.

Ghosh argues the rewilding term has come to represent a spectrum of interests. "At one end you have GeorgeMonbiot [saying] let nature take its course. .. ,"shesays."Andat theother endit's used todescribe any approach to farming that introduces more of a balancebetweennatureandproduction."

Musgrave admits he has grave concerns about the future of ***agriculture***; he says tenant farmers on less than 500 acres will find life extremely difficult if the basic support is slashed. But he believes the success of the Marlborough Downs project offers hope. "If we can work together on an environmental basis, [then] if things get tight and we lose50per cent of our [directpayment], what are the options? Could we do more on our farming scale? Do we all need to owna combine, or couldweworkcollectivelyonfarming as well?" With farmland accounting for 70 per cent of the UK's land area, a new ***agricultural*** policy will shape not just the appearance of the countryside but the future for the wildlife and peoplewhoought to thrive there.Asuccessfuloutcomewouldoffer farmers the confidence to continue farming while incentivising schemes that help the environment and rural community to flourish throughout the country. A disastrous one would risk a cleavage between the landed and the stranded- between mega farms and large estates with the capital and opportunities to diversify, and tenants and smaller-scale farmers facing little choice but abandonment- with the environmenthanging in the balance.

Laura Battle is deputy editor of House & Home.Herfamily farmsin Lincolnshire.

**Graphic**

Jon Tonks for the FTJemma Batten, co-founder of the Marlborough Downs Nature Enhancement Partnership, stands in a birdseed plot -Short-eared owl David WhiteSmall Copper butterfly - David WhiteChrisMusgrave - Jon Tonks for the FTTree sparrows fighting - David WhiteHabitatmappingJemma BattenMatthew Cook Jon Tonks for the FTNectar plot including mayweed Jon Tonks for the FTCommon Blue butterfly - David WhiteOne of the newly established dew ponds- Jon Tonks for the FTOrnithologist Matt Prior with a barn owl chick- David White

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**Body**

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European Parliament 2014-2019 TEXTS ADOPTED Provisional edition P8\_TA-PROV(2017)0330 Impact of international trade and EU’s trade policies on global value chains European Parliament resolution of 12 September 2017 on the impact of international trade and the EU’s trade policies on global value chains (2016/2301(INI)) The European Parliament, – having regard to Article 208 of the Treaty on the Functioning of the European Union (TFEU), – having regard to Article 5 of the Treaty on European Union (TEU), – having regard to the Commission communication entitled ‘Trade for all: Towards a more responsible trade and investment policy’ (COM(2015)0497), – having regard to its resolution of 5 July 2016 on a new forward-looking and innovative future strategy for trade and investment1, – having regard to its resolution of 5 July 2016 on implementation of the 2010 recommendations of Parliament on social and environmental standards, human rights and corporate responsibility2, – having regard to its resolution of 16 May 2017 on the evaluation of external aspects of the customs performance and management as a tool to facilitate trade and fight illicit trade3, – having regard to its resolution of 25 November 2010 on corporate social responsibility in international trade agreements4, – having regard to its resolution of 25 October 2016 on corporate liability for serious human rights abuses in third countries5, 1 Texts adopted, P8\_TA(2016)0299. 2 Texts adopted, P8\_TA(2016)0298. 3 Texts adopted, P8\_TA(2017)0208. 4 OJ C 99 E, 3.4.2012, p. 101. 5 Texts adopted, P8\_TA(2016)0405. – having regard to its resolution of 27 April 2017 on the EU flagship initiative on the garment sector1, – having regard to its resolution of 4 April 2017 on palm oil and deforestation of rainforests2, – having regard to its resolution of 3 February 2016 containing the European Parliament’s recommendations to the Commission on the negotiations for the Trade in Services Agreement (TiSA)3, – having regard to its resolution of 8 July 2015 containing the European Parliament’s recommendations to the European Commission on the negotiations for the Transatlantic Trade and Investment Partnership (TTIP)4, – having regard to its Resolution of 14 June 2017 on the state of play of the implementation of the Sustainability Compact in Bangladesh5, – having regard to Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas6 (Conflict Minerals Regulation), – having regard to the Forest Law Enforcement Governance and Trade Action ***Plan*** (COM(2003)0251) and FLEGT Voluntary Partnership Agreements, – having regard to Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market7 (Timber Regulation), – having regard to Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences8 (GSP Regulation), – having regard to Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters9 (Brussels I Regulation), – having regard to Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non- 1 Texts adopted, P8\_TA(2017)0196. 2 Texts adopted, P8\_TA(2017)0098. 3 Texts adopted, P8\_TA(2016)0041. 4 Texts adopted, P8\_TA(2015)0252. 5 Texts adopted, P8\_TA(2017)0265. 6 OJ L 130, 19.5.2017, p. 1. 7 OJ L 295, 12.11.2010, p. 23. 8 OJ L 303, 31.10.2012, p. 1. 9 OJ L 351, 20.12.2012, p. 1. financial and diversity information by certain large undertakings and groups1 (Non-Financial Reporting Directive), – having regard to the 2007 joint strategy of the EU and its Member States entitled ‘Aid for trade: Enhancing EU support for trade-related needs in developing countries’, – having regard to the Commission staff working document of 24 April 2017 entitled ‘Sustainable garment value chains through EU development action’ (SWD(2017)0147), – having regard to the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, – having regard to Report IV of the 105th ILO Conference on decent work in global supply chains, – having regard to the 2030 UN Sustainable Development Goals, – having regard to the fundamental ILO Conventions on child labour, forced labour, discrimination, and freedom of association and collective bargaining, – having regard to the Council conclusions of 12 May 2016 on the EU and responsible global value chains, – having regard to the Commission communication on a renewed EU strategy 2011-14 for Corporate Social Responsibility (COM(2011)0681), – having regard to the UK Modern Slavery Act 2015 and the French law on the duty of care of multinational companies, – having regard to the UN Guiding Principles on Business and Human Rights and the UN Global Compact, – having regard to the UN International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, – having regard the new ILO Protocol on Forced Labour, – having regard to UN Human Rights Council Resolution 26/9 of 26 June 2014, in which the UNHRC decided to establish an open-ended intergovernmental working group with the mandate to elaborate an international legally binding instrument on transnational corporations and other business enterprises with respect to human rights, – having regard to the OECD Guidelines for Multinational Enterprises and several sector-specific OECD guidelines (financial, ***agricultural***, mineral, garment and footwear sectors), – having regard to the UNCTAD Trade and Development Reports of 2013 and 2016, – having regard to the 2015 UNCTAD Investment Policy Framework for Sustainable Development, 1 OJ L 330, 15.11.2014, p. 1. – having regard to the World Trade Organisation Technical Barriers to Trade (WTO TBT) Agreement, – having regard to the WTO General Agreement on Tariffs and Trade (GATT), – having regard to the UN Convention on the Rights of the Child, and the Children’s Rights and Business Principles developed by UNICEF, the UN Global Compact and Save the Children1, – having regard to voluntary country-specific partnerships, such as the Bangladesh Sustainability Compact and the Myanmar Labour Rights Initiative, – having regard to the Council conclusions of 20 June 2016 on Child Labour, – having regard to Rule 52 of its Rules of Procedure, – having regard to the report of the Committee on International Trade, the opinions of the Committee on Foreign Affairs and the Committee on Development and the position in the form of amendments of the Committee on Women’s Rights and Gender Equality (A8-0269/2017), A. whereas Article 207 of the TFEU stipulates that the EU’s trade policy must be built on the principles and objectives of EU external policy; whereas Article 208 of the TFEU establishes the principle of policy coherence for development and sets the eradication of poverty as the main objective; whereas the Commission’s Trade for All communication bases EU trade policy on three key principles – effectiveness, transparency and values; whereas this communication has a dedicated section on responding to the rise of global value chains and on the responsible management of supply chains, recalling its complexity, the fundamental need to think prospectively, for the involvement of a range of public, private and civil society actors and for the use of a mix of soft and innovative tools and legislative changes; B. whereas free trade has come under increasing public scrutiny of late and concerns about the inequitable distribution of the benefits and loads of trade have brought to the forefront a largely shared view that trade policy needs to put social and environmental values, as well as transparency and accountability, at its core; C. whereas global value chains (GVCs) are a complex, technology- driven and rapidly changing reality which have become a key feature of today’s global economy and may help developing countries to better integrate into it and to reduce poverty and create jobs, while at the same time increasing production capacity; whereas, on the one hand, GVCs offer new prospects for economic growth, sustainable development, the involvement of civil society, workers and business associations, and for job creation for companies within the production chain, by enabling them to focus on specific tasks while increasing their interdependence; whereas, on the other hand, their extremely complex nature, lack of transparency and dilution of liabilities may lead to a higher risk of human and labour rights violations, factual impunity for environmental crimes and large-scale tax avoidance and tax fraud; 1

[*http://childrenandbusiness.org*](http://childrenandbusiness.org) D. whereas trade policy must contribute to ensuring a transparent production process throughout the value chain, as well as compliance with fundamental environmental, social and safety standards; E. whereas EU trade and investment policy must maintain the multilateral system as its cornerstone and strengthen Europe’s position in fair global supply chains, but must also provide tools to establish clear rules and responsibilities for governments and companies in order to ensure compliance with international commitments such as the UN Sustainable Development Goals (SDGs); whereas sustainability and transparency are not only a matter of values but should also be seen as real drivers of increased added value in global trade and investment in the context of GVCs; F. whereas SMEs1 form an important part of the GVCs and play an important role in promoting economic growth, sustainable development and quality jobs and in keeping local populations from moving away from their regions; G. whereas participation in GVCs is beneficial for SMEs in terms of growth and internationalisation; whereas according to the 2015 Eurobarometer survey entitled ‘Internationalisation of Small and Medium-sized Enterprises’, only 31 % of SMEs in the EU were involved in business outside the Internal Market in the previous three years; whereas many SMEs face difficulties securing access to international and EU-based GVCs; whereas trade policy and trade agreements can help overcome the barriers and challenges that SMEs currently face in accessing GVCs; H. whereas voluntary due diligence and GVC transparency schemes are being used and promoted worldwide by economic and social partners and NGOs, ***producing*** substantive and positive results; I. whereas in its May 2016 conclusions, the Council underlined ‘the need for continued advocacy for the uptake of internationally agreed principles, guidelines and initiatives on CSR/RBC such as the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the ILO Tripartite Declaration on Principles concerning Multinational Enterprises and Social Policy, and the OECD Guidelines for Multinational Enterprises, including in non-OECD member countries, also contributing to anti-corruption efforts by creating more open and transparent business environments’; J. whereas responsible global management of GVCs is essential in order to align trade policy with the European values enshrined in the Treaties; whereas both the Commission and the Member States have been at the forefront of these debates worldwide; K. whereas several international conventions, guidelines and rules aim to prevent human rights abuses; whereas ***producer*** countries in particular have the obligation to implement them and to create the appropriate legal and economic conditions under which businesses can operate and find a place in global supply chains; whereas ***producer*** countries must also be able to implement international standards and norms, including 1 See definition of SME:   [*http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32003H0361&from=EN*](http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32003H0361&from=EN). drawing up, implementing and enforcing appropriate legislation, particularly in the area of establishing the rule of law and combating corruption; L. whereas the EU should respond even more effectively to social and environmental dumping and unfair competition and trade practices, and ensure a level playing field; M. whereas the EU is the world’s largest exporter and importer of goods and services taken together, the largest foreign direct investor and the most important destination for foreign direct investment (FDI); whereas the EU should use this strength to benefit both its own citizens and those in other parts of the world, particularly in the world’s poorest countries; N. whereas the EU has developed binding regulations in the area of corporate due diligence in specific sectors where there is a high risk of human rights abuses, such as timber and conflict minerals; whereas some Member States have also developed legislation, such as the UK Modern Slavery Act, the French Law on the duty of care of multinational companies (MNCs), which applies to large French companies numbering more than 5 000 workers, and the Dutch Child Labour Due Diligence Bill; whereas the EU has developed initiatives to promote due diligence and several European Parliament resolutions have called for the EU to develop binding rules on the issue; O. whereas the EU has already taken important steps towards a more responsible management of GVCs worldwide by developing specific partnerships,- such as the Bangladesh Sustainability Compact and the Labour Rights Initiative with Myanmar, and on specific issues, such as the conflict minerals initiative, illegal logging regulations, sustainability criteria for biofuels, corporate reporting on supply chain issues, and corporate transparency on payments made to governments by extractive and logging industries, as underlined in the Trade for All communication; P. whereas the Trade for All communication states that the Commission will promote ambitious trade and sustainable development (TSD) chapters in all trade and investment agreements; whereas recently concluded EU trade and investment agreements contain TSD chapters calling on the parties to the agreement to make commitments on the protection of human rights, social and environmental standards and corporate social responsibility; whereas such chapters have displayed differences in their level of ambition in successive EU trade agreements; whereas labour and environmental standards are not limited to TSD chapters but must be effective throughout all areas of trade agreements; whereas a dialogue-centred approach has not prevented severe violations of the freedom of association in some FTAs; Q. whereas the particular situation of Export Processing Zones (EPZs) is such that in some countries they are exempt from local labour laws and forbid or limit union activity, and that workers have no recourse to legal redress there, which constitutes a clear violation of ILO standards; R. whereas the lack of ethical behaviour in business is also a consequence of a lack of good governance, the powerlessness or non-existence of impartial public authorities acting in the general interest of citizens; whereas corruption, the lack of transparency of GVCs and exemptions from labour laws and taxation in EPZs could have a negative impact on human rights, in particular by undermining decent work and trade unions; S. whereas according to the ILO, 21 million people are victims of forced labour worldwide, and many of them are exploited in GVCs; whereas forced labour in the private economy generates USD 150 billion in illegal profits every year; T. whereas thanks to its global mandate, expertise and experience, the ILO, in collaboration with its Members, is well placed to lead global action for decent work in global supply chains; whereas the ILO Committee on Decent Work in Global Supply Chains has called for an assessment into the failures which lead to decent work deficits in global supply chains and for a reflection on the initiatives and standards needed to promote decent work and facilitate the reduction of decent work deficits in global supply chains; U. whereas a multilateral, global and holistic approach to corporate liability for human rights abuses and environmental sustainability is needed in the context of global trade and particularly in GVCs; whereas it is important, therefore, that the EU continues to lead these debates worldwide; whereas the EU has positioned itself as a front-runner in reforming the investor-state dispute settlement mechanism, notably through the development of a multilateral court system; whereas equal progress is expected in other critical areas of concern such as the enforcement of investors’ obligations in relation to human rights; V. whereas production in GVCs takes place in various jurisdictions with varying degrees of human rights protection and social, labour and environmental law enforcement; whereas victims of human rights abuses involving transnational companies may face multiple obstacles to accessing judicial remedies; W. whereas gender equality in all EU policies is firmly established in Article 8 of the TFEU; whereas trade and investment agreements tend to affect women and men differently on account of structural gender inequalities; whereas the gender equality perspective is often overlooked in the analysis of GVCs; whereas according to the ILO, in 2012 21 million people worldwide, of whom 55 % were women and girls, were the victims of forced labour, with 90 % of these were exploited in the private economy by individuals or enterprises; X. whereas women comprise the majority of workers in certain segments of the garment, horticulture, mobile phone and tourism global supply chains but tend to be more concentrated in low-wage or low-status forms of employment than men, leading to gender segregation in types of occupations and activities, gender gaps in wages and working conditions, and gender-specific constraints in access to productive resources, infrastructure and services; Y. whereas according to Article 3(3) of the TEU, the Union shall protect the rights of the child; whereas all the Member States ratified the UN Convention on the Rights of the Child; Z. whereas services are playing a greater role in GVCs, in particular for manufacturing production; whereas the increased integration of services into GVCs will require agreements supporting the digital economy, including the free flow of data; AA. whereas the development of global value chains further contributes to the integration of services into the production of goods; whereas a significant amount of the value of imported goods has been added through services from importing countries; AB. whereas EU Member States are the world’s largest exporters of financial services, and the sector is of ***strategic*** importance in the EU’s trade policy; whereas the inclusion of provisions relating to financial services in EU External Agreements, including FTAs, has raised some legitimate concerns regarding their potential negative effects in terms of money laundering and tax evasion and avoidance and further highlights the importance of considering the use of tools to address them; whereas trade and investment agreements offer a good opportunity to increase cooperation in the fight against corruption, money laundering, and tax fraud, evasion and avoidance; AC. whereas transparent and informative labelling can be a useful tool that allows EU consumers to make more informed and adequate choices; whereas, beyond the price and origin of a product, social and environmental criteria should also be made available to EU consumers; whereas such criteria can technically be developed in line with the WTO Agreement on Technical Barriers to Trade (TBT), which lays down conditions for the production process to enable the sale of a product; AD. whereas the full observance of human rights in the production chain and full compliance with the food safety standards of goods released for free circulation on the European market should be respected by both states and enterprises; whereas the burden of responsibility should not be borne solely by consumers, whose choice is constrained by both individual resources (economy, time, knowledge) and external elements (information, offers); AE. whereas Rules of Origin (RoO) have become increasingly important in the context of GVCs, for which production tends to span several countries; whereas lax rules of origin can create additional hurdles to establishing full transparency and accountability throughout supply chains; AF. whereas better, harmonised and more efficient customs procedures in Europe and abroad help facilitate trade and meet respective trade facilitation requirements, as well as help to prevent forgeries and illegal, dumped and counterfeit goods from entering the single market, which undermines EU economic growth and seriously exposes EU consumers; whereas greater access to customs data on imports entering the EU would increase GVC transparency and accountability; AG. whereas in a world of fragmented production networks, the distinction between imports and exports is blurred, as imported inputs account for a significant proportion of exports, and tariffs are accumulated each time intermediate inputs are traded across borders; whereas efficient customs and border procedures are especially important in this context; AH. whereas GSP and GSP+ trade incentives provide better market access to developing countries in exchange for respect for labour, environmental and social standards; AI. whereas the GSP+ is a key EU trade policy instrument which provides better market access and is accompanied by a stringent monitoring mechanism to promote human and labour rights, environmental protection and good governance in vulnerable developing countries; AJ. whereas the protection and enforcement of intellectual property rights (IPRs) could provide for effective further integration into GVCs; EU position within GVCs 1. Emphasises that trade and investment policy should aim to provide leverage, to create a level playing field for European businesses, promote European competitiveness and facilitate upward convergence on standards; calls on the Commission to ensure coherence between the EU’s environmental, public health, trade, investment and industrial policies, and to promote the European reindustrialisation strategy and the transition towards a low-carbon economy; 2. Believes that further integration of the EU into global value chains must not be to the detriment of the European social and regulatory model and the promotion of sustainable growth; 3. Calls on the Commission to support the awareness and uptake of existing fair trade schemes, as mentioned in the Trade for All strategy, both within the framework of the EU’s ***plan*** for sustainability and the European Consensus for Development; 4. Reiterates its call for the Commission and the Member States to adopt reinforced trade defence instruments to combat unfair commercial practices, taking into account social and environmental dumping; 5. Asks the Commission to evaluate the impact of the use of trade defence instruments, by the EU and by third countries, on the effective integration of EU businesses into GVCs; 6. Stresses the need for harmonised rules and reinforced EU coordination and supervision of the application of import duties by the Member States (including conventional, anti-dumping and countervailing duties) on all types of commodities and goods, especially involving false declarations of origin (in both preferential and non-preferential regimes) and the undervaluation and incorrect description of goods; GVCs and multilateralism 7. Calls on the Commission to actively work within the WTO in order to increase transparency, and to define and promote multilateral rules for trade, including the sustainable management of GVCs, which should, in particular, include the following: – mandatory supply chain due diligence and transparency requirements, building on the UN Guiding Principles on Business and Human Rights; – minimum health and safety standards, recognising in particular workers’ right to establish safety committees; – a social protection floor and respect for ILO labour standards; – the right to collective bargaining; 8. Asks the Commission and the Member States to continue to engage actively in all multilateral forums about business, GVCs, human and labour rights, economic growth and sustainable development, while promoting the European values enshrined in the Treaties and bearing in mind the fundamental need for the specific characteristics of SMEs to be protected; 9. Welcomes the ongoing negotiations on a binding UN Treaty for Transnational Corporations and Human Rights; calls on the Commission and the Member States to engage constructively in these negotiations and to play an active role and contribute to the development of concrete proposals, including access to remedies, investing all their efforts in achieving a positive outcome and encouraging trade partners to equally engage; asks the Commission, in this context, to consider the possibility of extensive mandatory due diligence, including at global level; 10. Calls on the Member States to expedite the application and increase the effectiveness of the National Action ***Plans*** (NAPs) implementing the UN Guiding Principles on Business and Human Rights; underlines that eight out of the 13 NAPs that have already been approved are from EU Member States and welcomes the fact that a further 11 EU NAPs are being drafted; asks the Commission to assist and promote the implementation of these UN Guiding Principles; 11. Welcomes the convergence of the international standards on business and human rights, particularly between the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises; 12. Welcomes the integral inclusion of Decent Work and the four pillars of the ILO Decent Work Agenda into the UN SDGs; calls on the Commission and the Member States to effectively apply these standards and to work within the ILO towards the adoption of a new international labour standard for decent work on GVCs, which will require, in particular, all companies to undertake ongoing risk management of the impact of their activities on the human rights of workers and communities and to take appropriate measures to prevent and mitigate these activities and provide remedy to those affected; 13. Supports all global anti-corruption initiatives, including the Extractive Industries Transparency Initiative (EITI), the Kimberley Process, the International Conference on the Great Lakes Regions (ICGLR), the principles set out in the United Nations Global Compact for businesses, the OECD guidelines for multinational enterprises and the OECD due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas; recalls the obligation for ***producer*** countries in particular to implement and enforce appropriate legislation, also in the area of establishing the rule of law and combating corruption; 14. Points out that in this area, in addition to the import and export of minerals and metals, transparent arrangements governing operating rights and customs duties are vital to the development of conflict or high-risk zones; stresses, therefore, the need to draw up an overview of existing corporate social responsibility measures being implemented by European businesses, and to enhance the coordination and exchange of information and best practices, in order to be able to identify good practices more effectively and contribute to the creation of a common action framework at European level; calls on the Commission to step up initiatives relating to corporate social responsibility and due diligence across the whole supply chain; 15. Points out that reliable access to raw materials is important for global competitiveness; 16. Stresses the importance of implementing, enforcing and transposing existing laws on GVCs at regional, national and international levels; Corporate responsibility 17. Highlights that trade and human rights reinforce each other, and that the business community has an important role to play in offering positive incentives in terms of promoting human rights, democracy and corporate responsibility; 18. Welcomes the many promising initiatives taken by the private sector, such as codes of conduct, labelling, self-assessment and social audits, which have significantly contributed to recent improvements in human rights and workers’ rights standards in global supply chains; 19. Is deeply concerned by cases of human rights violations and threats to environmental sustainability, committed as a result of some corporations’ management decisions; 20. Acknowledges the importance of the existence of clear international rules on corporate social responsibility (CSR), GVC and due diligence; welcomes the smart mix of regulatory and voluntary action, which has led to some positive results in the last few years and has enabled businesses to find their own dynamic and innovative measures; stresses that coordination, information sharing and the exchange of best practices may contribute to increasing the efficiency of private and public value chain initiatives and achieve positive results; recalls, however, that voluntary CSR may also lead to unfair competition for suppliers that have chosen to comply with international labour and environmental standards and is not sufficient per se to ensure that companies fully comply with international standards and obligations by implementing due diligence policy; stresses, therefore, the need to draw up an overview of existing CSR measures being implemented by European businesses, in order to be able to identify good practices more effectively and contribute to the creation of a common action framework at European level; strongly believes that the EU should swiftly seek ways to develop GVC transparency strategies and rules, including the possible consideration of immediate action towards developing binding and enforceable rules, associated remedies and independent monitoring mechanisms involving the EU Institutions, the Member States and civil society; stresses that such obligations should follow the required steps outlined in the UN Guiding Principles and the OECD Guidelines relating to the proactive identification of risks to human rights, the drawing up of rigorous and demonstrable action ***plans*** to prevent or mitigate these risks, adequate response to known abuses, and transparency; 21. Calls on the Commission to give greater prominence to such provisions and to promote the uptake of sectoral OECD guidelines and the UN Guiding Principles on Business and Human Rights; emphasises the need to engage civil society in a formal way in the implementation process through structures set up under TSD chapters; calls on the Commission to support the work of international standardisation bodies such as the International Standardisation Organisation (including ISO 26000) and the Global Reporting Initiative, in order to encourage businesses to report on sustainability and value-creation throughout the supply chain; 22. Invites the Commission to ensure compliance by European and international companies with the OECD Guidelines for Multinational Enterprises and the sector-specific OECD guidelines, such as the due diligence guidance for responsible supply chains of minerals from conflict-affected areas; recommends strengthening the role of OECD National Contact Points and their cooperation with independent national and regional human rights institutions with a view to improving the governance of GVCs; 23. Calls on the Commission to update its approach to CSR with a view to strengthening labour and environmental standards and, in particular, insisting on the inclusion of CSR provisions in the trade and investment agreements negotiated by

the EU; 24. Stresses that the coordination and exchange of information and best practices can help to make private and public value chain initiatives more effective; 25. Recalls that Parliament requested in 2010 that companies should publish their CSR balance sheets, the introduction of due diligence requirements for all undertakings, and the consolidation of the CSR concept on the basis of a harmonised definition of the relations between parent companies in order to establish the legal liability of each them; therefore notes with satisfaction that the disclosure of non-financial and diversity information will be required from large companies as from 2017, in accordance with the Non-Financial Reporting Directive; notes, however, that the disclosure of non-financial information by large companies has not yet been extended to cover all actors operating in GVCs; 26. Notes the ‘green card’ initiative launched by some national parliaments following the adoption of the French law on MNCs’ duty of care; calls on the Commission to consider proposals for corporate due diligence for companies operating both within and outside the EU, taking account of the ruling of the French Constitutional Court on the French law, namely on proportionality of sanctions; 27. Recalls that CSR policies must take into account the special characteristics of SMEs, and be flexible enough to ensure that they are not subjected to disproportionate burdens; invites the Commission, therefore, to establish a specific helpdesk for SMEs, paying special attention to small and micro enterprises, and to support them with tailored capacity-building ***programmes***; 28. Underlines that GVCs do not end when the product reaches the consumer, but include waste and how it is treated; urges taking into account the full lifecycle of products and enlarging the perspective on GVCs to include provisions on waste disposal without harming persons or the environment; calls on the EU to encourage international cooperation and legislative coherence regarding end-of-life products and materials and help partner countries develop stronger national regulations and enforcement capacities; calls on the EU to ensure that traceability applies to this spectrum of product life; 29. Urges the Commission to act swiftly, following the detailed proposals contained in Parliament’s resolution of 25 October 2016 on corporate liability for serious human rights abuses in third countries; Creating a more prominent role for private-sector initiatives 30. Emphasises the achievements of private-sector engagement; stresses that private-sector companies need to pursue sustainability strategies, not only so as to prevent damage to their reputation, but also because this offers them new opportunities and reduces their dependence on scarce resources; 31. Stresses the crucial role of consumers (and the effects of bad publicity); recalls that no consumer wants to continue buying products made by children or exploited men and women, or products that have caused major environmental damage; 32. Calls on the Commission to find new ways to support private-sector efforts to make global value chains more sustainable and to develop inclusive business models and related private-sector multi-stakeholder partnerships; 33. Emphasises that a smart mix between private and public funding is needed to promote sustainable global value chains; believes this should build on existing structures and ***programmes*** that have proven successful in promoting responsible business conduct; 34. Welcomes the many promising initiatives taken by the private sector, such as codes of conduct, labelling, self-assessment and social audits, and acknowledges the UN Global Compact, the ISO 26000 standard on social responsibility, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and the OECD Guidelines for Multinational Enterprises as tools which can mobilise responsibility in the business activities of enterprises; calls on companies, whether European or not, to apply human rights due diligence and to integrate their findings into internal policies and procedures, with resources and authority assigned accordingly and duly implemented; stresses that this requires that sufficient resources be allocated; stresses that transparency and communication regarding the measures taken to avoid human rights abuses in third countries are crucial to enable proper democratic oversight and to allow consumers to make fact-based choices; EU free trade agreements (FTAs) and GVCs 35. Welcomes the new trade and investment strategy for the European Union, Trade for All; asks the Commission to address, in its trade and investment policy and FTAs, the challenges associated with the rise of GVCs by taking into consideration the following measures: (a) strengthening ex ante Trade Sustainability Impact Assessments (TSIAs), adding assessment requirements on human rights and on gender, and making ex post TSIAs, with civil society input, mandatory and publicly available; (b) implementing fully Parliament’s recommendations of 2010 and 2016 with respect to TSD chapters in FTAs, which should include comprehensive, enforceable and ambitious TSD chapters and consideration of the following aspects: (i) a commitment by each of the parties to ratify and implement the eight core and four priority ILO Conventions, as well as the international multilateral environmental agreements; (ii) coverage of human rights clauses and TSD chapters by the general dispute settlement mechanisms, on an equal footing with the other parts of the agreement; (iii) the possibility to appeal and seek redress through a complaints procedure for social partners and civil society; (iv) effective deterrent measures: including in the form of monetary remedies, in the event of serious, proven breaches of the TSD provisions; (c) including enforceable anti-corruption and whistleblower protection provisions, within the competence of the EU, in all future FTAs and investment agreements; in this regard, stresses that the signatory parties to trade and investment agreements should take measures to promote active participation of the private sector, civil society organisations and domestic advisory groups in the implementation of the anti-corruption ***programmes*** and clauses in international trade and investment deals; (d) including standstill clauses setting a minimum level for social, environmental and safety standards, including animal health and welfare, in all EU FTAs, thus preventing the parties from lowering their social, environmental and safety norms in order to promote exports and attract investments; (e) including provisions on tax transparency (including OECD key transparency standards) and enhancing cooperation in the fight against money laundering, tax fraud and evasion and tax avoidance in FTAs, to be duly reflected in market opening requirements for financial services; (f) supplementing all the above provisions with supporting measures for developing countries and rigorously monitoring their implementation, including through inputs from national parliaments and stakeholders including civil society; (g) increasing linkage of priorities agreed bilaterally for the implementation of TSD chapters of FTAs and funding support from the EU development cooperation ***programmes***; 36. Recalls the key role SMEs can play in GVCs on the one hand, and the benefits of increased integration of SMEs into GVCs on the other; calls on the Commission to include SME chapters in all future trade agreements; further calls on the Commission, in this context, to evaluate existing support structures available to SMEs wanting to access GVCs, and to review and, if necessary, update the strategy ‘Small Business, Big World’ from 2011 in order to further facilitate SMEs’ engagement in GVCs; 37. Underlines that GVCs often include production and services in Export Processing Zones (EPZs), where labour and environmental standards are different from the rest of the country concerned and are often restricted; calls on the Commission to ensure that social and environmental standards subscribed to in FTAs apply throughout the territory of trade partners, including in EPZs; Labelling, traceability and customs data 38. Calls on the EU to work towards adequate and efficient solutions for the introduction of a transparent and functioning mandatory ‘social and environmental traceability’ labelling system along the entire production chain, in compliance with the WTO TBT Agreement, while in parallel promoting similar action at international level; 39. Calls on the Commission to consider introducing legislation for labelling rules regarding the origin of products entering the EU market, or to propose rules that guarantee effective traceability; 40. Calls on the Commission and encourages Member States to seek ways to enable parties having a public interest stake to access, subject to appropriate justification and upon a request made on the grounds of public interest, the customs data collected from parties trading in products or goods imported into the EU; Jurisdiction and access to remedies 41. Reaffirms the urgent need to effectively address human rights abuses by transnational corporations when they appear, and to address the legal problems resulting from the extra-territorial dimension of companies in particular through the establishment of joint legal liabilities throughout supply chains; calls on Member States to take appropriate steps to tackle the financial and procedural hurdles faced in civil litigation by victims; 42. Reiterates its call on the Commission to reflect on the extension of jurisdictional rules under the Brussels I Regulation to third-country defendants in cases brought against companies with a clear link with one Member State or companies for which the EU is an essential outlet and asks the Commission to swiftly present, if appropriate, a proposal to the Parliament and the Council; 43. Recalls that business enterprises should establish operational-level grievance mechanisms for workers affected by their operations, including in EPZs; reiterates its call for the EU and Member States to take the appropriate steps to tackle the legal, procedural and institutional obstacles to accessing effective remedies; Gender equality and children’s rights 44. Recalls that gender equality is firmly established in all EU policies as stated in Article 8 of the TFEU; deplores the fact that gender is not mentioned in the Trade for All strategy, and calls on the Commission to take gender and women’s empowerment into account in its mid-term review of the strategy; calls on the Commission to ensure that the gender perspective is included and mainstreamed in trade and investment policy, the Aid for Trade strategy, and all future FTAs and impact assessments; calls on the Commission to continue to discuss and negotiate within the WTO in order to take gender into account in WTO trade and investment policy; calls on the Commission to collect gender-disaggregated data for GVCs, especially in the ***agricultural*** sector, taking into account women’s empowerment going beyond pay issues, factors leading to violence against women, and social factors such as parental leave and health, with a view to devising legal forms for overcoming the negative side-effects of GVCs; welcomes the fact that the issue of gender equality is being addressed in the negotiations on updating the EU-Chile agreement and will be dealt with in the future updated agreement; 45. Calls for a comprehensive analysis of differences and inequalities in the framework of GVCs, with regard to: (i) gender differences in time use, mainly resulting from women’s primary responsibility for reproductive work; (ii) gender differences in access to productive inputs and resources, particularly land, credit, training, and networks; and (iii) gender differences stemming from failures and discrimination at the level of markets and institutions; 46. Stresses that women tend to be the ones who suffer most, and that very often in the case of women, labour trafficking of persons runs in parallel with sexual trafficking and femicide; 47. Proposes that at the level of international trade and EU trade policies on GVCs, a specific strategy should be developed to formally protect individuals who denounce practices such as femicide, labour trafficking of persons and sexual trafficking, and to defend the victims; stresses that these denouncers should be given similar recognition and protection as that requested in the case of whistleblowers in the field of international and EU trade; 48. Recalls that women are increasingly present in employment but are still overrepresented in low-skilled jobs with low wages, lacking access to social protection measures, including maternity protection, and being far too often subject to discrimination and sexual harassment; 49. Calls on the Commission, the Member States and regional and local authorities to promote sustainable public procurement by applying specific requirements on human rights and compliance with international law, particularly in relation to the promotion of gender equality and European competition rules, as well as transparency for suppliers and their international supply chains; 50. Underlines the importance of the ratification of ILO Conventions No 182 on the worst forms of child labour and No 138 on the minimum age for admission to employment and work by those countries which have not done so; recalls that the EU is committed to eradicating the worst forms of child labour at a global level, in line with its values, which include the prohibition of child labour in EU external action as enshrined in Article 21 of the TEU; reiterates its call for the harmonisation and strengthening of import and supply chain controls so as to ensure that only forced labour-free, child labour-free and modern slavery-free products enter the EU market; stresses its support for existing initiatives supporting SMEs and small farmers’ organisations with a view to them gaining a larger share of value in GVCs, such as in the case of fair trade; underlines the importance of including the fight against forced labour and child labour in all EU FTAs, through sustainable development chapters, so as to ensure that this objective is shared by trade partners; calls on the Commission and the Member States to vigorously defend this proposal in all international forums including the ILO, the OECD, the UN and the WTO, in order to make progress in the fight against forced labour and child labour; emphasises against this background that the goal of child labour-free products can only be achieved if it goes hand in hand with minimum living wages for the child’s family members; Developing countries 51. Underlines that GVCs constitute an important opportunity for firms in developing countries, particularly SMEs, to develop a link with the global economy; stresses that specific policies and accompanying measures are key to achieving this and to extending the potential advantages to all workers in our trading partner countries, particularly policies aimed at making administrative procedures more efficient, or helping the companies concerned to increase added value and expand their participation in GVCs while also improving their social and environmental standards; points out that the review of GSP and GSP+ should include binding rules on human and labour rights and environmental protection; notes that many developing countries are limited in their capacity and resources to effectively enforce compliance with social and environmental standards and regulations; calls on the EU to strengthen capacity-building and to provide the governments of partner developing countries with technical assistance wherever possible and needed; 52. Recalls the 2030 SDG agenda and its sustainable production, sustainable consumption and decent work approaches, and calls on the Commission to communicate in a transparent manner the reference to each SDG concerned in its reporting; reiterates its call on the Commission and the Member States to use trade to promote sustainable development and good governance according to the principles of policy coherence for development; stresses that EU trade and investment agreements concluded with developing countries should be consistent with the SDGs; reiterates the right of developing countries to regulate investment so as to ensure obligations and duties for all investors, including foreign ones, with the aim of protecting human rights, labour and environmental standards; 53. Welcomes the entry into force of the Trade Facilitation Agreement, which if properly implemented will simplify and modernise customs procedures, making it easier for developing countries, which generally have greater border barriers, to integrate into the global trading system; 54. Calls on the Commission to support the effective participation of SMEs in GVCs, by supporting match-making and partnerships between SMEs and small farmer groups in developing countries that aim to secure a larger share of value for ***producers*** while ensuring a high level of social, environmental and human rights protection, as in the case of fair trade; 55. Calls on the Commission to ensure that human rights conditions linked to unilateral trade preferences granted under the GSP are effectively enforced and monitored, and that procedures foreseen for cases of possible non-compliance with those conditions are implemented, in full compliance with the GSP Regulation; 56. Expects the GSP mid-term review to clarify definitions and provide an in-depth assessment of the current scheme; takes the view that trade policy must be a way to encourage the EU’s trade partners to adopt higher social, labour and environmental standards, which could be achieved through incentives such as additional tariff preferences for sustainably ***produced*** products; believes that this objective requires a revision of the GSP Regulation, and suggests in this regard including CSR conditions within its scope, in order to ensure compliance by transnational corporations with national and international legal obligations in the areas of human rights and labour and environmental standards; calls for special attention to be paid to the situation of labour rights and trade union rights in EPZs, and urges the Commission to address this issue, in close cooperation with the ILO, in the review of the GSP; 57. Calls on the Commission to ensure that all EU-funded development projects, including blending projects, are not only fully aligned with the internationally agreed development effectiveness principles, but also fully respect the principle of free, prior and informed consent as established in ILO Convention No 169; Rules of Origin (RoOs) 58. Notes that simplified, effective and preferential RoOs are key in the context of GVCs; recognises that inflexibility and complexity of RoOs can hamper the efficiency of trade patterns; 59. Calls on the Commission, to the extent possible, to use multilateral RoOs as preferential RoOs in FTAs; calls on the Commission, when designing specific preferential RoOs in FTAs, to lower the requirements of value added and to allow change of tariff subheading and ‘single transformation’ as a RoO; 60. Asks the Commission, specifically in the case of negotiations on FTAs with countries currently benefiting from GSP and EBA preferences, to ensure that the design of RoOs does not divert economic processes; 61. Considers that increased cumulation in FTAs should not be seen as a tool for back-door liberalisation, but, rather, as a tool to enable countries to specialise in economic activities according to the logic of comparative advantage; Intellectual property rights and data flows 62. Welcomes the Commission’s commitment to protect the entire spectrum of IPRs including patents, trademarks, copyright, designs, geographical indications (GIs), marking of origin and pharmaceuticals, while ensuring access to affordable medicines, both at WTO level and through FTAs; calls on the Commission to take further action on the possible extension of geographical indication protection to non-***agricultural*** products, as it happens already in several third countries via different legal systems; calls for an open and inclusive process for improved cooperation with third partners to combat fraud and counterfeit goods that take advantage of trust in trademarks and brand names; 63. Recognises that digital innovation and data flows are crucial drivers of the services economy and are an essential element of the GVC of traditional manufacturing companies, and that, therefore, forced localisation requirements should be curbed to the extent possible both within and outside Europe, allowing for the accommodation of necessary exemptions based on legitimate public purposes such as consumer protection and the protection of fundamental rights; recalls that data flow protection and the right to privacy are not trade barriers but fundamental rights, as enshrined in Article 39 of the TEU, Articles 7 and 8 of the Charter of Fundamental Rights of the European Union, and Article 12 of the Universal Declaration of Human Rights; o o o 64. Instructs its President to forward this resolution to the Council, the Commission, the European External Action Service, the World Trade Organisation and UNCTAD.

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**Body**

Zagreb, 19 September 2017 (Hina) - Plenkovic meets with Croatian Americans in New YorkZAGREB, Sept 19 (Hina) - Croatian Prime Minister Andrej Plenkovic began his visit to New York on Monday by meeting with representatives of the Croatian community in the United States.Croats from New York, Los Angeles, Houston, Philadelphia, Washington and other cities came to greet the Croatian prime minister and the Minister of Foreign and European Affairs, Marija Pejcinovic Buric."This is the time when we want to gather together all those who want to make a contribution to their homeland," Plenkovic said, adding that Croatian Americans indeed did so with a lot of enthusiasm. He said he was always glad to see Croats living abroad trying to get closer to their homeland and promoting Croatia as much as possible in the US.Plenkovic recalled the 25th anniversary of Croatia's UN membership and the speech made on that occasion by the first Croatian President Franjo Tudjman. Pejcinovic Buric and the Croatian Ambassador to Washington, Pjer Simunovic, invited Croatian Americans to cooperate with their homeland.Asked what he expected of the speech by US President Donald Trump to the UN General Assembly, Plenkovic said he expected it to outline US foreign policy."It should show how he and his administration see multilateralism, that he has adapted to the functioning of international relations. I expect his speech to reveal the main outlines of US foreign policy, which affects others as well," Plenkovic said.It is indicative that German Chancellor Angela Merkel, who is busy with the election campaign, will not be in New York this time, nor will Russian President Vladimir Putin and Chinese President Xi Jinpin, so that Trump's speech will be the predominant topic over the next few days, Plenkovic said.The Croatian prime minister is scheduled to address the UN General Assembly on Thursday.President calls for national unityZAGREB, Sept18(Hina) - Croatian Navy Day and the 26th anniversary of the establishment of the Croatian Navy were marked in the coastal city of Split on Monday, with President and Armed Forces Supreme Commander Kolinda Grabar-Kitarovic calling for the kindof national unity demonstrated during the Homeland War, which, she said, was the foundation of the Croatian state."We need thatsame kind of unity today in order to accomplish our long-term ***strategic*** goals," she said in her address at the ceremony.In that context, she underlined the exceptional importance of the country's new national security strategy and homeland security law.She went on to say that this year's increase in budget funds for defence and their further increase in the 2018 budget were "good indicators of the direction we are going in.""Croatia has taken a clear course and placed emphasis also on the Mediterranean orientation of itsforeign policy, which has been neglected for a long time.

Croatia is a Central European as well as a Mediterranean country and must be equally dedicated on those two fronts to international cooperation in building prosperity, stability and security," she said.In recent years the Mediterranean has been perceived as a "source of security risks and threats, such as uncontrolled migrationsand many other threats," she said, adding that the Croatian Navy had given an important contribution to dealing with those challenges and saving a large number of lives in a number of operations.Procuring new modern equipment for the Croatian Navy enables efficient protection of the country's sovereignty and national interests atsea as well as the efficient integration of the Croatian coast guard system with the single international security system in the Adriatic, she added.Prime Minister Andrej Plenkovic's envoy, Defence Minister Damir Krsticevic, expressed gratitude to Croatian service people providing assistance on the ground in Zadar and Ogulin, hit by floods this past weekend."I am proud of our victorious Croatian Army, which is ready to respond and help citizens in cases of natural disasters," he said, noting that the army's prompt response to natural disasters, such as this summer's wildfires, was also owing to the new system of homeland security and its new operative deployment.He recalled that this year service people had returned to barracks in Sinj, and that by the end of the year they would also return to Vukovar, and in 2018 to Varazdin and Ploce."The barracks in Ploce will contribute to enhancing the capabilities of our navy. I expect a solid seaborne-assault infantry unitto be formed in Ploce, with young, well-trained and well-prepared soldiers," he said, noting that the first generation of the Split Naval Academy was expected to graduate next year.An envoy of Parliament Speaker Gordan Jandrokovic, Ivan Sipic, said that 50 members of the Croatian Navy had given their lives for the country in the 1991-95 war.Defence minister meets with NATO SACT commanderZAGREB, Sept 18 (Hina) - Croatian Deputy Prime Minister and Minister of Defence, Damir Krsticevic, on Monday met with General Denis Mercier, the commander of the NATO Supreme Allied Commander Transformation (SACT) and their talks underscored the excellent cooperation between Croatia's Defence Ministry and SACT in Norfolk (USA) and generally within NATO, the Defence Ministry reported.General Mercier was on an official visit to Split where he attended a ceremony marking the 26th anniversary of Croatia's navy.Thanking him for his visit to Croatia and Split, Minister Krsticevic informed Mercier of the ministry's activities, in particular its activities in the past two months regarding security and defence. He underscored the adoption of the new National Security Strategy and that a law on homeland security was being prepared, aimed at better coordinating synergy between all institutions and capabilities in recognising, preventing and timely and efficiently responding to security challenges and risks.He also mentioned the recent activities by armed forces in assisting civil organisations in combating wildfires and floods, and describing Croatia's contribution to UN, NATO and EU missions.General Mercier informed Krsticevic of current projects and activities by SACT. He underlined the need for better coordination between administrative and command structures in NATO and said that Croatia's experience in preparing a homeland security system could be of assistance to the alliance, the Defence Ministry reported.He announced the reorganisation of his command in Norfolk and the entire command structure of NATO with the aim of improving the alliance, which requires an analysis of ***strategic*** forces, developing new capabilities and conducting exercises and other training activities, the ministry's press release said.Minister Krsticevic expressed Croatia's support for the announced changes to be made in NATO.During his visit to Split, General Mercier also met with President and Armed Forces Supreme Commander Kolinda Grabar-Kitarovic and Chief-of-Staff, General Mirko Sundov.FinMin: New law on local gov't financingas of 2018ZAGREB, Sept 18 (Hina) - Finance Minister Zdravko Maric said on Monday that a new law governing the financing of local government units was expected to enter into force at the start of next year, adding that his aim was also to refinance the roads sector's debt by the end of the year.Speaking in an interview with Croatian Radio, Maric said that the bill on the financing of local and regional government units should be on the government's agenda soon and was expected to enter into force on January 1, 2018.The purpose of the new law is to simplify the system and strengthen local government budgets, he said, adding that under the new bill all income tax revenues would go to local and regional government units.Maric said that the central government would retain the fiscal equalisation fund aimed at levelling out the differences in the economic development of different areas of the country.The new law aims to define in a more simplified, understandable and fair way the income tax revenue distribution system, the system of fiscal equalisation of local and regional government units, and the system of financing of decentralised functions. It also aims to define a system that will ensure that all local and regional government units have the potential to provide public services of comparable quality.Maric said that his focus was also on refinancing the roads sector's debtby the end of the year, adding that he would try to refinance and reschedule more than half of the sector's current debt of 5.3 billion euros, which is included in the Croatian public debt and backed up by state guarantees.Nearly three quarters of the debt has already matured or is maturing soon, meaning this year orwithin the next three years. "We will try to extend the maturity and take advantage of the present situation on the market to reduce the price of the debt," Maric said."As far as the international market is concerned, a possible base scenario is to issue a bond backed up by a World Bank guarantee, but this has not been completely defined yet," the minister said.He added that the portion of the debt incurred from multilateral organisations, such as the European Investment Bank and the European Bank for Reconstruction and Development, would not be "touched" because it was "very satisfactory" in terms of maturity and cost.Asked if the bond would be issued on the European or American market, Maric said that right now he was "perhaps more inclined to the European market."Gazprom,PPD sign 10-yr deal on natural gas supplyZAGREB, Sept 18 (Hina) - The Russian energy giant Gazprom and the Croatian gas company Prvo Plinarsko Drustvo (PPD) have signed an agreement on natural gas supply to Croatia until the end of 2027, Russian media quoted Gazprom Export as saying.The agreement takes effect on October 1 and renews a short-term one between the two companies under which 1.48 billion cubic metres of gas will have been delivered to PPD from the start of 2017 until the end of September, with an additional 250 million cubic metres to be supplied in the final quarter of the year.Gazprom did not reveal details of the contract, but Russian media say that the price will be decided according to prices at the Baumgartner gas hub in Austria.From 2012 to 2016, Russian gas was delivered to Croatia by the Gazprom Swiss company, while earlier agreements with Gazprom were signed by INA and the Prirodni Plin company since 2009.The Kommersant newspaper saidin an article entitled "Croatia returns to Gazprom" that for the first time since 2010 the Russian company hasregained its role as the main gas supplier for Croatia.People from the gas business interviewed by Kommersant said that the signing of such a long-term agreement was untypical of the European market in recent years and reflected the absence of clear alternatives to Russian gas. They noted that the agreement between Gazprom and PPD would almost fully satisfy the Croatian demand for imported gas, questioning the implementation of the LNG terminal construction project on the island of Krk, on which a final investment decision is to be made in 2018.The return of Croatian importers to a long-term agreement with Gazprom, after experiments with short-term agreements, shows that in the northwestern Balkans too there is no serious alternative to Russian gas, said Alexey Grivach of Russia's National Energy Security Fund (FNEB).In his opinion, the current practice of reviewing agreementsevery two or three years shows that long-term agreements are no longer considered a noose around consumers' necks.As for the Krk LNG terminal, Grivach believes that even if the project goes live, its purpose can be only to meet increased seasonal demand and will most likely operate at a low capacity utilisation level.Koncar to build power plant in Bosnia after Strabag's withdrawalZAGREB, Sept 18 (Hina) - The Croatian company Koncar will take over the construction of the Vranduk hydroelectric power plant on the River Bosna near Zenica, central Bosnia and Herzegovina, after the Bosnian company Elektroprivreda terminated the agreement with Austria's Strabag, the Sarajevo newspaper Dnevni Avaz said on Monday.The construction work is worth 73 million euros and the agreement signed was worth 57 million euros. The plant's installed power capacity is 19.63 MW and its annual production should be 102 GWh.A consortium led by Strabag, which included Koncar, was selected to carry out the work, which started in September 2016.The Austrian company later found that the price agreed did not cover their calculated costs and demanded an increase, which Elektroprivreda refused. Strabag reportedly demanded an additional 6.6 million euros.After Strabag pulled out, Koncar received an offer from Elektroprivreda to complete the project so as to avoid a new tender and a delay of the work."Koncar is the best solution for now because it has agreed to continue the work under the same terms and for the same price," an unnamed source at Elektroprivreda was quoted as saying. The sourceadded that the arrangement had yet to be approved by the company's supervisory board, but that no obstacles were expected.Koncar will have to pick a Bosnian construction company as a sub-contractor.Economy minister says good domestic companies interested in AgrokorZAGREB, Sept 18 (Hina) - Deputy Prime Minister and Minister of Economy, Entrepreneurship and CraftsMartina Dalicon Monday said that it was good that domestic companies are interested in buying some of Agrokor's companies and added that any such sale was exclusively in the remit of creditors."I think that that is good news. Whencreditors reach a settlement and when the creditors' council and individual creditors adopt a decision on what and how Agrokor's system will be sold and recapitalised, it is good that domestic companies are interested and can participate in that process," Dalic told reporters following media reports that the Adris and Atlantic companies were interested in establishing a consortium to take over some of Agrokor's companies."I repeat, how a settlement will be reached and implemented will be decided by creditors, that depends on them. Without reaching a settlement, there won't be any individual sales, but when this process enters the implementation stage, it is certainly good that there are some domestic companies and consortiums that can participate in that," she said.Asked why the administration was growing when there was no money, Dalic said"civil servantsare being employed according to the rule 'two for one', which means that for every new job in civilservice, aministry has to prove that the hiring of one new person is the result oftwo people leaving civil service," she underscored.She added that in April the government adopted a decision allowing employment regardless of that rule, in the field of European funds in order to accelerate fund absorption."Currently state administration bodies, including the Economy Ministry, are in thephase of employing those people with that aim of absorbing European funds as far as possible," she said.Dalic was visiting the Istrian town of Buzet and together with the town's mayorsigned a grant contract for funding from the European structural and investment fund for the Verzi business incubator. The EU fund will provide HRK 3.9 million, which is 97.4% of the necessary funds for the project.Annual inflation rate picks up throughout EU, including CroatiaZAGREB, Sept 18 (Hina) - The growth of consumer prices in the European Union in August accelerated on the year and Croatia recorded a similar trend, Eurostat's latest report on the Harmonised Indices of Consumer Prices (HICP) shows.The annual HICP rate in August in the EU 28 reached 1.7% compared to July, when it was 1.5%, Eurostat's report says.In August 2016, the inflation rate was 0.3%.The inflation rate increased in 20 member states in August compared to July. Consumer prices in 5 member states remained the same and three member statessaw a drop in inflation.The lowest annual rates were registered in Ireland (0.4%), Cyprus (0.5%), and Greece and Romania (both 0.6%).The highest annual inflation rates were recorded in Lithuania (4.6%), Estonia (4.2%), and Latvia (3.2%).Consumer prices in Croatia in August increased by 1.5% compared to the same month o f 2016, following a 1.2 percentage point rise in the preceding month. In August last year, Croatia recorded an annual drop in inflation of1.5%.Minister: Sugar production quota abolition opportunity, notthreatZAGREB, Sept18(Hina) - The abolition of sugar production quotas in the European Union as of October 1 is much more of an opportunity for production and export growth than a threat to the domestic sugar industry, ***Agriculture*** Minister Tomislav Tolusic said on Monday during a visit to Meretine, a sugar beet field near Zupanja."There will always be challenges but by investing in irrigation systems and with support from the (EU's) rural development ***programme*** as well as increasing areas sown with sugar beet, we can achieve much bigger yields and higher sugar content in sugar beet, thus becoming more competitive and selling our sugar, which is our strongest export product, at a better price," said the minister.Commenting on damage caused tocrops in the wake of the summerdrought, he repeated that similarly to floods and other natural disasters, farmers can no longer expect the state to compensate fordamage to their crops."What we can do is to deal with these problems through insurance policies which the ministry co-finances through the Rural Development ***Programme***, and that also goes for sugar beet insurance," said Tolusic.A member of the management boardof the Viro and Sladorana sugar companies, Ivo Resic, said that this year Viro Group ***planned*** to process more than 900,000 tonnes of sugar beet and ***produce*** 135,000 tonnes of sugar.Sladorana and Viro CEO Zeljko Zadro said that around 21 million tonnes of sugar would be ***produced*** in Europe this year. Given that consumption stands at 16.5 million tonnes, after 2006 Europe will once again have 4.6 million tonnes of sugar for export, he said."As of October 1 opportunities are opening up for export and I hope that we will be competitive. Our factories in Zupanja and Virovitica are as good as,if not better than those in Germany and France. We only have to work and improve production, and I am confident that what happened to the dairy sector after the abolition of milk quotas will not happen to the sugar industry," said Zadro.Grant agreements signed for environmental protection projectsZAGREB, Sept18(Hina) - Environmental Protection and Energy Minister Tomislav Coric on Monday signed agreements awarding HRK 322.6 million (approx. 44 million euros) in grants from European structural and investment funds for four projects.The projects were nominated by the Zagreb Faculty of Mechanical Engineering and Naval Architecture, the Meteorological and Hydrological Service(DHZM) in partnership with the Institute for Medical Research and Occupational Health (IMI), and the Environmental Protection and Energy Ministry's Directorate for Environmental Protection, in partnership with the Croatian Environment and Nature Agency.The total value of the projects is HRK 379.6 million, with the EU providing 85% of the funding withinthe 2014-2020 Operational ***Programme*** "Competitiveness and Cohesion".The project of theZagreb Faculty of Mechanical Engineering and Naval Architecture, worth HRK 57 million, will enable the establishment of a national reference laboratory and a database on pollutant emissions.The DHMZ project, worth HRK 125 million, is aimed at improving the system of management and monitoring of air quality in urban areas and agglomerations.The project of the Environmental Protection and Energy Ministry, worth HRK 11 million, is aimed at enhancing the capacity of staff controlling invasive foreign species to alleviatetheir harmful impact on indigenous species and habitats.Another ministry project, "Developing Framework for Management of Natura 2000 Network", worth HRK 186 million, is aimed at making final draft ***plans*** for the management of Croatian areas that are part of the Natura 2000 network and a ***programme*** for the protection of forests, which will create conditions for the management of at least 40% of the areas covered by Natura2000 in Croatia.9th int'l conference on severe storms opens in PulaZAGREB, Sept 18 (Hina) - About 200 experts from 15 countries across the world gathered in the northern Croatian Adriatic city of Pula on Monday for the ninth international conference on severe storms.They will be discussing all aspects of thunderstorms and the climatology of severe weather events, their socioeconomic impact, and risk adjustment.The conference was organised by the European Severe Storms Laboratory (ESSL) and the Croatian Meteorological and Hydrological Service (DHMZ).ESSL director Pieter Groenemeijer said in his opening remarks that intense convective storms frequently posed a potential risk to human life and property, adding that the time and place of their emergence and their intensity were still difficult to predict and therefore presented one of the greatest challenges in forecasting weather.This month has shown that the climate has changed to such an extent that extreme weather will be more frequent than it has been so far, DHMZ director Natasa Strelec Mahovic said, emphasising that that's why it is important to learn how storms come about, how they move, what their impact is on people and property and whether there is a way at all to predict them.Strelec Mahovicsaid that some areas in Croatia are more susceptible to thunderstorms than others, citing Kvarner, Istria and western Croatia, "because such are the paths of low pressure systems over our areas which bring the largest amounts of rain."She said that such extreme situations had previously happened once in thirty years. "If they start to occur every other year, it will be a big problemand we will have to decide at national level how to respond to climate change," the DHMZ director said.The conference ends on Friday.China, Croatia to celebrate diplomatic relations, Chinese National Day in PulaZAGREB, Sept18(Hina) - This year's celebration of Chinese National Day and the culminationof marking 25 years of Chinese-Croatian diplomatic relations at the Roman amphitheatre in Pula on September 29 could be the fourth most grandiose celebration in the world and boost economic relations between the two countries,, Chinese Ambassador Hu Zhaoming said in Zagreb on Monday.The Chinese Embassy, the City of Pula and Istria County will organise the celebration together, he told reporters. He saidthe 25th anniversary of diplomatic relations had been observed with a series of events throughout the year and that the celebration at Pula's arena would be its culmination.He said Chinese National Day in Croatia would be marked outside Zagreb for the first time. "It could be the fourth most grandiose celebration in the world, after those at the Rome amphitheatre,the Eiffel Tower in Paris and the Empire State Building in New York."The theme of the celebration is "A brighter future together," Hu said. "We wish to send out to the wider public the message that we can have a brighter future if we join forces."He said one of the goals of the celebration was to present Pula to the Chinese who mainly visited Zagreb, Plitvice and Dubrovnik. "We wish to encourage the Chinese to visit other parts of the country too, including Istria, and to enjoy its rich culture."Last year over 100,000 Chinese tourists visited Croatia and Hu expects their number to rise to 150,000-200,000 this year. Next summerChinese-Croatian patrols will help Chinese tourists in Croatian resorts.Hu said Croatia and China had excellent political relations and plenty of room to enhance economic relations. He reiterated thatlast year's trade was US$ 1.2 billion, rising 30 times over the past 25 years, but that it was still small and mostly Chinese exports. "Now it's time for action, for doing something concrete... for being pragmatic. We can't stop at talks.""We hope to achieve progress in cooperation in building ports and other areas," he said, alluding to a memorandum of understanding the two countries signed last year.Hu reiterated that the Croatian Chamber of Commerce was expected to open an office in Shanghai by the end of the year.He said Croatia could assume the lead role in the region intourism and small and medium enterprise, citing the example of the Czech Republic and their cooperation as part of the China + 16 platform. "In the past two years Chinese investments in the Czech Republic increased tenfold and the two countries also introduced regular flights."Beljak says ties to fascism, Nazism can't be Croatia's interestZAGREB, Sept18(Hina) - The president of the opposition Croatian Peasant Party (HSS), Kreso Beljak, said on Monday that ties to fascism and Nazism could not be in Croatia's interestbecause theydamaged Croatia and that this was not being done by patriots but ignoramuses and mercenaries."All those who remember 1991 and 1992 know that Croatia's interest comes first, and Croatia's interest certainly can't be in ties to fascism and Nazism from World War II," Beljak said on Croatian Radio, commenting on arecent relocation of a memorial plaque with the Ustasha salute "For the homeland ready"from Jasenovac, the site of a WWII death camp."One should work on the education system so that children learn from a very young age what Jasenovac was, what the Ustasha were, what kind of regime it was," he said, adding that children and young people should be "educated so that they don'tconnect with evil in any way."The Nazis, the fascists and the Ustasha as part of that, were absolute evil, Beljak said, but added that "a majority of the Ustasha had nothing to do with fascism but were Croatian patriots, but the whole regime was criminal and imposed by force."Modern Croatia was created on the foundations of anti-fascism and the constitution says so, "and everything else is only a breach of the constitution and damagesCroatia," Beljak said.Commenting on the border arbitration issue with Slovenia, he said there was not much choice but to sit at the table and reach an agreement. Slovenia is a friend of Croatia and Croatia must treat it as a friendand a good neighbour, which will result in a solution that satisfies both, he said, adding thatthe arbitration ruling was good for Croatia but that the process had been contaminated.Fighter plane overhaul case goes on trialZAGREB, Sept18(Hina) - The Zagreb County Court on Monday started the trial of Josip Covic, a former head of the Croatian Defence Ministry's Repair and Maintenance Depot, who is charged with seeking a 50,000 euro bribe from Ivica Josipovic, a representative of a Ukrainian company that had overhauled Croatian MiG jets.The trial is being held behind closed doors for reasons of national security.Under the indictment, issued at the end of 2016 and upheld in March this year, Covic is charged with having sought a reward, before a decision on public procurement, from representatives of two foreign companies, in exchange for securing a positive opinion and advantage in the overhaul of MiG 21 jets and procurement of additional planes, given that he was a member of the Defence Ministry's commission in charge of making that decision.Representatives of one of the two companies refused Covic's offer while the representative of the other company, who is Covic's co-defendant, accepted the offer and promised to pay him the requested amount.After the overhaul job was contracted and carried out, Covic received from the said company's representatives, in two turns - January and February 2016 - at least 10,000 euros, the prosecutors said in the indictment without citing the names of the indictees.USKOK confirmed in March 2016 that it was investigating the overhaul and procurement of MiG 21 fighter jets following media reports that of 12 planes that returned from overhaul in Ukraine in July 2015, only three were operational.The media claimed that the serial numbers of the MiG planes that Croatia received from Ukraine had been doctored because they did not match the planes' documentation or serial numbers stated in overhaul contracts, as well as that parts that had been installed in the planes did not match the accompanying documentation.U.S. ambassadors discussing situation in S-E EuropeZAGREB, Sept18(Hina) - U.S. ambassadors accredited in Southeast European countries have gathered in Sarajevo for a three-day workshopto discuss the situationin the region, the U.S. Embassy in Sarajevo said in a press release on Monday.Participating in the workshop arethe U.S. Ambassadors to Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, Serbia, and Slovenia."During the workshop, the Ambassadors will hold internal discussions related to common issues faced by U.S. missions in the region, including Euro-Atlantic integration, advancing regional cooperation, economic growth and investment, strengthening the rule of law, and regional security," said the press release."The Ambassadors will also meet with representatives from the BiH government to hear more about the situation in Bosnia and Herzegovina," the press release said, adding thatUS Deputy Assistant Secretary Hoyt Yee would alsoparticipate in the workshop.Bosnian Muslim dignitary accuses Croatian president of "malicious campaign"ZAGREB, Sept 18 (Hina) - The head of the Muslim community in Bosnia and Herzegovina, Husein Kavazovic, on Monday sent a letter to Croatian President Kolinda Grabar-Kitarovic in which he claims that she and some other Croatian officials are maliciously trying to discredit Bosniaks by associating them with terrorism.According to information on the web site of the Islamic Community's Riyasat,Kavazovic sent the letter to the Croatianpresident in reaction to her repeated accusations against Bosnia and Herzegovina and Bosniaks, in which they are labelled as a potential terrorist danger for its neighbours and Europe.The web site does not reveal details of the letter, however, it says that Kavazovic calls on Grabar-Kitarovic and other Croatian officials to "stop the malicious campaign aimed at discrediting Bosniaks and spreading fear of their presence in Europe."Kavazovic also calls on Croatia's president to,for the sake of maintaining good neighbourly relations, provide evidence for her claims that Muslims in Bosnia and Herzegovina and its surroundings are a danger to Croatia and Europe.Kavazovic's letter followed after the Croatian president's office said that there are between five and ten thousand radicalised persons in Bosnia and Herzegovina who represent a potential security threat in terms of Islamic terrorism.Claims of this nature were previously dismissed by senior Bosnian officials, including Interior Minister Dragan Mektic, but they did not specify the extent of terrorist threats in that country.Zvizdic:Bosnian, Croatian expert teams should solve bridge issue with EC's helpZAGREB, Sept 18 (Hina) - Bosnian Council of Ministers Chairman Denis Zvizdic said in Brussels on Monday that Croatia and Bosnia and Herzegovina should form expert teams which would solve the issue of the construction of Peljesac Bridge with the European Commission's help, "to mutual satisfaction."Responding to questions from the press, he said he did not discuss the bridge with European Transport Commissioner Violeta Bulc today.After the Commission approved the financing of the construction with European funds, Bosniak officials have been saying the bridge cannot be built without previously solving the issue of the Croatian-Bosnian sea border and BiH's access to the high sea. Croat officials, on the other hand, say this is not the position of BiH but only one side in the country.Asked to comment on Croatia's announcement that the bridge would be built, Zvizdic said he would not comment on Croatia's internal matters. He said Croatia wanted to connect its territory, and BiH to connect its sea to the high sea and a clearly defined corridor without any restrictions, in line with international standards and the UN Convention on the Law of the Sea.Zvizdic said he expected the issue to be solved with Croatian Prime Minister Andrej Plenkovic in the spirit of understanding and good neighbourly cooperation. He added that he expected all other outstanding issues between BiH and Croatia to be solved too.Bosnia joins Transport Community TreatyZAGREB, Sept 18 (Hina) - Bosnian Council of Ministers Chairman Denis Zvizdic and European Transport Commissioner Violeta Bulc signed in Brussels on Monday an agreement on Bosnia and Herzegovina's accession to the Transport Community Treaty.All Southeast European countries which are European Union accession candidates or potential candidates signed an agreement on joining the Treaty at a Berlin Process summit in Trieste in July. BiH could not accede before agreement was reached within the country, since one of its two entities, the Serb Republika Srpska, had set five conditions concerning the country's representation in the Community.A compromise was agreed to have BiH represented internationally by the state minister of transport and communications, while internal agreements must be reached with the consent of the entity ministers.At the Trieste summit, four transport projects were approved for BiH totalling EUR 241.6 million. They will be financed by BiH, the European Commission, the European Investment Bank and the European Bank for Reconstruction and Development.In other news:Man who attacked Nova TV crew chargedZAGREB, Sept18(Hina) - The man who attacked a Nova TV crew near Garesnica last Saturday, hitting a female reporter who fell into a ditch, has been arrested on suspicion of an attempt to inflict grievous bodily harm, Bjelovar-Bilogora County police have said.The police have also reported a 73-year-old woman who was helping the assailant for disturbing the public order.The attack on the Nova TV crew, the second in the last two weeks, was condemned by the Croatian Journalists Association (HND) and the Croatian People's Party (HNS), which noted that the problem of violence against reporters continued to exist and that violence generally continued to be a frequent phenomenon in Croatian society.ZSE indices continue downward trendZAGREB, Sept 18 (Hina) - The main Zagreb Stock Exchange indices on Monday continued their downward trend for the tenth consecutive trading day, falling drastically to their lowest value since last summer.The Crobex plunged by 1.36% to 1,796.61 points, its lowest level since 22 August 2016, when it was 1,795 points.At the same time, the specialised Crobex10 closed the day at 1,066.49 points, a drop of 1.24% and its lowest level since 6 September 2016.Regular turnover amounted to HRK 9.8 million or about HRK 11.5 million less than on Friday. A turnover of a little more than HRK 2 million was generated by block transactions of the HT telecommunications' stock. Shares traded at a price of HRK 176.17 andclosedthe day at a price of HRK 176.50 per share, which was just 0.06% higher than on Friday. In regular trading HT generated a turnover of HRK 418,000.The most liquid stock was that of the Valamar Riviera tourism company with a turnover of HRK 3.6 million. The price of its shares plunged by 2.80% to HRK 42.65.The preferred shares of the Adris tourism and insurance group turned over HRK 1.66 million, with the price of its share jumping by 0.42% to HRK 431.80.The Arena Hospitality group also had a turnover of more than a million kuna (HRK 1.06 mln). The price of its shares decreased by 2.08% to HRK 470.(EUR 1 = HRK7.472919)THIS BULLETIN INCLUDES ITEMS RELEASED BY 0830 HRS ON TUESDAY (Hina) ha Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, Sept 19 (Hina) - Croatian Prime Minister Andrej Plenkovic began his visit to New York on Monday by meeting with representatives of the Croatian community in the United States.

Croats from New York, Los Angeles, Houston, Philadelphia, Washington and other cities came to greet the Croatian prime minister and the Minister of Foreign and European Affairs, Marija Pejcinovic Buric.

"This is the time when we want to gather together all those who want to make a contribution to their homeland," Plenkovic said, adding that Croatian Americans indeed did so with a lot of enthusiasm. He said he was always glad to see Croats living abroad trying to get closer to their homeland and promoting Croatia as much as possible in the US.

Plenkovic recalled the 25th anniversary of Croatia's UN membership and the speech made on that occasion by the first Croatian President Franjo Tudjman. Pejcinovic Buric and the Croatian Ambassador to Washington, Pjer Simunovic, invited Croatian Americans to cooperate with their homeland.

Asked what he expected of the speech by US President Donald Trump to the UN General Assembly, Plenkovic said he expected it to outline US foreign policy.

"It should show how he and his administration see multilateralism, that he has adapted to the functioning of international relations. I expect his speech to reveal the main outlines of US foreign policy, which affects others as well," Plenkovic said.

It is indicative that German Chancellor Angela Merkel, who is busy with the election campaign, will not be in New York this time, nor will Russian President Vladimir Putin and Chinese President Xi Jinpin, so that Trump's speech will be the predominant topic over the next few days, Plenkovic said.

The Croatian prime minister is scheduled to address the UN General Assembly on Thursday.

ZAGREB, Sept 18 (Hina) - The Russian energy giant Gazprom and the Croatian gas company Prvo Plinarsko Drustvo (PPD) have signed an agreement on natural gas supply to Croatia until the end of 2027, Russian media quoted Gazprom Export as saying.

ZAGREB, Sept 18 (Hina) - The Croatian company Koncar will take over the construction of the Vranduk hydroelectric power plant on the River Bosna near Zenica, central Bosnia and Herzegovina, after the Bosnian company Elektroprivreda terminated the agreement with Austria's Strabag, the Sarajevo newspaper Dnevni Avaz said on Monday.

ZAGREB, Sept 18 (Hina) - Deputy Prime Minister and Minister of Economy, Entrepreneurship and CraftsMartina Dalicon Monday said that it was good that domestic companies are interested in buying some of Agrokor's companies and added that any such sale was exclusively in the remit of creditors.

ZAGREB, Sept 18 (Hina) - The growth of consumer prices in the European Union in August accelerated on the year and Croatia recorded a similar trend, Eurostat's latest report on the Harmonised Indices of Consumer Prices (HICP) shows.

ZAGREB, Sept18(Hina) - The abolition of sugar production quotas in the European Union as of October 1 is much more of an opportunity for production and export growth than a threat to the domestic sugar industry, ***Agriculture*** Minister Tomislav Tolusic said on Monday during a visit to Meretine, a sugar beet field near Zupanja.

ZAGREB, Sept18(Hina) - Environmental Protection and Energy Minister Tomislav Coric on Monday signed agreements awarding HRK 322.6 million (approx. 44 million euros) in grants from European structural and investment funds for four projects.

ZAGREB, Sept 18 (Hina) - About 200 experts from 15 countries across the world gathered in the northern Croatian Adriatic city of Pula on Monday for the ninth international conference on severe storms.

ZAGREB, Sept18(Hina) - This year's celebration of Chinese National Day and the culminationof marking 25 years of Chinese-Croatian diplomatic relations at the Roman amphitheatre in Pula on September 29 could be the fourth most grandiose celebration in the world and boost economic relations between the two countries,, Chinese Ambassador Hu Zhaoming said in Zagreb on Monday.

ZAGREB, Sept18(Hina) - The president of the opposition Croatian Peasant Party (HSS), Kreso Beljak, said on Monday that ties to fascism and Nazism could not be in Croatia's interestbecause theydamaged Croatia and that this was not being done by patriots but ignoramuses and mercenaries.

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HINA Digest

9 March 2018

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**Body**

Zagreb, 09 March 2018 (Hina) - PM says government continues to strengthen economic growthZAGREB, March 9(Hina) - Prime Minister Andrej Plenkovic said on Friday the government was continuing to strengthen economicgrowth in three ways -- by improvingconditions for doing business, strengthening the efficiency of state institutions and boostingthe investment potential.Opening a conference called "Better regulations as part of reform agenda",Plenkovic said the government was working to reduce costs of doing business and improving the business climate. Plenkovic said the state wasprimarily a service for citizens and businesses, stressing that in that regard the quality of regulations was crucial."However, the changes and reforms we are talking about today areonly some of the measures the government is taking to achieve its most important goal - a stable and long-term economic growth, which is the only true source of a stable and long-term pay rise and a better standard of living. We want to build a society in which our citizens, notably the young population, will have the same opportunities as their peers in developed EU member states, so that they opt to stay and work in Croatia, live off of their work and start a family," the prime minister said.He underscored three areas through which the government was strengthening and accelerating the economic growth --the improvement of conditions for doing business, the strengthening of the efficiency of state institutions and the strengthening of the investment potential.The PM underscored a new action ***plan*** aimed at relieving the burden on the economy in 2018 would reduce the administrative burden on entrepreneurs by another HRK 625 millionannually.He spoke about the results of last year's tax reform, claiming it helped increase net salaries and purchasing power.Plenkovic said that later on Friday the government would hold a meeting to discuss the National Reform ***Programme*** for 2018."I am confident we will make significant progress this year and that today's conference will help us hear the needs and expectations of the business community, trade unions and all citizens, notably those, whether domestic or foreign,who decide to choose Croatia as a country they wish to invest and achieve their business ***plans*** in," Plenkovic said.HUP leader: Gov't has chance to do what previous cabinets failed to doZAGREB, March 9(Hina) - Croatian Employers Association (HUP) president Gordana Deranja said on Friday that politicians were always the most responsible for the failure to implement reforms and that the incumbent government now had the chance to do what the previous oneshad failed to do.Addressing a conference on ways regulations can be improved to create better business conditions, organised by the Economy Ministry, Deranjasaid that business people had been warning for years about problems they encountered - high taxes, high non-tax levies, legal insecurity, excessive red tape, constant changes of legislation and inefficient public administration.Business people and employers in Croatia work most of the time for the state instead of for themselves and their employees, said Deranja, noting that their dissatisfaction was nothing new."The governments come and go andall the bad things stay the same, and the consequences of ignoring our warnings are growing more serious," said Deranja.She added that no one should be happy with the fact that in terms of the economy Croatia was at the bottom of EU rankings just as one should not be surprised by the European Commission's assessmentthat the bottom position was due to failure to carry out reforms."Even though the responsibility for not implementing reforms does not rest only with politicians, they nonetheless bear the most responsibility.

The incumbent government is the least responsible, much more responsible than it were the previous both right and left governments, whichdid not change anything, not even atthe time whenthe crisis was most serious and when all others but us made changes," said Deranja.She added that the incumbent government had the chance to do what its predecessors did not - change the situation and methods of work."The reform package that will reduce the administrative burden is a good start that requires even more intensive work on removing regulations and taxes that excessively burden business operations. We hope that the government will focus on reforms this and in the following years, and the employers will support it in its reform efforts," said Deranja.Speaking of measures designed to reduce the administrative burden on business, Economy Minister Martina Dalic said that the government on Thursday adopted an action ***plan*** for 2018which contained 98 measures whose implementation was aimed at reducing the cost of doing business for employers by 625.9 million kuna.Dalic said her ministry had defined a system and methodology for measuring regulatory costs with the aim of their gradual reduction.It has been established that there are 570 different regulations that have an impact on businesses, containing 1,800 different administrative obligations.Last year 200 regulations were analysed, with 600 different obligations, for which it was estimated that they cause the regulatory cost for the economy in the amount of about HRK 5.1 billion, Dalic said.Dalic recalled that the government's action ***plan*** was the second consecutive actionplan as the implementation of the first one was being wrapped up. The first action ***plan*** was adopted at the start of 2017 and is expected to be fully implemented in a few months.The new action ***plan*** is designed to continue reducing the cost of red tape for businesses, said Dalic.The action ***plan*** contains measures that include the cancellation of a number of registers from within the remit of tax and customs authorities, which will make business simpler and cheaper for more than 90,000 businesses.The number of permits in the tourism sector is being reduced as well, as are various exams for tourism workers, and there are ***plans*** to cancel tourism fees for the IT sector and other services that are not closely related to tourism, said Dalic.A number of decisions andpermits that so far were necessary in phytosanitary protection, aquaculture and freshwater fisheries will be cancelled.It has also been proposed to reduce asignificant number of decisions and permits which land surveying businesses have to obtain in order to provide land surveying services, as well as expand e-communication to include reports and applications to various government agencies.PM says numerous political stakeholders "singing a different tune" about LNG terminalZAGREB, March 9 (Hina) - Prime Minister Andrej Plenkovic said on Friday that some political stakeholders, primarily the Social Democratic Party (SDP) and the Bridge party, "are now signing a different tune" about the future LNG terminal on the Krk island, saying that as a state and a society we must decide if we want to use these ***strategic*** energy projects to put Croatia in a properplace on the map of Europe.Asked if the government was going through with the realisation of the LNG terminal project on Krk, against which protests have grownmore frequent as of late, Plenkovic said that numerous political stakeholders who only several years ago sang a different tune were now changing their tune for opportunistic and populist reasons.Asked who he was referring too, Plenkovic said the SDP."Look at what the SDP hasbeen saying, what Bridge hasbeen saying. When Bridge was part of the government, I believe we boasted together about the fact that we had received more than EUR 100 million from the European Commission for that project. In my opinion, things are very simple," Plenkovic told reporters on the fringes of a conference called "Better regulations as part of the reform agenda".He underscored that as a stateand a society, Croatia must decide whether it will promote anti-European, anti-investment and anti-development forces or organise itself as a society which willuse ***strategic*** energy projects to put Croatia in an adequate place on the map of Europe.CoE happy with government's announcement that it will discuss Istanbul ConventionZAGREB, March 9(Hina) - The Council of Europe on Friday welcomed Croatian Prime Minister Andrej Plenkovic's announcement that hisgovernment would discuss the Istanbul Convention in two weeks and then send it to parliament for ratification."We welcome this positive and encouraging step. Europe should unite in combatting" violence against women,the Council'sdirector of communicationsDaniel Holtgen said in a tweet.The Councilsaid on Thursday that several "member states are showing 'cold feet' in moves to ratify the Council of Europe's convention on preventing and combating violence against women and domestic violence (more commonly known as the Istanbul Convention),"which has been signed by nearly all member states and ratified by 28. Croatia is one of the states in which ratification is causing harsh discussions in parliament, the civilian sector and expert circles.The Councilwould not comment on CroatianDemography, Family, Youth and Social Policy Minister Nada Murganic's claim on Thursdaythat, regarding the adoption of the convention,the government would propose a document containing allowed reservations and special statements on respecting those values for which Croatia committed to in its constitution.Plenkovic said on Fridaythat he understood the sensitivity of some parts of society about the convention. He said that for him, the convention "should first and foremost advance national mechanisms for protection from violence against women and domestic violence," and that he felt parliament would ratify it.On Thursday, International Women's Day, the Councilcalled on member states to ratify the convention. "It forces no 'gender ideology' on states... (and the) education that the convention does require is to end stereotypes based on the idea that women are inferior to men."PM believes Istanbul convention will be ratifiedZAGREB, March 9(Hina) - Prime Minister Andrej Plenkovic said on Friday that he understood the sensitivity of some social groups regarding the Istanbul convention which, he said, for him "is primarily a convention that should promote national mechanisms for protection against violence against women and domestic violence" and hebelieves that the parliament will ratify the document."For me the (Istanbul) convention is primarily designed to promote national mechanisms for protection against violence against women and domestic violence. It is entirely with that aspect in mind that we are launching the process of final preparations for the convention to be discussed by the government and be forwarded to the parliament, where I believe it will be adopted and where all dilemmas that exist will be cleared up," Plenkovic told reporters."I believe that the text explaining the convention can help clear up everything that now causes disputes among some political parties," he said.Asked about Family Minister Nada Murganic that the government would formulate reservations regarding the convention, Plenkovic said: "There are certain aspects that require better argumentation in the very explanation of the law, and you will learn about them once (the law) is discussed by the government."Plenkovic stressed that he set the dynamic of individual initiatives and that this was also true for the time chosen to send the Istanbul convention to the parliament."It has nothing to do with either the coalition partners or the Opposition's motions or the protests by nongovernmental organisations, interpellations or anything else," he said, recalling that in November 2016 he had said that the government would ratify the convention.Since then, the relevant procedures (public consultation, preparation of documents, additional consultations with the Council of Europe legal service) have been completed, he said.Expenses for veterans not too big a burden on budgetCommenting on criticisms from the EC, Plenkovic said that expenses for war veterans were not too big a burden on the state budget.By adopting a new law on Homeland War veterans and their families, the government has dealt with issues that were not regulated well earlier in a more just and efficient way, he said."The budget funds for the Veterans Ministry amountto some HRK 1.1 billion, in terms of our fiscal projections that is sustainable and we believe that it will not burden the budget too much. I believe that EC experts, too, need to acquaint themselves in detail with the scope of those costs," he said.Special expert commission for education strategySpeaking of a session to be held later in the day by the special expert commission for the implementation of the education strategy at which members and the head of the expert task force for the curriculum reform areexpected to be appointed, Plenkovic dismissed criticisms that the entire process was taking too long.Formal checks have been made for more than 130 candidates for members of the task force and criteria for their assessment have been defined, he said."We will meet today and announce, today or on Monday, the results for those who meet the minimum requirements," Plenkovic said, adding that this would be followed by a detailed analysis and selection of the new expert task force "to continue the education reform."Plenkovic says confident president's criticism part of preparations for presidential campaignZAGREB, March 9 (Hina) - In reference to President Kolinda Grabar-Kitarovic's criticismregarding a European Commission report on how Croatia has been implementing its recommendations, Prime Minister Andrej Plenkovic said on Friday that he was not bothered by her criticism andwas confident that it was part of Grabar-Kitarovic's preparations for a campaign for another term in office.Grabar-Kitarovic said that the EC report confirmed that Croatia was lagging behind and was not developing at a pace that would help it not only catch up with the most developed EU countries but also its peers of yesterday."The President has positions on certain social and political issues, she expresses them the way she does. I am sure that that way she is preparing for her presidential campaign," said the PM.The government is addressing all important topics on a daily basis. "Wedo not need any special magnifying glass or interpreter to understand where the problems are. Wedo it every day. There are a lot of problems, we did not ***plan*** many of them, we have inherited many of them, but we are coping with them. And we will continue doing so and deal with everything we can deal with in the best interest of citizens," said Plenkovic.President responds to PM: It's necessary to implement reformsZAGREB, March 9(Hina) - President Kolinda Grabar-Kitarovic said on Friday it was necessary to make decisions and implement reforms in Croatia, that it was her duty to warnaboutnegative trendsand that it was no problem if someone did not take her seriously, referring to Prime Minister Andrej Plenkovic, but that it was a problem if her warnings and those from domestic and international institutions were not taken seriously."It's my duty to warn about social and economic trends. It's not a problem if someone does not take me seriously. The problem is if they do not take seriously all the warnings, including the European Commission report and other domestic institutions and individuals, which point to the trends I talkedabout and have been warningabout. Because it's only then that we will be in real trouble. It's necessary to come to grips with the problems, it's necessary to make decisions and implement reforms," the president told reporters in Karlovac.She was asked to comment on Plenkovic's comment on her criticism in the wake of a recentCommission report on Croatia'simplementation of last year's recommendations.She had said the report confirmed that Croatia was lagging behind and not developing at a pace that would enable it to catch up with not only the most developed EU member states, but also with those which were its equals until yesterday. Plenkovic said he had not taken such criticism too seriously and that he was sure it was part of the president's campaign preparations for a second term in office.The president also commented on the Commission's assessment that Croatia'slaw on war veterans' rights makesit possible for more people to register as war veterans, that it lowersthe age limit at which they could retireand makesit possible for their family members to inherit their pensions, as well as that their pensions, on average, are twice as high asordinary pensions."I think that after the war we should have had a more active policy on Croatian defenders. We should not have offered a retirement system but should have invested more in enterprise. We should include them more, which still can and must be done, in enterprise, to use their war experience, the ability to make decisions in crisis situations. I think that as a society, as a state, we would profit much more from that, and they and their families too, of course," said Grabar-Kitarovic.Grabar-Kitarovic to visit 3 South American countries during 10-20 March tourZAGREB, March 9(Hina) - Croatia's President Kolinda Grabar-Kitarovic is flying to South America on Saturday, and the first stop of her Latin American tour, which will last until 20 March, is Argentina, and after that she will fly to Chile and Brazil.After the latePresident Franjo Tudjman's visit to Buenos Aires in 1994, Grabar Kitarovic will be the first Croatian head of state to visit that South American country.Before Grabar-Kitarovic, Croatian president StjepanMesic was in Chile in 2005.During her official visit to Argentina, Grabar-Kitarovic will be received by President Mauricio Macriand Vice President GabrielaMichetti on Monday.In Buenos Aires the Croatian head of state will be declared an honorary citizen.On Tuesday, she will attend the opening of an Argentine-Croatian business forum.In La Plata, she will visit the "Juan Vucetich"police academy named after Ivan Vucetic,a Croatian-born Argentine anthropologist and police officerwho pioneered the use of fingerprinting.In Rosario, she will open Croatia's honorary consulate.In Argentina, Grabar-Kitarovic will meet representatives of the ethnic Croatian communitythat is estimated to have 200,000-250,000 members, and an ethnic Croat community of a similar sizein Chile. An estimated 30,000 ethnic Croats live in Brazil.Grabar-Kitarovic to attend economic forum in Santiago de Chile, Pinera's inaugurationThe Croatian president will go to Chile on Thursday, 14 March, for an economic forum in Santiago de Chile.She will also attend the inauguration of PresidentSebastian Pinera on Sunday.Grabar-Kitarovic is supposed to visit local Croats in Punta Arenas and Antofagasta.On Monday, 19 March, she will start a working visit to Brazil, during which she will visitthe Croat community in Sao Paulo.Romania supports Croatia's bid to join Schengen areaZAGREB, March 9 (Hina) - Romania wants to join the Schengen passport-free travel zone as soon as possible and fully supports Croatia in the same efforts, Foreign Minister Teodor Melescanu said at a meeting with his Croatian counterpart Marija Pejcinovic Buric in Zagreb on Friday.It is in the interests of both Romania and Bulgaria to join the Schengen area as soon as possible, Melescanu said at a joint press conference. We, of course, give full support to Croatia to join Schengen, he added.One of the topics discussed was consolidation of the EU's external borders, and Melescanu said that Romania would make its contribution to border management in light of migrations facing the European Union.Commenting on the border dispute between Croatia and Slovenia, Melescanu said that his country strongly supported political dialogue, adding that international law and international mechanisms should be used to solve this issue as quickly as possible.Support for EU integration of Western BalkansBoth Croatia and Romania share their borders with Western Balkan countries and support their aspirations to join the European Union.Croatiaand Romania can help them in that regard, Pejcinovic Buric said, recalling that the enlargement issue would be one of Croatia's priorities during its EU presidency.The two countries are preparing to assume the EU's six-month rotating presidency for the first time. Romania will do so in the first half of 2019 and Croatia in the first half of 2020. In this regard they are cooperating with Finland, which will serve as EU president in the second half of 2019.We welcome the EU strategy for the Western Balkans. It is an important step for the European path of this region, Melescanu said.Asked by the press if it was realistic for Serbia to enter the EU in 2025, as stated in the strategy, both ministers said this was a tentative date.It is a target year, a motivation and encouragement. It is a message to all the countries in the region that the door remains open after they implement the reforms, Melescanu said.Pejcinovic Buric said that itshould not be taken as a fixed date. She said that apart from the reforms, also important was the political will of all the member states to support Serbia's accession.Increased tradeThe two ministers expressed their satisfaction with increased trade between Croatia and Romania.Last year trade reached EUR 304 million, with Croatian exports to Romania increasing by 38%, while the number of Romanian tourists to Croatia rose by 13.5% to over 100,000, Pejcinovic Buric said, citing figures from November 2017.She saidthat launching a direct flight between Zagreb and Bucharest during the summer season was a good move, and possibilities of extending flights to the rest of the year would be discussed.The ministers also discussed ways of strengthening cooperation in the defence sector, transport and energy.The two countries are members of the Danube Strategy. Romania will preside over this initiative in 2019 and Croatia has announced its presidency for 2020.Melescanu and Pejcinovic Buric said they were very proud of the high standards of protection of the Croatian minority in Carasovaand the Romanian minority in Istria, adding that both governments extended systematic support to the respective minorities in language learning.At the end of their meeting, the two ministers signed a protocol on cooperation between the ministries of foreign affairs, and Melescanu invited Pejcinovic Buric to visit Romania.This year Romania presides over the Three Seas Initiative and will host its summit, which is expected to be attended by Croatian President Kolinda Grabar-Kitarovic. 2018 will also see meetings between the two countries' defence and ***agriculture*** ministers, and Croatian Prime Minister Andrej Plenkovic has been invited to visit Bucharest.Croatia's top officials receive Romanian FMZAGREB, March 9(Hina) - Croatia's Prime Minister Andrej Plenkovic and Parliament Speaker Gordan Jandrokovic on Friday held separate talks with Romanian Foreign Minister Teodor Melescanu at which it was said that relations between the two countries were good and their economic ties had the potential to be even better.Plenkovic and Melescanu are pleased with the positive trends at all levels of bilateral relations, from European Union policies andcooperation in NATO to bilateral economic cooperation, the government said in a press release.It was agreed that in the coming period special attention would be paid to further intensify cooperation in tourism, energy,defence and the defence industry.Plenkovic and Melescanu also talked about the upcoming presidency of the Council of the EU byRomania, Finland and Croatiain 2019 and 2020, and what the countries of the Danube river basin could offer Europe.Jandrokovic said Croatia-Romania relations were good, friendly and without outstanding issues, adding that high-level visits and the recent opening of Romania's honorary consulate in Split had given them additional impetus, parliament said in a press release.There is room to enhance cooperation, notably in the economy, tourism, education and trade, Jandrokovic and Melescanu said.Melescanu underlined the need for closecooperation between Croatia, Romania and Finland in preparations for chairing the Council of the EU.He and Jandrokovic also discussed the situation in the region, reiterating their countries' willingness to support the neighbouring countries on their European journey.Also on Friday afternoon, President Kolinda Grabar-Kitarovic receivedMelescanu and congratulated on the opening of Romania's honorary consulate in Split on Thursday. They agreed that the two countries fostered friendly relations.Reconstruction of Zagreb-Belgrade railway to shorten train journey to 4 hoursZAGREB, March 9(Hina) -Serbia and Croatia on Friday signed a memorandum of agreement between their transport and infrastructure ministries on cooperation in promoting the efficiency of rail transport, which is expected to result in a reconstruction of the Belgrade-Zagreb railway and accelerate passenger and freight transport from 7.5 to 4 hours.The memorandum was signed in Belgrade by ministers Oleg Butkovic of Croatia and Zorana Mihajlovic of Serbia.The signing of the memorandum was assessed as very important for both sides and as one of the first concrete results of Serbian President Aleksandar Vucic's visit to Croatia last month.Butkovic underlined the importance of Corridor X for Croatia, the whole region as well as the European Union as a whole, saying the project would cost Croatia about EUR 1 billion. As for the funding, Butkovic said that Croatia would submit the project for the EU funding schemes that can cover up to 85% of the cost.Butkovic said that Zagreb had prepared papers for the revamping of its two sections of the rail-line.Serbia will invest about EUR 250 million in the reconstruction of its section of the railway.The Zagreb-Belgrade railway is 412 kilometres longCroatia's section is 296 kilometres long and the remaining 116 kilometres stretch through Serbia.Serbia's European Integration Minister Jadranka Joksimovic underlined the importance of regional and bilateral cooperation in infrastructure projects and joint applying for funding so that Croatia and Serbia, as an EU member state and an accession candidate, could "in synergy" exploit the chances for using the EU's infrastructure funds.The ministers from the two countries today also discussed ***plans*** for reconstructing three bridges connecting Croatia and Serbia. An agreement for that purpose may be signed next month.Seven grant agreements, worth HRK 182mn in total, signedZAGREB, March 9 (Hina) - Seven grant agreements, worth HRK 182 million in total, were signed at the Ministry of Regional Development and EU Funds on Friday. The agreements relate to e-services, healthcare, welfare and emergency response ***programmes*** for war-affected and economically deprived areas.HRK 161 million or 87 percent of the total amount will come from EU funds, the Minister of Regional Development and EU Funds, Gabrijela Zalac, said.The most valuableof the seven agreements is one for the development of eHZZO, the integrated information system of the Croatian Health Insurance Fund. Its total value is HRK 114.7 million, of which 98 million is non-repayable.Two more agreements concern healthcare. One, worth HRK 46.4 million, is intended for day hospitals and surgery wards at Sibenik General Hospital and the other, worth HRK 6.7 million, is to improve access to and the quality of primary healthcare services in Sibenik-Knin County.AHRK 2.7 million agreement was signed with local government in Vukovar to prepare documentation for the construction of a building that will house the local Secondary School of Economics. The building is to be completed within the next three years.AHRK 3.4 million agreement was signed with the Welfare Centre in Donja Stubica to encourage deinstitutionalisation by improving infrastructure. HRK 998,000 will go to Benkovac to develop theme routes of ancient and medieval towns in the area, while HRK 7 million will be used to renovate the Branjin Vrh community centre in Beli Manastir.Minister Zalac said that Croatia had access to EUR 10.7 billion from EU funds and had so far signed contracts worth 37% of that amount, or about EUR 4 billion.Croatia's spatial ***planning*** strategy presentedZAGREB, March 9(Hina) - The Spatial Development Strategy was launched in Zagreb on Friday, with Construction and Zoning Minister Predrag Stromar and the EU Funds and Regional Development Minister Gabrijela Zalac saying that this 192-page document would help integrate Croatia into the present-day European and global spatial ***planning*** trends as a synergic contribution to well-balancedand sustainable development.Stromar said that the five-chapter strategy would serve as the basis for further development and contributeto territorial cohesion and preservation of spatial resources.Zalac said that the government was committed to overall development of Croatia and recalled that a national development strategy for the period until 2030 was being drawn up.EU ministers agree position on directive to combat fraud in non-cash paymentsZAGREB, March 9(Hina) - European Union justice ministers on Friday agreed a common position on a directive tocombatfraud innon-cash payments which isaimed at updating and adjusting existing rules in light of new challenges and technological novelties such as mobile payments and virtual currencies."Since the number of frauds and forgeries in payments in non-material form is significantly rising, it was decided to adopt a directive which would punish such behaviour," Croatian Justice Minister Drazen Bosnjakovic said.The ministers also discussed the progress in the establishment ofthe European Public Prosecutor's Office.Asked by Croatian reporters what his ministry was doing to resolve the problems noted in a recent European Commission report on Croatia, he said six judiciary bills were in first reading in parliament this week."We also have an ambitious ***plan*** relating not just to legislation but the implementation of modern technologies which would result in quicker and betterproceedings."Asked when Croatia's parliament would ratify the Istanbul Convention, Bosnjakovic said parliament had endorsed a bill on protection from domestic violence, which is an important part of the Convention."That exists in our legal system also without the ratification, as we have introduced all forms of protection into our system. As for the ratification, the prime minister has announced that it will be on the government's agenda soon and then we'll see how that will be set up," Bosnjakovic said.Ministry comments on EC's infringement proceedings in Crno Brdo landfill caseZAGREB, March 9 (Hina) - The Ministry of Environmental Protection and Energy issued a statement on Friday giving a chronology of the Crno Brdo landfill case.The statement was prompted by the European Commission's announcement on Thursday that it would refer Croatia to the Court of Justice of the EU for failing to ensure an adequate level of protection of human health and the environment at the Crno brdo site.On 31 March 2015 the ministry's environmental protection inspectorate ordered the MLM company to remove the waste ***produced*** by the processing of ferromanganese and silicomanganese slag, which has been improperly disposed of at the site in Biljane Donje, the ministry said in response to a query from Hina.The environmental protection inspectorate imposed two fines in the total amount of HRK 60,000 on the person in charge at the company for failure to comply with its order, which the company has appealed. In order to ensure compliance with the order, the ministry has established the Biljane Donje task force to deal with this matter, the ministry said.The European Commission decided on Thursday to refer Croatia to the Court of Justice of the EU for failing to ensure an adequate level of protection of human health and the environment at the Crno brdo site, and for failing to update national legislation to implement common European rules in aviation security.The illegal industrial waste landfill Crno brdo in Biljane Donje, near the town of Benkovac, is less than 50 meters from houses, the Commission said in a press release."The waste should have been managed in accordance with the EU rules on waste... by the end of 2015 at the latest. Even though Croatia committed to address this situation on several occasions, there has been no progress on the ground. For almost four years, the industrial waste deposited at 'Crno brdo' illegal landfill has not been cleared and properly managed, threatening to contaminate groundwater and air," the Commission said."The location is currently used as a depository of a large amount of production residue of processing of ferromanganese and silicomanganese. As the Croatian authorities failed to classify that material as waste in line with Directive, approximately 140,000 tons of this potentially harmful stone aggregate are deposited directly on soil, threatening local inhabitants and the environment. Under EU law, Croatia should have put in place measures for the protection of groundwater and the prevention of the dispersion of the harmful particles through the air," according to the press release."Since there has been no progress in ensuring proper waste management," the Commission decided to refer Croatia to the Court of Justice of the EU.Knowledge of Croatian and cultural adjustment key tobetter inclusion of migrants - round tableZAGREB, March 9 (Hina) - Knowledge of Croatian and cultural adjustment are prerequisites for the successful integration of migrants into the Croatian labour market, a round table was told in Zagreb on Friday.The panel discussed challenges of the economic integration of third-country nationals under international protection.Pavao Corluka of the Croatian Employers Association (HUP) said that the HUP was currently preparing 18 migrants for integration into the labour market.Migrants do not know Croatian well enough because they have access to courses that offer only 70 hours of language learning. That's why more money should be earmarked in the budget for language mentoring, Corluka said.Luci Marin of the Croatian Employment Service (HZZ) drew attention to the problem of diploma recognition, while Drago Zuparic-Iljic of the Institute for Migration and Ethnic Studies said that because of population ageing and emigration Croatia would at one point have to focus on a proactive migration policy and therefore the migrants who are now in Croatia should be given a chance for a better life.The acting director of the Government Office for Human and Ethnic Minority Rights,Branko Socanac, said that the immigration process required effort both on the part of migrants and the host country.Croatia should ensure conditions to make their integration as fast and efficient as possible, and migrants would make their contribution to society, Socanac said. He added that in the last 12 years Croatia has granted 583 applications forinternational protection of migrants, most of them in the last three years.The deputy head of the European Commission Representation in Croatia, Mirella Rasic, emphasised the importance of investing in migrants' education and inclusion into the labour market. Refugees are facing major obstacles to employment and are one of the most vulnerable groups on the labour market, she said.Rasic said that in 2014 the employment rate among refugees was 15-20 percent lower than the employment rate among people born in Europe. She noted that the employment rate was particularly low among women.Women in Croatian media most represented in beauty, show business storiesZAGREB, March 9(Hina) - Men are much more represented than women in news on politics and business, but women lead the way in beauty and show business stories, Gender Equality Ombudswoman Visnja Ljubicic said at a panel on women and media in Croatia, suggesting gender discrimination against women in Croatian media.The panel was organised by the European Parliament's Croatian office on the occasion of International Women's Day and an EP report on gender equality in the media in the European Union.Ljubicic presented the findings of a survey by her office on the representation and depiction of women and men in the media. It was carried out from April through June 2012, coveringthe front pages of ninewebsites with 6.5 million monthly visits each.Together, those websites had close to 100 million visits, which speaks of the reach of their content, as a result of which the way women and men are presented and the topics they are linked withrepresent "a social impactwhich must not be ignored," she said.The survey covered 514 front pages and 12,241 articles witha photo - 38% of the photos were of women, 50% of men and 12% of them together.Men accounted for 82% of news on politics and business and women for only 12, Ljubicic said, adding that of the 360 photos accompanying a front page breaking news story, 20% showed women and 80% showed men.Important news items were shown atthe top of the front page, with women in 23% of the accompanying photos and men in 36%, she said.Men were represented in 94% of sportsnews, the second most frequently published news, while women were most represented in health and beauty articles (88%), ads (81%) and show businessnews (71%), Ljubicic said, adding that in one of three photos a women was either undressedor half-dressed."The sexist stereotypes depicted in the media are gender discriminatory, degrading and insulting," she said, referring to the Beijing Declaration and the Council of Europe recommendation that "the concept of sexism must be condemned just as racism."Speaking in a discussion on the introduction of women's quotas in journalism, Hina director Branka Gabriela Vojvodic said "the question of women in the media can't be viewed separately from the position of women in general, although we are talking about a specific profession."She said women's quotas on election slates "are sort of a solution, but not a permanent one as coercion never works in the long term."Although the number of women journalists is not small, they lag behind men when it comes to management positions. Also, only 7% of newspaper columns and op-eds are written by women.Texans helping local businesses, sports clubs and people in need in SisakZAGREB, March 9(Hina) - Activists of the Houston-based no-profit Christian association "His Print Ministries" arrived in Sisak on Friday to organise several educational, humanitarian and sporting events until 17 March in a bid to help local entrepreneurs as well as socially vulnerable categories of inhabitants and sports organisations.As soon as they arrived today, they held the"Extra Point Football Coach Clinic" seminar for futureAmerican football coaches in Europe, as they would like to make Sisak thecentre for the development of this sport inten European countries.On Monday, the Texansand local activists will visit impoverished families to donatefood and hygienic items.On Wednesday, professorsEd Westbrook, Bjorn Jonnson, Joseph Page and Sean McCoy will hold lectures for local business people onhow to conduct negotiations, create a business vision, marketing and other business-related topics.This is the tenth time this association from Texas is paying a visit to the area of Sisak, 50 kilometres southeast of Zagreb.MP Bunjac calls for national strategy to fight cancerZAGREB, March 9(Hina) - Human Shield MP Branimir Bunjac on Friday warned about a drastic increase in the number of cancer patients, calling on the Health Ministry to adopt a national strategy to fight that disease which in the last five years has claimed the lives of 70,000 people."These data are all the more worrying as our population is shrinking by the year," Bunjac said.He noted that in 2012, 13,704 people died of cancer, in 2013 the number of cancer deaths was 13,788, in 2014 the number was 13,939 while in 2015, 14,012 people died of the disease. In 2016, 14,065 Croatians died of cancer.In the last five years 28% of the deceased were cancer patients, he said, noting that this meant that one in four deceased was a cancer patient and that in terms of cancer incidence Croatia was the sixth country in the world."It is time we asked ourselves what is the reason for this epidemic, the drugs that we have are more and more expensive yet the number of cancer patients has been growing," said Bunjac, warning about a growing cancer incidence among young people.SDP MP warns about delays in purchase of military aircraftSocial Democrat MP Franko Vidovic warned about delays in making a decision on the procurement of fighter jets, wondering why the procedure to buy the aircraft was shrouded in secrecy, to which HDZ MP Josip Djakic said that those complaining about transparency should keep silent considering problems with the overhaul of MiG jets in Ukraine, an allusion to the problematic overhaul that occurred during the term of an SDP-led government.Vidovic recalled that the tender for the procurement of fighter jets was closed in October 2017 and that four bids were submitted as well as that it was announced that a decision on the matter would be made in twomonths' time and the parliamentary committee on defence in principle approved the purchase without an assessment as to which offer was the best.Vidovic wondered why a decision on how much money Croatia could spend on the jets had not been made before the tender was announced, why the tender included both used and new aircraft, why it was claimed that a decision on the matter would be made by the end of last year and why it had not been made possible to extend the tender, as well as why the Defence Ministry was not informing the public about the course of the selection procedure.In other news:Diocese of Hvar gets new bishopZAGREB, March 9 (Hina) - Pope Francis has appointed Reverend Petar Palic the new bishop of Hvar after he accepted the withdrawal of Palic's predecessor, the 77-year-old Slobodan Stambuk, the Vatican press office reported on Friday.Palic, born in Pristina, Kosovo, in 1972, until now has beena priest of the Dubrovnik Diocese after he was ordained to the priesthood on 1 June 1996. He is fluent in German and Italian, and has working knowledge of English, Russian and Macedonian.Prime Minister Andrej Plenkovic has sent a letter of congratulations to the new Hvar bishop.USKOK indicts MP for attempted bribery of reporterZAGREB, March 9(Hina) -The Office for the Suppression of Corruption and Organised Crime (USKOK) on Friday issued an indictment against Croatian Democratic Union (HDZ) lawmaker Franjo Lucic for offering a bribe tofree-lance reporter Drago Hedl in a bid to persuade the reporter to stop writing about his companies.According to the indictment, on26 July 2017Lucic offered a monetary reward toHedl in return for scrappingthe ***planned*** article onbusiness and financial transactions of his companies.Hedl said Lucic had offered him a reward three times as high as the amount of money he was normally paid by his media organisation if he stopped writing about the financial transactions of Lucic's companies because they harmed his reputation.Lucic denied any wrongdoing and said he and his family had been subjected to smear campaignsfor years.USKOK launched the investigation after the parliamentary credentials and privileges commission stripped Lucic of immunity from criminal persecution following the accusations made by Hedl.Industrial output down for third month in a rowZAGREB, March 9 (Hina) - Croatia's industrial production in January 2018 dropped by 0.4% on the year for the third consecutive month, which has not been recorded since the end of2013, according to figures provided by the national statistical office (DZS).Industrial output in January 2018 dropped by 1.7% from December 2017 and by 0.4% compared to January 2017.January was the third consecutive month to see an annual decline in industrial output, however the decline has slowed down as in November it dropped by 1.6% and in December by 2.5% year on year.Two analysts polled by Hina had forecast a decrease in industrial production, with their estimates ranging from a 0.5% to a 0.7% decrease. One analyst, however, predicted a growth of 2.5%.Capital goods production dropped the most,by 12.4% on the year, followed by energyproduction, which was down 7.7%.On the other hand, the production of durable consumer goods was up 20.5% over January 2017. The output of intermediate gfoods grew 9.7% and that of non-durables rose 2%.Number of jobseekers down 20.2% y-o-yZAGREB, March 9 (Hina) - A total of 190,760 jobseekers were registered with the Croatian Employment Service (HZZ) at the end of February 2018, a decrease of 2.4% (4,640 persons) over the previous month and of 20.2% (48,174) over February 2017, the HZZ said on Friday.Daily figures from the HZZ show that 187,627 people are currently out of work, with 25,177 job vacancies being advertised.A total of 16,422 people signed up with the HZZ in February 2018, 12.1% fewer than in February 2017.ZSE indices upZAGREB, March 9 (Hina) - The main Zagreb Stock Exchange (ZSE) indices increased for the third consecutive day on Friday, the Crobex by 0.25% to 1,857.70 points and the Crobex10 by 0.08% to 1,073.56 points.Regular turnover was HRK 4.77 million, about HRK 600,000 more than on Thursday.Only one stock, that of HT telecom, crossed the million kuna mark,turning over HRK 1.04 million. It closed at HRK 162.50 per share, down 0.61%.(EUR 1 = HRK 7.4)THIS BULLETIN INCLUDES NEWS ITEMS RELEASED BY 2045HRS FRIDAY. (Hina) ms Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, March 9(Hina) - Prime Minister Andrej Plenkovic said on Friday the government was continuing to strengthen economicgrowth in three ways -- by improvingconditions for doing business, strengthening the efficiency of state institutions and boostingthe investment potential.

ZAGREB, March 9(Hina) - Croatian Employers Association (HUP) president Gordana Deranja said on Friday that politicians were always the most responsible for the failure to implement reforms and that the incumbent government now had the chance to do what the previous oneshad failed to do.

ZAGREB, March 9 (Hina) - Prime Minister Andrej Plenkovic said on Friday that some political stakeholders, primarily the Social Democratic Party (SDP) and the Bridge party, "are now signing a different tune" about the future LNG terminal on the Krk island, saying that as a state and a society we must decide if we want to use these ***strategic*** energy projects to put Croatia in a properplace on the map of Europe.

ZAGREB, March 9(Hina) - The Council of Europe on Friday welcomed Croatian Prime Minister Andrej Plenkovic's announcement that hisgovernment would discuss the Istanbul Convention in two weeks and then send it to parliament for ratification.

ZAGREB, March 9(Hina) - Prime Minister Andrej Plenkovic said on Friday that he understood the sensitivity of some social groups regarding the Istanbul convention which, he said, for him "is primarily a convention that should promote national mechanisms for protection against violence against women and domestic violence" and hebelieves that the parliament will ratify the document.

ZAGREB, March 9 (Hina) - In reference to President Kolinda Grabar-Kitarovic's criticismregarding a European Commission report on how Croatia has been implementing its recommendations, Prime Minister Andrej Plenkovic said on Friday that he was not bothered by her criticism andwas confident that it was part of Grabar-Kitarovic's preparations for a campaign for another term in office.

Grabar-Kitarovic said that the EC report confirmed that Croatia was lagging behind and was not developing at a pace that would help it not only catch up with the most developed EU countries but also its peers of yesterday.

"The President has positions on certain social and political issues, she expresses them the way she does. I am sure that that way she is preparing for her presidential campaign," said the PM.

The government is addressing all important topics on a daily basis. "Wedo not need any special magnifying glass or interpreter to understand where the problems are. Wedo it every day. There are a lot of problems, we did not ***plan*** many of them, we have inherited many of them, but we are coping with them. And we will continue doing so and deal with everything we can deal with in the best interest of citizens," said Plenkovic.

ZAGREB, March 9(Hina) - President Kolinda Grabar-Kitarovic said on Friday it was necessary to make decisions and implement reforms in Croatia, that it was her duty to warnaboutnegative trendsand that it was no problem if someone did not take her seriously, referring to Prime Minister Andrej Plenkovic, but that it was a problem if her warnings and those from domestic and international institutions were not taken seriously.

ZAGREB, March 9(Hina) - Croatia's President Kolinda Grabar-Kitarovic is flying to South America on Saturday, and the first stop of her Latin American tour, which will last until 20 March, is Argentina, and after that she will fly to Chile and Brazil.

ZAGREB, March 9 (Hina) - Romania wants to join the Schengen passport-free travel zone as soon as possible and fully supports Croatia in the same efforts, Foreign Minister Teodor Melescanu said at a meeting with his Croatian counterpart Marija Pejcinovic Buric in Zagreb on Friday.

ZAGREB, March 9(Hina) - Croatia's Prime Minister Andrej Plenkovic and Parliament Speaker Gordan Jandrokovic on Friday held separate talks with Romanian Foreign Minister Teodor Melescanu at which it was said that relations between the two countries were good and their economic ties had the potential to be even better.

Also on Friday afternoon, President Kolinda Grabar-Kitarovic receivedMelescanu and congratulated on the opening of Romania's honorary consulate in Split on Thursday. They agreed that the two countries fostered friendly relations.

ZAGREB, March 9(Hina) -Serbia and Croatia on Friday signed a memorandum of agreement between their transport and infrastructure ministries on cooperation in promoting the efficiency of rail transport, which is expected to result in a reconstruction of the Belgrade-Zagreb railway and accelerate passenger and freight transport from 7.5 to 4 hours.

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ZAGREB, March 9(Hina) - The Spatial Development Strategy was launched in Zagreb on Friday, with Construction and Zoning Minister Predrag Stromar and the EU Funds and Regional Development Minister Gabrijela Zalac saying that this 192-page document would help integrate Croatia into the present-day European and global spatial ***planning*** trends as a synergic contribution to well-balancedand sustainable development.

ZAGREB, March 9(Hina) - European Union justice ministers on Friday agreed a common position on a directive tocombatfraud innon-cash payments which isaimed at updating and adjusting existing rules in light of new challenges and technological novelties such as mobile payments and virtual currencies.

ZAGREB, March 9 (Hina) - Knowledge of Croatian and cultural adjustment are prerequisites for the successful integration of migrants into the Croatian labour market, a round table was told in Zagreb on Friday.

ZAGREB, March 9(Hina) - Men are much more represented than women in news on politics and business, but women lead the way in beauty and show business stories, Gender Equality Ombudswoman Visnja Ljubicic said at a panel on women and media in Croatia, suggesting gender discrimination against women in Croatian media.

ZAGREB, March 9(Hina) - Activists of the Houston-based no-profit Christian association "His Print Ministries" arrived in Sisak on Friday to organise several educational, humanitarian and sporting events until 17 March in a bid to help local entrepreneurs as well as socially vulnerable categories of inhabitants and sports organisations.

ZAGREB, March 9(Hina) - Human Shield MP Branimir Bunjac on Friday warned about a drastic increase in the number of cancer patients, calling on the Health Ministry to adopt a national strategy to fight that disease which in the last five years has claimed the lives of 70,000 people.

ZAGREB, March 9 (Hina) - Pope Francis has appointed Reverend Petar Palic the new bishop of Hvar after he accepted the withdrawal of Palic's predecessor, the 77-year-old Slobodan Stambuk, the Vatican press office reported on Friday.

ZAGREB, March 9(Hina) -The Office for the Suppression of Corruption and Organised Crime (USKOK) on Friday issued an indictment against Croatian Democratic Union (HDZ) lawmaker Franjo Lucic for offering a bribe tofree-lance reporter Drago Hedl in a bid to persuade the reporter to stop writing about his companies.

ZAGREB, March 9 (Hina) - Croatia's industrial production in January 2018 dropped by 0.4% on the year for the third consecutive month, which has not been recorded since the end of2013, according to figures provided by the national statistical office (DZS).

ZAGREB, March 9 (Hina) - A total of 190,760 jobseekers were registered with the Croatian Employment Service (HZZ) at the end of February 2018, a decrease of 2.4% (4,640 persons) over the previous month and of 20.2% (48,174) over February 2017, the HZZ said on Friday.

ZAGREB, March 9 (Hina) - The main Zagreb Stock Exchange (ZSE) indices increased for the third consecutive day on Friday, the Crobex by 0.25% to 1,857.70 points and the Crobex10 by 0.08% to 1,073.56 points.

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[***IO public communication and discursive inclusion: how the UN reported the Arms Trade Treaty process to a global audience***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:671W-P2V1-F0C0-343J-00000-00&context=1516831)

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**Body**

Introduction

International organisations (IOs) are ‘going public’. Smaller press units have grown into full-fledged communication departments staffed with skilled public relations practitioners; the number of press releases covering important meetings, speeches or policy ***programmes*** has massively increased; classic communication formats such as annual reports, newsletters or workshop events have been revamped to reach audiences more efficiently; recently added capacities to maintain complex websites and social media accounts have generated a steady stream of online content tailored towards laypersons as well as journalists, experts and lobbyists (Ecker-Ehrhardt ).

How and why many IOs have chosen to go public is important for several reasons, but in particular for understanding inherently related questions of international authority, political communication and democratic accountability. Modern world politics is being increasingly shaped by political authority vested in IOs—because IOs influence the agenda of international negotiations, because they actively contribute to the formulation of international norms, because they monitor states’ compliance with these norms, and also because many of them play a powerful role in implementing ambitious policy ***programmes*** on the ground (Abbott and Snidal ; Avant et al. ). Increasing levels of public awareness and contestation of IO authority have been noted widely (O’Brien et al. ; Hurrelmann et al. ; Boomgaarden et al. ; Ecker-Ehrhardt ). This has frequently been interpreted as a general trend towards the constant ‘politicisation’ of IOs and the end of a public ‘permissive consensus’ for international politics characterised by intergovernmental negotiations held in camera (Hooghe and Marks ; Zürn et al. ). What is more, public contestation has nurtured hopes that citizens will monitor and inclusively debate IO decisions on an ongoing basis, thus allowing for more public accountability or even a democratisation of IO authority (Scholte ).

However, the informational asymmetries between the ‘insiders’ and ‘outsiders’ of international politics constitute an important and consequential obstacle to public control (Buchanan and Keohane ). Formal membership varies across world regions as does the selective inclusion of member governments in informal talks or groups of like-minded states (Kapoor ). While civil society organisations may function as an additional transmission belt for information from the inside out, information asymmetries are evident in the varying degrees to which advocacy groups are granted access to internal documents and meetings (Steffek et al. ).

IO communication may play an important role in mitigating informational inequalities across actors and publics by proactively communicating internal discourses, policy drafts, and decisions directly to external publics, thus making public accountability more likely by enhancing institutional transparency (Grant and Keohane , Grigorescu ). If transnational democracy is ‘to be found in communicatively competent, decentralized control over the content and relative weight of globally consequential discourses’ (Dryzek , p. 102), then proactive IO public communication may even be necessary for successfully democratising global order by empowering a wider public to effectively judge and contest global governance in general, as well as critically evaluating IO policies, procedures and performance more specifically.

But how is proactive IO public communication changing the terms under which public debates on international issues take place empirically? Significant research has recently sought to understand better the drivers and dynamics of public debates addressing IO policies and procedures (e.g. Bennett et al. ; Koopmans and Statham ; Nullmeier et al. ); however, the role of IOs as active communicators in the public realm has been a peripheral concern at best. While few studies have taken up the issue of IO public communication as a means to enhance institutional transparency (Brüggemann ; Altides ), others have pointed to its role as a tool for effectively conveying normative ideas, for instance, as ‘communication for peace’ (Lehmann ). What is more, some scholars have recently started to consider ways in which IOs use public communication to legitimise themselves and their operations in the global public realm (Zaum ; Dingwerth et al. ; Gronau and Schmidtke ).

This article makes three important contributions to this body of research. First, in order to integrate the existing knowledge on the theoretical plane, it considers IO public communication as reflecting multiple and at times contradictory logics that must be investigated systematically in order to determine what role IOs play in political communication. More specifically, I identify and explore three logics of IO public communication: a logic of public information (quasi-journalistic reporting of decisions and actions), a logic of governance (aiming at social, cultural or technological change), and a logic of self-legitimation (aiming at public support for the institution itself).

Second, while the existing research has generally focused on institutional developments, this paper addresses systematically the crucial question of the extent to which alternative logics may influence communication output in general, and communicative inclusiveness vis-à-vis different internal voices more particularly. By prioritising some voices and viewpoints in its coverage, while marginalising others, IO public communication may have highly problematic repercussions for the public representation of internal debates. First, following a logic of public information, IO communication may privilege access of organisational leaders to the public debate, including their narrative of goals, internal processes and outside action. Second, a logic of governance suggests a ***strategic*** siding with norm entrepreneurs and the active orchestration of campaigns. In both ways, IO communication may foster a biased public opinion of its policies and decisions because it marginalises critical voices. Third, a logic of self-legitimation suggests the symbolic construction of procedural fairness and inclusiveness, which may foster the normative recognition and acceptance of an IO’s policymaking process by facilitating public (mis)perception of its democratic credentials and the depoliticisation of institutional inequalities.

Third, this study probes theoretically derived expectations by combined reconstructive and quantitative text analysis of output ***produced*** by the UN Department of Public Information (UNDPI) in the context of the Arms Trade Treaty (ATT) process between 2003 and late-August 2015. Evidence is drawn from a number of logistic regression models that estimate the degree of prioritisation by comparing the observed coverage of ATT-related discourse in UNDPI high-profile news services (UN News, UN Radio and UNifeed) with the much broader stream of UNDPI meeting coverage and press releases. In essence, I find evidence for the efficacy of all three logics of IO public communication. UNDPI privileged UN officials substantially vis-à-vis its output; this fits best with a logic of public information. However, the privileged coverage of campaigners’ policy preferences suggests a strong tendency to orchestrate transnational advocacy through biased public communication, which points to a logic of governance. Finally, UNDPI also tended to marginalise statements that took issue with the fairness, inclusiveness and transparency of the ATT process and to over-represent civil society, which both point to a ***strategic*** imperative to self-legitimise the institution as a universal forum of fair and inclusive negotiations.

The argument evolves in a threefold manner. First, I briefly introduce my understanding of IO public communication and explore how the proposed logics of public communication might be effective in shaping public communication output. Second, I present the results of the empirical analysis of UNDPI output ***produced*** in the context of the ATT. Third, I conclude by pointing to implications for further research.

Theory: IO public communication and discursive inclusion

Referring back to Scott’s general understanding of social organisations, we should conceive of IOs as ‘open systems’ capable of ‘self-maintenance on the basis of throughput of resources from the environment’ (Scott , p. 89). Organisational resources such as societal expertise, operational capacities on the ground, local access to the field, or public legitimacy are of enormous and possibly growing significance for the performance of IOs (Avant et al. ). It follows that IOs depend heavily on interaction with the environment for their survival. Just as they need boundaries to differentiate themselves from other political processes in their context, IOs also have to invest energies in efficiently spanning boundaries to relate with significant parts of the ‘non-governmental world’ outside (Koch ). The effective management of public communication—that is, all those communication activities of IOs that are predominantly directed at non-governmental audiences, including experts, lobby groups, social movements and laypersons—seems to have become increasingly critical for organisational reproduction (Ecker-Ehrhardt ).

Moreover, IOs, as political systems, consist of a plurality of voices which compete for internal as well as external attention. Even if states arguably constitute the most important stakeholders within an IO, there are other actors that play a crucial role in their internal functioning, including administrative bodies, affiliated experts, and accredited advocacy organisations (O’Brien et al. ; Steffek et al. ; Tallberg et al. ). However, IO public communication implies a highly selective practice of channelling these voices to the outside world. While some statements, for example, make headlines in IO press releases and are featured as ‘breaking news’ online or in pre-***produced*** video material, others are only mentioned in passing or left completely unreported by IO public communication.

Following this line of reasoning, my prime concern here is the inclusiveness of public debates in light of the proactive coverage of different voices in IO public communication. For decades, equal access to domestic public spheres has been a core theme for communication scholars and normative theorists. The free flow of viewpoints and arguments are said to be a necessary condition for citizens to be able to form a democratic will and to effectively control political institutions (Habermas ; Bennett ; Ferree et al. ). In keeping with this tradition, prospects for democratising global order are assumed to depend on ‘the freedom to address others and be addressed as members of publics’ (Bohman , p. 8) and a transnational public sphere which ‘at its democratic best offers a broad arena of relatively unconstrained debate in which meanings can be contested and explored’ (Dryzek , p. 481). Similarly, the democratic quality of transnational public opinion is thought to derive from debate that is ‘open to all with a stake in the outcome’ and in which all interlocutors ‘enjoy roughly equal chances to state their views [and] place issues on the agenda’ (Fraser , p. 20).

Empirically, the authority upload benefitting regional and global IOs has already led to extensive research into the inclusiveness of public debate addressing these new centres of global order (e.g. Koopmans and Statham ; Nullmeier et al. ). However, the role of IO public communication in this context has not been of much concern (Brüggemann ; Meyer ). As I argued at the outset, by channelling internal voices and viewpoints into the surrounding environment, IO public communication can be assumed to play a key role in shaping information asymmetries between insiders and outsiders. It may contribute to institutional transparency and foster IO accountability ‘downward’ or ‘externally’ (Grant and Keohane ), ideal-typically by providing relevant constituencies with an unbiased picture of internal processes, policies and action (Lupia and McCubbins ). But IO public communication might also have detrimental effects on the democratic quality of public debate by privileging some actors and viewpoints over others, thereby introducing problematic biases in the way that constituencies make up their minds about institutional processes and action. IO public communication thus has enormous relevance for understanding the democratic credibility of a global political process in which the social legitimacy of an IO is constantly negotiated between governmental and non-governmental voices.

How are we to understand public communication practices in general and discursive inclusion more specifically? We can expect to find answers to this pressing question by pursuing three alternative models of IO public communication, defined by different constitutive logics of public information, governance and self-legitimation, respectively (Table , see also Ecker-Ehrhardt ).

Alternative logics of IO public communication and discursive inclusion

| **Logics of IO public communication** | **Public information** | **Governance** | **Self-legitimation** |
| --- | --- | --- | --- |
| How do we understand public communication? | Rule-governed, quasi-journalistic reporting of decisions and actions | ***Strategic***, aiming at social, cultural or technological change | ***Strategic***, aiming to self-legitimate IO authority among the public |
| Why do we see a trend of IOs going public? | Spreading norms of global political transparency and accountability | Spreading mandates to govern ?behind the border? (e.g. teaching norms and knowledge) | Increasing public awareness and contestation of IOs (politicisation) |
| What are prototypical forms of IO public communication? | ?Heralding? the official viewpoint defined by organisational leaders | Persuasive marketing of ideas through orchestrated campaigns | Image preservation and image building through symbolic politics |
| *Discursive inclusion*?*Who is pushed into the public sphere(s)?* | *Focus on IO officials like chairpersons*, *heads of administrations* | *Focus on like-minded advocates of favoured ideas* | *Marginalisation of institutional critics plus symbolic inclusiveness* |

The logic of public information: heralding decisions and actions

Communication by public administrations is typically understood to follow a ‘public information’ logic. According to this logic, a communications officer working in public administration tends to function ‘essentially as a journalist in residence, whose job it is to report objectively information about his [or her] organization to the public’ (Grunig and Hunt , p. 22). Staff concerned with public information are expected to define their role as ‘technicians’ rather than as proactive ‘managers’ of ***strategic*** communication. Public information tends to be rule-governed and bureaucratic; professional norms lead to quasi-journalistic reporting of what the administration says and does, and these prevail over ***strategic*** cost–benefit calculations regarding impact or long-term ***planning*** (Grunig ).

Remarkably, many IO communication structures and activities use the term ‘public information’ as a main point of reference, for example, in labelling or ***programming*** their respective departments. The North Atlantic Treaty Organization’s (NATO) main communication unit was referred to as an ‘information service’ for decades, before it finally adopted the concept of ‘public diplomacy’ in 2003; NATO communications offices in politically highly sensitive places such as Kyiv and Moscow still signal the organisation’s strong commitment to non-***strategic*** communication using the terms ‘Information Office’ or ‘Information and Documentation Centre’, respectively. Similarly labelled units have existed in the past, or still do today, in the case of the former Organization of American States (OAS) and today’s World Trade Organization (WTO), to mention just two. The mandates of these and other IOs consistently refer to ‘information’ as the main rationale underlying their decision to invest notoriously scarce resources in public communication (WTO , p. 111; OAS , p. 37).

A logic of public information seems predestined prima facie to most easily accommodate increased normative pressures for institutional transparency and to foster institutional accountability (Buchanan and Keohane ; Lloyd et al. ; Scholte ; Odugbemi and Lee ). However, crucial bias is likely to emerge as regards the comprehensive inclusion of internal voices. Amongst other issues, widely shared professional habits of political journalism stipulate media practitioners to generate newsworthy content by ‘indexing’ what decision makers define as the ‘official viewpoint’ to be reported (Bennett ; Althaus et al. ). In the same vein, IO public communication led by a logic of public information can be expected to privilege declaratory ‘news from the palace’, that is, reporting with a strong focus on what organisational leaders define as important and worth disseminating among those whom they consider relevant publics. Thus, we would expect IO communication following a logic of public information to show a strong focus on IO leaders declaring the official standpoint on organisational goals, decisions and operations.

The governance logic: communication as orchestrated campaigns

From a second perspective, public communication is not information about what IOs do in terms of their operational activities; instead, public communication is part and parcel of the main operational activities that some IOs are engaged in: the ‘governance’ of discourses in order to induce social, cultural or technological change. The explicit mandate of the World Bank’s External Affairs branch is ‘to leverage the Bank Group’s development impact through effective communications, representation, and issues management’ (World Bank , p. 41). Tellingly, the OAS once claimed that its ‘***strategic*** goals, which speak of democracy, development, human rights, legitimate electoral processes, and good and transparent governments, have been embodied in the information released [by the OAS Department of Press and Communication] to such an extent that in many countries in the Hemisphere the OAS is applauded or criticized because it is associated with the defense of those principles’ (OAS , p. 19).

Prototypical communication practices include ‘awareness campaigns’ that aim to put specific issues like global poverty, climate change or human rights violations on public agendas (Alleyne ). The recent trend toward participatory dialogue in development communication notwithstanding, public communication as governance seems to be predominantly a mechanism for ‘teaching’ liberal ideas from the global North to South (Servaes ). Some important examples are the communication activities of the FAO (Coldevin ), UNESCO (Finnemore ; Defourny ), UNICEF (Aghi and McKee ), WHO (Servaes ) and the World Bank (Mefalopulos ; Odugbemi and Lee ; Nay ). Their campaigns frequently draw on the symbolism of declared global days, years or decades—such as WHO’s yearly ‘World Health Day’ or the current UN’s ‘International Decade for People of African Descent’—as well as involving the distribution of campaign material—TV documentaries, commercials, radio features, posters or brochures—which are released and promoted in connection with special events, press releases and websites. Intending to influence social discourses across borders, such campaigning is at the core of what has been termed ‘global governance’ (Rosenau ). Even so, many of these efforts have remained locally focused, as in the case of FAO’s campaign to increase rice production in the Philippines in 1974 (Coldevin ) or the campaign against racism by the UN verification mission in Guatemala 2002–2004 (Alleyne ), to name just a few.

A logic of governance can more plausibly be expected from those IOs that have an ‘operational’ mandate to implement human rights norms or to disseminate ***agricultural*** expertise. However, IOs in general are perceived to address increasingly issues that are located ‘behind borders’ (Kahler ). Many IOs today promote strategically transnational advocacy campaigns by civil society organisations or even function as ‘orchestrators’ of transnational advocacy (cf. Abbott et al. ). In this vein, we may expect much of IO communication we currently observe to follow a governance logic. What is more, IOs that practice public communication as a governance tool can be assumed to sacrifice more willingly discursive inclusion for effective governance. Therefore, IO public communication as governance may be expected to substantially privilege like-minded proponents of favoured ideas while marginalising challengers, accepting a biased public understanding of policy debates, including those taking place inside IOs.

The self-legitimation logic: communication as symbolic inclusion

According to a third perspective, IO public communication primarily aims at social legitimacy, that is, the ‘generalized perception or assumption that [the organization’s] actions […] are desirable, proper, or appropriate’ (Suchman , p. 574). If we assume that every system of political rule ‘attempts to cultivate the belief in its legitimacy’ (Weber , p. 213), then increased levels of politicisation—that is, public awareness and contestation—of IO authority can be expected to have significantly enhanced the organisational drive for ***strategic*** management of IO legitimacy over recent decades (Dingwerth et al. , Gronau and Schmidtke ).

Most notably, many strategies and mandates of IO public communication departments indeed aim explicitly at managing social legitimacy in times of ‘greater public scrutiny’ (IMF , p. 1). A core aim of World Bank External Affairs is to increase ‘public support’ for the organisation (e.g. World Bank , p. 41, see also NATO , p. 2). In a remarkably blunt way, the Asia–Pacific Economic Cooperation’s (APEC) ‘Communications and Public Affairs ***Strategic*** ***Plan*** for 2014–2016’ commands the respective unit to ‘[i]dentify and highlight APEC success stories and concrete benefits and distribute these through appropriate vehicles’ (APEC ). In a recent job description for the ‘Communication and Public Relations Advisor’ of the Pacific Islands Forum (PIF), ‘key result areas’ are defined, including the ‘increase in positive media coverage’ (PIF , p. 5).

Such ***strategic*** management of public legitimacy follows a distinct logic of IO public communication. As in the case of ‘public information’, the key referent of ‘self-legitimation’ is the IO itself, but with an explicit commitment to strategically persuade rather than merely inform its audience. As in the case of ‘governance’, we observe a commitment to ***strategic*** persuasion; even so, in the case of ‘self-legitimation’, communication is designed to foster positive beliefs about the IO itself, rather than to champion policy ideas or ***programmes***.

Self-legitimation qua IO public communication can be expected to claim and enact openly compliance with the widely accepted norms that define legitimate authority (Bernstein , Symons ). However, we should also expect to find significant ‘de-coupling’ between symbolic appearances and actual negotiation procedures or operations. Most remarkably, IR scholars have argued that recent trends of giving access to negotiations to transnational NGOs, or including the global South fairly, have been more symbolic than efficacious, as regards actual decision making and crucial negotiations inside IOs (O’Brien et al. ; Kapoor ; Steffek et al. ; Tallberg et al. ). In light of such critique, mandates for self-legitimating ***strategic*** communication should nurture concern that IO communication might purposely misrepresent organisational realities in order to enhance public support—if only in terms of ‘white propaganda’ (Jowett and O’Donnell ), where biased, but per se correct information is strategically deployed in order to persuade an audience largely unaware of this partiality and the ***strategic*** intent of the communicator.

With regard to the transmission of voices from inside an organisation to the outside, self-legitimating public communication suggests at least two kinds of observable implications. First, if internal actors voice concerns that are perceived as detrimental for IO’s claim to rightful authority—be they a lack of transparency, a lack of democratic inclusion, a lack of fairness, or a lack of effectiveness—we may expect self-legitimating public communication to marginalise such concerns. Second, we may expect the symbolic staging of political inclusiveness, for example, by privileged communication of events, which suggests that civil society or the global South participate on equal footing.

UN communication and the Arms Trade Treaty process

UN public communication of the Arms Trade Treaty process is a plausible case for examining the expected selectivity of reporting for at least three reasons. First of all, a logic of public information seems almost constitutive of UN public communication. In explaining its decision to establish its Department of Public Information (UNDPI) in 1946, the UN General Assembly (UNGA) started out by acknowledging that the ‘United Nations cannot achieve the purposes for which it has been created unless the peoples of the world are fully informed of its aims and activities’ (United Nations General Assembly , Annex I, par. 2). In this spirit, the General Assembly approved ‘the press and other existing agencies of information [being] given the fullest possible direct access to the activities and official documentation of the Organization’ (ibid., Preamble). Consequently, it also placed the DPI under the obligation to limit itself to ‘positive informational activities’ and to eschew ‘propaganda’ (ibid., Annex I, par. 3).

Second, over the recent decades, the UN has been both praised and criticised for sitting at the helm of global coalitions which have effectively campaigned for political change, for example, against apartheid (Alleyne ), underdevelopment (Servaes ) or child labour (Hahn and Holzscheiter ). Further, recent reforms initiated by UNDPI suggest that a logic of governance might be increasing in relevance. The recently established ***Strategic*** Communication Division has been explicitly tasked to orchestrate ‘communication campaigns to support the substantive goals of the Organization’ (United Nations Secretariat ). Moreover, in order to ‘translate the many resolutions, decisions, declarations and debates into meaningful messages’ (United Nations Secretariat , par. 59), UNDPI has effectively adapted its strategy towards pushing a limited number of thematic key issues onto the public agenda.

Lastly, the UN has a pressing need to legitimise its operations and actions on the ground, as well as its decision-making processes on the global intergovernmental level. For example, various US administrations and the Congress have resorted to blackmail by withholding dues, in attempts to force the UN to reform. As a result, the UN has become engulfed in financial crises repeatedly over the course of its existence (Howard ; Moynihan and Weaver ). What is more, UN missions like UNTAET in East Timor or UNMIK in Kosovo depend directly on the recognition and acceptance of their respective local populations in order for them to regulate social affairs in these countries effectively; but because UN authority has been contested, local operations have been constrained significantly, effectively undermining ambitious mission mandates (Chesterman ; Zaum ; Ford and Oppenheim ). Not too surprisingly, then, in the UN Secretary General’s well-known report to the GA, Strengthening of the United Nations: An Agenda for Further Change, UNDPI reform is proposed and introduced with reference to self-legitimation, acknowledging that ‘public support is essential for strengthening the Organization’ (United Nations Secretariat , par. 59).

On the basis of the above observations, I consider the UN a reasonably good case for illustrating all three of the assumed logics of public communication. Since UN communication in its entirety would be vastly beyond the scope of this paper, I have chosen to focus on UNDPI output in the context of a politically significant process, namely, the UN internal debate and negotiations on the Arms Trade Treaty (ATT).

The ATT process allows for an instructive case-within-case study of UN public communication as it ***produced*** a large amount of communication by a broad range of actors, regularly including representative of the UN Secretariat, the UN General Assembly, UN Security Council, member states, NGOs and think tanks. More importantly, however, the observed amount of controversy around substantive as well as procedural issues suggests that all three logics may have become effective in how UNDPI reported statements inside-out. To support this claim, I will start with an overview of the ATT process before I subsequently consider the congruence of theoretical expectations and empirical observations in this context.

Historical background and context-specific hypotheses

The main roots of the ATT can be traced back to the 1990s. From 1995 onwards a group of Nobel Peace Laureates called upon by former Costa Rican President Oscar Arias worked on an International Code of Conduct on Arms Transfers. This code stipulated that ‘any country wishing to purchase arms must meet certain criteria, including the promotion of democracy, the protection of human rights, and transparency in military spending’ (Arias ). To further promote the idea of an arms trade treaty, Amnesty International, Oxfam, and the International Action Network on Small Arms (IANSA) launched the ‘Control Arms’ campaign for a ‘bulletproof’ ATT in 2003, which soon grew to include more than 100 member organisations from civil society. The campaign’s discourse can be summarised along four main lines of preference articulated for the treaty proposal:

First, campaigners pushed for a broad scope in terms of the sorts of arms and ammunition to be included in the ATT and the types of transnational transfers to be regulated. Campaigners argued, among other things, for the inclusion of small and light weapons as well as munitions parts and weaponry components. Regarding regulated transfers, campaigners lobbied for the coverage of transit, trans-shipment, re-export, brokerage, loans, leases and gifts.

Second, campaigners agreed early on to focus their efforts on the regulation of transnational transfers and, by implication, on making the domestic control of arms a non-issue. Campaigners as well as supporters inside and outside the UN repeatedly addressed concerns about possible ***intervention*** in perceived domestic affairs by reaffirming that the ATT advocated would definitely not ‘interfere with domestic arms commerce or the right to bear arms in Member States’.

Third, campaigners pushed for obligatory risk assessment (termed the ‘Golden Rule’ by some) according to which ‘no arms transfers shall be approved if there is a substantial risk that the arms will be used to commit or facilitate serious violations of international human rights law or international humanitarian law’ (Amnesty International , p. 2; Oxfam International ). While the specific threshold for refusing arms exports was a hotly debated issue between campaigners, the general idea of making arms exports conditional on human rights standards and international humanitarian law was constitutive for the campaign from its very beginning.

Fourth, campaigners lobbied for a robust ATT in terms of implementation (including monitoring and enforcement). Among other things, they called to build up secretariat capacities and repeatedly argued for clearly defined obligations to report to the public clearly and transparently any international arms transfers. They advocated financial and technical assistance to those countries unable to control weapons stockpiles effectively, and for compensation to victims of arms illegally transferred according to ATT provisions.

Governmental action to bring about an ATT also intensified over the years. In December 2006, the UN General Assembly adopted a resolution by an overwhelming majority of 153 states (with only the US in open opposition and with 24 abstentions) that urged the UN Secretary General to ‘seek the views of Member States’ and to establish a ‘group of governmental experts’ to examine ‘the feasibility, scope and draft parameters for a comprehensive, legally binding instrument’ (United Nations General Assembly ; United Nations Department of Public Information ). About a year later, the UNGA agreed on a series of four preparatory meetings in 2010 and 2011, as well as a United Nations Conference on the ATT in 2012 ‘to elaborate a legally binding instrument on the highest possible common international standards for the transfer of conventional arms’, to be undertaken ‘in an open and transparent manner, on the basis of consensus, to achieve a strong and robust treaty’ (United Nations General Assembly ). In the 2012 conference, participants were successful in ***producing*** a new draft treaty text, but they failed to adopt it by consensus. Expressing disappointment but also noting progress in the 2012 negotiations, state delegates agreed to reconvene in March 2013 for the Final United Nations Conference on the Arms Trade Treaty (United Nations General Assembly ). However, with the same procedural rules governing the conference, states again failed to reach the consensus necessary to adopt the proposed treaty. To overcome this deadlock, supporting states (including the US) took the treaty to a vote in the UNGA. In the General Assembly, the negotiated treaty text was adopted on 2 April, 2013 (United Nations General Assembly ), by a majority vote of 154 to 3 (with North Korea, Iran and Syria dissenting), and 23 abstentions (including China, Russia, India, Indonesia, Myanmar, Nicaragua, Saudi Arabia, Cuba and Sudan; United Nations Department of Public Information ). The treaty formally went into force on 20 November, 2014 (90 days after ratification by the 50th state).

Difficulties over the course of negotiations reflect the contested nature of the treaty. Campaigners’ preferences for a robust treaty with inclusive scope, obligatory risk assessment as well as human rights conditionality were criticised vehemently by several states until the end of negotiations and beyond. Most of these critics also vehemently argued for refocusing the debate on effectively preventing the diversion of arms to non-state actors, in virtue of international obligations to establish strong national arms control systems and to effect a full ban on transfers to non-state actors. Remarkably, the entire process of intergovernmental negotiations was constantly contested by activists from civil society (Bob ). On the one hand, the campaign by the National Rifle Association (NRA) repeatedly condemned calls for an ATT as ‘blatant attacks on the constitutional rights and liberties of every law-abiding American’ (NRA ). On the other hand, ATT campaigners frequently criticised the negotiations process for introducing more and more loopholes (e.g. excluding armoured troop-carrying vehicles, light artillery and drones; see Jackson , Vries ).

Beyond conflict over the treaty itself, procedural issues defined a major area of contestation throughout process. To base negotiations on a consensus rule has been widely criticised by campaigners due to establishing the logic of lowest common denominator (Jackson ). However, several states abstaining in the final vote in the General Assembly on 2 April, 2013, named ‘breach of procedural rules’ as the motivation for their doing so; China, for example, explicitly signalled support for the treaty provisions, but abstained ‘to ensure that the modality did not constitute a precedent’ (United Nations Department of Public Information ). Further, critics frequently called for more transparency and deplored what they deemed to be the unfair neglect of certain positions when drafting treaty provisions and the final reports of working groups and preparatory committees. Their concerns about such lack of inclusiveness in the negotiations often came with an explicit reference to the apparent marginalisation of arms-importing states. Several earlier drafts and the final treaty text were heavily criticised for leaving the door open to future ‘political abuse’, ‘manipulation’, or ‘politicization’, and the treaty’s overall failure to provide for a ‘nondiscriminatory’ regime of international arms trading.

On this reading of the ATT negotiation process, related UN communication yields interesting possibilities for probing the plausibility of the alternative models outlined above. First, intensive intergovernmental bargaining between conflicting interests and preferences on the issue led to a series of significant negotiations and decisions. This suggests that we should expect public information to materialise in privileged coverage of official voices like administrative leaders and chairs of the intergovernmental bodies involved.

Publicinformation hypothesis (1) When selecting voices in its coverage of the ATT process, the UNDPI prioritised statements by UN officials.

Second, the Control Arms campaign constitutes a transnational advocacy coalition that allied with powerful member states in the UN system and received positive acclamation by IO officials including UN Secretary General Kofi Annan early on. Accordingly, we see that important conditions for the second model of IO communication were in place: UNDPI edited communication output in the context of clear-cut preferences of the secretariat to orchestrate a transnational campaign in favour of the ATT.

Governance hypothesis (2) When selecting voices in its coverage of the ATT process, the UNDPI privileged preference articulations for a treaty that would (a) have a comprehensive scope, (b) protect human rights, (c) be restricted to the international realm, i.e. without interfering in domestic affairs, (3) protect human rights, and (d) be strong in terms of implementation, while marginalising opponents and alternative conceptions of the treaty.

Third, critical calls for more transparent, inclusive and fair negotiations were made frequently (as was to be expected by those unsatisfied with how the negotiations evolved) and constituted a potential threat to the official image of the UN as a universal forum of fair and constructive deliberation. The fact that there were campaigns for and against the ATT suggested that UNDPI had a real choice in using civil society activism to demonstrate popular inclusiveness while at the same time accommodating concerns of multilateral exclusivity. Similarly, while activists from the Global North may have dominated these campaigns to some extent, the almost universal membership of the UN allowed it to give voices from the Global South special prominence in UNDPI output, accommodating supportive as well as dissenting voices. Self-legitimating public communication in the ATT case is plausible; it may be expected to have shaped the UNDPI public communication in the following ways:

Self-legitimation hypothesis (3) When selecting voices in its coverage, UNDPI (a) marginalised concerns regarding the ATT internal negotiation process, while (b) privileging statements of civil society representatives and (c) statements of representatives from the global South.

Methodology

To test expectations for the ATT case, I focused on how UNDPI covers ATT-related statements in two broad categories of what I tentatively call ‘‘low-profile’ and ‘high-profile’ output.

Low-profile public communication refers to a broad category of constantly flowing, simply edited output. It is provided by UNDPI News and Press Division as ‘meetings coverage and press releases’ and consists mainly of official summaries of important meetings of UN bodies, press conferences and verbatim transcripts of speeches by UN officials like the Secretary General. ATT-related content was identified by searching for the string ‘Arms Trade Treaty’ on the UNDPI website ([*http://un.org/press/en*](http://un.org/press/en)) and carefully reading suggested documents. The search was confined to material published up to the end of August 2015 (covering the First Conference of States Parties to the Arms Trade Treaty taking place in Cancun, Mexico, 24–27 August, 2015); it resulted in a final corpus of 433 documents.

High-profile public communication refers to a much smaller and more rigorously edited type of UNDPI output. This includes articles provided as ‘breaking news’ by the UN News Centre, an online news service, which consists mainly of more focused pieces or in-depth reports not necessarily restricted to meetings coverage and press releases. Also included in this category of UNDPI output are selectively ***produced*** audio features in eleven languages, distributed by UN Radio and video features ***produced*** for UNifeed, a UN service that offers ‘broadcast-quality video from throughout the UN system’ in English to individuals and media organisations. Relevant content from UN News, UN Radio, Unifeed and UNTV was identified by a simple keyword search (using ‘Arms Trade Treaty’). This was possible because all of these services provide complete transcripts of all features ***produced***. Identified were 64 ATT-related news pieces from UN Press, plus 31 UN Radio files and 16 UNifeed videos.

Comparing UNDPI coverage of voices over the broad categories of low-profile and high-profile output gives us an excellent opportunity to test for alternative communication logics. First, while meetings coverage constitutes a generally broad and inclusive stream of reporting, the comparatively low amount of high-profile output implies a much greater need for selection and more leverage for the relevant logics of public communication to affect the kind of content which is selected. Second, while IO public communication in general implies the selective investment of notoriously scarce organisational resources, UNDPI’s high-profile products imply an even costlier investment compared to simply edited low-profile output. Accordingly, I assume the motivation for consistently enacting dominant logics of communication to substantially increase in the production of high-profile output.

The empirical analysis started with constructing a comprehensive text corpus of ATT-related output. 2218 statements on the ATT were identified in UNDPI’s overall output. For practical reasons, a random sample of about one-sixth of statements that were attributed to state delegates and found in the low-profile output was drawn. This procedure led to a final text corpus that consists of (a) this random sample of statements by delegates plus (b) all statements by other actors in the meetings coverage and (c) all statements in the high-profile output. The subsequent analysis compensates for the reduced inclusion of state delegates using appropriate weighting techniques.

Next, I pursued an in-depth reconstructive text analysis of this text corpus. An exploratory analysis of parts of the UNDPI output and additional documents led to the construction of a coding scheme which breaks up the ATT-related content of identified statements into two major families of more elementary preference articulations: (1) a general preference for or against a proposed Arms Trade Treaty (including seemingly unspecific evaluations of the idea of an ATT most generally as well as regarding specific drafts of the treaty currently on the table) and (2) specific aspects under negotiation (including its specific objectives, its scope in terms of covered weapons and transfers, the criteria for allowing specific transfers, the provisions for monitoring and enforcement, and the rules of the negotiation process; for a more detailed reference to the coding scheme, see Table in the ). All preference articulations were coded according to the indicated evaluative direction—i.e. based on whether the actor articulated a preference for or against a certain aspect.

Based on this coding of the UNDPI output, I created a rectangular dataset that summarises all information provided in terms of a consolidated list of articulated preferences. For this consolidated list, multiple articulations by (a) the same actor regarding (b) the same evaluative object (the ATT overall or specific aspects) and reported (c) for the same day were counted as a single instance of preference articulation. This consolidated list consists of 3244 preference articulations, of which 1167 are coded as general preference articulations plus 2077 preference articulations on specific aspects.

For the following analysis, the core dependent variable is the observation of whether UNDPI included these preference articulations in its high-profile output or not. It is based on the assumption that my consolidated list represents a fair approximation of the kinds of statements that were available for inclusion in the high-profile output by UNDPI. Undoubtedly, there are more statements that were made on the ATT inside as well as outside UN bodies or processes, but we cannot be sure whether UNDPI was aware of these statements or not. Thus, we can only know that UNDPI included a given articulation in its high-profile output based on preference articulations that UNDPI reported somewhere in its overall output.

Independent variables of interest include those that indicate whether or not a preference was attributed to a specific group of actors. The dummy variable UN officials indicates preferences attributed to the UN secretariat, UN agencies, or state delegates who were explicitly speaking in their capacity as chairpersons or presidents of UN bodies (such as General Assembly committees or the UN Security Council). Civil society indicates preferences attributed to NGOs, think tanks, university researchers and the victims of armed conflicts. Global South indicates all preferences attributed to governments or civil society from non-OECD countries.

A second set of independent variables indicates whether or not the statement advocates an ATT according to one of the campaigner's main policy stances as outlined above, i.e. reproduces the discourse of the transnational advocacy coalition in terms of signalling a preference for a comprehensive scope (variable scope), while keeping a focus on transnational transfers (not domestic), as well as preferences for obligatory risk assessment based on human rights standards and international humanitarian law (risk assessment), strong provisions for implementing the ATT (implementation), or any of these four main policy stances (ATT campaign’s policy stances). Finally, I include the dummy procedural issues, which indicates whether articulated preferences take issue with the normative appropriateness of the negotiation process itself, including statements on transparency, inclusiveness and overall fairness.

Findings

Regarding the distribution of observed preference articulations, relative frequencies provided by bivariate cross-tabulation already suggest that all three models capture important aspects of UNDPI public communication in the ATT case (Tables , , ). Preference articulations explicitly attributed to UN officials play a more prominent role in the high-profile output (80.3%) than elsewhere (11.9%), which is in line with the public information model of IO communication. Matching a governance logic, we also see a substantial increase in the share of support for an ATT in general, as well as across campaigners’ policy stances on specific treaty provisions (Tables , ). Lastly, the global South seems to play a more marginal role in the high-profile output of UNDPI. Whereas this does not match expectations under the assumption of self-legitimation logic, we nevertheless find a remarkably high share of preference articulations from civil society (8.0%, Table ) in conjunction with a reduced share of comments related to procedural issues (3.1%, Table ), both of which do point to self-legitimating public communication.

High-profile coverage of preference articulations by actor groups (N = 3244)

|  | **UNDPI coverage** | | |
| --- | --- | --- | --- |
| **Low-profile only (%)** | **High-profile (%)** | **Total (%)** |
| UN officials | 11.9 | 80.3 | 21.8 |
| All others | 88.1 | 19.7 | 78.2 |
| Total | 100.0 | 100.0 | 100.0 |
| Civil society | 4.4 | 8.0 | 4.9 |
| All others | 95.6 | 92.0 | 95.1 |
| Total | 100.0 | 100.0 | 100.0 |
| Global South | 56.0 | 8.1 | 49.1 |
| All others | 44.0 | 91.9 | 50.9 |
| Total | 100.0 | 100.0 | 100.0 |

High-profile coverage of general preference articulations (N = 1167)

|  | **UNDPI coverage** | | |
| --- | --- | --- | --- |
| **Low-profile only (%)** | **High-profile (%)** | **Total (%)** |
| Pro ATT | 89.6 | 97.6 | 90.7 |
| Contra ATT | 10.4 | 2.4 | 9.3 |
| Total | 100.0 | 100.0 | 100.0 |

High-profile coverage of specific preference articulations (N = 2077)

|  | **UNDPI coverage** | | |
| --- | --- | --- | --- |
| **Low-profile only (%)** | **High-profile (%)** | **Total (%)** |
| Campaigner?s policy stances | 49.3 | 89.7 | 55.4 |
| Risk assessment | 16.7 | 29.2 | 18.6 |
| Wide scope | 21.7 | 46.1 | 25.4 |
| Not domestic | 0.8 | 2.4 | 1.1 |
| Implementation | 10.1 | 11.9 | 10.4 |
| Procedural issues | 29.0 | 3.1 | 25.1 |
| All others | 21.7 | 7.2 | 19.5 |
|  | 100.0 | 100.0 | 100.0 |

Entries in Tables , and are weighted percentages of preference articulations

However, bivariate cross-tabulation is of limited use for the purpose of testing alternative expectations in this specific case. While the presence of a high share of UN officials might signify rule-governed prioritising of institutional voices, it could also reflect a ***strategic*** allying with the ATT campaign, because many—although certainly not all—speaking on behalf of UN bodies lobbied for the ATT. Similarly, while many voices from civil society are campaigners, these voices have uttered supportive as well as critical statements on treaty drafts and procedural aspects of the negotiations. Therefore, a multivariate analysis of UNDPI coverage is more appropriate for it allows controlling for alternative factors.

To this end, I employed a number of logistic regressions with information on whether observed preference articulations were found in the high-profile output (= 1) or not (= 0) as the dependent variable. Preference articulations systematically cluster into larger statements, which suggests that the estimation of robust standard errors is in order. Again, sampling weights are included to account for the fact that I have drawn a random sample for a subset of the identified preference articulations (i.e. those uttered by state delegates). All independent variables outlined above go into the equation as simple dummies (coded yes = 1, no = 0), indicating whether a preference was attributed to a specific group of actors, whether it advocated an ATT according to one of the campaigner’s main policy stances, or whether it took issue with the normative appropriateness of the negotiation process itself. To account for unobserved heterogeneity over different stages of the ATT process, an additional set of dummy variables is included, which indicate statements to be covered in one of five phases of the debate.

Turning to Table , results of the multivariate analysis provide ample evidence for all three logics of communication. The first column shows the results of a logistic regression using data on general preference articulations (for or against an ATT, N = 1167), while columns two and three show results for two regressions on specific preference articulations (on single aspects under negotiation, N = 2077).

Observed coverage of preference articulations—logistic regression estimates

|  | **General preference model** | **Specific preference model 1** | **Specific preference model 2** |
| --- | --- | --- | --- |
| **Public information logic** |  |  |  |
| UN officials | 22.045\*\*\* | 73.094\*\*\* | 69.473\*\*\* |
| (6.450) | (48.622) | (44.377) |  |
| **Governance logic** |  |  |  |
| General preference for ATT | 3.706\*\* |  |  |
| (1.589) |  |  |  |
| ATT campaign?s policy stances |  | 3.044\*\*\* |  |
| (0.817) |  |  |  |
| Risk assessment |  |  | 3.096\*\*\* |
| (0.849) |  |  |  |
| Comprehensive scope |  |  | 4.761\*\*\* |
| (1.521) |  |  |  |
| Not domestic |  |  | 3.893# |
| (3.025) |  |  |  |
| Implementation |  |  | 1.430 |
| (0.447) |  |  |  |
| **Self-legitimation logic** |  |  |  |
| Procedural issues |  | 0.361\* | 0.386\* |
| (0.163) | (0.171) |  |  |
| Civil society | 17.024\*\*\* | 10.195\*\*\* | 9.460\*\*\* |
| (5.688) | (7.193) | (6.443) |  |
| Global South | 1.178 | 1.126 | 1.076 |
| (0.370) | (0.693) | (0.660) |  |
| Phase 2 (1.2010?4.2012) | 2.339 | 5.119 | 5.970 |
| (1.342) | (5.409) | (6.542) |  |
| Phase 3 (5.2012?12.2012) | 12.354\*\*\* | 9.640\* | 11.189\* |
| (6.545) | (9.137) | (11.148) |  |
| Phase 4 (1.2013?7.2013) | 7.460\*\*\* | 3.201 | 4.190 |
| (3.662) | (2.971) | (4.113) |  |
| Phase 5 (8.2013?8.2015) | 7.729\*\*\* | 3.205 | 4.851 |
| (3.843) | (2.988) | (4.788) |  |
| Constant | 0.002\*\*\* | 0.002\*\*\* | 0.001\*\*\* |
| (0.001) | (0.002) | (0.002) |  |
| Wald *?*2 | 292.415\*\*\* | 146.982\*\*\* | 148.214\*\*\* |
| Log likelihood | ? 633.584 | ? 772.675 | ? 755.369 |
| *N* | 1167 | 2077 | 2077 |

Logistic regression with sampling weights and robust standard errors clustered over statements. The binary dependent variable indicates the coverage of observed preference articulations in UNDPI’s ‘high-profile output’. Entries are odds ratios with robust standard errors in parenthesis

#p < 0.10; \*p < 0.05; \*\*p < 0.01; \*\*\*p < 0.001

Starting with indicators for public information logic, estimates indicate that the odds of finding preference articulations by UN officials in UNDPI’s high-profile output (instead of finding them solely in its meetings coverage) are about 22.0 times higher compared to preference articulations by other actors. Thus, the results suggest that UNDPI privileges ATT preference articulations stemming from UN officials over others by a factor of 22.0, keeping all other variables constant. Turning to the other two models on specific ATT aspects, estimated odds ratios for the same variable are even higher (with values of 73.1 and 69.5, respectively). Taken together, UNDPI has strongly focused UN officials across the board of articulated preferences, even when controlling for utterances on the ATT and related matters. This is in line with my general expectation of public information (H1).

With regard to indicators for governance logic, we find that UNDPI privileged advocacy for an ATT, again, consistently over both categories of preferences. Estimates suggest a biased coverage of overall preference articulations in UNDPI high-profile output by a factor of 3.7. A similar bias is estimated for the coverage of preference articulations for specific ATT aspects. Here estimates for campaign’s policy stances point to the privileged coverage of campaigners’ discourse by a factor of 3.0 over all types of policy stances. If we split up those stances according to the main lines of argumentation, we find the bias in the expected direction for all arguments, as indicated by estimated odds ratios for the variables comprehensive scope, not domestic, risk assessment and implementation. However, the estimated change of odds varies in size and significance, suggesting a more substantial prioritisation regarding campaigners’ advocacy for a comprehensive scope (4.8), obligatory risk assessment (3.1) and their affirmative stance regarding the exemption of domestic arms regulation (3.9), compared to issues of implementation (1.4). Again, the results strongly support the expectation that UNDPI attempted to orchestrate public debate in favour of the ATT campaign, which is in line with a general governance logic of IO public communication (H2). In the same vein, these results strongly contradict normative expectations of adequate reporting of internal dissent.

Turning to indicators for self-legitimation, the results are more mixed. I do find consistent evidence for privileged coverage of civil society voices, by an estimated factor ranging from 9.5 to 17.0, even when controlling for the content of articulated preferences. Estimated odds ratios of 0.3 and 0.4 also support the expectation that UNDPI tends to marginalise concerns about the negotiation process substantially (i.e. concerns about explicitly addressing the procedural norms of transparency, inclusiveness or overall fairness). However, I find no evidence of privileged coverage of voices from the global South. Thus, the results do not lend unequivocal support to the idea that self-legitimation drives IO public communication, although the marginalisation of procedural issues and the overrepresentation of civil society strongly suggest such logic being at play.

Conclusions

How is proactive IO public communication changing the terms under which public debates on international issues take place? According to the main argument put forward in this paper, the recent trend for IOs to ‘go public’ reflects multiple and at times contradictory logics of organised public communication, that is, coordinated IO communication activities directed at non-governmental stakeholders, including experts, lobby groups, social movements and laypersons. In the organisational field, rule-governed public information competes with newer mandates for orchestrated advocacy to induce social change (governance logic) as well as expectations that the legitimacy of the institution will be proactively enhanced (self-legitimation logic). Different IO practices of public communication result, including those that define how internal voices—e.g. member-state delegates, bureaucratic elites, experts or representatives of NGOs and local communities—are selectively channelled to relevant publics.

To test this argument, I presented evidence from a combined reconstructive and quantitative text analysis of communication practices by the UN Department of Public Information in the context of the ATT process, from its early beginnings in 2003 to August 2015. As shown above, this evidence permits important observations that speak for the empirical significance of all three logics of IO communication in the ATT case. Prioritising UN officials suggests that public information logic creates a kind of patronising news-from-the-palace-like public communication. At the same time, prioritising voices that campaign for a certain kind of ATT seems to reflect a logic of governance that uses public communication to orchestrate transnational advocacy (cf. Abbott et al. ). Finally, UN public communication prioritises civil society voices significantly, but seeks, at the same time, to sideline criticism of the ATT negotiation procedures. Both of these aspects point to a ***strategic*** imperative on the part of the UN to self-legitimise the predominantly intergovernmental negotiations that de facto followed a classic ‘club model’ of executive multilateralism (Keohane and Nye ).

Undoubtedly, IO public communication is just one of many sources of information about and interpretation of the global news stream. However, even though the degree of its impact on global public opinion remains unclear, my results suggest that UNDPI communication practices may have fostered a biased understanding of the ATT debate, because those practices marginalised critical voices on, and discouraged alternative readings of, the treaty. Ultimately, self-legitimation might have contributed to the symbolic construction of a unanimous global will on the matter of international arms trade regulation, which in turn may have resulted in public recognition and acceptance of the international negotiations as inclusive (and fair), as well as signifying that the UN was and remains the legitimate forum for all such negotiations in the long run.

It goes without saying that these results have limited power in terms of the general conclusions that can be legitimately drawn beyond the specific case. However, they are arguably suggestive for further research on IO public communication. To start with, the findings raise critical questions for communication scholarship, which tends to focus on single logics of IO public communication (e.g. Servaes ; Brüggemann ; Gronau and Schmidtke ). IO public communication is a complex phenomenon that cannot be easily boiled down to a single narrative of ‘self-legitimation’ (Dingwerth et al. ; Gronau and Schmidtke ), ‘public information’ (Defourny ; Brüggemann ), or communication as a governance tool to foster peace (Lehmann ) or development (Coldevin ; Servaes ). Focusing on one of these logics carries the danger of downplaying alternative ones, which leaves us with an over-simplified picture of why and how IOs ‘go public’.

Regarding IO studies, scholarship should (re)direct attention towards public communication as an important area of organisational activity vis-à-vis societal environments. While the opening up of IOs to civil society inclusion (Steffek et al. ; Liese ; Tallberg et al. ) and transparency (Grigorescu ) have been investigated systematically, IO public communication has been neglected by-and-large as an institutional organisational feature (Ecker-Ehrhardt ). The challenge needs to be taken up and the existing research expanded upon to include more comprehensive study of the interactive role of IOs as objects as well as would-be managers of (de)politicisation and legitimacy. By the same token, IO public communication is the key to understanding the actorhood of IOs in general and their role as political and epistemic authorities more specifically (Barnett and Finnemore ). IO public communication practices include those which aim to foster public recognition as an effective and accountable path to solving crucial problems, as well as those practices which aim to render IOs as new focal points of legitimate authority. These findings therefore should facilitate research into ‘international authority’ (Hurd ), especially that which examines in-depth the dynamics of IOs’ public claims to legitimate authority and the contestation of such claims (Gronau and Schmidtke ).

Finally, the results have normative implications for scholarship on international order. Some of the most prominent visions of legitimate ‘liberal’ (Buchanan and Keohane ) or ‘cosmopolitan’ orders (Held ; Archibugi ) assume that IOs have an important role to play by promoting and enacting liberal norms such as human rights and public accountability. However, findings also illustrate that IOs can avoid public control by proactively marginalising their critics, which ultimately undermines the democratic credentials of global governance substantially. More empirical research is needed to inform normative theorising about how IOs affect the processes of politicisation and the public perception of legitimacy. To understand more precisely how IOs interact with societies is a first and important step in this direction; to investigate its impact constitutes a more challenging but critical task for future research in this area.

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[***FEDERAL REGISTER: Endangered and Threatened Wildlife and Plants; 12 Month Findings on Petitions To List the Holiday Darter, Trispot Darter, and Bridled Darter; Threatened Species Status for Trispot Darter Pages 46183 - 46197 [FR DOC # 2017-21350]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PN7-THJ1-F0YC-N4YR-00000-00&context=1516831)

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**Body**

Washington: Office of the Federal Register has issued the following notice:

DEPARTMENT OF THE INTERIOR Fish and Wildlife Service 50 CFR Part 17 [Docket No. FWS-R4-ES-2017-0063; 4500030113] RIN 1018-BC16 Endangered and Threatened Wildlife and Plants; 12 Month Findings on Petitions To List the Holiday Darter, Trispot Darter, and Bridled Darter; Threatened Species Status for Trispot Darter AGENCY: Fish and Wildlife Service, Interior. ACTION: Proposed rule; 12-month petition findings. ----------------------------------------------------------------------- SUMMARY: We, the U.S Fish and Wildlife Service (Service), announce a 12-month finding on a petition to list three species, the holiday darter (Etheostoma brevirostrum), the trispot darter (Etheostoma trisella), and the bridled darter (Percina kusha), all freshwater fish native to Alabama, Georgia, and Tennessee, as endangered or threatened under the Endangered Species Act of 1973, as amended (Act). After review of the best available scientific and commercial information, we find that listing the trispot darter is warranted. Accordingly, we propose to list the trispot darter as a threatened species under the Act.

If we finalize this rule as proposed, it would add the trispot darter to the List of Endangered and Threatened Wildlife and extend the Act's protections to the species. After review of the best available scientific and commercial information, we also find that listing the holiday and bridled darters is not warranted. DATES: We will accept comments received or postmarked on or before December 4, 2017. Comments submitted electronically using the Federal eRulemaking Portal (see ADDRESSES, below) must be received by 11:59 p.m Eastern Time on the closing date. We must receive requests for public hearings, in writing, at the address shown in FOR FURTHER INFORMATION CONTACT by November 20, 2017. ADDRESSES: You may submit comments by one of the following methods: (1) Electronically: Go to the Federal eRulemaking Portal: [*http://www.regulations.gov*](http://www.regulations.gov) In the Search box, enter FWS-R4-ES-2017-0063, which is the docket number for this rulemaking. Then, in the Search panel on the left side of the screen, under the Document Type heading, check the Proposed Rules box to locate this document. You may submit a comment by clicking on ``Comment Now!'' (2) By hard copy: Submit by U.S mail or hand-delivery to: Public Comments Processing, Attn: FWS-R4-ES-2017-0063, U.S Fish and Wildlife Service, MS: BPHC, 5275 Leesburg Pike, Falls Church, VA 22041-3803. We request that you send comments only by the methods described above. We will post all comments on   [*http://www.regulations.gov*](http://www.regulations.gov) This generally means that we will post any personal information you provide us (see Public Comments, below, for more information). FOR FURTHER INFORMATION CONTACT: Bill Pearson, Field Supervisor, U.S Fish and Wildlife Service, Alabama Ecological Services Field Office, 1208 Main Street, Daphne, AL 36526; telephone 251-441-5181; or facsimile 251-441-6222. Persons who use a telecommunications device for the deaf (TDD) may call the Federal Relay Service at 800-877-8339. SUPPLEMENTARY INFORMATION: Executive Summary Why we need to publish a rule. Under the Act, if a species is determined to be an endangered or threatened species throughout all or a significant portion of its range, we are required to promptly publish a proposal in the Federal Register and make a determination on our proposal within 1 year. Listing a species as an endangered or threatened species and designations and revisions of critical habitat can only be completed by issuing a rule. This rule will propose the listing of the trispot darter (Etheostoma trisella), as a threatened species. This rule summarizes our analysis regarding status of and threats to the trispot darter. The basis for our action. Under the Act, we can determine that a species is an endangered or threatened species based on any of five factors: (A) The present or threatened destruction, modification, or curtailment of its habitat or range; (B) Overutilization for commercial, recreational, scientific, or educational purposes; (C) Disease or predation; (D) The inadequacy of existing regulatory mechanisms; or (E) Other natural or manmade factors affecting its continued existence. We have determined that the trispot darter is a threatened species based on a loss of habitat and connectivity (Factor A) due to urbanization, land use patterns, and drought. Peer review. We have requested comments from independent specialists to ensure that we based our designation on scientifically sound data, assumptions, and analyses. Because we will consider all comments and information received during the comment period, our final determinations may differ from this proposal. Supporting Documents A species status assessment (SSA) team prepared SSA reports for all three darter species. The SSA team was composed of Service biologists, in consultation with other species experts. The SSA reports represent a compilation of the best scientific and commercial data available concerning the status of the species, including the impacts of past, present, and future factors (both negative and beneficial) affecting each species. All three SSA reports underwent independent peer review by scientists with expertise in fish or amphibian biology, habitat management, and stressors (factors negatively affecting the species). The SSA reports and other materials relating to this proposal can be found on the Southeast Region Web site at   [*https://www.fws.gov/southeast*](https://www.fws.gov/southeast)/ and at   [*http://www.regulations.gov*](http://www.regulations.gov) under Docket No. FWS-R4- ES-2017-0063. Information Requested for Proposed Rule To List Trispot Darter Public Comments We intend that any final action resulting from the proposed rule will be based on the best scientific and commercial data available and be as accurate and as effective as possible. Therefore, we request comments or information from other concerned governmental agencies, Native American tribes, the scientific community, industry, or any other interested parties concerning this proposed rule. We particularly seek comments concerning: (1) The trispot darter's biology, range, and population trends, including: (a) Biological or ecological requirements of trispot darter, including habitat requirements for feeding, breeding, and sheltering; (b) Genetics and taxonomy; (c) Historical and current range, including distribution patterns; (d) Historical and current population levels, and current and projected trends; and (e) Past and ongoing conservation measures for the species, its habitat, or both. (2) Factors that may affect the continued existence of the species, which may include habitat modification or destruction, overutilization, disease, predation, the inadequacy of existing regulatory mechanisms, or other natural or manmade factors. [[Page 46184]] (3) Biological, commercial trade, or other relevant data concerning any threats (or lack thereof) to the species and existing regulations that may be addressing those threats. (4) Additional information concerning the historical and current status, range, distribution, and population size of the species, including the locations of any additional populations of the species. (5) Specific prohibitions and exceptions to those prohibitions that may be necessary and advisable for the trispot darter's conservation. We are considering publishing a more tailored proposed rule with provisions set forth under section 4(d) of the Act for public review and comment in the future. Please include sufficient information with your submission (such as scientific journal articles or other publications) to allow us to verify any scientific or commercial information you include. Please note that submissions merely stating support for, or opposition to, the action under consideration without providing supporting information, although noted, will not be considered in making a determination, as section 4(b)(1)(A) of the Act (16 U.S.C 1531 et seq.) directs that determinations as to whether any species is an endangered or a threatened species must be made ``solely on the basis of the best scientific and commercial data available.'' You may submit your comments and materials concerning this proposed rule by one of the methods listed in ADDRESSES. We request that you send comments only by the methods described in ADDRESSES. If you submit information via   [*http://www.regulations.gov*](http://www.regulations.gov), your entire submission--including any personal identifying information--will be posted on the Web site. If your submission is made via a hardcopy that includes personal identifying information, you may request at the top of your document that we withhold this information from public review. However, we cannot guarantee that we will be able to do so. We will post all hardcopy submissions on   [*http://www.regulations.gov*](http://www.regulations.gov) Comments and materials we receive, as well as supporting documentation we used in preparing this proposed rule, will be available for public inspection on   [*http://www.regulations.gov*](http://www.regulations.gov), or by appointment, during normal business hours, at the U.S Fish and Wildlife Service, Alabama Ecological Services Field Office (see FOR FURTHER INFORMATION CONTACT). Public Hearing Section 4(b)(5) of the Act provides for one or more public hearings on this proposal, if requested. Requests must be received the dates specified above in DATES. Such requests must be sent to the address shown in FOR FURTHER INFORMATION CONTACT. We will schedule public hearings on this proposal, if any are requested, and announce the dates, times, and places of those hearings, as well as how to obtain reasonable accommodations, in the Federal Register and local newspapers at least 15 days before the hearing. Peer Review In accordance with our joint policy on peer review published in the Federal Register on July 1, 1994 (59 FR 34270), and our August 22, 2016, memorandum updating and clarifying the role of peer review of listing actions under the Act, we sought the expert opinions of appropriate specialists regarding the SSA report for each species, including the report for the trispot darter that informed this proposed rule. The purpose of peer review is to ensure that our listing determination is based on scientifically sound data, assumptions, and analyses. The peer reviewers have expertise in fish biology, habitat, and stressors to the species. We invite any additional comment from the peer reviewers during this public comment period. Previous Federal Actions The trispot darter was one of 29 fish species included in a March 18, 1975, notice of review published by the Service in the Federal Register (40 FR 12297). On December 30, 1982, the Service announced in the Federal Register (47 FR 58454) that the trispot darter, along with 147 other fish species, were being considered for possible addition to the Endangered Species List. On November 4, 1983, the Service published a notice in the Federal Register (48 FR 50909) that a status review was being conducted for the trispot darter to determine if the species should be protected under the Act. On November 21, 1991, we added the trispot darter to the candidate list as a category 2 species on the Candidate Notice of Review (CNOR) (56 FR 58804). The holiday darter was added to the candidate list as a Category 2 species in the CNOR on November 15, 1994 (59 FR 58997). Category 2 species were those species for which listing as endangered or threatened species was possibly appropriate, but for which biological information sufficient to support a proposed rule was lacking. However, the February 28, 1996, CNOR (61 FR 7596) discontinued recognition of Category 2 species, so the trispot and holiday darters were no longer considered candidate species after that date. On April 20, 2010, we received a petition from Center for Biological Diversity and others to list 404 aquatic species in the southeastern United States, including the two aforementioned species as well as the bridled darter. In response to the petition, we completed a partial 90-day finding on September 27, 2011 (76 FR 59836), in which we announced our finding that the petition contained substantial information that listing may be warranted for these three darter species. We conducted a status review for each species. Background Trispot Darter A thorough review of the taxonomy, life history, and ecology of the trispot darter (Etheostoma trisella) is presented in the SSA report. The trispot darter is a freshwater fish found in the Coosa River System in the Ridge and Valley ecoregion of Alabama, Georgia, and Tennessee. This fish has a historical range from the middle to upper Coosa River Basin with collections in the mainstem Coosa, Oostanaula, Conasauga, and Coosawattee Rivers, and their tributaries. All known records of the trispot darter occur above the fall line in the Ridge and Valley ecoregion. Currently, the trispot darter is known to occur in Little Canoe Creek and tributaries (Coosa River), Ballplay Creek tributaries (Coosa River), Conasauga River and tributaries, and Coosawattee River and one tributary. The trispot darter is a small-bodied, benthic fish ranging in size from 1.3 to 1.6 inches (in) (3.3 to 4.1 centimeters (cm)) as adults. The darter has three prominent black dorsal saddles, pale undersurface, and a dark bar below the eye. Scattered dark blotches exist on the fins' rays. During breeding season males are a reddish-orange color and have green marks along their sides and a red band through their spiny dorsal fin. The trispot darter is a migratory species that utilizes distinct breeding and non-breeding habitats. From approximately April to October, the species inhabits its non-breeding habitat, which consists of small to medium river margins and lower reaches of tributaries with slower velocities. It is associated with detritus, logs, and stands of water willow, and the substrate consists of small cobbles, pebbles, gravel, and often a fine layer of silt. During low flow periods, the darters move away from the peripheral zones and toward the main channel; edges of [[Page 46185]] water willow beds, riffles, and pools; and mouths of tributaries. In late fall, this migratory species shifts its habitat preference and begins movement toward spawning areas; this is most likely stimulated by precipitation, but temperature changes and decreasing daylight hours may also provide queues to begin migration. Migration into spawning areas begins approximately late November or early December with fish moving from the main channels into tributaries and eventually reaching adjacent seepage areas where they will congregate and remain for the duration of spawning, approximately until late April. Breeding sites are intermittent seepage areas and ditches with little to no flow; shallow depths (12 in (30 cm) or less); moderate leaf litter covering mixed cobble, gravel, sand, and clay; a deep layer of soft silt over clay; and emergent vegetation. Trispot darters predominantly feed on mayfly nymphs and midge larvae and pupae. Trispot darters can live a maximum of 3 years, but most individuals die after the end of their second year. Females lay approximately 300 adhesive eggs that attach to vegetation or rocky substrate. Once laid, the eggs are abandoned and incubate for 30 days. Upon hatching, the trispot darter spends approximately 41 days as larvae. Holiday Darter A thorough review of the taxonomy, life history, and ecology of the holiday darter (Etheostoma brevirostrum) is presented in the SSA report. The holiday darter is a small, 2-in-long (5-cm-long) snubnose darter, so named because it is a colorful fish, with notable red blotches surrounded by white or yellow halos on the lower side of the body. Unique from similar species with which it co-occurs, the holiday darter has a distinct median red band across the generally blue-green anal fin in males in spawning color. The holiday darter is found in small creeks to moderate-sized rivers above the fall line in the Ridge and Valley, Blue Ridge, and Piedmont ecoregions of Alabama, Georgia, and Tennessee. Currently, the holiday darter is known to occur in parts of Shoal Creek, Conasauga River, Talking Rock Creek, Mountaintown Creek, tributaries of the Ellijay River, Amicalola Creek, and the Etowah River. The holiday darter prefers clear streams with riffles and shallow areas of rivers that contain boulders, cobble, and gravel substrate. While no complete life-history studies of the species are available, it is likely a benthic omnivore that eats aquatic insect larvae and microcrustaceans. Breeding behavior begins in April and lasts through May. Females are followed by males as they select suitable spawning substrates of gravel, rock, or wood on which the pair orients vertically to spawn and attach eggs. Females have the potential to ***produce*** from 50-150 eggs over multiple spawning sites, and those eggs are then fertilized by the male, or multiple different males. No studies have been published on the lifespan of the holiday darter, but similar species live approximately 3 years. Bridled Darter A thorough review of the taxonomy, life history, and ecology of the bridled darter (Percina kusha) is presented in the SSA report. The bridled darter is a small freshwater fish native to the upper Coosa River basin in Georgia and Tennessee. This fish's current distribution includes the main channel of the Conasauga River in Murray and Whitfield Counties, Georgia, and Bradley and Polk Counties, Tennessee, Etowah River in Dawson and Lumpkin Counties, Georgia, Amicalola Creek in Dawson County, Georgia, Long Swamp Creek in Pickens County, Georgia, and Talking Rock Creek in Pickens County, Georgia. These are all considered small rivers with good water quality. It was also known to occur in short reaches of several tributaries to both the Conasauga and Etowah Rivers. Morphological variation exists between the darters in the Conasauga River and those in the Etowah River, but genetic studies do not conclude that they are separate species. Adult bridled darters are about 3 in (4 cm) in length and are muted in color. Dark oval blotches are fused to form a lateral stripe. The lateral stripe merges with a dark stripe behind the eye and continues forward of the eye; these stripes resemble a horse's bridle and lend the species its common name. These darters are typically found in flowing pools and backwaters adjacent to runs in small rivers and lower reaches of tributary creeks. They are often found near submerged logs or vegetation and prefer a substrate of sand, gravel, cobble, and bedrock. The bridled darter is a sight feeder that has been observed to pluck food from submerged objects as well as the water column by drift- feeding. When drift-feeding, it positions itself downstream of rocks, away from fast currents, and feeds on invertebrates that are washed downstream and thrusted upward by turbulence. Feeding peaks in late afternoon before dusk. Stomach contents for individuals from the Conasauga River contained small mayfly nymphs and blackfly larvae. Reproduction and spawning takes place approximately mid-April through mid-July. Spawning sites are selected by females as they are followed by courting males. Competitive behavior between males for the site-selecting female has been observed, with the larger males attempting to chase away smaller males. In the Conasauga River, sneaker males (smaller males that join with a spawning pair and mate with the female) have been observed. Rapid quivering of the pair during spawning helps to bury fertilized eggs in sand. A spawning pair may undertake multiple spawning events at different locations. Females have the potential to ***produce*** up to 75 eggs per year, and their lifespan has been estimated to be approximately 3 years. Summary of Biological Status and Threats The Act directs us to determine whether any species is an endangered species or a threatened species because of any factors affecting its continued existence. The SSA reports document the results of our comprehensive biological status review for the holiday, bridled, and trispot darters, including an assessment of the potential stressors to the species. The SSA reports do not represent a regulatory decision by the Service on whether the species should be proposed for listing as endangered or threatened species under the Act. They do, however, provide the scientific basis that informs that decision, which involves the further application of standards within the Act and its implementing regulations and policies. The following is a summary of the key results and conclusions from the SSA reports; the full SSA reports can be found on the Southeast Region Web site at   [*https://www.fws.gov/southeast*](https://www.fws.gov/southeast)/ and at   [*http://www.regulations.gov*](http://www.regulations.gov) under Docket No. FWS-R4-ES-2017-0063. Summary of Analysis To assess viability for the holiday, bridled, and trispot darters, we used the three conservation biology principles of resiliency, representation, and redundancy (together, the 3Rs). Briefly, resiliency supports the ability of the species to withstand environmental and demographic stochasticity (for example, wet or dry, warm or cold years); representation supports the ability of the species to adapt over time to long-term changes in the environment (for example, climate changes); and redundancy supports the ability of the species to withstand catastrophic events (for example, droughts, hurricanes). In [[Page 46186]] general, the more redundant and resilient a species is and the more representation it has, the more likely it is to sustain populations over time, even under changing environmental conditions. Using these principles, we identified the species' ecological requirements for survival and reproduction at the individual, population, and species levels, and described the factors influencing the species' viability. The SSA process can be categorized into three sequential stages. During the first stage, we used the 3Rs to evaluate individual life- history needs of all three darters. In the next stage, we assessed the historical and current condition of each species' demographics and habitat characteristics, including an explanation of how the species arrived at their current conditions. In the final stage of the SSA we made predictions about the species' responses to positive and negative environmental and anthropogenic influences. This process used the best available information to characterize viability as the ability of each species to sustain populations in the wild over time. We utilized this information to inform our regulatory decision in the 12-month findings. To evaluate the current and future viability of the three darters, we assessed a range of conditions to allow us to consider the species' resiliency, representation, and redundancy. U.S Geological Survey delineated all watersheds within the United States at several different scales (or units) using a standardized system. Each hydrologic unit is identified by a unique hydrologic unit code (HUC) consisting of two to twelve digits based on six different levels of classification. For this analysis, the 10-digit Hydrologic Unit Codes (HUC 10s) were used as a spatial framework to delineate areas within the geographical range of each species for further analysis. Field collections were used to identify species presence within HUC10 watersheds. For holiday and bridled darters, populations were defined as occupied HUC10 watersheds and were used for analysis. Management units (MUs) were described for the trispot darter and are defined as one or more HUC10 watersheds that the species currently occupies. MUs were grouped using population genetics information and by expected management requirements. To qualitatively assess resilience, we considered seven components that broadly relate to either the physical environment (``Habitat Elements'') or characteristics about the population specifically (``Population Elements''). Habitat elements consisted of an evaluation of physical habitat, connectivity, water quality, and hydrologic regime. Population elements consisted of an estimation of approximate abundance, the extent of occurrence (total length of occupied streams), and an assessment of occurrence complexity. Representation describes the ability of a species to adapt to changing environmental conditions over time. For these darters to exhibit high representation, resilient populations should occur in all ecoregions to which they are native, and maintain some level of connectivity between populations. These occupied physiographic provinces represent the ecological setting in which the darters have evolved. Redundancy for all three darters is characterized by having multiple resilient and representative populations distributed throughout its range. Furthermore, these populations should maintain natural levels of connectivity between them. Connectivity allows for immigration and emigration between populations and increases the likelihood of recolonization should a population become extirpated. An overall resiliency condition was estimated by combining habitat and population elements. Population elements were weighted two times higher than habitat elements because they are considered direct indicators of population condition. Conditions were classified as ``Low'', ``Moderate'', or ``High''. After analyzing current conditions for each species, we described how current viability of the three darters may change over a period of 50 years. As with current conditions, we evaluated species viability in terms of resiliency at the population scale, and representation and redundancy at the species scale. In the SSA report, we described three plausible future scenarios and whether there will be a change, from current conditions, to resiliency, representation, or redundancy under each scenario. These scenarios capture the range of likely viability outcomes that the darters will exhibit by the end of 2070. The future scenarios differ in two main elements of predicted change: urbanization and climate. To forecast future urbanization, we considered future scenarios that incorporate the SLEUTH (Slope, Land use, Excluded area, Urban area, Transportation, Hillside area) model. This model simulates patterns of urban expansion that are consistent with spatial observations of past urban growth and transportation networks. Regarding climate, the Intergovernmental Panel on Climate Change utilized a suite of alternative scenarios in the Fifth Assessment Report to make near-term and long-term climate projections. In our assessments, we used these projections to help understand how climate may change in the future and what effects may be observed that impact the three darter species. Trispot Darter For our analysis we considered four extant MUs: Little Canoe Creek Basin, Ballplay Creek Basin, Conasauga River Basin, and Coosawattee River Basin. Genetic research has defined distinct trispot darter populations in Little Canoe Creek, Ballplay Creek, and Conasauga River. It is unknown if trispot darters in the Coosawattee River basin are genetically distinct; however, we analyzed it as a separate MU because this river would require a distinct management strategy due to hydroelectric operations at Carters Dam. Historical collections of the trispot darter are known from Cowans Creek, a tributary to Spring Creek, which is in turn a tributary to the Coosa River, and Johns and Woodward Creeks, tributaries to the Oostanaula River. Currently, the trispot darter occupies approximately 20 percent of its historically known range. Current Condition of Trispot Darter Of the four current MUs for the trispot darter, one has resiliency ranked as ``moderate,'' and three have resiliency ranked as ``low'' in the analysis (see Table 2 below). For example, the Little Canoe Creek MU is expected to have a moderate resiliency to stochastic events because water quality is low, the abundance is qualitatively low, the occurrence complexity is high, Coosa River reservoirs remove connectivity to other MUs, and the extent of the occupied habitat is small. The Conasauga River MU has ``low'' resiliency due to low water quality in the middle and lower river, low abundance of fish per collection record, a small and reduced population, and overall simple occurrence spatial arrangement. A full analysis for each unit's resiliency can be found in the SSA report. [[Page 46187]] Table 2--Current Species Resiliency Summary of the Trispot Darter ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Occurrence Approximate abundance Occurrence extent complexity Physical habitat Connectivity Water quality Hydrologic regime Overall condition ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Little Canoe Creek............. Low.................. Low............... High.............. Low............... Low............... Low............... Low.............. Moderate. Ballplay Creek................. Low.................. Low............... Low............... Low............... Low............... Low............... Low.............. Low. Conasauga River................ Low.................. Low............... Low............... Low............... Moderate.......... Low............... Low.............. Low. Coosawattee River.............. Low.................. Low............... Low............... Moderate.......... Moderate.......... Low............... Low.............. Low. ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Holiday Darter For our analysis we considered seven populations: Conasauga River, Talking Rock Creek, Ellijay River, Mountaintown Creek, Amicalola Creek, Etowah River, and Shoal Creek. Current Condition of Holiday Darter Six of the seven populations for holiday darter are estimated to have low resiliency. The exception is Amicalola Creek, where the fish is still found in 80 percent of the watershed that it occupied historically, and because it is known to occur in Amicalola Creek, Little Amicalola Creek, Cochran Creek, and Gab Creek, it has a moderate spatial occurrence complexity. The habitat elements were also ranked as moderate for Amicalola Creek, giving that population an overall condition of moderate. By comparison, the habitat elements were also moderate or high for the Etowah River, but this population had low population element rankings, leading to an estimate of low overall resiliency. A full analysis for each population's resiliency can be found in the SSA report. Connectivity is an important aspect of representation because it provides for the exchange of novel and beneficial adaptations and migration to more suitable habitat (should it be necessary). Currently, all historically occupied ecoregions continue to be occupied by holiday darters, so we can conclude that all known genetic, morphological, and behavioral variability are still represented across the range. However, connectivity is reduced for the species range-wide. Dams have completely isolated the seven populations into four groups. The upper Etowah River-Amicalola Creek populations are isolated by Alatoona Dam; the Talking Rock Creek population is isolated by Carters Re-regulation Dam; and the Ellijay River and Mountaintown Creek populations are isolated by Carters Dam. The Conasauga River and Holly Creek populations are prevented from dispersing to the other populations by those same dams. The Shoal Creek population is isolated by large dams on the Coosa River. Where dams do not fragment habitat, long reaches of unoccupied habitat are present between populations, indicating that migration between populations is uncommon or unlikely. Finally, all populations of holiday darter exist on the periphery of the Coosa River basin and have likely reached the upstream limits for the species. It is unlikely that individuals within a population will be able to migrate further upstream if necessary due to changes in environmental conditions, further decreasing the ability of the species to adapt to changing environmental conditions. We estimate that the holiday darter currently may have low adaptive potential due to limited representation in six occupied watersheds, decreased connectivity, and confinement to upper reaches of occupied wa

tersheds. Overall representation is considered to be low. Redundancy is characterized by having multiple resilient and representative populations distributed throughout its range. Because all but one population of holiday darter exhibit low resiliency, the species is considered to also have low redundancy. All populations have experienced some declines, may have low numbers, or have low spatial complexity. Redundancy is present within the Coosawattee River, with three populations still extant, but is still classified as ``low'' due to low resiliency of three populations. In the occupied areas of the Conasauga and Etowah Rivers, the majority of the records for the species are on U.S Forest Service (USFS) land, which is noted for having good water quality and suitable habitat for holiday darters. For our analysis, we gave populations low resilience if they had poor population elements, even if the habitat elements were moderate or high. Second, we declined to consider the species to have better than low representation and redundancy if the populations didn't have better than low resiliency. Inconsistent survey methodologies and lack of standard collection records also creates uncertainty in any analysis of trends or the ability to compare data across years. The best available data does not indicate a declining trend in abundance, and it is likely that the low abundance (and, therefore, low resiliency) indicated in our analysis is due to the species being naturally rare and difficult to detect. Table 3--Current Species Resiliency Summary of the Holiday Darter ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Approximate Occurrence Hydrologic Overall abundance Occurrence extent complexity Physical habitat Connectivity Water quality regime condition ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Conasauga River................ Low.................. Low............... Low............... Moderate.......... High.............. Moderate.......... Moderate......... Low. Talking Rock Creek............. Low.................. Low............... Low............... Moderate.......... High.............. Low............... Moderate......... Low. Ellijay River.................. Low.................. Low............... Low............... Moderate.......... Moderate.......... Low............... Low.............. Low. Mountaintown Creek............. Low.................. Low............... Low............... Moderate.......... Moderate.......... Moderate.......... Moderate......... Low. Amicalola Creek................ Moderate............. Moderate.......... Low............... Moderate.......... Moderate.......... Moderate.......... Moderate......... Moderate. Etowah River................... Low.................. Low............... Low............... Moderate.......... High.............. Moderate.......... High............. Low. Shoal Creek.................... Low.................. Low............... Low............... Moderate.......... Low............... High.............. Moderate......... Low. ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Bridled Darter For our analysis of the bridled darter we considered six populations: Conasauga River, Holly Creek, Talking Rock Creek, Long Swamp Creek, Amicalola Creek, and the Etowah River. Current Condition of Bridled Darter All six populations of bridled darter were classified as having low resiliency. Although habitat conditions were [[Page 46188]] moderate or high for many creeks, the low population elements (abundance, extent, and complexity) caused the overall resiliency to be low. Currently, all historically occupied ecoregions are occupied, and all historically occupied watersheds are considered extant. Although populations that exhibit the known genetic, morphological, and behavioral variability are currently extant, they do not exhibit high resiliency, and representation is therefore classified as low. Dams have completely isolated the six populations into three groups. The upper Etowah River-Amicalola Creek-lower Longswamp Creek populations are isolated by Alatoona Dam, and the Talking Rock Creek population is isolated by Carters Re-regulation Dam. The Conasauga River and Holly Creek populations are prevented from dispersing in to the other populations by those same dams. Where dams do not fragment habitat, long reaches of unoccupied habitat are present between populations, indicating that migration between populations is uncommon or unlikely. Redundancy for the bridled darter is characterized by having multiple resilient and representative populations distributed throughout its range. Because all populations of bridled darter exhibit low resiliency, the species is considered to also have low redundancy. All populations have experienced declines in extent of occupied habitat, are found in low numbers, or have low spatial complexity with reduced connectivity. In the occupied areas of the Conasauga and Etowah Rivers, the majority of the records for the species are on USFS land, which is noted for having good water quality and suitable habitat for bridled darters. For our analysis, we gave populations low resilience if they had poor population elements, even if the habitat elements were moderate and high. Second, we declined to consider the species to have better than low representation and redundancy if the populations didn't have better than low resiliency. Inconsistent survey methodologies and the lack of standard collection records creates uncertainty in any analysis of trends or the ability to compare data across years. The best available data does not indicate a declining trend in abundance, and it is likely that the low abundance (and, therefore, low resiliency) indicated in our analysis is due to the species being naturally rare and difficult to detect. Table 4--Current Species Resiliency Summary of the Bridled Darter ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Approximate Occurrence Hydrologic Overall abundance Occurrence extent complexity Physical habitat Connectivity Water quality regime condition ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Conasauga River................ Low.................. Low............... Low............... Moderate.......... High.............. Low............... Moderate......... Low. Holly Creek.................... Moderate............. Low............... Low............... Moderate.......... High.............. Low............... Moderate......... Low. Talking Rock Creek............. Low.................. High.............. Low............... Moderate.......... Low............... Low............... Moderate......... Low. Long Swamp Creek............... Low.................. Low............... Low............... Low............... Low............... Low............... Low.............. Low. Amicalola Creek................ Moderate............. Low............... Low............... Moderate.......... Moderate.......... Moderate.......... Moderate......... Low. Etowah River................... Low.................. Low............... Low............... Moderate.......... High.............. Moderate.......... High............. Low. ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Risk Factors Influencing Viability for Trispot, Holiday, and Bridled Darters As required by the Act, we considered the five factors in assessing whether the three species meet the definition of threatened or endangered species. A multitude of natural and anthropogenic factors may impact the status of species within aquatic systems. The largest threats to the future viability of the trispot, holiday, and bridled darters involve habitat degradation from stressors influencing four habitat elements: Water quality, water quantity, instream habitat, and habitat connectivity (Factor A). All of these factors are exacerbated by the effects of climate change (Factor E). A brief summary of these primary stressors is presented below; for a full description, refer to chapter 4 of the SSA reports for each species. Hydrologic Alteration Hydrologic alteration in this system has two components: Increases in storm flow frequency and intensity and a decrease in base flows, which together create a ``flashy'' hydrologic regime. Activities that lead to hydrologic alteration include reservoir construction and operation, water withdrawals, and an increase in impervious surfaces. In a natural forested system, most rainfall soaks into the soil and is carried into nearby streams via subsurface flow. Some evaporates or transpires, and a relatively small amount becomes surface runoff. In an urbanized system with high levels of impervious cover, such as roads, parking lots, and rooftops, this cycle is altered; most stormwater hits impervious surfaces and becomes runoff, which then is channeled quickly to streams via stormwater drain pipes or ditches. Relatively little infiltrates into the soil. As a result, storm flows in the receiving stream are higher and more frequent, although briefer in duration, and base flows are lower. The storm discharge of urban streams can be twice that of rural streams draining a watershed of similar size, and the frequency of channel-forming events can be ten times that of pre- development conditions. These flashy stream flows and frequent, smaller high-flow events negatively affect structural habitat on which the species depends. Increases in flow frequency or intensity can result in channel widening through bank erosion or deepening to accommodate the additional discharge. This results in increased downstream sedimentation and unstable beds, both of which degrade channel complexity, feeding, and refugia habitat for fish species. Increased storm flows, in addition, can cause physical washout of eggs and larval fishes, stress on adults, and negatively alter the stream's food web, affecting many fish species. There is also a decrease in channel complexity and a reduction in in-stream cover and natural substrates like boulders, cobble, and gravel. Hydrologic alteration can also lead to other stressors that negatively affect fish, such as sedimentation and a loss of connected suitable habitat. Sedimentation Sedimentation can affect fish species by degrading physical habitat used for foraging, sheltering, and spawning; altering food webs and decreasing stream productivity; forcing fish to change their behaviors; and even injuring or killing individual fish. Chronic exposure to sediment has been shown to have negative impacts to fish gills, which in addition to causing gill damage can possibly reduce growth rates. Sedimentation causes reduced visibility, impacting fishes' abilities to feed and communicate. A wide range of activities can lead to sedimentation within streams, including ***agriculture***, construction activities, [[Page 46189]] stormwater runoff, unpaved roads, some forestry activities if certified best management practices are not used, utility crossings, and dredging. Historical land use practices have substantially altered hydrological and geological processes such that sediments continue to be input into streams for several decades after those activities cease. Examples of these activities occurring with the range of these species include: Urban impacts in the Springville, Alabama, and Dalton, Georgia, areas; ***agricultural*** practices in the Conasauga River basin; and livestock access to streams in the Little Canoe Creek watershed. Reduced Connectivity Connectivity is a species' ability to disperse to and from habitat patches. Excess groundwater withdrawal can contribute to reduced connectivity if sections of streams become dry for parts of the year. Dams and reservoirs reduce connectivity by creating a physical barrier between fish populations and changing habitat from flowing streams to standing water, which is not suitable habitat for these three darters. Road crossings are also more prevalent in highly populated urban areas, and some road crossings have impassable culverts that reduce connectivity. Loss of Riparian Vegetation Loss of riparian vegetation means the removal of natural plant communities from the riparian zone of rivers and streams. Removal of riparian vegetation can destabilize stream banks, increasing sedimentation and turbidity; increase the contaminants and nutrients that enter the water from runoff; increase water temperatures and light penetration, which also increases algae production; and alter available habitat by reducing woody plant debris and leaf litter, which in turn decreases overall stream productivity. These fish have adapted to occupy habitats that are surrounded by vegetation, which moderates temperature by blocking solar radiation; provides a source for terrestrial plant material that forms the base of the food web and provides shelter and foraging habitat for the fishes; and helps to maintain clear, clean water and substrate through filtration. Loss of riparian vegetation decreases habitat suitability for the trispot, holiday, and bridled darters. Removal of riparian vegetation has occurred where urban and ***agricultural*** activities are prevalent such as increases in development in Dalton, Chatsworth, and Ellijay, and row crop and pastures in the Conasauga basin. Contaminants Contaminants, including metals, hydrocarbons, pesticides, and other potentially harmful organic and inorganic compounds, can be toxic to fish and are common in urban streams including those within the range of these three darters. Pesticides are frequently found in streams draining ***agricultural*** lands, with herbicides being the most commonly detected. Pesticides also are heavily used in urban and suburban areas, and many of these find their way into streams and groundwater. The contamination of the Coosa River with polychlorinated biphenyl (PCBs) has been attributed to the General Electric facility in Rome, Georgia. Although the facility closed in 1998, contaminated sediments are still documented there. In the Coosawattee River, PCBs are also listed as a source of impairment caused by nonpoint sources. These chemicals have toxic effects to the endocrine system, nervous system, reproductive system, blood, skin, and liver of animals and have likely impacted these three darters in the Coosa and Coosawattee Rivers. Pesticides and herbicides are frequently found in streams draining ***agricultural*** land uses, with herbicides being the most commonly detected. Many ***agricultural*** streams still contain dichlorodiphenyltrichloroethan (DDT) and its degradation products. Glyphosates and other inert ingredients found in Roundup can be toxic to fish and other aquatic organisms, causing stress and reduced fitness; Roundup use within the range of these species is prevalent and increasing due to the adoption of ``Roundup Ready'' crops. ***Agriculture*** ***Agriculture*** is another predominant land use within the range of all three darters. Livestock grazing is prevalent in some areas, and poultry farming is also common. Poultry Litter: Poultry litter is a mixture of chicken manure, feathers, spilled food, and bedding material that frequently is used to fertilize pastureland or row crops. Each poultry house has an estimated ability to ***produce*** up to 100 tons of litter a year. Surface-spreading of litter results in runoff from heavy rains carrying phosphorus and nitrogen from manure into nearby streams. Additionally, repeated or over application of poultry litter can result in phosphorus buildup in the soil. Excess phosphorus and nitrogen in stream systems increases blue-green algae and undesirable aquatic plants that rob water of oxygen, causing fish kills. Endocrine disruptors, such as estrogen, from poultry litter have been identified as a significant stressor to the Conasauga River basin. Estrogens have been found in water and sediment samples within the watershed at concentrations high enough to be disruptive to the endocrine system in fish. Increased levels of estrogens affect reproductive biology and result in reduced breeding success In a recent study of endocrine disruptors on fishes in the Conasauga River, approximately 7.5 percent of male fishes surveyed were found to have female cells in male reproductive organs. Livestock access to streams: On many farms, livestock is grazed on pastures adjacent to streams and rivers and livestock is allowed free access to the water. Livestock accessing riparian buffers and, subsequently, the stream proper, leads to habitat destruction and decreased water quality. Livestock can destabilize stream banks, which as discussed above creates increased sediment loads within these small systems. Livestock farming is often confined to the river valleys within the upper Coosa River basin; therefore, on many cattle farms, livestock is grazed on pastures adjacent to streams and rivers, and in some instances livestock is allowed free access to the water. Livestock is ***produced*** in every county with streams occupied by the bridled and holiday darters. Urbanization Urbanization refers to a change in land cover and land use from forests or ***agriculture*** to increased density of residential and commercial infrastructure. Urbanization includes a wide variety of stressors on aquatic systems that affect water quantity, water quality, channel structure, and connectivity. Therefore, urbanization is anticipated to increase the magnitude of nearly all other stressors, and urbanization is expected to affect the darters across their range due to their known localities occurring in close vicinity to the growing Atlanta metropolitan area, Chattanooga, Birmingham, and intervening areas with growing human populations and increasing development. Weather Events Weather events that affect stream flows are considered to be most relevant to these species. Broadly, these events include extreme storms and droughts. Increased flows can cause physical washout of eggs and larval fishes, stress on adults, and alter the production in a stream. Within the range of these darters, extreme flows associated with hurricanes have been reported to have [[Page 46190]] negative effects on stream fish populations. Reduced baseflows due to droughts can cause population declines, habitat loss, reduced water quality (decreased dissolved oxygen and temperature alteration) leading to death, crowding of individuals leading to stress, and decreased reproduction in stream fish populations. Climate models for the southeastern United States project that average annual temperatures will increase, cold days will become less frequent, the freeze-free season will lengthen by up to a month, temperatures exceeding 95 degrees Fahrenheit will increase, heat waves will become longer, and the number of category 5 hurricanes will increase. While these climate models predict wide variability in weather patterns into the future, they suggest that the region will be subjected to more frequent large storms (hurricanes) as well as low flows from droughts. Other Stressors In our analysis of the factors affecting these species, we found no evidence of population- or species-level impacts from overutilization for commercial, recreational, scientific, or educational purposes. Also, there was no evidence of any impacts due to disease or predation. Conservation Actions Trispot Darter The trispot darter is recognized by Alabama, Georgia, and Tennessee as a species of concern. This species is listed as Priority 2/High Conservation Concern by the State of Alabama, endangered by the State of Georgia, and threatened by the State of Tennessee. Priority watersheds within the range of the trispot darter have been designated as ***Strategic*** Habit Units by the Alabama Rivers and Streams Network. The ***Strategic*** Habit Unit project was developed for species restoration and enhancement. Alabama is conducting an analysis and the results are intended to contribute to restoration projects that will improve habitat and water quality for at risk and listed species. The Atlantic Coast Conservancy holds a tract of land within Ballplay Creek that could offer some protection in the watershed. Natural Resources Conservation Service's Working Lands for Wildlife partnership within the basin will help farmers develop and implement strategies to improve water quality. Holiday Darter The holiday darter is recognized by Alabama, Georgia, and Tennessee as a species of concern. It is listed as Priority 1/Highest Conservation Concern by the State of Alabama, endangered by the State of Georgia, and threatened by the State of Tennessee. In general, protections accorded to the holiday darter by the States prohibit direct exploitation of the species. Some populations of holiday darter are known from watersheds in which a substantial percentage of lands are owned and managed by the USFS. These populations are found in the Conasauga River, upper Etowah River, and Shoal Creek. In the Conasauga River and Shoal Creek, the majority of current records for the holiday darter are within the boundary of USFS lands. Cherokee National Forest in Tennessee, Chattahoochee National Forest in Georgia, and Talladega National Forest in Alabama own and manage natural resources in occupied watersheds in those portions of the holiday darter's range. Management prescriptions implemented by the USFS in areas that overlap with the range of the holiday darter are expected to benefit the species. Specifically, 4.5 miles (mi) (7.2 kilometers (km)) of the Conasauga River is eligible for Congressional Wild River designation and is managed to protect and perpetuate the features that led to the eligibility status. The river is also recognized for its aquatic biodiversity by the USFS, and management strategies employed by both Cherokee and Chattahoochee National Forests within the watershed include designated wilderness areas, recommended wild river, recommended recreational river, black bear habitat management, restoration and maintenance of rare communities, restoration and management of old growth characteristics, and scenic corridors and sensitive viewsheds. These management strategies, which emphasize natural forest communities and water quality are expected to benefit holiday darter within the Conasauga River watershed. The Chattahoochee National Forest management prescriptions within the upper Etowah River also broadly emphasize and promote natural plant communities and so are expected to benefit holiday darter within this watershed. Standards outlined in the Revised Land and Management ***Plan*** for National Forests in Alabama (2004) generally protect water and habitat quality in streams. Direct observations of Shoal Creek have found the stream to have good water quality with high levels of dissolved oxygen, stable pH levels, and low sedimentation, confirming the benefits of USFS management strategies to holiday darter habitat. Approximately 13.6 mi (21.9 km) of Amicalola Creek are bounded by lands owned and managed by the State of Georgia. Georgia's stated goals for this area are maintenance or enhancement of populations of sensitive species and management of riparian areas to benefit water quality, aquatic resources, and aesthetics. We expect that this provides some benefit to holiday darters in that location. Additionally, approximately 488 acres (ac) (197 hectares (ha)) of these lands were purchased with the assistance of a Recovery Land Acquisition Grant that prioritized the conservation of aquatic resources and species. Therefore, it is anticipated that State ownership and management within the Amicalola Creek watershed will benefit the long- term survival of holiday darters. Within the Conasauga River basin, Natural Resources Conservation Service has begun a Working Lands for Wildlife project that provides technical and financial assistance to help landowners improve water quality and help ***producers*** ***plan*** and implement a variety of conservation activities or practices that benefit aquatic species. Holiday darter may benefit in the future from water quality improvements in portions of the Conasauga River that are affected by ***agricultural*** practices as a result of the Working Lands for Wildlife project. Priority watersheds within the range of the holiday darter have been designated as ***Strategic*** Habit Units by the Alabama Rivers and Streams Network. The ***Strategic*** Habit Unit project was developed for species restoration and enhancement. Watersheds occupied by holiday darter that have been designated as ***Strategic*** Habit Units are the Choccolocco Creek watershed (which includes the Shoal Creek populations) and the Oostanaula River watershed (which includes the Conasauga and Coosawattee River populations). Bridled Darter The bridled darter is recognized by Georgia and Tennessee as a species of concern. It is listed as endangered by the State of Georgia. In general, protections accorded to species that are listed by the States prohibit their direct exploitation. Some populations of bridled darter are known from watersheds in which a substantial percentage of lands are owned and managed by the USFS. These populations are found in the Conasauga River and upper Etowah River. In the Conasauga River, the majority of current records for the bridled darter are within the proclamation boundary of USFS lands. Cherokee National Forest in Tennessee and Chattahoochee National Forest in Georgia own and manage lands and [[Page 46191]] natural resources in occupied watersheds in those portions of the bridled darter's range. Management prescriptions implemented by the USFS in areas that overlap with the range of the holiday darter (see discussion above) are also expected to benefit the bridled darter. Future Scenarios For the purpose of this assessment, we define viability as the ability of the species to sustain populations in the wild over time. To address uncertainty associated with the degree and extent of potential future stressors and their impacts on species' requisites, the 3Rs were assessed using three plausible future scenarios. These scenarios were based, in part, on the results of urbanization and climate models that predict changes in habitat used by the trispot, holiday, and bridled darters. The models that were used to forecast both urbanization and climate change projected 50 years into the future. Using the best available data to forecast plausible future scenarios allows the Service to determine if a species may become an endangered species in the foreseeable future. For more detailed information on these models and their projections, please see the SSA reports. In the Status Quo scenario, current environmental regulations and policy, land use management techniques, and conservation measures remain the same over the next 50 years. We anticipate the current trend in greenhouse gas emissions to continue and moderate impacts from extreme weather events including intense drought, floods, and storm events to occur. In this scenario, rapid urbanization will continue at the current estimated rate for the Piedmont region of the southeastern United States, which will increase demand for water resources. In the Best Case scenario, we predict wider adoption of conservation measures and policies, which involves watershed-scale conservation ***plans*** (Working Lands for Wildlife and watershed habitat conservation ***plans***) and enacting a water policy for Alabama. In this scenario, we still expect rapid urban growth, albeit at a slower rate than under the other two scenarios. Under the Best Case scenario, rapidly growing urban areas would address environmental concerns and implement water conservation measures and green infrastructure. If implemented, these actions should lessen the demand on water resources (requiring fewer drinking water supply reservoirs) and minimize urban effects on streams. While large numbers of roads will still be constructed, under the Best Case scenario road crossings will be constructed that allow for fish passage. In this scenario we expect carbon emissions to peak before 2020 resulting in a lower probability of extreme weather conditions negatively affecting stream fishes, as compared to the Status Quo or Worst Case scenarios. In the Worst Case scenario, we anticipate major negative effects in aquatic ecosystems as a result of rapid urbanization. In conjunction with rapid urban growth, we project that there will be a general lack of conservation measures and policies being implemented at the local, regional, or national levels. Water demand will increase with population, and new reservoir construction will take place. In addition to rapid urbanization, carbon emissions are projected to continue to increase above the current levels in this scenario, resulting in a higher probability of extreme weather events that can negatively affect fish species. In areas that remain in ***agricultural*** use, there will be an increased amount of herbicide and poultry litter spreading and no protective measures implemented to address water quality issues. Under this scenario, we anticipate a general decline in available suitable habitat, population size, and abundance. While we consider all three of these scenarios to be plausible, we acknowledge that each has a different probability of materializing at different times. A discrete range of probabilities was used to describe the likelihood that each scenario will occur. The Status Quo scenario was seen as ``very likely'' to occur in 10 years and ``likely'' to occur at 50 years. The Best Case and Worst Case scenarios were seen as less likely to occur (ranging from ``unlikely,'' ``as likely as not,'' and ``likely''). Although they were part of the analysis, and the range of possibilities considered, because of the significantly lower probability of their occurrence they are not discussed in detail below. However, a table summarizing all scenarios for each species is provided below, and a full description of all three analyses can be found in the SSA report for each species. Trispot Darter In the Status Quo scenario, two populations of trispot darter, Ballplay Creek and Conasauga River, are expected to become extirpated, while the remaining two, Little Canoe Creek and Coosawattee River, are projected to persist in low resiliency condition. Because of the loss of darters predicted for Salacoa Creek, the fish will be found only in the Coosawattee River mainstem (no longer in any tributaries), making it more vulnerable to catastrophic events. Redundancy decreases to two populations, which are completely isolated from one another due to the Weiss Dam. Genetic material will not be exchanged, reducing adaptive potential of the species. Summaries of the analysis of all three scenarios are provided in the table below. Table 5--Future Condition of the Trispot Darter by the Year 2070 Under Three Future Scenarios ---------------------------------------------------------------------------------------------------------------- Management unit Status quo Best case Worst case ---------------------------------------------------------------------------------------------------------------- Little Canoe..................... Low................. Moderate........... Likely Extirpated. Ballplay......................... Likely Extirpated... Low................ Likely Extirpated. Conasauga........................ Likely Extirpated... Moderate........... Likely Extirpated. Coosawattee...................... Low................. Moderate........... Likely Extirpated. ---------------------------------------------------------------------------------------------------------------- Holiday Darter In the Status Quo scenario, three extant populations of holiday darter are expected to become extirpated, while four populations will continue to be extant 50 years in the future. This will decrease overall redundancy for the species as well as representation (the Coosawattee River will no longer be represented with the extirpation of the Talking Rock Creek, Ellijay River, and Mountaintown Creek populations). Physiographic representation is projected to decline over the next 50 years because the holiday darter's range is expected to contract to the upstream stream reaches that are owned and managed by State and Federal agencies within the Blue Ridge physiographic province. Representation is projected to remain within the Ridge and Valley of Alabama. Summaries of the analysis of all three scenarios are provided in the table below. [[Page 46192]] Table 6--Future Condition of the Holiday Darter by the Year 2070 Under Three Future Scenarios ---------------------------------------------------------------------------------------------------------------- Population Status quo Best case Worst case ---------------------------------------------------------------------------------------------------------------- Conasauga River.................. Low................. Moderate........... Low. Talking Rock Creek............... Likely Extirpated... Likely Extirpated.. Likely Extirpated. Mountaintown Creek............... Likely Extirpated... Likely Extirpated.. Likely Extirpated. Ellijay River.................... Likely Extirpated... Low................ Likely Extirpated. Amicalola Creek.................. Low................. Moderate........... Low. Etowah River..................... Low................. Low................ Low. Shoal Creek...................... Low................. Low................ Likely Extirpated. ---------------------------------------------------------------------------------------------------------------- Bridled Darter In the Status Quo scenario, two populations of bridled darter are expected to become extirpated (Talking Rock Creek and Long Swamp Creek). This will decrease overall redundancy for the species as well as representation (the Coosawattee River will no longer be represented with the extirpation of the Talking Rock Creek population). Physiographic representation is projected to decline over the next 50 years because the bridled darter's range is expected to contract to upstream stream reaches that are owned and managed by state and federal agencies within the Blue Ridge physiographic province. Summaries of the analysis of all three scenarios are provided in the table below. Table 7--Future Condition of the Bridled Darter by the Year 2070 Under Three Future Scenarios ---------------------------------------------------------------------------------------------------------------- Population Status quo Best case Worst case ---------------------------------------------------------------------------------------------------------------- Conasauga River.................. Low................. Moderate........... Low. Holly Creek...................... Low................. Low................ Likely Extirpated. Talking Rock Creek............... Likely Extirpated... Low................ Likely Extirpated. Long Swamp Creek................. Likely Extirpated... Low................ Likely Extirpated. Amicalola Creek.................. Low................. Moderate........... Low. Etowah River..................... Low................. Moderate........... Low. ---------------------------------------------------------------------------------------------------------------- Findings and Determination Section 4 of the Act (16 U.S.C 1533), and its implementing regulations at 50 CFR part 424, set forth the procedures for adding species to the Federal Lists of Endangered and Threatened Wildlife and Plants. Under section 4(a)(1) of the Act, we may list a species based on: (A) The present or threatened destruction, modification, or curtailment of its habitat or range; (B) overutilization for commercial, recreational, scientific, or educational purposes; (C) disease or predation; (D) the inadequacy of existing regulatory mechanisms; or (E) other natural or manmade factors affecting its continued existence. Listing actions may be warranted based on any of the above threat factors, singly or in combination. The Act defines an endangered species as any species that is ``in danger of extinction throughout all or a significant portion of its range'' and a threatened species as any species ``that is likely to become endangered throughout all or a significant portion of its range within the foreseeable future.'' As required by the Act, we considered the five factors in assessing whether the three species are endangered or threatened throughout all of their ranges. We examined the best scientific and commercial information available regarding the past, present, and future threats faced by the species. We reviewed the petition, information available in our files, and other available published and unpublished information, and we consulted with recognized fish experts and other Federal and State agencies. Bridled Darter Stressors identified for the bridled darter include destruction of habitat due to urbanization, channel modification and loss of riparian vegetation, decreased water quality from ***agricultural*** activities, severity of climate events like storms and droughts, contaminants, and reduced connectivity from dams, road crossings, and culverts. While the species may be exposed to some or all of these stressors, it continues to persist in all of the streams it occupied historically. Our future scenarios were developed using models that predicted out 50 years; however, the short lifespan of the species (2-3 years) and the lack of evidence of threats directly impacting the species creates uncertainty when predicting the species' response to threats into the future. Forecasting beyond eight to ten generations would be speculative, and we do not have robust population data that could predict how the bridled darter may respond to threats beyond a 20-year timeframe. Accordingly, we have concluded that 20 years is the foreseeable future for the bridled darter. While our analysis indicates a low abundance for the species currently, the best available data do not indicate a declining trend in abundance. Rather, it is likely that the low abundance (and, therefore, low resiliency) is due to the species being naturally rare and difficult to detect. The inconsistent survey methodology and lack of standard collection records also creates uncertainty in any analysis of trends or the ability to compare data across years. More importantly, within the occupied areas of the Conasauga and Etowah Rivers, the majority of the records for the species are on USFS land, which is noted for having good water quality and suitable habitat for bridled darters, and we expect this situation to continue into the foreseeable future. In fact, even 30 years beyond our foreseeable future timeframe, under the most likely scenario, we expect that the bridled darter will still persist in four of six populations (Conasauga River, Holly Creek, Amicalola Creek, and Etowah River). Our review of the best available scientific and commercial information indicates that the bridled darter is not in danger of extinction nor likely to become endangered within the foreseeable future throughout all of its range. Because we determined that the bridled darter is not in danger of extinction or likely to become so in the [[Page 46193]] foreseeable future throughout all of its range, we will consider whether there are any significant portions of its range in which the bridled darter is in danger of extinction or likely to become so. See the Final Policy on Interpretation of the Phrase ``Significant Portion of Its Range'' in the Endangered Species Act's Definitions of ``Endangered Species'' and ``Threatened Species'' (79 FR 37577, July 1, 2014). We evaluated whether there is substantial information indicating that there are any portions of the species' range: (1) That may be ``significant,'' and (2) where the species may be in danger of extinction. In practice, a key part of identifying portions appropriate for further analysis is whether the threats are geographically concentrated. The threats affecting the bridled darter are occurring throughout its entire range; therefore, there is not a meaningful geographical concentration of threats. As a result, even if we were to undertake a detailed ``significant portion of its range'' analysis, there would not be any portions of the species' range where the threats are harming the species to a greater degree such that it may be in danger of extinction in that portion. Our review of the best available scientific and commercial information indicates that the bridled darter is not in danger of extinction or likely to become endangered within the foreseeable future throughout all or a significant portion of its range. Therefore, we find that listing the bridled darter as an endangered or threatened species under the Act is not warranted at this time. Holiday Darter Threats previously identified for the holiday darter include destruction of habitat due to urbanization, channel modification and loss of riparian vegetation, decreased water quality from ***agricultural*** activities, severity of climate events like storms and droughts, contaminants, and reduced connectivity from dams, road crossings, and culverts. Our analysis shows that while the species may be exposed to some or all of these stressors, it continues to persist in all of the streams it occupied historically. While our future scenarios were developed using models that predicted out 50 years, the short lifespan of the species (3 years) and the lack of evidence of threats directly impacting the species creates uncertainty when predicting the species' response to threats into the future. Forecasting beyond eight to ten generations would be speculative, and we do not have robust population data to support a foreseeable future that could predict how the holiday darter may respond to threats beyond a 20-year timeframe. Accordingly, we have concluded that 20 years is the foreseeable future for the holiday darter. While our analysis indicates a low abundance for the species, the best available data do not indicate a declining trend in abundance. Rather, it is likely that the low abundance (and, therefore, low resiliency) is due to the species being naturally rare and difficult to detect. The inconsistent survey methodology and lack of standard collection records also creates uncertainty in any analysis of trends or the ability to compare data across years. For example, nearly half of the collection records for holiday darters in the Conasauga River did not provide numeric data for the number of individuals collected, so they represent only presence data. In the occupied areas of the Conasauga and Etowah Rivers, the majority of the records for the species are on USFS land, which is noted for having good water quality and suitable habitat for holiday darters, and we expect this situation to continue into the foreseeable future. We expect that, for the foreseeable future, the holiday darter will continue to have four to six populations, with only the Talking Rock Creek and Long Swamp Creek populations projected to be extirpated. We expect this scenario to continue under the `status quo' scenario to the 50-year timeframe, 30 years beyond the foreseeable future. Even under the `worst case' scenario, three populations are expected to remain extant into the future. Our review of the best available scientific and commercial information indicates that the holiday darter is not in danger of extinction nor likely to become endangered within the foreseeable future, throughout all of its range. Because we determined that the holiday darter is not in danger of extinction or likely to become so in the foreseeable future throughout all of its range, we will consider whether there are any significant portions of its range in which the holiday darter is in danger of extinction or likely to become so. See the Final Policy on Interpretation of the Phrase ``Significant Portion of Its Range'' in the Endangered Species Act's Definitions of ``Endangered Species'' and ``Threatened Species'' (79 FR 37577, July 1, 2014). We evaluated whether there is substantial information indicating that there are any portions of the species' range: (1) That may be ``significant,'' and (2) where the species may be in danger of extinction. In practice, a key part of identifying portions appropriate for further analysis is whether the threats are geographically concentrated. The threats affecting the holiday darter are occurring throughout its entire range; therefore, there is not a meaningful geographical concentration of threats. As a result, even if we were to undertake a detailed ``significant portion of its range'' analysis, there would not be any portions of the species' range where the threats are harming the species to a greater degree such that it may be in danger of extinction in that portion. Our review of the best available scientific and commercial information indicates that the holiday darter is not in danger of extinction or likely to become endangered within the foreseeable future throughout all or a significant portion of its range. Therefore, we find that listing the holiday darter as an endangered or threatened species under the Act is not warranted at this time. Proposal To List the Trispot Darter Our analysis of the trispot darter's current and future conditions, as well as the conservation efforts discussed above, show that the population and habitat factors used to determine the resiliency, representation, and redundancy for trispot darter will continue to decline such that it is likely to become in danger of extinction throughout all or a significant portion of the range within the foreseeable future. We considered whether the trispot darter is presently in danger of extinction and determined that proposing endangered status is not appropriate. The current conditions as assessed in the trispot darter SSA report show extant populations in four river systems (MUs), including 39 river mi (63 river km) of occupied habitat in the Conasauga River and the Little Canoe Creek population with moderate resiliency. As with the other two darter species, the best available data do not indicate a declining trend in abundance, and it is likely that the low abundance (and, therefore, low resiliency) indicated in our analysis is due to the species being naturally rare and difficult to detect. The inconsistent survey methodology and lack of standard collection records also creates uncertainty in any analysis of trends or the ability to compare data across years. The trispot darter continues to exhibit representation across its range, and extant populations remain across the range. While threats are currently acting on the species and many of those threats are expected to continue into the future, we did not find that the species is currently in danger of extinction throughout all of its range. [[Page 46194]] After reviewing our analysis of current and plausible future conditions of the trispot darter, we concluded that the resiliency, redundancy, and representation are being impacted by threats and the species has reduced viability. While our future scenarios were developed using models that predicted out 50 years, the short lifespan of the species (2-3 years) and the lack of evidence of threats directly impacting the species creates uncertainty when predicting the species' response to threats into the future. Forecasting beyond eight to ten generations would be speculative, and we do not have robust population data to support a foreseeable future that could predict how the trispot darter may respond to threats beyond a 20-year timeframe. Accordingly, we have concluded that 20 years is the foreseeable future for the bridled darter. It is true that 30 years beyond our foreseeable future timeframe, the Status Quo scenario predicts the trispot darter will persist in both the Little Canoe and Coosawattee populations. However, considering this species' vulnerability to a loss of connectivity between breeding and non-breeding habitats and the effect that situation has on reproductive success, we expect negative impacts to the resiliency, redundancy, and representation of the species in the foreseeable future. The trispot darter's unique reproductive strategy of utilizing distinct areas of rivers and streams for breeding and non-breeding habitats makes the loss of connectivity especially detrimental to viability. In contrast to the holiday and bridled darters, a lack of protected lands within the current range of trispot darters creates more uncertainty regarding land use, threats, and the ability of these four populations to withstand the expected loss of one or two populations. This expected reduction in both the number and distribution of resilient populations is likely to make the species vulnerable to catastrophic disturbance, and thus put the species at an increased risk of extinction in the foreseeable future. Therefore, on the basis of the best available scientific and commercial information, we find that listing the trispot darter is warranted and propose to list the species as threatened in accordance with sections 3(20) and 4(a)(1) of the Act. Under the Act and our implementing regulations, a species may warrant listing if it is endangered or threatened throughout all or a significant portion of its range. Because we have determined that the trispot darter is threatened throughout all of its range, no portion of its range can be ``significant'' for purposes of the definitions of ``endangered species'' and ``threatened species.'' See the Final Policy on Interpretation of the Phrase ``Significant Portion of Its Range'' in the Endangered Species Act's Definitions of ``Endangered Species'' and ``Threatened Species'' (79 FR 37577, July 1, 2014). While it is the Service's position under this policy that undertaking no further analysis of ``significant portion of its range'' in this circumstance is consistent with the language of the Act, we recognize that the policy is currently under judicial review, so we also took the additional step of considering whether there could be any significant portions of the species' range where the species is in danger of extinction. We evaluated whether there is substantial information indicating that there are any portions of the species' range: (1) That may be ``significant,'' and (2) where the species may be in danger of extinction. In practice, a key part of identifying portions appropriate for further analysis is whether the threats are geographically concentrated. The threats affecting the species are throughout its entire range; therefore, there is not a meaningful geographical concentration of threats. As a result, even if we were to undertake a detailed ``significant portion of its range'' analysis, there would not be any portions of the species' range where the threats are harming the species to a greater degree such that it may be in danger of extinction in that portion. Critical Habitat for Trispot Darter Section 4(a)(3) of the Act, as amended, and implementing regulations in 50 CFR 424.12, require that, to the maximum extent prudent and determinable, we designate critical habitat at the time the species is determined to be an endangered or threatened species. Critical habitat is defined in section 3 of the Act as: (1) The specific areas within the geographical area occupied by the species, at the time it is listed in accordance with the provisions of section 4 of this Act, on which are found those physical or biological features (a) essential to the conservation of the species, and (b) which may require special management considerations or protection; and (2) Specific areas outside the geographical area occupied by the species at the time it is listed in accordance with the provisions of section 4 of this Act, upon a determination by the Secretary of the Interior that such areas are essential for the conservation of the species. Our regulations (50 CFR 424.12(a)(1)) state that the designation of critical habitat is not prudent when any of the following situations exist: (1) The species is threatened by taking or other human activity, and identification of critical habitat can be expected to increase the degree of threat to the species, or (2) such designation of critical habitat would not be beneficial to the species. The regulations also provide that, in determining whether a designation of critical habitat would not be beneficial to the species, the factors that the Service may consider include but are not limited to whether the present or threatened destruction, modification, or curtailment of a species' habitat or range is not a threat to the species, or whether any areas meet the definition of ``critical habitat'' (50 CFR 424.12(a)(1)(ii)). As discussed above, we did not identify any imminent threat of take attributed to collection or vandalism for the trispot darter, and there is no indication that identification and mapping of critical habitat is likely to initiate any such threats. Therefore, in the absence of finding that the designation of critical habitat would increase threats to the species, if there are benefits to the species from a critical habitat designation, a finding that designation is prudent is appropriate. The potential benefits of designation may include: (1) Triggering consultation under section 7 of the Act, in new areas for actions in which there may be a Federal nexus where it would not otherwise occur because, for example, it is unoccupied; (2) focusing conservation activities on the most essential features and areas; (3) providing educational benefits to State or county governments or private entities; and (4) preventing people from causing inadvertent harm to the protected species. Because designation of critical habitat would not likely increase the degree of threat to the species and may provide some measure of benefit, designation of critical habitat is prudent for the trispot darter. Our regulations (50 CFR 424.12(a)(2)) further state that critical habitat is not determinable when one or both of the following situations exists: (1) Information sufficient to perform required analyses of the impacts of the designation is lacking; or (2) the biological needs of the species are not sufficiently well known to permit identification of an area as critical habitat. For the trispot darter, a careful assessment of the economic impacts that may occur due to a critical habitat designation is ongoing, and we are in [[Page 46195]] the process of working with the States and other partners in acquiring the complex information needed to perform that assessment. Until these efforts are complete, information sufficient to perform a required analysis of the impacts of the designation is lacking, and, therefore, we find designation of critical habitat for the trispot darter to be not determinable at this time. Available Conservation Measures Conservation measures provided to species listed as endangered or threatened species under the Act include recognition, recovery actions, requirements for Federal protection, and prohibitions against certain practices. Recognition through listing results in public awareness and conservation by Federal, State, Tribal, and local agencies, private organizations, and individuals. The Act encourages cooperation with the States and other countries, and calls for recovery actions to be carried out for listed species. The protection required by Federal agencies and the prohibitions against certain activities are discussed, in part, below. The primary purpose of the Act is the conservation of endangered and threatened species and the ecosystems upon which they depend. The ultimate goal of such conservation efforts is the recovery of these listed species, so that they no longer need the protective measures of the Act. Subsection 4(f) of the Act calls for the Service to develop and implement recovery ***plans*** for the conservation of endangered and threatened species. The recovery ***planning*** process involves the identification of actions that are necessary to halt or reverse the species' decline by addressing the threats to its survival and recovery. The goal of this process is to restore listed species to a point where they are secure, self-sustaining, and functioning components of their ecosystems. Recovery ***planning*** includes the development of a recovery outline shortly after a species is listed and preparation of a draft and final recovery ***plan***. The recovery outline guides the immediate implementation of urgent recovery actions and describes the process to be used to develop a recovery ***plan***. Revisions of the ***plan*** may be done to address continuing or new threats to the species, as new substantive information becomes available. The recovery ***plan*** also identifies recovery criteria for review of when a species may be ready for reclassification from endangered to threatened (``downlisting'') or removal from the List of Endangered and Threatened Wildlife or Plants (``delisting''), and methods for monitoring recovery progress. Recovery ***plans*** also establish a framework for agencies to coordinate their recovery efforts and provide estimates of the cost of implementing recovery tasks. Recovery teams (composed of species experts, Federal and State agencies, nongovernmental organizations, and stakeholders) are often established to develop recovery ***plans***. When completed, the recovery outlines, draft recovery ***plans***, and the final recovery ***plans*** will be available on our Web site ([*http://www.fws.gov/endangered*](http://www.fws.gov/endangered)), or from our Alabama Ecological Services Field Office (see FOR FURTHER INFORMATION CONTACT). Implementation of recovery actions generally requires the participation of a broad range of partners, including other Federal agencies, States, Tribes, nongovernmental organizations, businesses, and private landowners. Examples of recovery actions include habitat restoration (e.g , restoration of native vegetation), research, captive propagation and reintroduction, and outreach and education. The recovery of many listed species cannot be accomplished solely on Federal lands because their range may occur primarily or solely on non- Federal lands. To achieve recovery of these species requires cooperative conservation efforts on private, State, and Tribal lands. If this species is listed, funding for recovery actions will be available from a variety of sources, including Federal budgets, State ***programs***, and cost share grants for non-Federal landowners, the academic community, and nongovernmental organizations. In addition, pursuant to section 6 of the Act, the States of Alabama, Georgia, and Tennessee would be eligible for Federal funds to implement management actions that promote the protection or recovery of the trispot darter. Information on our grant ***programs*** that are available to aid species recovery can be found at:   [*http://www.fws.gov/grants*](http://www.fws.gov/grants). Although the trispot darter is only proposed for listing under the Act at this time, please let us know if you are interested in participating in recovery efforts for this species. Additionally, we invite you to submit any new information on these species whenever it becomes available and any information you may have for recovery ***planning*** purposes (see FOR FURTHER INFORMATION CONTACT). Section 7(a) of the Act requires Federal agencies to evaluate their actions with respect to any species that is proposed or listed as an endangered or threatened species and with respect to its critical habitat, if any is designated. Regulations implementing this interagency cooperation provision of the Act are codified at 50 CFR part 402. Section 7(a)(4) of the Act requires Federal agencies to confer with the Service on any action that is likely to jeopardize the continued existence of a species proposed for listing or result in destruction or adverse modification of proposed critical habitat. If a species is listed subsequently, section 7(a)(2) of the Act requires Federal agencies to ensure that activities they authorize, fund, or carry out are not likely to jeopardize the continued existence of the species or destroy or adversely modify its critical habitat. If a Federal action may affect a listed species or its critical habitat, the responsible Federal agency must enter into consultation with the Service. Federal agency actions within the species' habitat that may require conference or consultation or both as described in the preceding paragraph may include, but are not limited to, management and any other landscape-altering activities on Federal lands administered by the Service, USFS, and National Park Service; issuance of section 404 Clean Water Act (33 U.S.C 1251 et seq.) permits by the U.S Army Corps of Engineers; and construction and maintenance of roads or highways by the Federal Highway Administration. Under section 4(d) of the Act, the Service has discretion to issue regulations that we find necessary and advisable to provide for the conservation of threatened species. The Act and its implementing regulations set forth a series of general prohibitions and exceptions that apply to threatened wildlife. The prohibitions of section 9(a)(1) of the Act, as applied to threatened wildlife and codified at 50 CFR 17.31, make it illegal for any person subject to the jurisdiction of the United States to take (which includes harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect; or to attempt any of these) threatened wildlife within the United States or on the high seas. In addition, it is unlawful to import; export; deliver, receive, carry, transport, or ship in interstate or foreign commerce in the course of commercial activity; or sell or offer for sale in interstate or foreign commerce any listed species. It is also illegal to possess, sell, deliver, carry, transport, or ship any such wildlife that has been taken illegally. Certain exceptions apply to employees of the Service, the National Marine Fisheries Service, other Federal land management agencies, and State conservation agencies. We may issue permits to carry out otherwise prohibited activities involving threatened wildlife under [[Page 46196]] certain circumstances. Regulations governing permits are codified at 50 CFR 17.32 With regard to threatened wildlife, a permit may be issued for the following purposes: For scientific purposes, to enhance the propagation or survival of the species, for economic hardship, for zoological exhibition, for educational purposes, or for other special purposes consistent with the purposes of the Act. There are also certain statutory exemptions from the prohibitions, which are found in sections 9 and 10 of the Act. Section 4(d) of the Act specifies that, for threatened species, the Secretary shall issue such regulations as he deems necessary and advisable to provide for the conservation of the species. This discretion includes authority to prohibit by regulation with respect to a threatened species any act prohibited by section 9(a)(1) of the Act. At 50 CFR 17.31(a), the Service, by delegation from the Secretary, exercised this discretion to extend the take and other prohibitions set forth in section 9(a)(1) of the Act to all threatened species. The provisions at 50 CFR 17.31(c), however, also provide that the blanket prohibitions included in Sec. 17.31(a) do not apply if the Service promulgates a rule under section 4(d) of the Act tailored to provide for the conservation needs of a specific threatened species. During the public comment period on this proposed rule, we are seeking comments on whether a section 4(d) rule is appropriate for trispot darter. It is our policy, as published in the Federal Register on July 1, 1994 (59 FR 34272), to identify to the maximum extent practicable at the time a species is listed, those activities that would or would not constitute a violation of section 9 of the Act. The intent of this policy is to increase public awareness of the effect of a proposed listing on proposed and ongoing activities within the range of the species proposed for listing. Activities that the Service believes could potentially harm the trispot darter and result in ``take'' include, but are not limited to: (1) Unauthorized handling or collecting of the species; (2) Destruction or alteration of the species' habitat by discharge of fill material, dredging, snagging, impounding, channelization, or modification of stream channels or banks; (3) Destruction of riparian habitat directly adjacent to stream channels that causes significant increases in sedimentation and destruction of natural stream banks or channels; (4) Discharge of pollutants into a stream or into areas hydrologically connected to a stream occupied by the species; (5) Diversion or alteration of surface or ground water flow; and (6) Pesticide/herbicide applications in violation of label restrictions. Questions regarding whether specific activities would constitute a violation of section 9 of the Act should be directed to the Alabama Ecological Services Field Office (see FOR FURTHER INFORMATION CONTACT). Required Determinations Clarity of the Rule We are required by Executive Orders 12866 and 12988 and by the Presidential Memorandum of June 1, 1998, to write all rules in plain language. This means that each rule we publish must: (1) Be logically organized; (2) Use the active voice to address readers directly; (3) Use clear language rather than jargon; (4) Be divided into short sections and sentences; and (5) Use lists and tables wherever possible. If you feel that we have not met these requirements, send us comments by one of the methods listed in ADDRESSES. To better help us revise the rule, your comments should be as specific as possible. For example, you should tell us the numbers of the sections or paragraphs that are unclearly written, which sections or sentences are too long, the sections where you feel lists or tables would be useful, etc. National Environmental Policy Act (42 U.S.C 4321 et seq.) We have determined that environmental assessments and environmental impact statements, as defined under the authority of the National Environmental Policy Act (NEPA), need not be prepared in connection with listing a species as an endangered or threatened species under the Endangered Species Act. We published a notice outlining our reasons for this determination in the Federal Register on October 25, 1983 (48 FR 49244). Government-to-Government Relationship With Tribes In accordance with the President's memorandum of April 29, 1994 (Government-to-Government Relations with Native American Tribal Governments; 59 FR 22951), Executive Order 13175 (Consultation and Coordination with Indian Tribal Governments), and the Department of the Interior's manual at 512 DM 2, we readily acknowledge our responsibility to communicate meaningfully with recognized Federal Tribes on a government-to-government basis. In accordance with Secretarial Order 3206 of June 5, 1997 (American Indian Tribal Rights, Federal-Tribal Trust Responsibilities, and the Endangered Species Act), we readily acknowledge our responsibilities to work directly with tribes in developing ***programs*** for healthy ecosystems, to acknowledge that tribal lands are not subject to the same controls as Federal public lands, to remain sensitive to Indian culture, and to make information available to tribes. There are no tribal lands located within the range of this species. References Cited A complete list of references cited in the SSA report is available on the Internet at   [*http://www.regulations.gov*](http://www.regulations.gov) and upon request from the Alabama Ecological Services Field Office (see FOR FURTHER INFORMATION CONTACT). Authors The primary authors of this proposed rule are the staff members of the Fish and Wildlife Service's Unified Listing Team and the Alabama Ecological Services Field Office. List of Subjects in 50 CFR Part 17 Endangered and threatened species, Exports, Imports, Reporting and recordkeeping requirements, Transportation. Proposed Regulation Promulgation Accordingly, we propose to amend part 17, subchapter B of chapter I, title 50 of the Code of Federal Regulations, as set forth below: PART 17--ENDANGERED AND THREATENED WILDLIFE AND PLANTS 0 1. The authority citation for part 17 continues to read as follows: Authority: 16 U.S.C 1361-1407; 1531-1544; and 4201-4245, unless otherwise noted. 0 2. Amend Sec. 17.11(h) by adding an entry for ``Darter, trispot'' in alphabetical order under FISHES to read as set forth below: Sec. 17.11 Endangered and threatened wildlife. \* \* \* \* \* (h) \* \* \* [[Page 46197]] ---------------------------------------------------------------------------------------------------------------- Listing citations and Common name Scientific name Where listed Status applicable rules ---------------------------------------------------------------------------------------------------------------- \* \* \* \* \* \* \* Fishes \* \* \* \* \* \* \* Darter, trispot................. Etheostoma Wherever found.... T [Federal Register trisella. citation when published as a final rule.] \* \* \* \* \* \* \* ---------------------------------------------------------------------------------------------------------------- Dated: September 7, 2017. James W. Kurth, Acting Director, U.S Fish and Wildlife Service. [FR Doc. 2017-21350 Filed 10-3-17; 8:45 am] BILLING CODE 4333-15-P

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[***Register of Commission documents: Parliament resolution of 13 December 2017 on the Annual Report on the implementation of the Common Foreign and Security Policy (2017/2121(INI)) Document date: 2017-12-13 P8\_TA-PROV(2017)0493 Texts adopted (provisional edition***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R8Y-T851-JDG9-Y559-00000-00&context=1516831)

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Brussels: Public Register European Parliament has issued the following document:

European Parliament 2014-2019 TEXTS ADOPTED Provisional edition P8\_TA-PROV(2017)0493 Annual report on the implementation of the Common Foreign and Security Policy European Parliament resolution of 13 December 2017 on the Annual Report on the implementation of the Common Foreign and Security Policy (2017/2121(INI)) The European Parliament, – having regard to the Annual Report from the Council to the European Parliament on the common foreign and security policy, – having regard to Articles 21 and 36 of the Treaty on European Union, – having regard to the Charter of the United Nations, – having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, – having regard to the declaration by the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy (VP/HR) on political accountability, – having regard to the 2016 European External Action Service (EEAS) communication on a Global Strategy for the European Union’s Foreign And Security Policy and the 2017 Commission and EEAS joint communication on a ***Strategic*** Approach to Resilience in the EU’s External Action, – having regard to the key principles enshrined in the Global Strategy for the European Union’s Foreign and Security Policy, particularly those pertaining to the sovereignty and territorial integrity of states, and the inviolability of borders, being equally respected by all participating states, – having regard to the joint communication from the Commission and VP/HR of 12 December 2011 entitled ‘Human rights and democracy at the heart of EU external action – towards a more effective approach’ (COM(2011)0886), – having regard to Rule 52 of its Rules of Procedure, – having regard to the report of the Committee on Foreign Affairs and the opinion of the Committee on Budgets (A8-0350/2017), Introduction 1. Is convinced that no single Member State alone is able to tackle the challenges we face today; emphasises that common EU action is the most effective way to preserve Europe’s interests, uphold its values, engage in a wider world as a united and influential global actor and protect its citizens and Member States from increased threats to their security, including in a global digital sphere; is concerned about the EU’s security architecture, which remains fragile and fragmented in the face of continued and fresh challenges every day and in which a ‘hybrid peace’ has become an unsatisfactory reality; urges the Member States to take action and fulfil the wishes of those European citizens who have repeatedly stressed that EU foreign and security policy based on fundamental values and human rights is one of the most important and most necessary of all EU policies; considers that it is high time that Member States implement Common Foreign and Security Policy (CFSP) tools, instruments and policies to enable the EU to respond to external conflicts and crises, build partners’ capacities and protect the European Union; 2. Recalls the EU’s commitment to develop a Common Foreign and Security Policy guided by the values of democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, and compliance with the UN Charter and international law; considers that, in order to live up to this commitment and to contribute to advancing human rights and democracy in the world, the EU and its Member States need to speak with a united voice and ensure that their message is heard; 3. Takes the view that, in order for the EU to succeed in addressing and overcoming the challenges it faces, and in particular security threats, it needs to be an effective, credible and values-based global player, with a capacity for action and effective dialogue with other global players, which implies the EU speaking with one voice, acting together and focusing its resources on ***strategic*** priorities; 4. Stresses the need for the EU’s external policies to be consistent with each other and with other policies with an external dimension, and to pursue the objectives set out in Article 21 of the Treaty on European Union; 5. Believes that the core milestones for the European Union to deliver on the expectations of its citizens are: – coordination of an assessment of profound threats and challenges within the EU and a common approach in how to address them; taking into account in particular the prevention of radicalisation, which can lead to recruitment by terrorist groups, – consolidation and deepening of the European project and its external action by, inter alia, enhancing the EU’s cooperation and capabilities in the field of its common foreign and security policy, including information warfare, – cooperation between Member States, partners, and international organisations and institutions protecting peace within clearly defined and carefully chosen conditions to strengthen the rules-based, global political and economic order, including the protection of human rights, and working together with partners to play a leading role in reconciliation, peacemaking, peacekeeping and, where needed, peace enforcement; Coordination of an assessment of profound threats and challenges: facing the current political and security environment 6. Emphasises that guaranteeing the security of EU citizens and the integrity of the EU’s territory, stabilising the neighbourhood, especially in the Western Balkans with a focus on more visibility of the EU in this region, promoting reforms to preserve a rules-based, cooperative political and economic international order, tackling the root causes of armed conflicts and enhancing policies of conflict prevention, peaceful conflict resolution and dialogue with pluralist democracies committed to the defence of human rights, are the key conditions for the stability of the EU; calls on more active EU public diplomacy and greater visibility for projects implemented by the EU; 7. Is of the view that, in an increasingly conflict-ridden and unstable international environment, only a combination of effective multilateralism, joint soft power and credible hard power can be capable of confronting major security challenges, notably the proliferation of weapons of mass destruction, the violation of the security order in Europe, terrorism, conflicts in the Eastern and Southern neighbourhood, proxy wars, hybrid and information warfare, including digital aggression, and energy insecurity; highlights that these challenges also include the refugee crises in its humanitarian dimension, challenging aggressive behaviour by North Korea, the violation of international law by Russia and China’s growing military power, for which only a strong diplomatic response will suffice; 8. Is of the opinion that a more effective common foreign and security policy depends primarily on the establishment of common ***strategic*** priorities and visions; takes the view that it is necessary to tackle the root causes of instability, spread largely because of failed or fragile states, and of forced and irregular migration: poverty, the lack of economic opportunities and access to education, social exclusion, armed conflicts, undemocratic and inefficient governance, corruption, climate change, increasing sectarianism, the threat of radicalisation and the spread of extremist ideologies; recalls the action ***plan*** adopted at the Valletta Summit calling for a shared responsibility of countries of origin, transit and destination; emphasises the importance of breaking the economic model of smuggler networks; 9. Underlines the need to counter autocratic and nepotistic trends, to intensify support for democratic forces and to fight against Islamist terrorism in the Southern neighbourhood and among the neighbours of our neighbours and partners, and to target those groups which seek to encourage EU citizens to fight for their extremist cause; recalls that the Sahel region and other connected geographical areas are priority regions for ensuring the security of the European Union; reiterates the need for concerted diplomatic efforts on the part of the EU, the US and other international partners, to work with players in the region, such as Turkey, the Gulf states and Iran, on the need for a clear position against religious extremism and terrorism, and to establish a common strategy to address this global challenge in line with the commitment undertaken at UN level to uphold international law and universal values; believes that diplomatic efforts should be accompanied by the wide range of other tools and instruments at the EU’s disposal, including those for the improvement of political, social and economic conditions conducive to the establishment and preservation of peace; 10. Believes that tackling violent extremism should go hand in hand with upholding universal human rights; stresses that the EU must counter and condemn state sponsors of radicalisation and terrorism, particularly where such support is given to entities listed by the EU as terror organisations; underlines the importance of strengthening cooperation with our partners experienced in combating terrorism; 11. Stresses that a sustainable solution to the Syrian crisis can only be achieved under the existing UN-agreed framework and needs to be based on an inclusive, Syrian-led political settlement involving all relevant stakeholders; continues to urge all members of the UN Security Council to honour their responsibilities with regard to the crisis; supports the call of the UN Secretary-General’s Special Envoy for Syria on the ceasefire guarantor states to undertake urgent efforts to uphold the ceasefire regime; 12. Welcomes the EU strategy on Syria adopted in April 2017, which includes extending sanctions to persons involved in the development and use of chemical weapons; encourages the further extension of sanctions to those responsible for human rights violations; stresses that all those responsible for breaches of international law must be held accountable; reiterates its call for the EU and its Member States to explore with partners the creation of a Syria war crimes tribunal, pending a successful referral to the ICC; stresses the need for the EU to demonstrate full commitment in assisting the reconstruction of Syria after the conflict; 13. Calls on all parties involved, within and outside Libya, to support both the Libyan political agreement signed on 17 December 2015 and its resulting Presidential Council, which is the only authority recognised by the international community and the UN; underlines that solving the Libyan crisis is a prerequisite for stability in the Mediterranean; emphasises the importance of the Southern neighbourhood and the need to achieve a euro-Mediterranean space of peace, prosperity, stability and integration; underlines its strong support for the two-state solution to the Israeli-Palestinian conflict with an independent, democratic, viable and contiguous Palestinian state living side-by-side in peace and security with the secure State of Israel; stresses the importance of ensuring coherence of EU policy on situations of occupation or annexation of territory; 14. Welcomes the continued successful implementation by all parties of the Joint Comprehensive ***Plan*** of Action (JCPOA), agreed by the EU3 +3 with Iran; stresses that the continued full implementation of this agreement by all parties is key to global efforts on non-proliferation and conflict resolution in the Middle East; highlights that the JCPOA is a multilateral agreement that was endorsed by a UN Security Council resolution and cannot be changed unilaterally; stresses the security risk posed by Iran’s ballistic missile ***programme*** and underlines the need for full implementation of UN Security Council Resolution 2231 (2015), which calls on Iran not to undertake any activity related to ballistic missiles designed to be capable of delivering nuclear weapons, including launches using such ballistic missile technology; 15. Notes that the US Treasury Department has officially updated its Specially Designated Nationals (SDN) counter-terrorism list to include the Iranian Revolutionary Guards Corps (IRGC); 16. Expresses its deep concern about the ongoing humanitarian disaster in Yemen; emphasises once again that there can be no military solution to the prolonged conflict in Yemen and supports efforts undertaken by the EU and UN towards achieving the ceasefire and laying the ground for peace negotiations; takes the view that the EU must act to ensure the continued existence of ethnic-religious minorities in the Middle East, particularly in Iraq and Syria; 17. Condemns the repeated use by Russia of its veto powers on the UN Security Council and considers it to undermine international efforts for peace and conflict resolution in Syria and the European Union’s southern neighbourhood more widely; 18. Acknowledges that further efforts should be made to make legal migration and mobility possible, including at bilateral level, by fostering well-managed mobility between and within continents, and by encouraging policies that promote regular channels for migration while fighting illegal networks that profit from vulnerable people; underlines the efforts taken by individual Member States in this regard and considers it essential to strengthen the legal and secure access path to Europe; regrets, in this regard, the lack of a genuine, balanced and credible European migration and asylum policy, as demonstrated by the ongoing crisis in the Mediterranean, and calls on the Council and the Member States to act accordingly; 19. Strongly believes that a new approach to the EU’s relations with its Eastern neighbours is needed; believes that supporting those countries that wish to have closer ties with the EU must be a top priority for EU foreign policy; believes that the prolongation of sanctions against individuals and entities in Russia is an inevitable outcome of the failure to implement the Minsk agreements and continues to see such implementation by all sides as the basis for a sustainable political solution to the conflict in Eastern Ukraine; 20. Emphasises that the possibility of more cooperative relations with Russia is contingent on Russia fully abiding by the European security order and international law; insists that the EU should keep open the option of further gradual sanctions if Russia continues to violate international law; reiterates its commitment to the independence, sovereignty and territorial integrity of Ukraine and all the other Eastern Partnership countries within their internationally recognised borders; stresses that Russia’s decision of 21 March 2014 to incorporate Crimea into the Russian Federation remains illegal under international law and deplores the subsequent decision by the Russian authorities to forcefully impose Russian passports on all inhabitants of Crimea; calls on the VP/HR and the Council to play a more active and effective role in solving protracted and frozen conflicts; 21. Deplores Russia’s multiple violations of international law and its hybrid warfare; recognises, however, the possibility of reasoned and coherent selective engagement and dialogue with Russia in areas of common interest, in order to ensure accountability and respect for international law; stresses the need to maintain and encourage the possibility of future cooperation on resolving global crises where there is a direct or indirect EU interest or an opportunity to promote EU values; 22. Believes that normalised relations are a necessity for both the EU and Russia, and that any future EU-Russia strategy should emphasise reinforced commitment and support for the EU’s Eastern Partners; stresses that the EU should keep the door open for deepening the bilateral political and economic relationship with Russia, subject to Russia complying with international law and subscribed agreements, and halting its increasingly assertive attitude towards its neighbours and Europe; 23. Reiterates that sovereignty, independence and the peaceful settlement of disputes are key principles of the European security order which apply to all states; condemns unreservedly, therefore, Russian aggression in Ukraine, including the illegal annexation of Crimea and the Russian-sponsored conflict in Eastern Ukraine; calls on the EU, its Member States and the international community to demand that Russia must halt its aggression and release all political prisoners; calls for the international community to play a more active and effective role in the resolution of the conflict and to support all efforts for a lasting peaceful solution which respects the unity, sovereignty and territorial integrity of Ukraine, in particular by the deployment – with the consent of the Ukrainian authorities – of a peace-building and peace-keeping mission to the whole territory; 24. Reiterates the need for a ***strategic*** refocus on the Western Balkans, recognising that the EU should follow through with its ambitions in the region, as doing so would give a fresh impetus to a credible EU enlargement policy based on the Copenhagen criteria, and strengthen the rule of law and the resilience of state institutions; believes that the stability of the Western Balkans must continue to be a major priority; calls for more efforts in improving the socio-economic and political conditions of the region; is convinced that European integration and regional reconciliation are the best means to address the dangers stemming from destabilising foreign interference and influences, the funding of large Salafist and Wahhabi networks and the recruitment of foreign fighters, organised crime, major state disputes, disinformation and hybrid threats; stresses the need to remain dedicated to fostering highly effective political societies in the region; emphasises the importance for Western Balkans countries to align themselves with the foreign and security policy of the EU, notwithstanding their progress in the EU integration process; encourages the immediate opening of the relevant chapter for all the Western Balkans candidate countries; 25. Reiterates that once all those criteria have been met, the doors of the EU are open for membership; welcomes recent efforts undertaken as part of the Berlin Process and Trieste Summit to give additional impetus to the convergence of Western Balkan countries towards EU membership; reiterates that special attention and support should be given to the implementation of crucial institutional and political reforms in the Western Balkans and calls on the Commission to rethink the possibility for additional allocation of financial resources for the Instrument for Pre-Accession Assistance (IPA), as one of the most important tools for aiding the implementation of those reforms; 26. Recalls that the review of the European Neighbourhood Policy (ENP) calls for the involvement of neighbouring third countries; calls for stronger support for the neighbours of our neighbours, on the basis of shared values and interests, in order to tackle global issues and address common challenges; highlights the need to promote the empowerment and protection of women, vulnerable social groups and minorities, in particular in Africa, where close cooperation between European and local SMEs, in partnership with civil society, and where support for building democratic, transparent and effective institutions and the promotion of a rule-based global order, are needed; 27. Considers international cooperation and development policies to be fundamental instruments for achieving such objectives and urges a more transparent, improved, efficient and effective allocation and use of EU funding, and greater synergies with other international organisations; emphasises the need to address the major security threats in Africa with a view to eradicating the terrorist threat posed by any terrorist group, to guarantee the prevention of the recruitment of individuals, to combat radical ideologies and to address energy security by means of environmentally friendly and sustainable energy sources while at the same time promoting off-grid solutions; 28. Strongly condemns any attempt by incumbent presidents to overstay in power by violating, evading or unlawfully amending electoral laws, and constitutions in particular; condemns, by the same token, any strategy to abolish or circumvent term limits; urges all governments to take measures to ensure the transparency and integrity of the entire electoral process, and to take all necessary measures and precautions to prevent the perpetration of fraud or any illegal practices; expresses its concern, in this regard, about the political crises, and related violence and violations of human rights and fundamental freedoms, in particular in countries in the Great Lakes Region; reiterates its belief in strong electoral observation missions, and, where necessary, financial, technical and logistical support as a means of achieving fair, credible and democratic electoral processes; 29. Encourages the development of a coherent, robust strategy for the Sahel region aimed at improving governance and the accountability and legitimacy of state and regional institutions, at boosting security, at tackling radicalisation and the trafficking of people, arms and drugs, and at strengthening economic and development policies; 30. Reiterates the need for an updated strategy for EU-Asia relations; voices support in this context for stronger cooperation within the framework of the Asia-Europe Meetings, including in terms of its parliamentary dimension; encourages support for closer regional cooperation and trust-building measures in South Asia with a view to reducing tensions between India and Pakistan; recommends continued support for EU peace mediation in the Afghan-led and Afghan-owned peace process; stresses that preserving peace, stability and prosperity in the Asia-Pacific region is of substantial interest to the EU and its Member States; considers it vital and of great urgency to develop an updated EU strategy for the North-East Asia region in the light of the continued military build-up and the aggressive and irresponsible attitude shown by the Democratic People’s Republic of Korea (DPRK); condemns the tests and provocations by the DPRK, and its multiple violations of UN Security Council resolutions and international obligations; urges the EU’s diplomatic power to be used to apply pressure on the DPRK to persuade its leaders to abandon weapons of mass destruction; calls for the mobilisation of all diplomatic tools, including sanctions, in order to prevent an escalation of this crisis; calls for the irreversible denuclearisation of the Korean Peninsula by peaceful means and for the full implementation of all relevant UN Security Council resolutions; 31. Stresses that preserving peace, stability and prosperity in the Asia-Pacific region is of substantial interest to the EU and its Member States; calls on all the parties concerned to resolve differences through peaceful means and to refrain from taking unilateral action to change the status quo, including in the East and South China Seas and the Taiwan Strait, in order to safeguard regional security; reiterates its commitment to supporting Taiwan’s meaningful participation in international organisations and activities; 32. Recalls that Latin America shares with the EU common values, principles and trust in effective multilateralism and believes that the EU-Latin American partnership is important and should be strengthened in order to jointly address major global challenges; expresses its grave concern about the attacks carried out against members of the judiciary and the democratically elected opposition and civil society leaders in Venezuela; emphasises that respect for the rule of law, the fight against corruption, progress towards democracy, and fundamental freedoms and human rights are cornerstones for deeper integration and cooperation with Latin America and the Caribbean (LAC); 33. Reiterates its support for the peace process in Colombia, which is critical for the future of Colombians and for stabilisation in the region; demands that all FARC assets, including the treasure obtained from drug smuggling, be used to indemnify victims of the conflict; Consolidation and deepening of the European project through enhanced EU capabilities 34. Urges the Commission, the EEAS and the Member States to adopt an EU comprehensive approach at every relevant opportunity, and believes that coherent, coordinated action across EU polices, while taking into consideration and implementing the UN Sustainable Development Goals, in particular in the areas of humanitarian aid, ***agriculture***, development, trade, energy, climate, science and cyber defence and security, should be applied in the EU’s external action in a consistent and structured manner in order to harness the EU’s collective force; believes that energy security, the respect for human rights and climate diplomacy remain important complementary aspects of the EU’s common foreign and security policy to be addressed as part of the comprehensive approach, and that the Energy Union should be further advanced; 35. Recognises that climate change could have a serious effect on regional and global stability, as global warming disputes over territory, food, water and other resources weaken economies, threaten regional security, and act as a source of migratory flows; further encourages the EU and its Member States to consider how national and EU military ***planning*** can include climate change adaption strategies and what would be considered an appropriate capability, priority and response; 36. Stresses that the future of European defence cooperation is significantly affected by the decision of the United Kingdom to withdraw from the EU, and calls for the continued engagement of the EU and UK as major international partners in order to maintain European security; stresses that the presidential elections in the United States introduced uncertainty into the transatlantic partnership and highlights the need for a counterweight for EU defence and the establishment of ***strategic*** autonomy; 37. Takes the view, that in order to make the Common Foreign and Security policy more assertive, effective and values-based, the EU should enhance its energy security, by immediately reducing its dependence, at present, on oil and gas supplied by authoritarian regimes, and by stopping it altogether in the medium term; 38. Stresses that the current decision-making process for the CFSP, based on unanimity in the Council of the EU, is the main obstacle to effective and timely external EU action; is of the opinion that qualified majority voting should also be applied for the CFSP; takes the view that the EU institutions must improve their ability to anticipate conflicts and crises, including by means of short- and long-term impact assessments of its policies, in order to address the root causes of the problems; believes that the EU needs to be able to react more swiftly and effectively to developing crises and should place greater emphasis on preventing conflicts by primarily using civilian tools at an early stage; calls on the Member States to put into practice Parliament’s recommendations to embrace the principle of Responsibility to Protect; stresses the need to deepen cooperation between the Member States, partner countries and international organisations, and underlines the importance of an effective exchange of information and coordination of preventive actions; 39. Calls on the VP/HR, the Commission and the Member States to step up their efforts to increase the EU’s ability to confront hybrid and cyber threats, to further strengthen the capacity of the EU and its partner countries to fight fake news and disinformation, to draw up clear criteria to facilitate the detection of fake news, to allocate more resources and turn the Stratcom task force into a fully-fledged unit within the EEAS; calls, in this regard, for the development of joint, comprehensive risk and vulnerability analysis capacities and methods, and for the EU’s resilience and ***strategic*** communication capabilities to be bolstered; stresses the role of independent media – both on- and offline – in promoting cultural diversity and intercultural competences, and the need to strengthen such media as a source of credible information, especially in the EU and its neighbourhood, and underlines that common EU TV and radio stations should be further enhanced; calls on the Commission to coordinate better with the EEAS and Member States on those issues; 40. Is of the view that Europe’s power resides in its ability to strengthen a community of values and respect for the diversity of culture that binds together all Europeans; believes, in this context, that the EU plays a major role as a promoter of democracy, freedom, the rule of law, human rights and equal opportunities, and should continue to promote its values outside the EU; recalls that human rights are an integral part of the CFSP and should form a central conditionality of external policies, and furthermore that these policies must be consistent and principled; highlights that cultural diplomacy should become a substantial part of the EU’s external action and urges the Commission to expand the Erasmus+ ***programme*** and foster the development of ambitious science diplomacy; calls for closer coordination with the UNESCO and World Heritage Committee and with non-state actors and civil society organisations as key partners of the EU; 41. Points out that it was noted in UN Security Council Resolution 1820 (2008) of 19 June 2008 that rape and other forms of sexual violence can constitute a war crime, a crime against humanity, or a constitutive act with respect to genocide, and that women must be afforded humanitarian protection in situations of armed conflict; 42. Considers that the development of a strong defence industry is strengthening the technological independence of the EU; calls for the industrial and technological resources needed to improve cybersecurity to be developed, including through the promotion of a single market for cybersecurity products; calls for significantly increased financial and human resources to be made available within the EU institutions in order to increase the EU’s cyber security and cyber defence capacity; emphasises the need to mainstream cyber defence into external action and common foreign and security policy, as well as the need for an improved ability to identify cybercrime; 43. Notes that information and cyber warfare, targeting EU Member States and other Western countries, is a deliberate attempt to destabilise and discredit political, economic and social structures; recalls that the security of EU Member States which are NATO members is guaranteed under Article 5 of the Alliance; calls for closer coordination on cyber defence between EU Member States, EU institutions, NATO, the United States and other credible partners; 44. Stresses the role of independent media in promoting cultural diversity and intercultural competences, and the need to strengthen such media as a source of credible information, especially in the EU and its neighbourhood, and to further strengthen the EU’s capacity to fight fake news and disinformation; highlights in this context the need to develop stronger resilience at EU level against such information spread over the Internet; calls on the Commission to coordinate better with the EEAS on those issues; 45. Believes that Europe should further strengthen cooperation on common defence, in order to defend its common values and principles and ***strategic*** autonomy; stresses the importance of the link between external and internal security, better use of resources and risk control in the periphery of Europe; recalls that the link between development and security is a key principle underpinning the Union’s approach to external crises and conflicts; calls on the Member States to unleash the Lisbon Treaty’s full potential with regard to the Common Security and Defence Policy (CSDP) and welcomes in this context the Implementation ***Plan*** on Security and Defence; encourages a r

eview of the EU’s approach to civilian CSDP missions in order to ensure they are properly devised, implemented and supported; considers that European Defence Agency (EDA) capabilities and permanent structured cooperation (PESCO) and the EU Battlegroups should be used to their full potential; urges the Member States to provide additional funding to that end; 46. Believes that the European Union and its Member States must develop effective foreign and security policy, and must work together with NATO and other international partners, the UN, NGOs, human rights defenders, and others on issues of shared concern and in order to promote peace, prosperity and stability around the world; highlights the importance of raising awareness and political commitment for an urgent implementation of an ambitious, effective and structured CSDP; urges the Council, the Commission and the Member States to address the EU’s communication problems by making EU external action more accountable and visible; calls on the Member States and the EU institutions to deliver on defence following the EU Global Strategy and the Commission’s ***plans*** to improve EU defence research and capability development; 47. Calls on the Commission to fully reflect the growing security challenges in its proposal for the next multiannual financial framework (MFF); considers that both the size and the flexibility of the CFSP budget must match EU citizens’ expectations about the EU’s role as a security provider; insists on the need for a global vision for EU policy and instruments in the field of security, including fruitful coordination with the proposed European Defence Fund; calls on the Member States to aim for the target of spending 2 % of GDP on defence, and to spend 20 % of their defence budgets on equipment identified as necessary by the EDA; points out, in addition, that any new policy must be backed by funding from new sources; notes that various Member States have difficulty in maintaining a very broad range of fully operational defensive capabilities, mostly because of financial constraints; calls for more cooperation and coordination, therefore, about which capabilities should be maintained, so that Member States can specialise in certain capabilities and spend their resources more efficiently; believes that interoperability is key if Member States’ forces are to be more compatible and integrated; recalls that CFSP appropriations represented 3,6 % of the Heading 4 commitments in 2016 and 0,2 % of the whole EU budget; regrets that the size and under-implementation of and systematic transfers from the CFSP chapter reveal a persistent lack of ambition for the EU to act as a global player; 48. Notes that deadlocks within the UN Security Council are impeding action by the international community and preventing crisis resolution; calls once again on the Member States to support reforms in the composition and functioning of the Security Council; Cooperation within coalitions and with institutions delivering security 49. Underlines that it is in the EU’s ***strategic*** interest to preserve and deepen its transatlantic relations based on respect for common values, international law and multilateralism; calls for the EU to continue to develop its ***strategic*** autonomy and create its own capabilities to better address regional and international conflicts that have an impact on the EU; believes that the EU and US should focus on adapting transatlantic structures to today’s challenges, such as defending human rights, tackling climate change, combating international terrorism and corruption, the prevention of radicalisation, the proliferation of weapons of mass destruction, and countering third-party countries’ efforts to destabilise the EU and NATO; further stresses the importance of continued and reinforced cooperation between the EU and US bilaterally and through NATO on common issues; recalls that the EU and the US are each other’s most important partners and that unilateral moves serve only to weaken the transatlantic partnership; believes that Europe must further enhance a virtuous alliance between the private and public sectors and should reinforce the ***strategic*** relationship with the US; calls on the Council and the EEAS to consistently raise the issue of US extraterritorial sanctions in their dialogue with the US Government; 50. Strongly supports the 2016 Warsaw Summit Declaration, particularly on EU-NATO cooperation, and welcomes decisions on closer cooperation between NATO and the EU in numerous areas as well as the placement of US, Canadian and other multinational forces at the Eastern flank of the EU; 51. Calls for increased intelligence sharing between Member States, increased interinstitutional intelligence sharing, and coordination between the EU, Member States and NATO, and insists that they must continue to cooperate as closely as possible in a complementary manner while fully respecting European core values and norms; acknowledges that information sharing and coordinated action between the EU, its Member States and NATO will ***produce*** results in areas such as terrorism response to hybrid threats, situational awareness, resilience building, ***strategic*** communications, cyber security and capacity-building vis-à-vis the EU’s partners; believes that further coordination and closer cooperation with other existing multilateral entities such as Eurocorps is needed in order to increase the EU’s security; reiterates that a revitalisation of the ***strategic*** partnerships should be a priority for the EU; 52. Underlines the role of Parliament in shaping a genuinely common foreign policy in line with the expectations of European citizens; calls on the Council to act in concert with Parliament during the main phases of foreign policy decision-making; 53. Acknowledges the work of the VP/HR and calls for her to continue to ensure that future annual reports will be more concise and forward-looking, focusing on the most important priorities for the year ahead and an evaluation of the measures launched in the previous year, including their financial implications, in order to provide a comprehensive overview on the EU’s performance; ° ° ° 54. Instructs its President to forward this resolution to the Council, the Commission, the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy, and the Member States.

**Load-Date:** December 29, 2017

**End of Document**



[***Belt and Road: New Silk Road offers a path to success for CIS states***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PR5-RJY1-F0GS-H1KF-00000-00&context=1516831)

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**Section:** EUROMONEY

**Length:** 2703 words

**Byline:** Lucy Fitzgeorge-Parker

**Highlight:** The former Soviet states of central Asia and the Caucasus are ideally placed to benefit from the Belt and Road Initiative, but realizing their full potential will require reform as well as infrastructure development.

**Body**

When Chinese president Xi Jinping first laid out his vision for the Belt and Road Initiative in 2013, he did so in the new capital of Kazakhstan, Astana. Symbolically and geographically, it was an appropriate venue. As a quick look at a map will show, central Asia is clearly a vital link in any trade route between China and Europe, today, as at the time of the original Silk Road.

Astana was also a place where Xi could be sure of a warm welcome for the new concept. BRI dovetailed neatly with proposals previously put forward by Kazakhstan's long-standing president, Nursultan Nazarbayev, to transform the country into a regional transport hub.

Already under discussion at the time of Xi's speech, this ***plan*** gained momentum in late 2014 following the collapse of the oil price. In a bid to save the heavily oil-dependent Kazakh economy from recession, Nazarbayev promptly announced a $9 billion infrastructure development initiative.

Dubbed Nurly Zhol, or "~Bright Path', the ***programme*** covered everything from power plants and water systems to schools and social housing. Above all, however, it called for massive spending on transport and logistics infrastructure to facilitate the transit of goods both within and beyond Kazakhstan.

Key projects included the construction of a new railway line from Dostyk on the Chinese border to Aktau on the Caspian Sea, the building of a new Caspian port at Kuryk and the completion of the Kazakh section of the western Europe-west China highway.

The landmark initiative from a Belt and Road perspective, however, is the creation of the Khorgos-Eastern Gates Free Economic Zone (FEZ). Located on the Chinese border, the site of this ambitious project was deserted until five years ago. Today, it is a big transport link between China and Kazakhstan.

In a newly constructed dry port, westbound cargo is transferred from Chinese trains to the wider gauge models used in the former Soviet Union. Transcontinental trains began transiting Khorgos in July 2015 and last year the dry port handled 80,000 TEU (twenty-foot equivalent) containers. Local officials say that number will double this year and rise to 550,000 by 2020.

The traffic is not all one-way. A rail link to the Chinese port of Lianyungang, where Kazakh national transport operator KTZ has built a logistics centre, has opened up a new route for the export of ***agricultural*** ***produce***. An inaugural shipment of grain left Khorgos in February bound for southeast Asia.

The development also comprises a logistics hub and an industrial zone, each covering 225 hectares of land. In an indicator of the scale of their ambitions for the project, KTZ has tapped Dubai-based global port operator DP World to co-manage Khorgos.

"The importance of Khorgos for Kazakhstan is difficult to overestimate," says Yerkhat Iskaliyev, director of transport and logistics at sovereign wealth fund Samruk-Kazyna, which owns KTZ.

China is also clearly convinced. At the Belt and Road summit in Beijing in May, state-owned shipping firm Cosco announced ***plans*** to take a 49% stake in the Khorgos dry port in partnership with Lianyungang Port.

"This will ensure the integration of Kazakhstan transit corridors into international logistics networks," says Iskaliyev.

The deal was also hailed as heralding a shift in Chinese attitudes to Kazakhstan. Until recently, Beijing's interest in its western neighbour was almost exclusively focused on gaining access to the latter's vast mineral and petrochemical resources.

A succession of initiatives announced this year, however, suggests a desire for deeper engagement. On a visit to Astana in June for a meeting of the Shanghai Cooperation Organization (SCO), a regional policy group founded by Russia and China in 2001, Xi signed bilateral deals worth more than $8 billion and committed Beijing to cooperate with Kazakhstan in a wide range of sectors, including ***agriculture*** and infrastructure.

The same month also saw an announcement by Chinese state-owned lender Citic Bank of ***plans*** to acquire a controlling stake in Kazakhstan's Altyn Bank, as well as the acquisition by Shanghai Stock Exchange of a 25.1% stake in its Kazakh counterpart. Iskaliyev also reports interest from Chinese companies in investing in the Khorgos FEZ.

On the other side of the Caspian, Georgia has seen similar developments. Again, the New Silk Road project has proved timely for policymakers in Tbilisi, who were already working to position their country as a regional transport, logistics and services hub.

"Even more so than for Kazakhstan, Belt and Road fits perfectly with Georgia's economic model," says Oleg Kouzmin, chief economist for Russia and CIS at Renaissance Capital.

Work is already under way on a clutch of transport infrastructure projects, including the creation of Georgia's first deep-water port. Located at Anaklia, a former Soviet submarine base, the new port is being developed by a US-Georgian private-sector joint venture with the support of the local government.

It will cost $2.5 billion in total and will eventually have an annual cargo capacity of 100 million tonnes, as well as a 600-hectare special economic zone. The first phase, which has a price tag of $586 million, is due to be finished by early 2018.

Ketevan Bochorishvili, chief executive of Anaklia City, says the development's ***strategic*** location at the heart of the New Silk Road will provide long-term growth opportunities. As she notes, Georgia's ports already serve as the main marine gateway for the country's landlocked Caucasian neighbours Armenia and Azerbaijan, as well as offering a convenient route to the Mediterranean for the states of central Asia.

"Anaklia will have a direct impact on the enhanced capabilities of Georgia's transit corridor to maintain its competitive edge as a bridge between Asia and Europe," adds Bochorishvili.

Georgia also stands to benefit from a new 850-kilometre rail line linking the Caspian port of Baku in Azerbaijan with Kars in eastern Turkey via Tbilisi. The project, which has been in the works for the best part of a decade, is scheduled for completion next year. Turkish officials claim the route, which will have an annual capacity of 500,000 TEUs, will cut cargo transit times from China to Europe to 15 days.

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| Khorgos Gateway. 'The importance of Khorgos to Kazakhstan is difficult to overestimate, according to the country's sovereign wealth fund |

Despite the apparent relevance of the region to the Belt and Road Initiative, however, direct Chinese investment in the Caucasus has so far been limited. Analysts suggest this may reflect a preference in Beijing for overland transit corridors to the north "" via Kazakhstan, Russia and eastern Europe "" and a southern route through the Balkans from ports in Greece and Turkey, the so-called Maritime Silk Road.Chinese state-owned enterprises have been particularly noticeable by their absence in the Caucasus "" however, there are signs of increasing interest on the part of private-sector firms. Hualing Group, a conglomerate from China's far west, has been a big investor in Georgia for a decade, primarily in real estate and construction.It was joined this year by CEFC China Energy, a Shanghai-based group that has been active in central Europe for several years. In January, the firm bought 75% of a new industrial zone in the Georgian port of Poti. It followed up in May, at the Beijing forum, by signing an agreement to set up a new commercial bank in the country with initial capital of $300 million.Beijing is also starting to take an interest in Georgia, if not a financial one as yet. This year's Belt and Road forum also saw the ratification of a free-trade agreement between China and Georgia. The first deal of its kind in central and eastern Europe, the FTA was put together in less than a year, thanks to the famously free-market approach of Tbilisi policymakers.Clemente Cappello of regional fund manager Sturgeon Capital notes that, from a Belt and Road perspective, trade agreements can be as effective as building roads or railways."One shouldn't think just in terms of physical infrastructure," he says. "An FTA will also have a major impact on transportation times from Tbilisi to Beijing."The agreement is also already ***producing*** results for Georgia. Exports of local wine to China have doubled since it came into force and further increases are expected. Kouzmin notes that this highlights one of the main advantages of BRI for countries along the route. "Most of these are small economies, so relatively small increases in trade with China can make a big difference," he says.The same applies to investment flows. As Cappello notes, China is potentially a key source of funding for a region that has seen a dramatic drop in foreign direct investment since the financial crisis as western banks and investors have pulled back."There's a limited amount of private capital that is accessing central Asia and the Caucasus, so China could be a key source of funding, particularly for governments that are dealing with lower oil prices," he says.It is perhaps surprising then that, with the exception of Kazakhstan and Georgia, the response to Belt and Road from policymakers in the region has been relatively muted.Uzbekistan's new and potentially reformist president, Shavkat Mirziyoyev, has shown some enthusiasm for the project, but elsewhere reactions have been largely limited to a smattering of positive rhetoric. Turkmenistan and Tajikistan were noticeable absentees from the Beijing forum in May.In some cases this lack of interest may be due to internal issues. Policymakers in Azerbaijan, for example, failed to respond in a timely manner to the oil price collapse and are now mired in recession."They are still trying to adjust the economy to the new environment of low oil prices, which includes cutting spending on infrastructure," says Kouzmin. "That's probably why we're hearing less from them on Belt and Road."In central Asia, the lackluster response to the project may have deeper roots. China's track record of treating the region primarily as a source of natural resources and importing its own workers to construct the infrastructure to extract them has engendered widespread mistrust.Rare protests were sparked in Kazakhstan last year by legislative changes that locals feared could allow Chinese purchases of ***agricultural*** land. Even in Uzbekistan, one of the most repressive states in an authoritarian region, popular resentment of Chinese workers has reportedly found public expression.Mattia Romani, head of policy at the EBRD, which has been active in central Asia for more than 25 years, says governments in the region also fret that the Belt and Road Initiative will have little impact on the economies along its route."A number of our countries of operation are concerned that they will simply become a pass-through for goods going from China to Europe and vice versa and that they won't benefit from these exchanges," he says.These concerns have clearly been heard in Beijing. In his keynote speech at the Belt and Road forum, Xi was at pains to emphasize that the aim of the initiative was to "build a win-win business partnership" with participating countries."This is an important change in China's approach to investing in central Asia," says Romani. "They have made a strong commitment to ensure that Belt and Road is something that benefits everyone. That means exchanges of people, ideas and innovation, as well as increased trade opportunities."He adds that a regional development strategy for central Asia is long overdue: "It has been a while since these countries were offered a comprehensive, well-financed ***plan*** on how they can be truly connected to the global economy."The opportunity to help direct new flows of capital into a region urgently in need of it, as well as to ensure that China delivers on its promises of inclusive engagement, has prompted the EBRD to throw its weight behind the Belt and Road project.Last year, China became the bank's 67th shareholder, while this summer EBRD officials have signed Belt and Road cooperation agreements with the Chinese finance ministry and the Beijing-backed Silk Road Fund. Work is also already underway on the first joint project between the EBRD and the Asian Infrastructure Investment Bank (AIIB), a $55 million road upgrade scheme in Tajikistan.

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| Shavkat Mirziyoyev, president of Uzbekistan, with Xi Jinping at the Belt and Road Forum |

Romani is keen to stress, however, that making a success of Belt and Road will require more than just building physical infrastructure.

"We also need soft infrastructure," he says. "That means facilitating the movement of people, goods and services across borders."

This is likely to be particularly challenging in Central Asia, where cross-border trade is notoriously difficult. In the latest World Bank Doing Business report, Uzbekistan ranks 165th of 189 countries for ease of trade across borders. Tajikistan is at 144, while even Kazakhstan only comes in at 119. Turkmenistan is so far off the global grid that it does not even feature in the bank's rankings.

Cappello argues that unless these issues are addressed, countries such as Kazakhstan will struggle to realize their economic potential.

"The success of these states depends essentially on the implementation of market-driven reforms," he says. "Simplifying customs procedures is much more important than building a logistical hub in the middle of Eurasia."

Unless the two things go hand in hand, he adds, the Belt and Road Initiative risks becoming an economic patronage exercise.

"That might work for China, but it would be a waste of money and opportunity," he says. "Effectively it would just be an expensive way of buying goodwill."

Romani says policymakers in central Asia appreciate the need for reform.

"There is a lot of work to do on interconnectivity within the region, but there's a clear understanding across these countries that if these problems are not tackled, they will not benefit from the Belt and Road Initiative," he says.

At Samruk-Kazyna, Iskaliyev says Kazakh policymakers are well aware of the importance of customs reform for attracting foreign investment.

"One of our main areas of focus in the development of trade and growing its trade turnover is on ensuring the simplification of border-crossing procedures and automating transport control to guarantee transparency of all of its operations," he says.

He adds that the creation of a customs union within the Eurasian Economic Union (EAEU) "" a regional grouping that includes Kazakhstan, Belarus, Armenia, Kyrgyzstan and Russia "" will help promote cross-border trade within the region.

Others have been sceptical, questioning whether Russia's president Vladimir Putin "" who, along with Nazarbayev, has been the prime mover behind the EAEU "" will welcome Chinese engagement in a region Russia has traditionally viewed as part of its sphere of influence.

Romani says such fears are misplaced. "There is no incompatibility between the EAEU and the efforts for integration that are part of the Belt and Road Initiative," he says. "Russia has been extremely supportive of this project and has been co-investing with the Chinese government on a number of initiatives, particularly in the energy sector."

He also notes that Russia is a large shareholder of the AIIB, as well as a co-founder with China of the Shanghai-based New Development Bank, formerly known as the Brics Development Bank.

Cappello says that a bigger risk to Belt and Road implementation will come from the top-down nature of the project. "The problem with this is that agreements signed in Beijing have to be executed by middle managers elsewhere," he says. "There are a lot of layers, and at every layer there are opportunities for inefficiencies and mission slide."

Romani insists, however, that the initiative will be able to attract private- as well as public-sector investment. "I believe there are very good opportunities across these countries and I believe Belt and Road will help highlight them," he says.

"In the next six to 12 months, we will start seeing bankable opportunities coming through "" and the EBRD will be there to hold investors' hands and provide them with political and technical support."

**Load-Date:** October 16, 2017

**End of Document**



[***FEDERAL REGISTER: Endangered and Threatened Wildlife and Plants; 12 Month Findings on Petitions To List the Holiday Darter, Trispot Darter, and Bridled Darter; Threatened Species Status for Trispot Darter Pages 46183 - 46197 [FR DOC # 2017-21350]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PN7-THJ1-F0YC-N4XT-00000-00&context=1516831)

Impact News Service

October 4, 2017 Wednesday

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**Length:** 17141 words

**Body**

Washington: Office of the Federal Register has issued the following notice:

DEPARTMENT OF THE INTERIOR Fish and Wildlife Service 50 CFR Part 17 [Docket No. FWS-R4-ES-2017-0063; 4500030113] RIN 1018-BC16 Endangered and Threatened Wildlife and Plants; 12 Month Findings on Petitions To List the Holiday Darter, Trispot Darter, and Bridled Darter; Threatened Species Status for Trispot Darter AGENCY: Fish and Wildlife Service, Interior. ACTION: Proposed rule; 12-month petition findings. ----------------------------------------------------------------------- SUMMARY: We, the U.S Fish and Wildlife Service (Service), announce a 12-month finding on a petition to list three species, the holiday darter (Etheostoma brevirostrum), the trispot darter (Etheostoma trisella), and the bridled darter (Percina kusha), all freshwater fish native to Alabama, Georgia, and Tennessee, as endangered or threatened under the Endangered Species Act of 1973, as amended (Act). After review of the best available scientific and commercial information, we find that listing the trispot darter is warranted. Accordingly, we propose to list the trispot darter as a threatened species under the Act.

If we finalize this rule as proposed, it would add the trispot darter to the List of Endangered and Threatened Wildlife and extend the Act's protections to the species. After review of the best available scientific and commercial information, we also find that listing the holiday and bridled darters is not warranted. DATES: We will accept comments received or postmarked on or before December 4, 2017. Comments submitted electronically using the Federal eRulemaking Portal (see ADDRESSES, below) must be received by 11:59 p.m Eastern Time on the closing date. We must receive requests for public hearings, in writing, at the address shown in FOR FURTHER INFORMATION CONTACT by November 20, 2017. ADDRESSES: You may submit comments by one of the following methods: (1) Electronically: Go to the Federal eRulemaking Portal: [*http://www.regulations.gov*](http://www.regulations.gov) In the Search box, enter FWS-R4-ES-2017-0063, which is the docket number for this rulemaking. Then, in the Search panel on the left side of the screen, under the Document Type heading, check the Proposed Rules box to locate this document. You may submit a comment by clicking on ``Comment Now!'' (2) By hard copy: Submit by U.S mail or hand-delivery to: Public Comments Processing, Attn: FWS-R4-ES-2017-0063, U.S Fish and Wildlife Service, MS: BPHC, 5275 Leesburg Pike, Falls Church, VA 22041-3803. We request that you send comments only by the methods described above. We will post all comments on   [*http://www.regulations.gov*](http://www.regulations.gov) This generally means that we will post any personal information you provide us (see Public Comments, below, for more information). FOR FURTHER INFORMATION CONTACT: Bill Pearson, Field Supervisor, U.S Fish and Wildlife Service, Alabama Ecological Services Field Office, 1208 Main Street, Daphne, AL 36526; telephone 251-441-5181; or facsimile 251-441-6222. Persons who use a telecommunications device for the deaf (TDD) may call the Federal Relay Service at 800-877-8339. SUPPLEMENTARY INFORMATION: Executive Summary Why we need to publish a rule. Under the Act, if a species is determined to be an endangered or threatened species throughout all or a significant portion of its range, we are required to promptly publish a proposal in the Federal Register and make a determination on our proposal within 1 year. Listing a species as an endangered or threatened species and designations and revisions of critical habitat can only be completed by issuing a rule. This rule will propose the listing of the trispot darter (Etheostoma trisella), as a threatened species. This rule summarizes our analysis regarding status of and threats to the trispot darter. The basis for our action. Under the Act, we can determine that a species is an endangered or threatened species based on any of five factors: (A) The present or threatened destruction, modification, or curtailment of its habitat or range; (B) Overutilization for commercial, recreational, scientific, or educational purposes; (C) Disease or predation; (D) The inadequacy of existing regulatory mechanisms; or (E) Other natural or manmade factors affecting its continued existence. We have determined that the trispot darter is a threatened species based on a loss of habitat and connectivity (Factor A) due to urbanization, land use patterns, and drought. Peer review. We have requested comments from independent specialists to ensure that we based our designation on scientifically sound data, assumptions, and analyses. Because we will consider all comments and information received during the comment period, our final determinations may differ from this proposal. Supporting Documents A species status assessment (SSA) team prepared SSA reports for all three darter species. The SSA team was composed of Service biologists, in consultation with other species experts. The SSA reports represent a compilation of the best scientific and commercial data available concerning the status of the species, including the impacts of past, present, and future factors (both negative and beneficial) affecting each species. All three SSA reports underwent independent peer review by scientists with expertise in fish or amphibian biology, habitat management, and stressors (factors negatively affecting the species). The SSA reports and other materials relating to this proposal can be found on the Southeast Region Web site at   [*https://www.fws.gov/southeast*](https://www.fws.gov/southeast)/ and at   [*http://www.regulations.gov*](http://www.regulations.gov) under Docket No. FWS-R4- ES-2017-0063. Information Requested for Proposed Rule To List Trispot Darter Public Comments We intend that any final action resulting from the proposed rule will be based on the best scientific and commercial data available and be as accurate and as effective as possible. Therefore, we request comments or information from other concerned governmental agencies, Native American tribes, the scientific community, industry, or any other interested parties concerning this proposed rule. We particularly seek comments concerning: (1) The trispot darter's biology, range, and population trends, including: (a) Biological or ecological requirements of trispot darter, including habitat requirements for feeding, breeding, and sheltering; (b) Genetics and taxonomy; (c) Historical and current range, including distribution patterns; (d) Historical and current population levels, and current and projected trends; and (e) Past and ongoing conservation measures for the species, its habitat, or both. (2) Factors that may affect the continued existence of the species, which may include habitat modification or destruction, overutilization, disease, predation, the inadequacy of existing regulatory mechanisms, or other natural or manmade factors. [[Page 46184]] (3) Biological, commercial trade, or other relevant data concerning any threats (or lack thereof) to the species and existing regulations that may be addressing those threats. (4) Additional information concerning the historical and current status, range, distribution, and population size of the species, including the locations of any additional populations of the species. (5) Specific prohibitions and exceptions to those prohibitions that may be necessary and advisable for the trispot darter's conservation. We are considering publishing a more tailored proposed rule with provisions set forth under section 4(d) of the Act for public review and comment in the future. Please include sufficient information with your submission (such as scientific journal articles or other publications) to allow us to verify any scientific or commercial information you include. Please note that submissions merely stating support for, or opposition to, the action under consideration without providing supporting information, although noted, will not be considered in making a determination, as section 4(b)(1)(A) of the Act (16 U.S.C 1531 et seq.) directs that determinations as to whether any species is an endangered or a threatened species must be made ``solely on the basis of the best scientific and commercial data available.'' You may submit your comments and materials concerning this proposed rule by one of the methods listed in ADDRESSES. We request that you send comments only by the methods described in ADDRESSES. If you submit information via   [*http://www.regulations.gov*](http://www.regulations.gov), your entire submission--including any personal identifying information--will be posted on the Web site. If your submission is made via a hardcopy that includes personal identifying information, you may request at the top of your document that we withhold this information from public review. However, we cannot guarantee that we will be able to do so. We will post all hardcopy submissions on   [*http://www.regulations.gov*](http://www.regulations.gov) Comments and materials we receive, as well as supporting documentation we used in preparing this proposed rule, will be available for public inspection on   [*http://www.regulations.gov*](http://www.regulations.gov), or by appointment, during normal business hours, at the U.S Fish and Wildlife Service, Alabama Ecological Services Field Office (see FOR FURTHER INFORMATION CONTACT). Public Hearing Section 4(b)(5) of the Act provides for one or more public hearings on this proposal, if requested. Requests must be received the dates specified above in DATES. Such requests must be sent to the address shown in FOR FURTHER INFORMATION CONTACT. We will schedule public hearings on this proposal, if any are requested, and announce the dates, times, and places of those hearings, as well as how to obtain reasonable accommodations, in the Federal Register and local newspapers at least 15 days before the hearing. Peer Review In accordance with our joint policy on peer review published in the Federal Register on July 1, 1994 (59 FR 34270), and our August 22, 2016, memorandum updating and clarifying the role of peer review of listing actions under the Act, we sought the expert opinions of appropriate specialists regarding the SSA report for each species, including the report for the trispot darter that informed this proposed rule. The purpose of peer review is to ensure that our listing determination is based on scientifically sound data, assumptions, and analyses. The peer reviewers have expertise in fish biology, habitat, and stressors to the species. We invite any additional comment from the peer reviewers during this public comment period. Previous Federal Actions The trispot darter was one of 29 fish species included in a March 18, 1975, notice of review published by the Service in the Federal Register (40 FR 12297). On December 30, 1982, the Service announced in the Federal Register (47 FR 58454) that the trispot darter, along with 147 other fish species, were being considered for possible addition to the Endangered Species List. On November 4, 1983, the Service published a notice in the Federal Register (48 FR 50909) that a status review was being conducted for the trispot darter to determine if the species should be protected under the Act. On November 21, 1991, we added the trispot darter to the candidate list as a category 2 species on the Candidate Notice of Review (CNOR) (56 FR 58804). The holiday darter was added to the candidate list as a Category 2 species in the CNOR on November 15, 1994 (59 FR 58997). Category 2 species were those species for which listing as endangered or threatened species was possibly appropriate, but for which biological information sufficient to support a proposed rule was lacking. However, the February 28, 1996, CNOR (61 FR 7596) discontinued recognition of Category 2 species, so the trispot and holiday darters were no longer considered candidate species after that date. On April 20, 2010, we received a petition from Center for Biological Diversity and others to list 404 aquatic species in the southeastern United States, including the two aforementioned species as well as the bridled darter. In response to the petition, we completed a partial 90-day finding on September 27, 2011 (76 FR 59836), in which we announced our finding that the petition contained substantial information that listing may be warranted for these three darter species. We conducted a status review for each species. Background Trispot Darter A thorough review of the taxonomy, life history, and ecology of the trispot darter (Etheostoma trisella) is presented in the SSA report. The trispot darter is a freshwater fish found in the Coosa River System in the Ridge and Valley ecoregion of Alabama, Georgia, and Tennessee. This fish has a historical range from the middle to upper Coosa River Basin with collections in the mainstem Coosa, Oostanaula, Conasauga, and Coosawattee Rivers, and their tributaries. All known records of the trispot darter occur above the fall line in the Ridge and Valley ecoregion. Currently, the trispot darter is known to occur in Little Canoe Creek and tributaries (Coosa River), Ballplay Creek tributaries (Coosa River), Conasauga River and tributaries, and Coosawattee River and one tributary. The trispot darter is a small-bodied, benthic fish ranging in size from 1.3 to 1.6 inches (in) (3.3 to 4.1 centimeters (cm)) as adults. The darter has three prominent black dorsal saddles, pale undersurface, and a dark bar below the eye. Scattered dark blotches exist on the fins' rays. During breeding season males are a reddish-orange color and have green marks along their sides and a red band through their spiny dorsal fin. The trispot darter is a migratory species that utilizes distinct breeding and non-breeding habitats. From approximately April to October, the species inhabits its non-breeding habitat, which consists of small to medium river margins and lower reaches of tributaries with slower velocities. It is associated with detritus, logs, and stands of water willow, and the substrate consists of small cobbles, pebbles, gravel, and often a fine layer of silt. During low flow periods, the darters move away from the peripheral zones and toward the main channel; edges of [[Page 46185]] water willow beds, riffles, and pools; and mouths of tributaries. In late fall, this migratory species shifts its habitat preference and begins movement toward spawning areas; this is most likely stimulated by precipitation, but temperature changes and decreasing daylight hours may also provide queues to begin migration. Migration into spawning areas begins approximately late November or early December with fish moving from the main channels into tributaries and eventually reaching adjacent seepage areas where they will congregate and remain for the duration of spawning, approximately until late April. Breeding sites are intermittent seepage areas and ditches with little to no flow; shallow depths (12 in (30 cm) or less); moderate leaf litter covering mixed cobble, gravel, sand, and clay; a deep layer of soft silt over clay; and emergent vegetation. Trispot darters predominantly feed on mayfly nymphs and midge larvae and pupae. Trispot darters can live a maximum of 3 years, but most individuals die after the end of their second year. Females lay approximately 300 adhesive eggs that attach to vegetation or rocky substrate. Once laid, the eggs are abandoned and incubate for 30 days. Upon hatching, the trispot darter spends approximately 41 days as larvae. Holiday Darter A thorough review of the taxonomy, life history, and ecology of the holiday darter (Etheostoma brevirostrum) is presented in the SSA report. The holiday darter is a small, 2-in-long (5-cm-long) snubnose darter, so named because it is a colorful fish, with notable red blotches surrounded by white or yellow halos on the lower side of the body. Unique from similar species with which it co-occurs, the holiday darter has a distinct median red band across the generally blue-green anal fin in males in spawning color. The holiday darter is found in small creeks to moderate-sized rivers above the fall line in the Ridge and Valley, Blue Ridge, and Piedmont ecoregions of Alabama, Georgia, and Tennessee. Currently, the holiday darter is known to occur in parts of Shoal Creek, Conasauga River, Talking Rock Creek, Mountaintown Creek, tributaries of the Ellijay River, Amicalola Creek, and the Etowah River. The holiday darter prefers clear streams with riffles and shallow areas of rivers that contain boulders, cobble, and gravel substrate. While no complete life-history studies of the species are available, it is likely a benthic omnivore that eats aquatic insect larvae and microcrustaceans. Breeding behavior begins in April and lasts through May. Females are followed by males as they select suitable spawning substrates of gravel, rock, or wood on which the pair orients vertically to spawn and attach eggs. Females have the potential to ***produce*** from 50-150 eggs over multiple spawning sites, and those eggs are then fertilized by the male, or multiple different males. No studies have been published on the lifespan of the holiday darter, but similar species live approximately 3 years. Bridled Darter A thorough review of the taxonomy, life history, and ecology of the bridled darter (Percina kusha) is presented in the SSA report. The bridled darter is a small freshwater fish native to the upper Coosa River basin in Georgia and Tennessee. This fish's current distribution includes the main channel of the Conasauga River in Murray and Whitfield Counties, Georgia, and Bradley and Polk Counties, Tennessee, Etowah River in Dawson and Lumpkin Counties, Georgia, Amicalola Creek in Dawson County, Georgia, Long Swamp Creek in Pickens County, Georgia, and Talking Rock Creek in Pickens County, Georgia. These are all considered small rivers with good water quality. It was also known to occur in short reaches of several tributaries to both the Conasauga and Etowah Rivers. Morphological variation exists between the darters in the Conasauga River and those in the Etowah River, but genetic studies do not conclude that they are separate species. Adult bridled darters are about 3 in (4 cm) in length and are muted in color. Dark oval blotches are fused to form a lateral stripe. The lateral stripe merges with a dark stripe behind the eye and continues forward of the eye; these stripes resemble a horse's bridle and lend the species its common name. These darters are typically found in flowing pools and backwaters adjacent to runs in small rivers and lower reaches of tributary creeks. They are often found near submerged logs or vegetation and prefer a substrate of sand, gravel, cobble, and bedrock. The bridled darter is a sight feeder that has been observed to pluck food from submerged objects as well as the water column by drift- feeding. When drift-feeding, it positions itself downstream of rocks, away from fast currents, and feeds on invertebrates that are washed downstream and thrusted upward by turbulence. Feeding peaks in late afternoon before dusk. Stomach contents for individuals from the Conasauga River contained small mayfly nymphs and blackfly larvae. Reproduction and spawning takes place approximately mid-April through mid-July. Spawning sites are selected by females as they are followed by courting males. Competitive behavior between males for the site-selecting female has been observed, with the larger males attempting to chase away smaller males. In the Conasauga River, sneaker males (smaller males that join with a spawning pair and mate with the female) have been observed. Rapid quivering of the pair during spawning helps to bury fertilized eggs in sand. A spawning pair may undertake multiple spawning events at different locations. Females have the potential to ***produce*** up to 75 eggs per year, and their lifespan has been estimated to be approximately 3 years. Summary of Biological Status and Threats The Act directs us to determine whether any species is an endangered species or a threatened species because of any factors affecting its continued existence. The SSA reports document the results of our comprehensive biological status review for the holiday, bridled, and trispot darters, including an assessment of the potential stressors to the species. The SSA reports do not represent a regulatory decision by the Service on whether the species should be proposed for listing as endangered or threatened species under the Act. They do, however, provide the scientific basis that informs that decision, which involves the further application of standards within the Act and its implementing regulations and policies. The following is a summary of the key results and conclusions from the SSA reports; the full SSA reports can be found on the Southeast Region Web site at   [*https://www.fws.gov/southeast*](https://www.fws.gov/southeast)/ and at   [*http://www.regulations.gov*](http://www.regulations.gov) under Docket No. FWS-R4-ES-2017-0063. Summary of Analysis To assess viability for the holiday, bridled, and trispot darters, we used the three conservation biology principles of resiliency, representation, and redundancy (together, the 3Rs). Briefly, resiliency supports the ability of the species to withstand environmental and demographic stochasticity (for example, wet or dry, warm or cold years); representation supports the ability of the species to adapt over time to long-term changes in the environment (for example, climate changes); and redundancy supports the ability of the species to withstand catastrophic events (for example, droughts, hurricanes). In [[Page 46186]] general, the more redundant and resilient a species is and the more representation it has, the more likely it is to sustain populations over time, even under changing environmental conditions. Using these principles, we identified the species' ecological requirements for survival and reproduction at the individual, population, and species levels, and described the factors influencing the species' viability. The SSA process can be categorized into three sequential stages. During the first stage, we used the 3Rs to evaluate individual life- history needs of all three darters. In the next stage, we assessed the historical and current condition of each species' demographics and habitat characteristics, including an explanation of how the species arrived at their current conditions. In the final stage of the SSA we made predictions about the species' responses to positive and negative environmental and anthropogenic influences. This process used the best available information to characterize viability as the ability of each species to sustain populations in the wild over time. We utilized this information to inform our regulatory decision in the 12-month findings. To evaluate the current and future viability of the three darters, we assessed a range of conditions to allow us to consider the species' resiliency, representation, and redundancy. U.S Geological Survey delineated all watersheds within the United States at several different scales (or units) using a standardized system. Each hydrologic unit is identified by a unique hydrologic unit code (HUC) consisting of two to twelve digits based on six different levels of classification. For this analysis, the 10-digit Hydrologic Unit Codes (HUC 10s) were used as a spatial framework to delineate areas within the geographical range of each species for further analysis. Field collections were used to identify species presence within HUC10 watersheds. For holiday and bridled darters, populations were defined as occupied HUC10 watersheds and were used for analysis. Management units (MUs) were described for the trispot darter and are defined as one or more HUC10 watersheds that the species currently occupies. MUs were grouped using population genetics information and by expected management requirements. To qualitatively assess resilience, we considered seven components that broadly relate to either the physical environment (``Habitat Elements'') or characteristics about the population specifically (``Population Elements''). Habitat elements consisted of an evaluation of physical habitat, connectivity, water quality, and hydrologic regime. Population elements consisted of an estimation of approximate abundance, the extent of occurrence (total length of occupied streams), and an assessment of occurrence complexity. Representation describes the ability of a species to adapt to changing environmental conditions over time. For these darters to exhibit high representation, resilient populations should occur in all ecoregions to which they are native, and maintain some level of connectivity between populations. These occupied physiographic provinces represent the ecological setting in which the darters have evolved. Redundancy for all three darters is characterized by having multiple resilient and representative populations distributed throughout its range. Furthermore, these populations should maintain natural levels of connectivity between them. Connectivity allows for immigration and emigration between populations and increases the likelihood of recolonization should a population become extirpated. An overall resiliency condition was estimated by combining habitat and population elements. Population elements were weighted two times higher than habitat elements because they are considered direct indicators of population condition. Conditions were classified as ``Low'', ``Moderate'', or ``High''. After analyzing current conditions for each species, we described how current viability of the three darters may change over a period of 50 years. As with current conditions, we evaluated species viability in terms of resiliency at the population scale, and representation and redundancy at the species scale. In the SSA report, we described three plausible future scenarios and whether there will be a change, from current conditions, to resiliency, representation, or redundancy under each scenario. These scenarios capture the range of likely viability outcomes that the darters will exhibit by the end of 2070. The future scenarios differ in two main elements of predicted change: urbanization and climate. To forecast future urbanization, we considered future scenarios that incorporate the SLEUTH (Slope, Land use, Excluded area, Urban area, Transportation, Hillside area) model. This model simulates patterns of urban expansion that are consistent with spatial observations of past urban growth and transportation networks. Regarding climate, the Intergovernmental Panel on Climate Change utilized a suite of alternative scenarios in the Fifth Assessment Report to make near-term and long-term climate projections. In our assessments, we used these projections to help understand how climate may change in the future and what effects may be observed that impact the three darter species. Trispot Darter For our analysis we considered four extant MUs: Little Canoe Creek Basin, Ballplay Creek Basin, Conasauga River Basin, and Coosawattee River Basin. Genetic research has defined distinct trispot darter populations in Little Canoe Creek, Ballplay Creek, and Conasauga River. It is unknown if trispot darters in the Coosawattee River basin are genetically distinct; however, we analyzed it as a separate MU because this river would require a distinct management strategy due to hydroelectric operations at Carters Dam. Historical collections of the trispot darter are known from Cowans Creek, a tributary to Spring Creek, which is in turn a tributary to the Coosa River, and Johns and Woodward Creeks, tributaries to the Oostanaula River. Currently, the trispot darter occupies approximately 20 percent of its historically known range. Current Condition of Trispot Darter Of the four current MUs for the trispot darter, one has resiliency ranked as ``moderate,'' and three have resiliency ranked as ``low'' in the analysis (see Table 2 below). For example, the Little Canoe Creek MU is expected to have a moderate resiliency to stochastic events because water quality is low, the abundance is qualitatively low, the occurrence complexity is high, Coosa River reservoirs remove connectivity to other MUs, and the extent of the occupied habitat is small. The Conasauga River MU has ``low'' resiliency due to low water quality in the middle and lower river, low abundance of fish per collection record, a small and reduced population, and overall simple occurrence spatial arrangement. A full analysis for each unit's resiliency can be found in the SSA report. [[Page 46187]] Table 2--Current Species Resiliency Summary of the Trispot Darter ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Occurrence Approximate abundance Occurrence extent complexity Physical habitat Connectivity Water quality Hydrologic regime Overall condition ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Little Canoe Creek............. Low.................. Low............... High.............. Low............... Low............... Low............... Low.............. Moderate. Ballplay Creek................. Low.................. Low............... Low............... Low............... Low............... Low............... Low.............. Low. Conasauga River................ Low.................. Low............... Low............... Low............... Moderate.......... Low............... Low.............. Low. Coosawattee River.............. Low.................. Low............... Low............... Moderate.......... Moderate.......... Low............... Low.............. Low. ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Holiday Darter For our analysis we considered seven populations: Conasauga River, Talking Rock Creek, Ellijay River, Mountaintown Creek, Amicalola Creek, Etowah River, and Shoal Creek. Current Condition of Holiday Darter Six of the seven populations for holiday darter are estimated to have low resiliency. The exception is Amicalola Creek, where the fish is still found in 80 percent of the watershed that it occupied historically, and because it is known to occur in Amicalola Creek, Little Amicalola Creek, Cochran Creek, and Gab Creek, it has a moderate spatial occurrence complexity. The habitat elements were also ranked as moderate for Amicalola Creek, giving that population an overall condition of moderate. By comparison, the habitat elements were also moderate or high for the Etowah River, but this population had low population element rankings, leading to an estimate of low overall resiliency. A full analysis for each population's resiliency can be found in the SSA report. Connectivity is an important aspect of representation because it provides for the exchange of novel and beneficial adaptations and migration to more suitable habitat (should it be necessary). Currently, all historically occupied ecoregions continue to be occupied by holiday darters, so we can conclude that all known genetic, morphological, and behavioral variability are still represented across the range. However, connectivity is reduced for the species range-wide. Dams have completely isolated the seven populations into four groups. The upper Etowah River-Amicalola Creek populations are isolated by Alatoona Dam; the Talking Rock Creek population is isolated by Carters Re-regulation Dam; and the Ellijay River and Mountaintown Creek populations are isolated by Carters Dam. The Conasauga River and Holly Creek populations are prevented from dispersing to the other populations by those same dams. The Shoal Creek population is isolated by large dams on the Coosa River. Where dams do not fragment habitat, long reaches of unoccupied habitat are present between populations, indicating that migration between populations is uncommon or unlikely. Finally, all populations of holiday darter exist on the periphery of the Coosa River basin and have likely reached the upstream limits for the species. It is unlikely that individuals within a population will be able to migrate further upstream if necessary due to changes in environmental conditions, further decreasing the ability of the species to adapt to changing environmental conditions. We estimate that the holiday darter currently may have low adaptive potential due to limited representation in six occupied watersheds, decreased connectivity, and confinement to upper reaches of occupied wa

tersheds. Overall representation is considered to be low. Redundancy is characterized by having multiple resilient and representative populations distributed throughout its range. Because all but one population of holiday darter exhibit low resiliency, the species is considered to also have low redundancy. All populations have experienced some declines, may have low numbers, or have low spatial complexity. Redundancy is present within the Coosawattee River, with three populations still extant, but is still classified as ``low'' due to low resiliency of three populations. In the occupied areas of the Conasauga and Etowah Rivers, the majority of the records for the species are on U.S Forest Service (USFS) land, which is noted for having good water quality and suitable habitat for holiday darters. For our analysis, we gave populations low resilience if they had poor population elements, even if the habitat elements were moderate or high. Second, we declined to consider the species to have better than low representation and redundancy if the populations didn't have better than low resiliency. Inconsistent survey methodologies and lack of standard collection records also creates uncertainty in any analysis of trends or the ability to compare data across years. The best available data does not indicate a declining trend in abundance, and it is likely that the low abundance (and, therefore, low resiliency) indicated in our analysis is due to the species being naturally rare and difficult to detect. Table 3--Current Species Resiliency Summary of the Holiday Darter ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Approximate Occurrence Hydrologic Overall abundance Occurrence extent complexity Physical habitat Connectivity Water quality regime condition ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Conasauga River................ Low.................. Low............... Low............... Moderate.......... High.............. Moderate.......... Moderate......... Low. Talking Rock Creek............. Low.................. Low............... Low............... Moderate.......... High.............. Low............... Moderate......... Low. Ellijay River.................. Low.................. Low............... Low............... Moderate.......... Moderate.......... Low............... Low.............. Low. Mountaintown Creek............. Low.................. Low............... Low............... Moderate.......... Moderate.......... Moderate.......... Moderate......... Low. Amicalola Creek................ Moderate............. Moderate.......... Low............... Moderate.......... Moderate.......... Moderate.......... Moderate......... Moderate. Etowah River................... Low.................. Low............... Low............... Moderate.......... High.............. Moderate.......... High............. Low. Shoal Creek.................... Low.................. Low............... Low............... Moderate.......... Low............... High.............. Moderate......... Low. ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Bridled Darter For our analysis of the bridled darter we considered six populations: Conasauga River, Holly Creek, Talking Rock Creek, Long Swamp Creek, Amicalola Creek, and the Etowah River. Current Condition of Bridled Darter All six populations of bridled darter were classified as having low resiliency. Although habitat conditions were [[Page 46188]] moderate or high for many creeks, the low population elements (abundance, extent, and complexity) caused the overall resiliency to be low. Currently, all historically occupied ecoregions are occupied, and all historically occupied watersheds are considered extant. Although populations that exhibit the known genetic, morphological, and behavioral variability are currently extant, they do not exhibit high resiliency, and representation is therefore classified as low. Dams have completely isolated the six populations into three groups. The upper Etowah River-Amicalola Creek-lower Longswamp Creek populations are isolated by Alatoona Dam, and the Talking Rock Creek population is isolated by Carters Re-regulation Dam. The Conasauga River and Holly Creek populations are prevented from dispersing in to the other populations by those same dams. Where dams do not fragment habitat, long reaches of unoccupied habitat are present between populations, indicating that migration between populations is uncommon or unlikely. Redundancy for the bridled darter is characterized by having multiple resilient and representative populations distributed throughout its range. Because all populations of bridled darter exhibit low resiliency, the species is considered to also have low redundancy. All populations have experienced declines in extent of occupied habitat, are found in low numbers, or have low spatial complexity with reduced connectivity. In the occupied areas of the Conasauga and Etowah Rivers, the majority of the records for the species are on USFS land, which is noted for having good water quality and suitable habitat for bridled darters. For our analysis, we gave populations low resilience if they had poor population elements, even if the habitat elements were moderate and high. Second, we declined to consider the species to have better than low representation and redundancy if the populations didn't have better than low resiliency. Inconsistent survey methodologies and the lack of standard collection records creates uncertainty in any analysis of trends or the ability to compare data across years. The best available data does not indicate a declining trend in abundance, and it is likely that the low abundance (and, therefore, low resiliency) indicated in our analysis is due to the species being naturally rare and difficult to detect. Table 4--Current Species Resiliency Summary of the Bridled Darter ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Approximate Occurrence Hydrologic Overall abundance Occurrence extent complexity Physical habitat Connectivity Water quality regime condition ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Conasauga River................ Low.................. Low............... Low............... Moderate.......... High.............. Low............... Moderate......... Low. Holly Creek.................... Moderate............. Low............... Low............... Moderate.......... High.............. Low............... Moderate......... Low. Talking Rock Creek............. Low.................. High.............. Low............... Moderate.......... Low............... Low............... Moderate......... Low. Long Swamp Creek............... Low.................. Low............... Low............... Low............... Low............... Low............... Low.............. Low. Amicalola Creek................ Moderate............. Low............... Low............... Moderate.......... Moderate.......... Moderate.......... Moderate......... Low. Etowah River................... Low.................. Low............... Low............... Moderate.......... High.............. Moderate.......... High............. Low. ------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ Risk Factors Influencing Viability for Trispot, Holiday, and Bridled Darters As required by the Act, we considered the five factors in assessing whether the three species meet the definition of threatened or endangered species. A multitude of natural and anthropogenic factors may impact the status of species within aquatic systems. The largest threats to the future viability of the trispot, holiday, and bridled darters involve habitat degradation from stressors influencing four habitat elements: Water quality, water quantity, instream habitat, and habitat connectivity (Factor A). All of these factors are exacerbated by the effects of climate change (Factor E). A brief summary of these primary stressors is presented below; for a full description, refer to chapter 4 of the SSA reports for each species. Hydrologic Alteration Hydrologic alteration in this system has two components: Increases in storm flow frequency and intensity and a decrease in base flows, which together create a ``flashy'' hydrologic regime. Activities that lead to hydrologic alteration include reservoir construction and operation, water withdrawals, and an increase in impervious surfaces. In a natural forested system, most rainfall soaks into the soil and is carried into nearby streams via subsurface flow. Some evaporates or transpires, and a relatively small amount becomes surface runoff. In an urbanized system with high levels of impervious cover, such as roads, parking lots, and rooftops, this cycle is altered; most stormwater hits impervious surfaces and becomes runoff, which then is channeled quickly to streams via stormwater drain pipes or ditches. Relatively little infiltrates into the soil. As a result, storm flows in the receiving stream are higher and more frequent, although briefer in duration, and base flows are lower. The storm discharge of urban streams can be twice that of rural streams draining a watershed of similar size, and the frequency of channel-forming events can be ten times that of pre- development conditions. These flashy stream flows and frequent, smaller high-flow events negatively affect structural habitat on which the species depends. Increases in flow frequency or intensity can result in channel widening through bank erosion or deepening to accommodate the additional discharge. This results in increased downstream sedimentation and unstable beds, both of which degrade channel complexity, feeding, and refugia habitat for fish species. Increased storm flows, in addition, can cause physical washout of eggs and larval fishes, stress on adults, and negatively alter the stream's food web, affecting many fish species. There is also a decrease in channel complexity and a reduction in in-stream cover and natural substrates like boulders, cobble, and gravel. Hydrologic alteration can also lead to other stressors that negatively affect fish, such as sedimentation and a loss of connected suitable habitat. Sedimentation Sedimentation can affect fish species by degrading physical habitat used for foraging, sheltering, and spawning; altering food webs and decreasing stream productivity; forcing fish to change their behaviors; and even injuring or killing individual fish. Chronic exposure to sediment has been shown to have negative impacts to fish gills, which in addition to causing gill damage can possibly reduce growth rates. Sedimentation causes reduced visibility, impacting fishes' abilities to feed and communicate. A wide range of activities can lead to sedimentation within streams, including ***agriculture***, construction activities, [[Page 46189]] stormwater runoff, unpaved roads, some forestry activities if certified best management practices are not used, utility crossings, and dredging. Historical land use practices have substantially altered hydrological and geological processes such that sediments continue to be input into streams for several decades after those activities cease. Examples of these activities occurring with the range of these species include: Urban impacts in the Springville, Alabama, and Dalton, Georgia, areas; ***agricultural*** practices in the Conasauga River basin; and livestock access to streams in the Little Canoe Creek watershed. Reduced Connectivity Connectivity is a species' ability to disperse to and from habitat patches. Excess groundwater withdrawal can contribute to reduced connectivity if sections of streams become dry for parts of the year. Dams and reservoirs reduce connectivity by creating a physical barrier between fish populations and changing habitat from flowing streams to standing water, which is not suitable habitat for these three darters. Road crossings are also more prevalent in highly populated urban areas, and some road crossings have impassable culverts that reduce connectivity. Loss of Riparian Vegetation Loss of riparian vegetation means the removal of natural plant communities from the riparian zone of rivers and streams. Removal of riparian vegetation can destabilize stream banks, increasing sedimentation and turbidity; increase the contaminants and nutrients that enter the water from runoff; increase water temperatures and light penetration, which also increases algae production; and alter available habitat by reducing woody plant debris and leaf litter, which in turn decreases overall stream productivity. These fish have adapted to occupy habitats that are surrounded by vegetation, which moderates temperature by blocking solar radiation; provides a source for terrestrial plant material that forms the base of the food web and provides shelter and foraging habitat for the fishes; and helps to maintain clear, clean water and substrate through filtration. Loss of riparian vegetation decreases habitat suitability for the trispot, holiday, and bridled darters. Removal of riparian vegetation has occurred where urban and ***agricultural*** activities are prevalent such as increases in development in Dalton, Chatsworth, and Ellijay, and row crop and pastures in the Conasauga basin. Contaminants Contaminants, including metals, hydrocarbons, pesticides, and other potentially harmful organic and inorganic compounds, can be toxic to fish and are common in urban streams including those within the range of these three darters. Pesticides are frequently found in streams draining ***agricultural*** lands, with herbicides being the most commonly detected. Pesticides also are heavily used in urban and suburban areas, and many of these find their way into streams and groundwater. The contamination of the Coosa River with polychlorinated biphenyl (PCBs) has been attributed to the General Electric facility in Rome, Georgia. Although the facility closed in 1998, contaminated sediments are still documented there. In the Coosawattee River, PCBs are also listed as a source of impairment caused by nonpoint sources. These chemicals have toxic effects to the endocrine system, nervous system, reproductive system, blood, skin, and liver of animals and have likely impacted these three darters in the Coosa and Coosawattee Rivers. Pesticides and herbicides are frequently found in streams draining ***agricultural*** land uses, with herbicides being the most commonly detected. Many ***agricultural*** streams still contain dichlorodiphenyltrichloroethan (DDT) and its degradation products. Glyphosates and other inert ingredients found in Roundup can be toxic to fish and other aquatic organisms, causing stress and reduced fitness; Roundup use within the range of these species is prevalent and increasing due to the adoption of ``Roundup Ready'' crops. ***Agriculture*** ***Agriculture*** is another predominant land use within the range of all three darters. Livestock grazing is prevalent in some areas, and poultry farming is also common. Poultry Litter: Poultry litter is a mixture of chicken manure, feathers, spilled food, and bedding material that frequently is used to fertilize pastureland or row crops. Each poultry house has an estimated ability to ***produce*** up to 100 tons of litter a year. Surface-spreading of litter results in runoff from heavy rains carrying phosphorus and nitrogen from manure into nearby streams. Additionally, repeated or over application of poultry litter can result in phosphorus buildup in the soil. Excess phosphorus and nitrogen in stream systems increases blue-green algae and undesirable aquatic plants that rob water of oxygen, causing fish kills. Endocrine disruptors, such as estrogen, from poultry litter have been identified as a significant stressor to the Conasauga River basin. Estrogens have been found in water and sediment samples within the watershed at concentrations high enough to be disruptive to the endocrine system in fish. Increased levels of estrogens affect reproductive biology and result in reduced breeding success In a recent study of endocrine disruptors on fishes in the Conasauga River, approximately 7.5 percent of male fishes surveyed were found to have female cells in male reproductive organs. Livestock access to streams: On many farms, livestock is grazed on pastures adjacent to streams and rivers and livestock is allowed free access to the water. Livestock accessing riparian buffers and, subsequently, the stream proper, leads to habitat destruction and decreased water quality. Livestock can destabilize stream banks, which as discussed above creates increased sediment loads within these small systems. Livestock farming is often confined to the river valleys within the upper Coosa River basin; therefore, on many cattle farms, livestock is grazed on pastures adjacent to streams and rivers, and in some instances livestock is allowed free access to the water. Livestock is ***produced*** in every county with streams occupied by the bridled and holiday darters. Urbanization Urbanization refers to a change in land cover and land use from forests or ***agriculture*** to increased density of residential and commercial infrastructure. Urbanization includes a wide variety of stressors on aquatic systems that affect water quantity, water quality, channel structure, and connectivity. Therefore, urbanization is anticipated to increase the magnitude of nearly all other stressors, and urbanization is expected to affect the darters across their range due to their known localities occurring in close vicinity to the growing Atlanta metropolitan area, Chattanooga, Birmingham, and intervening areas with growing human populations and increasing development. Weather Events Weather events that affect stream flows are considered to be most relevant to these species. Broadly, these events include extreme storms and droughts. Increased flows can cause physical washout of eggs and larval fishes, stress on adults, and alter the production in a stream. Within the range of these darters, extreme flows associated with hurricanes have been reported to have [[Page 46190]] negative effects on stream fish populations. Reduced baseflows due to droughts can cause population declines, habitat loss, reduced water quality (decreased dissolved oxygen and temperature alteration) leading to death, crowding of individuals leading to stress, and decreased reproduction in stream fish populations. Climate models for the southeastern United States project that average annual temperatures will increase, cold days will become less frequent, the freeze-free season will lengthen by up to a month, temperatures exceeding 95 degrees Fahrenheit will increase, heat waves will become longer, and the number of category 5 hurricanes will increase. While these climate models predict wide variability in weather patterns into the future, they suggest that the region will be subjected to more frequent large storms (hurricanes) as well as low flows from droughts. Other Stressors In our analysis of the factors affecting these species, we found no evidence of population- or species-level impacts from overutilization for commercial, recreational, scientific, or educational purposes. Also, there was no evidence of any impacts due to disease or predation. Conservation Actions Trispot Darter The trispot darter is recognized by Alabama, Georgia, and Tennessee as a species of concern. This species is listed as Priority 2/High Conservation Concern by the State of Alabama, endangered by the State of Georgia, and threatened by the State of Tennessee. Priority watersheds within the range of the trispot darter have been designated as ***Strategic*** Habit Units by the Alabama Rivers and Streams Network. The ***Strategic*** Habit Unit project was developed for species restoration and enhancement. Alabama is conducting an analysis and the results are intended to contribute to restoration projects that will improve habitat and water quality for at risk and listed species. The Atlantic Coast Conservancy holds a tract of land within Ballplay Creek that could offer some protection in the watershed. Natural Resources Conservation Service's Working Lands for Wildlife partnership within the basin will help farmers develop and implement strategies to improve water quality. Holiday Darter The holiday darter is recognized by Alabama, Georgia, and Tennessee as a species of concern. It is listed as Priority 1/Highest Conservation Concern by the State of Alabama, endangered by the State of Georgia, and threatened by the State of Tennessee. In general, protections accorded to the holiday darter by the States prohibit direct exploitation of the species. Some populations of holiday darter are known from watersheds in which a substantial percentage of lands are owned and managed by the USFS. These populations are found in the Conasauga River, upper Etowah River, and Shoal Creek. In the Conasauga River and Shoal Creek, the majority of current records for the holiday darter are within the boundary of USFS lands. Cherokee National Forest in Tennessee, Chattahoochee National Forest in Georgia, and Talladega National Forest in Alabama own and manage natural resources in occupied watersheds in those portions of the holiday darter's range. Management prescriptions implemented by the USFS in areas that overlap with the range of the holiday darter are expected to benefit the species. Specifically, 4.5 miles (mi) (7.2 kilometers (km)) of the Conasauga River is eligible for Congressional Wild River designation and is managed to protect and perpetuate the features that led to the eligibility status. The river is also recognized for its aquatic biodiversity by the USFS, and management strategies employed by both Cherokee and Chattahoochee National Forests within the watershed include designated wilderness areas, recommended wild river, recommended recreational river, black bear habitat management, restoration and maintenance of rare communities, restoration and management of old growth characteristics, and scenic corridors and sensitive viewsheds. These management strategies, which emphasize natural forest communities and water quality are expected to benefit holiday darter within the Conasauga River watershed. The Chattahoochee National Forest management prescriptions within the upper Etowah River also broadly emphasize and promote natural plant communities and so are expected to benefit holiday darter within this watershed. Standards outlined in the Revised Land and Management ***Plan*** for National Forests in Alabama (2004) generally protect water and habitat quality in streams. Direct observations of Shoal Creek have found the stream to have good water quality with high levels of dissolved oxygen, stable pH levels, and low sedimentation, confirming the benefits of USFS management strategies to holiday darter habitat. Approximately 13.6 mi (21.9 km) of Amicalola Creek are bounded by lands owned and managed by the State of Georgia. Georgia's stated goals for this area are maintenance or enhancement of populations of sensitive species and management of riparian areas to benefit water quality, aquatic resources, and aesthetics. We expect that this provides some benefit to holiday darters in that location. Additionally, approximately 488 acres (ac) (197 hectares (ha)) of these lands were purchased with the assistance of a Recovery Land Acquisition Grant that prioritized the conservation of aquatic resources and species. Therefore, it is anticipated that State ownership and management within the Amicalola Creek watershed will benefit the long- term survival of holiday darters. Within the Conasauga River basin, Natural Resources Conservation Service has begun a Working Lands for Wildlife project that provides technical and financial assistance to help landowners improve water quality and help ***producers*** ***plan*** and implement a variety of conservation activities or practices that benefit aquatic species. Holiday darter may benefit in the future from water quality improvements in portions of the Conasauga River that are affected by ***agricultural*** practices as a result of the Working Lands for Wildlife project. Priority watersheds within the range of the holiday darter have been designated as ***Strategic*** Habit Units by the Alabama Rivers and Streams Network. The ***Strategic*** Habit Unit project was developed for species restoration and enhancement. Watersheds occupied by holiday darter that have been designated as ***Strategic*** Habit Units are the Choccolocco Creek watershed (which includes the Shoal Creek populations) and the Oostanaula River watershed (which includes the Conasauga and Coosawattee River populations). Bridled Darter The bridled darter is recognized by Georgia and Tennessee as a species of concern. It is listed as endangered by the State of Georgia. In general, protections accorded to species that are listed by the States prohibit their direct exploitation. Some populations of bridled darter are known from watersheds in which a substantial percentage of lands are owned and managed by the USFS. These populations are found in the Conasauga River and upper Etowah River. In the Conasauga River, the majority of current records for the bridled darter are within the proclamation boundary of USFS lands. Cherokee National Forest in Tennessee and Chattahoochee National Forest in Georgia own and manage lands and [[Page 46191]] natural resources in occupied watersheds in those portions of the bridled darter's range. Management prescriptions implemented by the USFS in areas that overlap with the range of the holiday darter (see discussion above) are also expected to benefit the bridled darter. Future Scenarios For the purpose of this assessment, we define viability as the ability of the species to sustain populations in the wild over time. To address uncertainty associated with the degree and extent of potential future stressors and their impacts on species' requisites, the 3Rs were assessed using three plausible future scenarios. These scenarios were based, in part, on the results of urbanization and climate models that predict changes in habitat used by the trispot, holiday, and bridled darters. The models that were used to forecast both urbanization and climate change projected 50 years into the future. Using the best available data to forecast plausible future scenarios allows the Service to determine if a species may become an endangered species in the foreseeable future. For more detailed information on these models and their projections, please see the SSA reports. In the Status Quo scenario, current environmental regulations and policy, land use management techniques, and conservation measures remain the same over the next 50 years. We anticipate the current trend in greenhouse gas emissions to continue and moderate impacts from extreme weather events including intense drought, floods, and storm events to occur. In this scenario, rapid urbanization will continue at the current estimated rate for the Piedmont region of the southeastern United States, which will increase demand for water resources. In the Best Case scenario, we predict wider adoption of conservation measures and policies, which involves watershed-scale conservation ***plans*** (Working Lands for Wildlife and watershed habitat conservation ***plans***) and enacting a water policy for Alabama. In this scenario, we still expect rapid urban growth, albeit at a slower rate than under the other two scenarios. Under the Best Case scenario, rapidly growing urban areas would address environmental concerns and implement water conservation measures and green infrastructure. If implemented, these actions should lessen the demand on water resources (requiring fewer drinking water supply reservoirs) and minimize urban effects on streams. While large numbers of roads will still be constructed, under the Best Case scenario road crossings will be constructed that allow for fish passage. In this scenario we expect carbon emissions to peak before 2020 resulting in a lower probability of extreme weather conditions negatively affecting stream fishes, as compared to the Status Quo or Worst Case scenarios. In the Worst Case scenario, we anticipate major negative effects in aquatic ecosystems as a result of rapid urbanization. In conjunction with rapid urban growth, we project that there will be a general lack of conservation measures and policies being implemented at the local, regional, or national levels. Water demand will increase with population, and new reservoir construction will take place. In addition to rapid urbanization, carbon emissions are projected to continue to increase above the current levels in this scenario, resulting in a higher probability of extreme weather events that can negatively affect fish species. In areas that remain in ***agricultural*** use, there will be an increased amount of herbicide and poultry litter spreading and no protective measures implemented to address water quality issues. Under this scenario, we anticipate a general decline in available suitable habitat, population size, and abundance. While we consider all three of these scenarios to be plausible, we acknowledge that each has a different probability of materializing at different times. A discrete range of probabilities was used to describe the likelihood that each scenario will occur. The Status Quo scenario was seen as ``very likely'' to occur in 10 years and ``likely'' to occur at 50 years. The Best Case and Worst Case scenarios were seen as less likely to occur (ranging from ``unlikely,'' ``as likely as not,'' and ``likely''). Although they were part of the analysis, and the range of possibilities considered, because of the significantly lower probability of their occurrence they are not discussed in detail below. However, a table summarizing all scenarios for each species is provided below, and a full description of all three analyses can be found in the SSA report for each species. Trispot Darter In the Status Quo scenario, two populations of trispot darter, Ballplay Creek and Conasauga River, are expected to become extirpated, while the remaining two, Little Canoe Creek and Coosawattee River, are projected to persist in low resiliency condition. Because of the loss of darters predicted for Salacoa Creek, the fish will be found only in the Coosawattee River mainstem (no longer in any tributaries), making it more vulnerable to catastrophic events. Redundancy decreases to two populations, which are completely isolated from one another due to the Weiss Dam. Genetic material will not be exchanged, reducing adaptive potential of the species. Summaries of the analysis of all three scenarios are provided in the table below. Table 5--Future Condition of the Trispot Darter by the Year 2070 Under Three Future Scenarios ---------------------------------------------------------------------------------------------------------------- Management unit Status quo Best case Worst case ---------------------------------------------------------------------------------------------------------------- Little Canoe..................... Low................. Moderate........... Likely Extirpated. Ballplay......................... Likely Extirpated... Low................ Likely Extirpated. Conasauga........................ Likely Extirpated... Moderate........... Likely Extirpated. Coosawattee...................... Low................. Moderate........... Likely Extirpated. ---------------------------------------------------------------------------------------------------------------- Holiday Darter In the Status Quo scenario, three extant populations of holiday darter are expected to become extirpated, while four populations will continue to be extant 50 years in the future. This will decrease overall redundancy for the species as well as representation (the Coosawattee River will no longer be represented with the extirpation of the Talking Rock Creek, Ellijay River, and Mountaintown Creek populations). Physiographic representation is projected to decline over the next 50 years because the holiday darter's range is expected to contract to the upstream stream reaches that are owned and managed by State and Federal agencies within the Blue Ridge physiographic province. Representation is projected to remain within the Ridge and Valley of Alabama. Summaries of the analysis of all three scenarios are provided in the table below. [[Page 46192]] Table 6--Future Condition of the Holiday Darter by the Year 2070 Under Three Future Scenarios ---------------------------------------------------------------------------------------------------------------- Population Status quo Best case Worst case ---------------------------------------------------------------------------------------------------------------- Conasauga River.................. Low................. Moderate........... Low. Talking Rock Creek............... Likely Extirpated... Likely Extirpated.. Likely Extirpated. Mountaintown Creek............... Likely Extirpated... Likely Extirpated.. Likely Extirpated. Ellijay River.................... Likely Extirpated... Low................ Likely Extirpated. Amicalola Creek.................. Low................. Moderate........... Low. Etowah River..................... Low................. Low................ Low. Shoal Creek...................... Low................. Low................ Likely Extirpated. ---------------------------------------------------------------------------------------------------------------- Bridled Darter In the Status Quo scenario, two populations of bridled darter are expected to become extirpated (Talking Rock Creek and Long Swamp Creek). This will decrease overall redundancy for the species as well as representation (the Coosawattee River will no longer be represented with the extirpation of the Talking Rock Creek population). Physiographic representation is projected to decline over the next 50 years because the bridled darter's range is expected to contract to upstream stream reaches that are owned and managed by state and federal agencies within the Blue Ridge physiographic province. Summaries of the analysis of all three scenarios are provided in the table below. Table 7--Future Condition of the Bridled Darter by the Year 2070 Under Three Future Scenarios ---------------------------------------------------------------------------------------------------------------- Population Status quo Best case Worst case ---------------------------------------------------------------------------------------------------------------- Conasauga River.................. Low................. Moderate........... Low. Holly Creek...................... Low................. Low................ Likely Extirpated. Talking Rock Creek............... Likely Extirpated... Low................ Likely Extirpated. Long Swamp Creek................. Likely Extirpated... Low................ Likely Extirpated. Amicalola Creek.................. Low................. Moderate........... Low. Etowah River..................... Low................. Moderate........... Low. ---------------------------------------------------------------------------------------------------------------- Findings and Determination Section 4 of the Act (16 U.S.C 1533), and its implementing regulations at 50 CFR part 424, set forth the procedures for adding species to the Federal Lists of Endangered and Threatened Wildlife and Plants. Under section 4(a)(1) of the Act, we may list a species based on: (A) The present or threatened destruction, modification, or curtailment of its habitat or range; (B) overutilization for commercial, recreational, scientific, or educational purposes; (C) disease or predation; (D) the inadequacy of existing regulatory mechanisms; or (E) other natural or manmade factors affecting its continued existence. Listing actions may be warranted based on any of the above threat factors, singly or in combination. The Act defines an endangered species as any species that is ``in danger of extinction throughout all or a significant portion of its range'' and a threatened species as any species ``that is likely to become endangered throughout all or a significant portion of its range within the foreseeable future.'' As required by the Act, we considered the five factors in assessing whether the three species are endangered or threatened throughout all of their ranges. We examined the best scientific and commercial information available regarding the past, present, and future threats faced by the species. We reviewed the petition, information available in our files, and other available published and unpublished information, and we consulted with recognized fish experts and other Federal and State agencies. Bridled Darter Stressors identified for the bridled darter include destruction of habitat due to urbanization, channel modification and loss of riparian vegetation, decreased water quality from ***agricultural*** activities, severity of climate events like storms and droughts, contaminants, and reduced connectivity from dams, road crossings, and culverts. While the species may be exposed to some or all of these stressors, it continues to persist in all of the streams it occupied historically. Our future scenarios were developed using models that predicted out 50 years; however, the short lifespan of the species (2-3 years) and the lack of evidence of threats directly impacting the species creates uncertainty when predicting the species' response to threats into the future. Forecasting beyond eight to ten generations would be speculative, and we do not have robust population data that could predict how the bridled darter may respond to threats beyond a 20-year timeframe. Accordingly, we have concluded that 20 years is the foreseeable future for the bridled darter. While our analysis indicates a low abundance for the species currently, the best available data do not indicate a declining trend in abundance. Rather, it is likely that the low abundance (and, therefore, low resiliency) is due to the species being naturally rare and difficult to detect. The inconsistent survey methodology and lack of standard collection records also creates uncertainty in any analysis of trends or the ability to compare data across years. More importantly, within the occupied areas of the Conasauga and Etowah Rivers, the majority of the records for the species are on USFS land, which is noted for having good water quality and suitable habitat for bridled darters, and we expect this situation to continue into the foreseeable future. In fact, even 30 years beyond our foreseeable future timeframe, under the most likely scenario, we expect that the bridled darter will still persist in four of six populations (Conasauga River, Holly Creek, Amicalola Creek, and Etowah River). Our review of the best available scientific and commercial information indicates that the bridled darter is not in danger of extinction nor likely to become endangered within the foreseeable future throughout all of its range. Because we determined that the bridled darter is not in danger of extinction or likely to become so in the [[Page 46193]] foreseeable future throughout all of its range, we will consider whether there are any significant portions of its range in which the bridled darter is in danger of extinction or likely to become so. See the Final Policy on Interpretation of the Phrase ``Significant Portion of Its Range'' in the Endangered Species Act's Definitions of ``Endangered Species'' and ``Threatened Species'' (79 FR 37577, July 1, 2014). We evaluated whether there is substantial information indicating that there are any portions of the species' range: (1) That may be ``significant,'' and (2) where the species may be in danger of extinction. In practice, a key part of identifying portions appropriate for further analysis is whether the threats are geographically concentrated. The threats affecting the bridled darter are occurring throughout its entire range; therefore, there is not a meaningful geographical concentration of threats. As a result, even if we were to undertake a detailed ``significant portion of its range'' analysis, there would not be any portions of the species' range where the threats are harming the species to a greater degree such that it may be in danger of extinction in that portion. Our review of the best available scientific and commercial information indicates that the bridled darter is not in danger of extinction or likely to become endangered within the foreseeable future throughout all or a significant portion of its range. Therefore, we find that listing the bridled darter as an endangered or threatened species under the Act is not warranted at this time. Holiday Darter Threats previously identified for the holiday darter include destruction of habitat due to urbanization, channel modification and loss of riparian vegetation, decreased water quality from ***agricultural*** activities, severity of climate events like storms and droughts, contaminants, and reduced connectivity from dams, road crossings, and culverts. Our analysis shows that while the species may be exposed to some or all of these stressors, it continues to persist in all of the streams it occupied historically. While our future scenarios were developed using models that predicted out 50 years, the short lifespan of the species (3 years) and the lack of evidence of threats directly impacting the species creates uncertainty when predicting the species' response to threats into the future. Forecasting beyond eight to ten generations would be speculative, and we do not have robust population data to support a foreseeable future that could predict how the holiday darter may respond to threats beyond a 20-year timeframe. Accordingly, we have concluded that 20 years is the foreseeable future for the holiday darter. While our analysis indicates a low abundance for the species, the best available data do not indicate a declining trend in abundance. Rather, it is likely that the low abundance (and, therefore, low resiliency) is due to the species being naturally rare and difficult to detect. The inconsistent survey methodology and lack of standard collection records also creates uncertainty in any analysis of trends or the ability to compare data across years. For example, nearly half of the collection records for holiday darters in the Conasauga River did not provide numeric data for the number of individuals collected, so they represent only presence data. In the occupied areas of the Conasauga and Etowah Rivers, the majority of the records for the species are on USFS land, which is noted for having good water quality and suitable habitat for holiday darters, and we expect this situation to continue into the foreseeable future. We expect that, for the foreseeable future, the holiday darter will continue to have four to six populations, with only the Talking Rock Creek and Long Swamp Creek populations projected to be extirpated. We expect this scenario to continue under the `status quo' scenario to the 50-year timeframe, 30 years beyond the foreseeable future. Even under the `worst case' scenario, three populations are expected to remain extant into the future. Our review of the best available scientific and commercial information indicates that the holiday darter is not in danger of extinction nor likely to become endangered within the foreseeable future, throughout all of its range. Because we determined that the holiday darter is not in danger of extinction or likely to become so in the foreseeable future throughout all of its range, we will consider whether there are any significant portions of its range in which the holiday darter is in danger of extinction or likely to become so. See the Final Policy on Interpretation of the Phrase ``Significant Portion of Its Range'' in the Endangered Species Act's Definitions of ``Endangered Species'' and ``Threatened Species'' (79 FR 37577, July 1, 2014). We evaluated whether there is substantial information indicating that there are any portions of the species' range: (1) That may be ``significant,'' and (2) where the species may be in danger of extinction. In practice, a key part of identifying portions appropriate for further analysis is whether the threats are geographically concentrated. The threats affecting the holiday darter are occurring throughout its entire range; therefore, there is not a meaningful geographical concentration of threats. As a result, even if we were to undertake a detailed ``significant portion of its range'' analysis, there would not be any portions of the species' range where the threats are harming the species to a greater degree such that it may be in danger of extinction in that portion. Our review of the best available scientific and commercial information indicates that the holiday darter is not in danger of extinction or likely to become endangered within the foreseeable future throughout all or a significant portion of its range. Therefore, we find that listing the holiday darter as an endangered or threatened species under the Act is not warranted at this time. Proposal To List the Trispot Darter Our analysis of the trispot darter's current and future conditions, as well as the conservation efforts discussed above, show that the population and habitat factors used to determine the resiliency, representation, and redundancy for trispot darter will continue to decline such that it is likely to become in danger of extinction throughout all or a significant portion of the range within the foreseeable future. We considered whether the trispot darter is presently in danger of extinction and determined that proposing endangered status is not appropriate. The current conditions as assessed in the trispot darter SSA report show extant populations in four river systems (MUs), including 39 river mi (63 river km) of occupied habitat in the Conasauga River and the Little Canoe Creek population with moderate resiliency. As with the other two darter species, the best available data do not indicate a declining trend in abundance, and it is likely that the low abundance (and, therefore, low resiliency) indicated in our analysis is due to the species being naturally rare and difficult to detect. The inconsistent survey methodology and lack of standard collection records also creates uncertainty in any analysis of trends or the ability to compare data across years. The trispot darter continues to exhibit representation across its range, and extant populations remain across the range. While threats are currently acting on the species and many of those threats are expected to continue into the future, we did not find that the species is currently in danger of extinction throughout all of its range. [[Page 46194]] After reviewing our analysis of current and plausible future conditions of the trispot darter, we concluded that the resiliency, redundancy, and representation are being impacted by threats and the species has reduced viability. While our future scenarios were developed using models that predicted out 50 years, the short lifespan of the species (2-3 years) and the lack of evidence of threats directly impacting the species creates uncertainty when predicting the species' response to threats into the future. Forecasting beyond eight to ten generations would be speculative, and we do not have robust population data to support a foreseeable future that could predict how the trispot darter may respond to threats beyond a 20-year timeframe. Accordingly, we have concluded that 20 years is the foreseeable future for the bridled darter. It is true that 30 years beyond our foreseeable future timeframe, the Status Quo scenario predicts the trispot darter will persist in both the Little Canoe and Coosawattee populations. However, considering this species' vulnerability to a loss of connectivity between breeding and non-breeding habitats and the effect that situation has on reproductive success, we expect negative impacts to the resiliency, redundancy, and representation of the species in the foreseeable future. The trispot darter's unique reproductive strategy of utilizing distinct areas of rivers and streams for breeding and non-breeding habitats makes the loss of connectivity especially detrimental to viability. In contrast to the holiday and bridled darters, a lack of protected lands within the current range of trispot darters creates more uncertainty regarding land use, threats, and the ability of these four populations to withstand the expected loss of one or two populations. This expected reduction in both the number and distribution of resilient populations is likely to make the species vulnerable to catastrophic disturbance, and thus put the species at an increased risk of extinction in the foreseeable future. Therefore, on the basis of the best available scientific and commercial information, we find that listing the trispot darter is warranted and propose to list the species as threatened in accordance with sections 3(20) and 4(a)(1) of the Act. Under the Act and our implementing regulations, a species may warrant listing if it is endangered or threatened throughout all or a significant portion of its range. Because we have determined that the trispot darter is threatened throughout all of its range, no portion of its range can be ``significant'' for purposes of the definitions of ``endangered species'' and ``threatened species.'' See the Final Policy on Interpretation of the Phrase ``Significant Portion of Its Range'' in the Endangered Species Act's Definitions of ``Endangered Species'' and ``Threatened Species'' (79 FR 37577, July 1, 2014). While it is the Service's position under this policy that undertaking no further analysis of ``significant portion of its range'' in this circumstance is consistent with the language of the Act, we recognize that the policy is currently under judicial review, so we also took the additional step of considering whether there could be any significant portions of the species' range where the species is in danger of extinction. We evaluated whether there is substantial information indicating that there are any portions of the species' range: (1) That may be ``significant,'' and (2) where the species may be in danger of extinction. In practice, a key part of identifying portions appropriate for further analysis is whether the threats are geographically concentrated. The threats affecting the species are throughout its entire range; therefore, there is not a meaningful geographical concentration of threats. As a result, even if we were to undertake a detailed ``significant portion of its range'' analysis, there would not be any portions of the species' range where the threats are harming the species to a greater degree such that it may be in danger of extinction in that portion. Critical Habitat for Trispot Darter Section 4(a)(3) of the Act, as amended, and implementing regulations in 50 CFR 424.12, require that, to the maximum extent prudent and determinable, we designate critical habitat at the time the species is determined to be an endangered or threatened species. Critical habitat is defined in section 3 of the Act as: (1) The specific areas within the geographical area occupied by the species, at the time it is listed in accordance with the provisions of section 4 of this Act, on which are found those physical or biological features (a) essential to the conservation of the species, and (b) which may require special management considerations or protection; and (2) Specific areas outside the geographical area occupied by the species at the time it is listed in accordance with the provisions of section 4 of this Act, upon a determination by the Secretary of the Interior that such areas are essential for the conservation of the species. Our regulations (50 CFR 424.12(a)(1)) state that the designation of critical habitat is not prudent when any of the following situations exist: (1) The species is threatened by taking or other human activity, and identification of critical habitat can be expected to increase the degree of threat to the species, or (2) such designation of critical habitat would not be beneficial to the species. The regulations also provide that, in determining whether a designation of critical habitat would not be beneficial to the species, the factors that the Service may consider include but are not limited to whether the present or threatened destruction, modification, or curtailment of a species' habitat or range is not a threat to the species, or whether any areas meet the definition of ``critical habitat'' (50 CFR 424.12(a)(1)(ii)). As discussed above, we did not identify any imminent threat of take attributed to collection or vandalism for the trispot darter, and there is no indication that identification and mapping of critical habitat is likely to initiate any such threats. Therefore, in the absence of finding that the designation of critical habitat would increase threats to the species, if there are benefits to the species from a critical habitat designation, a finding that designation is prudent is appropriate. The potential benefits of designation may include: (1) Triggering consultation under section 7 of the Act, in new areas for actions in which there may be a Federal nexus where it would not otherwise occur because, for example, it is unoccupied; (2) focusing conservation activities on the most essential features and areas; (3) providing educational benefits to State or county governments or private entities; and (4) preventing people from causing inadvertent harm to the protected species. Because designation of critical habitat would not likely increase the degree of threat to the species and may provide some measure of benefit, designation of critical habitat is prudent for the trispot darter. Our regulations (50 CFR 424.12(a)(2)) further state that critical habitat is not determinable when one or both of the following situations exists: (1) Information sufficient to perform required analyses of the impacts of the designation is lacking; or (2) the biological needs of the species are not sufficiently well known to permit identification of an area as critical habitat. For the trispot darter, a careful assessment of the economic impacts that may occur due to a critical habitat designation is ongoing, and we are in [[Page 46195]] the process of working with the States and other partners in acquiring the complex information needed to perform that assessment. Until these efforts are complete, information sufficient to perform a required analysis of the impacts of the designation is lacking, and, therefore, we find designation of critical habitat for the trispot darter to be not determinable at this time. Available Conservation Measures Conservation measures provided to species listed as endangered or threatened species under the Act include recognition, recovery actions, requirements for Federal protection, and prohibitions against certain practices. Recognition through listing results in public awareness and conservation by Federal, State, Tribal, and local agencies, private organizations, and individuals. The Act encourages cooperation with the States and other countries, and calls for recovery actions to be carried out for listed species. The protection required by Federal agencies and the prohibitions against certain activities are discussed, in part, below. The primary purpose of the Act is the conservation of endangered and threatened species and the ecosystems upon which they depend. The ultimate goal of such conservation efforts is the recovery of these listed species, so that they no longer need the protective measures of the Act. Subsection 4(f) of the Act calls for the Service to develop and implement recovery ***plans*** for the conservation of endangered and threatened species. The recovery ***planning*** process involves the identification of actions that are necessary to halt or reverse the species' decline by addressing the threats to its survival and recovery. The goal of this process is to restore listed species to a point where they are secure, self-sustaining, and functioning components of their ecosystems. Recovery ***planning*** includes the development of a recovery outline shortly after a species is listed and preparation of a draft and final recovery ***plan***. The recovery outline guides the immediate implementation of urgent recovery actions and describes the process to be used to develop a recovery ***plan***. Revisions of the ***plan*** may be done to address continuing or new threats to the species, as new substantive information becomes available. The recovery ***plan*** also identifies recovery criteria for review of when a species may be ready for reclassification from endangered to threatened (``downlisting'') or removal from the List of Endangered and Threatened Wildlife or Plants (``delisting''), and methods for monitoring recovery progress. Recovery ***plans*** also establish a framework for agencies to coordinate their recovery efforts and provide estimates of the cost of implementing recovery tasks. Recovery teams (composed of species experts, Federal and State agencies, nongovernmental organizations, and stakeholders) are often established to develop recovery ***plans***. When completed, the recovery outlines, draft recovery ***plans***, and the final recovery ***plans*** will be available on our Web site ([*http://www.fws.gov/endangered*](http://www.fws.gov/endangered)), or from our Alabama Ecological Services Field Office (see FOR FURTHER INFORMATION CONTACT). Implementation of recovery actions generally requires the participation of a broad range of partners, including other Federal agencies, States, Tribes, nongovernmental organizations, businesses, and private landowners. Examples of recovery actions include habitat restoration (e.g , restoration of native vegetation), research, captive propagation and reintroduction, and outreach and education. The recovery of many listed species cannot be accomplished solely on Federal lands because their range may occur primarily or solely on non- Federal lands. To achieve recovery of these species requires cooperative conservation efforts on private, State, and Tribal lands. If this species is listed, funding for recovery actions will be available from a variety of sources, including Federal budgets, State ***programs***, and cost share grants for non-Federal landowners, the academic community, and nongovernmental organizations. In addition, pursuant to section 6 of the Act, the States of Alabama, Georgia, and Tennessee would be eligible for Federal funds to implement management actions that promote the protection or recovery of the trispot darter. Information on our grant ***programs*** that are available to aid species recovery can be found at:   [*http://www.fws.gov/grants*](http://www.fws.gov/grants). Although the trispot darter is only proposed for listing under the Act at this time, please let us know if you are interested in participating in recovery efforts for this species. Additionally, we invite you to submit any new information on these species whenever it becomes available and any information you may have for recovery ***planning*** purposes (see FOR FURTHER INFORMATION CONTACT). Section 7(a) of the Act requires Federal agencies to evaluate their actions with respect to any species that is proposed or listed as an endangered or threatened species and with respect to its critical habitat, if any is designated. Regulations implementing this interagency cooperation provision of the Act are codified at 50 CFR part 402. Section 7(a)(4) of the Act requires Federal agencies to confer with the Service on any action that is likely to jeopardize the continued existence of a species proposed for listing or result in destruction or adverse modification of proposed critical habitat. If a species is listed subsequently, section 7(a)(2) of the Act requires Federal agencies to ensure that activities they authorize, fund, or carry out are not likely to jeopardize the continued existence of the species or destroy or adversely modify its critical habitat. If a Federal action may affect a listed species or its critical habitat, the responsible Federal agency must enter into consultation with the Service. Federal agency actions within the species' habitat that may require conference or consultation or both as described in the preceding paragraph may include, but are not limited to, management and any other landscape-altering activities on Federal lands administered by the Service, USFS, and National Park Service; issuance of section 404 Clean Water Act (33 U.S.C 1251 et seq.) permits by the U.S Army Corps of Engineers; and construction and maintenance of roads or highways by the Federal Highway Administration. Under section 4(d) of the Act, the Service has discretion to issue regulations that we find necessary and advisable to provide for the conservation of threatened species. The Act and its implementing regulations set forth a series of general prohibitions and exceptions that apply to threatened wildlife. The prohibitions of section 9(a)(1) of the Act, as applied to threatened wildlife and codified at 50 CFR 17.31, make it illegal for any person subject to the jurisdiction of the United States to take (which includes harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect; or to attempt any of these) threatened wildlife within the United States or on the high seas. In addition, it is unlawful to import; export; deliver, receive, carry, transport, or ship in interstate or foreign commerce in the course of commercial activity; or sell or offer for sale in interstate or foreign commerce any listed species. It is also illegal to possess, sell, deliver, carry, transport, or ship any such wildlife that has been taken illegally. Certain exceptions apply to employees of the Service, the National Marine Fisheries Service, other Federal land management agencies, and State conservation agencies. We may issue permits to carry out otherwise prohibited activities involving threatened wildlife under [[Page 46196]] certain circumstances. Regulations governing permits are codified at 50 CFR 17.32 With regard to threatened wildlife, a permit may be issued for the following purposes: For scientific purposes, to enhance the propagation or survival of the species, for economic hardship, for zoological exhibition, for educational purposes, or for other special purposes consistent with the purposes of the Act. There are also certain statutory exemptions from the prohibitions, which are found in sections 9 and 10 of the Act. Section 4(d) of the Act specifies that, for threatened species, the Secretary shall issue such regulations as he deems necessary and advisable to provide for the conservation of the species. This discretion includes authority to prohibit by regulation with respect to a threatened species any act prohibited by section 9(a)(1) of the Act. At 50 CFR 17.31(a), the Service, by delegation from the Secretary, exercised this discretion to extend the take and other prohibitions set forth in section 9(a)(1) of the Act to all threatened species. The provisions at 50 CFR 17.31(c), however, also provide that the blanket prohibitions included in Sec. 17.31(a) do not apply if the Service promulgates a rule under section 4(d) of the Act tailored to provide for the conservation needs of a specific threatened species. During the public comment period on this proposed rule, we are seeking comments on whether a section 4(d) rule is appropriate for trispot darter. It is our policy, as published in the Federal Register on July 1, 1994 (59 FR 34272), to identify to the maximum extent practicable at the time a species is listed, those activities that would or would not constitute a violation of section 9 of the Act. The intent of this policy is to increase public awareness of the effect of a proposed listing on proposed and ongoing activities within the range of the species proposed for listing. Activities that the Service believes could potentially harm the trispot darter and result in ``take'' include, but are not limited to: (1) Unauthorized handling or collecting of the species; (2) Destruction or alteration of the species' habitat by discharge of fill material, dredging, snagging, impounding, channelization, or modification of stream channels or banks; (3) Destruction of riparian habitat directly adjacent to stream channels that causes significant increases in sedimentation and destruction of natural stream banks or channels; (4) Discharge of pollutants into a stream or into areas hydrologically connected to a stream occupied by the species; (5) Diversion or alteration of surface or ground water flow; and (6) Pesticide/herbicide applications in violation of label restrictions. Questions regarding whether specific activities would constitute a violation of section 9 of the Act should be directed to the Alabama Ecological Services Field Office (see FOR FURTHER INFORMATION CONTACT). Required Determinations Clarity of the Rule We are required by Executive Orders 12866 and 12988 and by the Presidential Memorandum of June 1, 1998, to write all rules in plain language. This means that each rule we publish must: (1) Be logically organized; (2) Use the active voice to address readers directly; (3) Use clear language rather than jargon; (4) Be divided into short sections and sentences; and (5) Use lists and tables wherever possible. If you feel that we have not met these requirements, send us comments by one of the methods listed in ADDRESSES. To better help us revise the rule, your comments should be as specific as possible. For example, you should tell us the numbers of the sections or paragraphs that are unclearly written, which sections or sentences are too long, the sections where you feel lists or tables would be useful, etc. National Environmental Policy Act (42 U.S.C 4321 et seq.) We have determined that environmental assessments and environmental impact statements, as defined under the authority of the National Environmental Policy Act (NEPA), need not be prepared in connection with listing a species as an endangered or threatened species under the Endangered Species Act. We published a notice outlining our reasons for this determination in the Federal Register on October 25, 1983 (48 FR 49244). Government-to-Government Relationship With Tribes In accordance with the President's memorandum of April 29, 1994 (Government-to-Government Relations with Native American Tribal Governments; 59 FR 22951), Executive Order 13175 (Consultation and Coordination with Indian Tribal Governments), and the Department of the Interior's manual at 512 DM 2, we readily acknowledge our responsibility to communicate meaningfully with recognized Federal Tribes on a government-to-government basis. In accordance with Secretarial Order 3206 of June 5, 1997 (American Indian Tribal Rights, Federal-Tribal Trust Responsibilities, and the Endangered Species Act), we readily acknowledge our responsibilities to work directly with tribes in developing ***programs*** for healthy ecosystems, to acknowledge that tribal lands are not subject to the same controls as Federal public lands, to remain sensitive to Indian culture, and to make information available to tribes. There are no tribal lands located within the range of this species. References Cited A complete list of references cited in the SSA report is available on the Internet at   [*http://www.regulations.gov*](http://www.regulations.gov) and upon request from the Alabama Ecological Services Field Office (see FOR FURTHER INFORMATION CONTACT). Authors The primary authors of this proposed rule are the staff members of the Fish and Wildlife Service's Unified Listing Team and the Alabama Ecological Services Field Office. List of Subjects in 50 CFR Part 17 Endangered and threatened species, Exports, Imports, Reporting and recordkeeping requirements, Transportation. Proposed Regulation Promulgation Accordingly, we propose to amend part 17, subchapter B of chapter I, title 50 of the Code of Federal Regulations, as set forth below: PART 17--ENDANGERED AND THREATENED WILDLIFE AND PLANTS 0 1. The authority citation for part 17 continues to read as follows: Authority: 16 U.S.C 1361-1407; 1531-1544; and 4201-4245, unless otherwise noted. 0 2. Amend Sec. 17.11(h) by adding an entry for ``Darter, trispot'' in alphabetical order under FISHES to read as set forth below: Sec. 17.11 Endangered and threatened wildlife. \* \* \* \* \* (h) \* \* \* [[Page 46197]] ---------------------------------------------------------------------------------------------------------------- Listing citations and Common name Scientific name Where listed Status applicable rules ---------------------------------------------------------------------------------------------------------------- \* \* \* \* \* \* \* Fishes \* \* \* \* \* \* \* Darter, trispot................. Etheostoma Wherever found.... T [Federal Register trisella. citation when published as a final rule.] \* \* \* \* \* \* \* ---------------------------------------------------------------------------------------------------------------- Dated: September 7, 2017. James W. Kurth, Acting Director, U.S Fish and Wildlife Service. [FR Doc. 2017-21350 Filed 10-3-17; 8:45 am] BILLING CODE 4333-15-P

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[***Foreign Secretary keynote speech at the Lowy Institute***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P3Y-Y5V1-JDKC-R2XS-00000-00&context=1516831)

UK Government News

July 27, 2017 Thursday 10:24 PM EST

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**Length:** 2982 words

**Body**

U.K., July 27 -- The UK Government made the following announcement:

On Thursday 27 July the Foreign Secretary delivered the Lowy Institute's keynote speech at Sydney Town Hall in Sydney, Australia.

Good evening.

It is great to be here in this wonderful Town Hall, alongside my friend and colleague Julie Bishop, and with Stephen Lowy and Michael Fullilove.

When I first came back to Britain after a year in Australia - at the age of 19 - it would be fair to say that I bore a pretty heavy imprint from my time in this country.

My conversation was studded with words like "bonzer, mate" or "you little ripper", and on the streets of London in broad daylight I insisted on wearing the same "Stubbies" daks - shorts of appalling brevity - that I had worn in the bush until my then girlfriend said that it was her or the stubbies daks.

I am not sure how the contest was resolved. After years in the UK educational system my infatuation with Australian dress, manners, vocabulary and general cast of mind was so intense that I had become a kind of unconscious Les Patterson - a self-appointed and unwanted cultural ambassador.

In so far as my friends were able to understand me, it helped that this was the time when Neighbours and Kylie Minogue were propelling Australian life onto our screens, and when young Australians were beginning to pop up across the planet in a phenomenon that was set to music in 1980 by the band Men At Work.

You will recall that the peregrinations of the man from Down Under - how he met a man from Bombay with not much to say; how he met the man from Brussels 6 foot four and full of muscles, and he asked him do you speak a my language and he just smiled and gave him a vegemite sandwich - the point being that he was himself Australian.

And from that lyric you deduce that second characteristic of the Australians - not only a fierce sense of identity and independence, but also a truly global country, engaged with the world in a way that is positive and fearless and upbeat.

So keep those two features in your head - strong sense of national political and cultural identity, combined with a truly global outlook - as I ask you to conduct a thought experiment.

I am told that Australia has just joined Eurovision. All I can say as a representative of a country that often seems to score nil points is - good luck with that. But protract that logic.

Imagine that in 1972 Geoffrey Rippon and Ted Heath had been able by some miracle to persuade our friends in Paris that distance was no obstacle. Suppose that by her abundant self-evident influences from Britain, Greece, Italy and elsewhere it had been decided that Australia was really European; a great, glorious syncretic European country and therefore eligible for accession - and suppose the French had said oui, and Australia had been admitted to the Common Market. What would have happened?

Who would have wanted Australia to join the Common Market by the way? Let's have a little retrospective referendum here.

Well, I think you could argue that there would have been advantages and disadvantages. Australia would certainly have continued to catapult huge quantities of butter and beef to Europe - more than ever, perhaps. But other things would not have been so easy.

I mean no criticism of the model and methods chosen by our EU friends but you wouldn't be running your own competition law or your public procurement ***programmes*** and you wouldn't be able to tailor your green energy ***programmes*** to suit Australia's needs.

You would find yourselves regularly out-voted in the Council of Ministers on hours of work or the definition of chocolate. You would never have been able to come up with your own immigration policy - the fabled points-based system.

And for the last 44 years you would have had to conform to the Common ***Agricultural*** Policy, and we must face the terrible probability that the EU's ruthless quota and ***intervention*** policies - designed to protect existing Mediterranean ***producers*** - would have meant that Australia's now legendary winemakers would never have got beyond the first tentative vintages because the whole lot would have been compulsorily boiled up and turned into bioethanol; and there would be nothing from the Hunter valley on our tables tonight.

And above all an awful lot of your brightest diplomats would be spending their lives trying to STOP things from happening, grappling in distant corridors with brilliant graduates of the Ecole Nationale d'Administration, instead of actually trying to get things done.

And even if you think I am being paranoid - even if you think it might not have been as bad as all that - I think we can look at Australia today and after 26 years of continuous growth, and with per capita GDP 25 per cent higher than in the UK, I think we can say that it was not absolutely necessary for Australia to join the Common Market.

Indeed, it is safe to say that it was not necessary for Australia to join any bloc or grouping organised on the integrationist principles of the EU.

Australia is not required to send well remunerated parliamentarians to an APEC parliament; and there isn't a single APEC court of justice or currency, called the abalone, or whatever.

Australia hasn't been required in the last few decades to sign up to a series of treaties designed to create a single political unit out of a patchwork of 27 countries; and no one claims that such a process is essential for Australia's economic health and well-being, nor that this prevents Australia being a successful member of international economic organisations or a committed multilateral player.

So when we look at the forward momentum of Australia in the last few decades you can perhaps see why we in Britain are inclined to take with a pinch of salt some of the very slight gloom and negativity that is emanating from some distinguished quarters about the decision of the British people to leave the European Union.

And you can see why we might be moved to reject their notion that little old Britain is just too small, too feeble, too isolated, to cope on its own.

They say the UK is like some poor wriggling crustacean about to be deprived of its shell. I say - don't come the raw prawn with me.

On the contrary, when we look at what Australia has achieved, we can see grounds for boundless excitement and optimism.

It is true that we may not have all Australia's sunshine and other natural advantages; but we are the fifth biggest economy on earth, rated number two or perhaps number one for soft power, a permanent member of the UN Security Council, the second biggest contributor to NATO, we have the greatest financial capital anywhere in the world, with the biggest creative, culture and media sector anywhere in our hemisphere.

And we are like Australians in that our population is possessed of the most extraordinary wanderlust - one in ten of Britons now alive is estimated to be living outside Britain, a higher proportion than any other rich country.

Not just diplomats and aid workers either - though we certainly make a huge contribution to international activity. If you look at the five worst current humanitarian disasters - in Syria, South Sudan, Somalia, Yemen and North East Nigeria - you will find that the three biggest donors are the US, the UK, and the EU; and that is before you even take account of the sixth or so of the EU aid budget we also pay.

We are hugely proud of that record - but of course we are not just talking of public officials. We are talking about 6 m bankers and journalists and artists and lawyers and athletes and - I kid you not - a policeman from Uxbridge who tours the world testing water slides: 6 m Brits spread out across the world in a great bright throbbing web like a scene from Avatar.

And we have the chance now as we leave the arrangements of the European Union to become even more global, and when I say more global I do not mean for a minute that we will become less European.

The Channel is not about to get wider. Britain is not going to sprout funnels and steam across to the Mid Atlantic. We remain historically, culturally, intellectually, emotionally and architecturally European.

Shakespeare is just as European as Michelangelo or Cervantes or Beethoven. Indeed, when you consider the range of his locations: Denmark, Austria, France, Greece, Italy, Cyprus, Croatia, Turkey, to say nothing of Lebanon, Syria and the New World - I think you could argue that he was more European in his interests than any other great artist.

This European-ness is not just words: we show our commitment to Europe by our moral and military willingness to come to the defence of our friends, a commitment that we make unconditionally, irrespective of our EU negotiations.

It is 100 years since British and Australian soldiers stood side by side in the Third Battle of Ypres, in what I still believe it is right to think of as a fight against tyranny.

Today there are 800 British soldiers in Estonia, almost a quarter of the NATO mission in Eastern Europe, there to give reassurance in the face of any potential provocations from the east. We will continue to stick up for the rights of Ukrainians, threatened by Russian aggression and revanchism.

We will work with our friends in the western Balkans, where there is currently a political and geo-***strategic*** arm wrestle taking place; and we will continue to help them to achieve what they see as their Euro-Atlantic destiny.

We will help our Italian partners as they face the challenge of migration from North Africa- cracking down on the vile people traffickers who put their victims to sea in leaky boats.

We will continue to argue for balance and moderation in our European foreign policy; and yes we join our friends in deploring the actions of the Turkish authorities in arresting and imprisoning journalists and human rights activists, including Amnesty International campaigners. We call on Turkey to release them from pre-trial detention, ensure fair and speedy trials, and to find a new way forward.

But we also believe that we must engage with Turkey, and that it would be a great mistake to demonise or to push that extraordinary country away from us. That is not the right way forward, either.

And we believe that this European engagement - military, diplomatic, working together to defeat all those who would do us harm - is in our interests, in our partners' interests - in our mutual interest.

And that mutual interest is nowhere more blatant than in the negotiations on trade that are about to begin.

I wore this morning a sweater derived from Spanish sheep, reared in New Zealand, whose wool was shorn and shipped to Italy where it was turned into cloth that was shipped to China - imagine that vast triangle - where it was stitched together and then back to New Zealand before being exported to Britain, France, all over the world. Think of that woolly jumper as it bounds over borders and barriers and customs posts with not a bleat of effort or exertion.

That is how trade works today, with standards and supply chains that are increasingly global; and with the help of the excellent negotiators on both sides I have no doubt that we will get a great deal that preserves and even enhances the frictionless movement of goods that is in the interests of both sides of the Channel.

And I am sure that we will get a solution that does nothing to undermine the interests of London's financial sector, because the real rivals of the City are not in Paris or Frankfurt; they are in Hong Kong and New York and Singapore - and in the end I think everyone understands that London is an asset for the entire continent.

And when we do that deal I believe we will create a solution that has been so long in the making - a strong EU, buttressed and supported by a strong UK, with each side trading freely with the other, and with the UK able to think about new opportunities in the rest of the world.

There is nowhere more exciting to do that than here in the Indo-Pacific; here where there is a third of the global economy, around two thirds of the global population - here where the growth is.

And that is why we have decided once again that the UK must be more present, more active, more engaged in this region. and in each of the three countries I have visited in the last week - Japan, New Zealand, here in Australia - I have heard people ask for Britain to get more involved.

And we will be here as a partner and friend; aiming at good relations with all the major countries of this region - not choosing between them. Our relationship with China, the engine of global growth, will be crucial now and in the future. As will our deep and long-standing partnerships with Japan and India. And of course those with you in Australia and our friends in New Zealand.

But we need to do more. So I can say tonight that after leaving the EU, we will be seeking to strengthen our own national relationship with ASEAN as an institution.

We want these partnerships because they are a big part of how we uphold the liberal international order, in Asia as elsewhere.

That is why last week I stood shoulder to shoulder with my colleague Fumio Kishida, the Japanese foreign minister, in denouncing the nuclear adventurism of Kim Jong Un. A man who reportedly deals with his enemies by strapping them to the side of a mountain and shelling them with an anti-aircraft gun.

That is why we stand up for the rights of the people of Hong Kong and for the "One country, two systems" principle to be upheld - and I thank Julie Bishop for making that same point when she spoke a couple of nights ago.

In the South China Sea, we urge all parties to respect freedom of navigation and international law, including the ruling of the Permanent Court of Arbitration in The Hague.

We are also ready once again to articulate our commitment to international order with money and a military presence.

That is why we last year sent our Typhoons for the first time to train with Japan, South Korea, and Malaysia, as one of the few countries able to deploy air power 7,000 miles from our shores. That is why one of the first missions of our two vast new aircraft carriers will be to sail through the Straits of Malacca, the route that currently accommodates a quarter of global trade.

And if you look at these vessels you will see that they are not only longer than the Palace of Westminster but more persuasive than most of the arguments you will hear in the House of Commons.

Not because we have enemies in this region - on the contrary, as I have made clear, we are keen to intensify our friendships - but because we believe in upholding the rule of law.

And that brings me to the final key point I want to make tonight. Winston Churchill identified what he saw as the special genius of the English-speaking peoples.

For my part I think we must be careful to avoid any such conceit or complacency that English-speakers are especially blessed; but it is certainly true that there is a series of interconnected ideas that have been highly successful, and that I certainly believe in.

They are democracy, the rule of law, habeas corpus, an independent judiciary, the absolute freedom to make fun of politicians, and above all the freedom to live your life as you please provided you do not harm the interests of others.

It is because they know that they can fulfil themselves in that way that people of talent are drawn to such beautiful cities as London and Sydney - and it is that very freedom that makes these cities so prosperous and so innovative.

And it is to defend and expand that ideal - of freedom under the law - that Britain and Australia work hand in hand; because we know that ideal is not really the property or copyright of the English-speaking peoples - but something that belongs or can belong to all humanity.

Today with Julie Bishop and our defence colleagues we discussed every issue under the sun.I must tell you that in the course of those talks we have over the last 24 hours had an almost embarrassing failure to disagree.

We are building greater global security together, and now we look forward to intensifying the trading and commercial relationships that greater security makes possible.

We both have great Commonwealth events next year - a great London Summit and I am sure a fantastic Gold Coast Commonwealth Games - and we both believe in the Commonwealth's capacity to strengthen common values among its members from here, across Asia, into the Pacific.

After we leave the EU I am confident that Australia will be at, or near, the front of the queue for a new Free Trade Agreement with Britain; an agreement that could boost even further what we do together.

After all we already do so much. I have just met British engineers rebuilding Sydney Opera house. And I know only too well the debt of my own city, London, to Frank Lowy - now Sir Frank - a man who kept investing even in the darkest days of the 2008 crash, and who kept building even when pretty well every other crane had been removed.

We trade so much together - you sell us skateboards; we sell you boomerangs. We sell you marmite, you sell us vegemite - and I would not like to speculate on who does better on the deal.

You send us Patricia Hewitt and Lynton Crosby. We send you Julia Gillard and Tony Abbott.

Never in history has there been such a happy, swollen, distance-obliterating pipeline of people and ideas and goods and services, and as that flow increases in pace and volume let us remember that our success is made possible and guaranteed by the ideals we share. They are not unchallenged. They have their enemies and their detractors.

But they have stood us in good stead and we can be absolutely confident that they will succeed triumphantly in the years ahead.

Thank you very much.

Notes to Editor

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**Body**

Danske Bank Chief executive: Kevin Kingston Pre-tax profit: £147.5m Employment: 1,293 Pay bill: £60m Donegall Square West Belfast BT1 6JS 028 9004 6100 [*www.danskebank.co.uk*](http://www.danskebank.co.uk) Danske Bank chief executive Kevin Kingston describes 2017 as another strong year for the bank, singling out growth in its mortgage business. "There was a 28% increase in new mortgage lending year-on-year, with our market activity share now having more than doubled since 2015."

Growth in the mortgage business had been advanced through the introduction of a digital system for the third party broker network, Mr Kingston said. "This investment has made brokers' online interactions with our products slicker, reducing their workload and in turn improving customer experience. We have also expanded our own mortgage consultant team, making this service more readily available." There had also been changes in its small business division, he said.

"We completed a ***programme*** of relocating our small business advisers back into key branches throughout Northern Ireland. This decision was taken as a result of strong feedback from small businesses and it has allowed our people to be more accessible and closer to customers.

"These changes have made a tangible impact, with an average of 37 new small business relationships being established every week."

Danske Bank said lending to medium to larger-sized businesses was also up 3% year-on-year. A new digital invoice finance system had been introduced.

And the bank said that the corporate sector remained buoyant, despite ongoing economic uncertainty as a result of the EU referendum result in 2016.

During 2017, the company also sold its wealth division to stockbrokers firm Davy as part of its drive towards cost efficiencies and business simplification. It has also teamed up with two external wealth providers.

Mr Kingston said: "We also leased one of the floors of our head office to professional services firm, Grant Thornton. In addition, we re-assessed our defined benefit pension arrangement, closing it to future accrual.

"This relates to employees who joined the bank before 31 December 2003. From October 2018, all staff will avail of a competitive defined contribution pension arrangement."

in Mr Kingston added: "This year we have an ambition of making more possible for our customers.

"Whilst the macro environment remains challenging, we firmly believe Danske Bank is very well positioned to further support the Northern Ireland economy, whilst continuing to assist customers in realising their ambitions."

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE 2 NI Water Chief executive: Sara Venning Pre-tax profit: £102.9m Employment: 1,255 Pay bill: £57.75m NI Water 40 Old Westland Road Belfast BT14 6TE Tel: 08457 440088 [*www.niwater.com*](http://www.niwater.com) NI Water writes that it "exists to provide the water for life we all rely on to thrive". Established in April 2007, NI Water describes itself as "one of the most successful examples of a government organisation achieving private sector levels of performance and efficiency, underpinning the health, economy and environment in Northern Ireland".

To provide a sense of scale, NI Water delivers 570 million litres of clean, safe drinking water to 850,000 households and businesses and recycles 340 million litres of used water from 680,000 households and businesses. Thousands of assets, at a value approaching £3bn, are operated and maintained to provide these services. This includes over 40,000 kilometres of water mains and sewers - one and half times longer than Northern Ireland's entire road network.

As a government-owned Company which is publically funded, NI Water has delivered over £2bn of investment, provided record levels of service to customers, record environmental compliance and reduced its day to day annual running costs by 30% or £65m (since 2009/10).

NI Water has just entered the fourth year of an ambitious six year business ***plan***, which the company says "sets out how the company will grow value and trust by being world class". It adds that analysis by Ulster University Business School indicates that NI Water is benefiting the local economy to the tune of £440m per year. Over a six-year period to 2021, it is estimated that NI Water will pump £2.5bn into the local economy, positioning NI Water as a major contributor to Northern Ireland's Gross Value Added (GVA).

The services provided by the company are essential for a modern regional economy. NI Water is committed to working with government to secure the necessary medium term funding to underpin delivery of investment in resilient and sustainable services for all customers.

During 2017 it acquired complete ownership of clean water production here after acquiring Kelda Water Services (KWS) holdings in four plants for over £100m. KWS, the owners of Yorkshire Water, disposed of its holdings in treatment points in Antrim, Coleraine, Craigavon and Magherafelt.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE 3 Viridian Group Investments Chief executive: Ian Thom Pre-tax profit: £68.6m Employment: 580 Pay bill: £25.4m Greenwood House Belfast BT9 5NF Tel: 028 9038 3757 [*www.viridiangroup.co.uk*](http://www.viridiangroup.co.uk) Viridian is one of the biggest energy companies in Northern Ireland and the Republic. It is part of I Squared Capital after its sale by former owners Arcapita. Viridian consists of Power NI, the supplier of electricity to around 600,000 homes in Northern Ireland. Its power procurement business manages around 600 MW of contracted generation capacity here.

Viridian also owns Energia Group, an all-island energy business, which last year unveiled five new windfarms across counties Tyrone and Antrim. Energia supplies electricity and gas to business customers in Northern Ireland and homes and businesses in the Republic. Viridian has around 20% of the domestic electricity market Ireland-wide.

In September last year, Viridian announced the successful conclusion of its debt refinancing, which the firm said "optimises its capital structure, reduces costs and extends maturities".

Viridian Group FinanceCo PLC and Viridian Power and Energy Holdings issued £225m aggregate principal amount of their 4.75% Senior Secured Notes due 2024 and (EURO)350m aggregate principal amount of their 4.00% Senior Secured Notes due 2025.

Like US energy company AES, Viridian has been affected by the Integrated Single Electricity Market - which was due to come into force in May this year but has now been delayed until October.

In February, Viridian said it ***plans*** to close its gas-fired Huntstown plants -which generate up to 747MW of electricity - after one of the plants failed to secure a capacity contract following an auction under the ISEM. But Viridian said it "continues to believe the Huntstown plants are critical to the security of electricity supply in the Dublin area".

The ISEM is a new wholesale electricity market arrangement for Ireland and Northern Ireland. The new market arrangements are designed to integrate the all-island electricity market with European electricity markets, enabling the free flow of energy across borders.

In order to ensure the demand for electricity is always met, generators receive a payment for being ready to generate electricity - called the capacity remuneration mechanism. An auction in February determined the capacity remuneration payable between May and September 2019.

4 Bombardier Chief executive: Michael Ryan Pre-tax profit: £61.5m Employment: 4,558 Pay bill: £219.5m Airport Road Belfast BT3 9DZ Tel: 028 90 458444 [*www.belfast.aero.bombardier.com*](http://www.belfast.aero.bombardier.com) Bombardier was in the headlines for much of 2017 as it fought off a competitive challenge from rival Boeing. Even aside from that battle, Bombardier says 2017 was "another extremely challenging year" due to the reduced sales volume of non-Bombardier contracts and continuing cost competitive issues. But its customer services division achieved a good year of profitable growth and a four-year pay deal was agreed.

In 2017, Belfast boss Michael Ryan became President, Bombardier Aerostructures and Engineering Services as Bombardier reached the half-way mark in its five-year global turnaround ***plan***.

In May, the US Department of Commerce (DoC) launched an investigation into Bombardier's trade practices in the United States, following a complaint from Boeing. In December, the DoC announced affirmative final determinations in both its antidumping and countervailing duty investigations, resulting in proposed tariffs of just under 300% on future imports of C Series aircraft from Canada.

Early this year, however, the US International Trade Commission voted unanimously to overturn the DoC's determinations ruling that no anti-dumping or countervailing duties will apply.

Bombardier said: "This is a very positive endorsement for Bombardier following a vigorous defence of its position throughout 2017." The Belfast operation has acknowledged the strong support received from its unions, government, suppliers, and industry representatives. Bombardier also launched a C Series partnership with Airbus.

5 Moy Park Chief executive: Janet McCollum Pre-tax profit: £59.7m Employment: 9,620 Pay bill: £242.7m 39 Seagoe Industrial Estate Craigavon BT63 5QE Tel: 028 3835 32233 [*www.moypark.com*](http://www.moypark.com) Moy Park is a £1.4bn business employing over 12,000 people across facilities in the UK, Holland and France. The company Northern Ireland's largest private sector business and one of Europe's foremost poultry ***producers***. In 2017 Moy Park was bought by Pilgrim's - one of the leading chicken ***producers*** in the world.

The company works with over 800 poultry farmers in the UK and processes 6 million fresh chickens per week. Although best known for poultry, Moy Park is a major European ***producer*** of beef products, vegetarian products such as spring rolls and onion rings, as well as desserts including donuts and apple pies - a full range from starters and main courses to desserts.

Moy Park continues to grow its business as part of its ***strategic*** investment ***programme***, investing over £40m in industry-leading operations in 2017, further enhancing its position as one of the UK's most advanced food manufacturing companies. This figure included the completion of a new hatchery in Newark, England. The new facility is one of the first of its kind in Europe and hatches 2.5 million chicks per week, making it the largest single-build hatchery in the UK.

The company has been recognised with awards including the Excellence in Food Safety Award at the 2017 Northern Ireland Food and Drink Awards. Moy Park chief executive Janet McCollum was also named 'Large Company Director of the Year' at the IoD UK 2017 Awards. She also received a Lifetime Achievement Award at the 2017 Belfast Telegraph Business Awards in partnership with Ulster Bank.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE 6 Ulster Bank Chief executive: Richard Donnan Pre-tax profit: £59m Employment: 2,000 Pay bill: £88m 11-16 Donegall Square East Belfast BT1 5UB Tel: 0345 948 2222 [*www.ulsterbank.co.uk*](http://www.ulsterbank.co.uk) Ulster Bank retained the largest share of the personal and business current account market in Northern Ireland in 2017 and started 40,000 new personal banking relationships. It continued to invest in new products and services, including introducing a paperless mortgage process, providing Financial Health Checks that helped 31,000 customers become financially fitter, through Get Cash which enables customers to withdraw money from one of the bank's ATMs without a debit card, and SignVideo, a new service for deaf customers allowing them to access a third-party interpreter to assist in branch or telephone banking.

In business lending, Ulster Bank saw an increase in drawdowns by small businesses of 29% in 2017 and an increase in lending to large companies of 15%, as the bank continued to support a wide range of customers to invest and grow. As the principal sponsor of Northern Ireland's largest agri-food event, it is a major contributor to the farming and food & drink sectors in Northern Ireland. Its Ulster Bank Entrepreneur Accelerator has made a significantly positive impression on the entrepreneurial community in Northern Ireland.

7 Schrader Electronics/Sensata Managing director: Graeme Thompson Pre-tax profit: £56.3m Employment: 1,432 Pay bill: £50.9m Belfast Road Antrim Tel: 028 94 461300 [*www.schraderinternational.com*](http://www.schraderinternational.com) Schrader Electronics, based in Antrim, is a pioneer in tire pressure monitoring systems (TPMS), a vehicle safety feature that is standard in all cars. In February it announced 125 job losses at its Carrickfergus site, blaming a fall in demand for its products.

The company is a world leader in the design and manufacture of valve, mechanical and electronic system components and sensing technologies.

It has been part of Sensata Technologies since October 2014. Sensata Technologies Holding N.V. (NYSE:ST) incorporated in the Netherlands, is a global industrial technology company, a leader in the development, manufacture and sale of sensors and controls.

Sensata ***produce*** a wide range of customised, innovative sensors and controls for mission-critical applications such as thermal circuit breakers in aircraft, pressure sensors in automotive systems and temperature control devices in electric motors.

8 First Trust Chief executive: Adrian Moynihan Pre-tax profit: £54m Employment: 771 Pay bill: n/a 92 Ann Street, Belfast BT1 3HH Tel: 028 9033 0099 [*www.firstrustbank.co.uk*](http://www.firstrustbank.co.uk) First Trust Bank provides banking services to personal, business and corporate customers across Northern Ireland. These services are delivered by a team of 560 people operating across its branches, business centres, digital and phone channels and headquarters in Belfast. First Trust Bank provides c. £2bn in financing to personal, business and corporate customers across Northern Ireland.

First Trust Bank says that since 2017, it has "embarked on a significant investment ***programme*** to create a sustainable, modern bank that is positioned to meet the current and future needs of its customers and to enable growth in communities and the broader Northern Ireland economy". This involves a £10m investment spend to modernise its branch network, to open five new regional business banking centres and create new customer offerings across its mortgage offering, digital channels and via a partnership with the Post Office. Its corporate side recently led on the refinancing of the Belfast International Airport - one of NI's largest financial transactions - and aiding the development of hotels including Bullitt Hotel.

9 Bank of Ireland UK Regional manager: Sean Sheehan Pre-tax profit: £53m Employment:500 Pay bill: n/a 1 Donegall Square South Belfast BT1 5LR Tel: 028 9043 3420 [*www.bankofireland.com*](http://www.bankofireland.com) Bank of Ireland now has 28 branches in Northern Ireland and has pledged to invest £10m in its branches, including refurbishing 18 of them. In common with the rest of the main banks in Northern Ireland and the UK, it has closed branches, with six shutting down in 2017. Sean Sheehan, regional manager for Northern Ireland, said that the bank has to ensure that the network is cost-effective and fit for purpose.

"The Northern Ireland marketplace is competitive and we must service our customers through a full range of contemporary and easily accessible channels.

"The changes we are making, particularly the investment in branches, are designed to help us develop our business in what is a core franchise for Bank of Ireland."

Last year, the bank said that it had lent £1bn to businesses in Northern Ireland in 2016 - an increase of one third.

The bank said the growth took place across small, medium and large companies. Overall, small business lending saw a 22% increase in 2016. In the Republic, the bank is now led by new chief executive, Francesca McDonagh.

10 NIE Networks Chief executive: Nicholas Tarrant Pre-tax profit: £52.8m Employment: 1,284 Pay bill: £73.8m 120 Malone Road Belfast BT9 5HT Tel: 03457 643 643 [*www.nienetworks.co.uk*](http://www.nienetworks.co.uk) NIE Networks, which owns the electricity transmission and distribution networks in Northern Ireland, increased network investment by 7% last year and agreed its 2017 to 2024 investment ***plans*** with the Utility Regulator.

This 2017 investment was primarily to refurbish and replace worn assets and to maintain the reliability and safety of the electricity network for its 870,000 customers. During 2017, 287MW of large scale generation, 71MW of small scale generation and 3MW of microgeneration was connected to the network, taking the overall total to 1.4GW of renewable generation connected to the network. A substantial proportion of large scale generation (150MW) was connected through windfarm clusters established in the vicinity of a number of windfarm projects to enable more efficient connection on a 'hub and spoke' basis with associated environmental, technical and operational benefits. In overall terms they reduce the length of network required to connect all projects and enable additional capacity to be connected.NIE Networks also reads and maintains all electricity meters.

11 Norbrook Holdings Chief executive: Liam Nagle Pre-tax profit: £49.2m Employment: 2,068 Pay bill: £68.5m Camlough Road Newry BT35 6QQ Tel: 028 3026 4435 [*www.norbroook.com*](http://www.norbroook.com) Norbrook is a world-leading provider of veterinary pharmaceuticals for the health of farm and companion animals. Headquartered in Newry, Norbrook has a presence in more than 100 countries, with facilities in the UK and Ireland, Europe, the US, Africa and Australia. Norbrook continues to make a significant contribution to the Northern Ireland economy, spending over £80m annually in payroll and services in Northern Ireland.

In 2017, the company's CSR ***programme*** was launched. 2017 was another very strong year for the company, with growth across the business and significant capital investment made to further strengthen its position in the global veterinary pharmaceutical market. A £50m investment ***programme*** saw the introduction of two new laboratories.

The company also further strengthened its product portfolio with three new products. Carprofen Chewable Tablets for Dogs in the US in particular, supports Norbrook's business growth ***plans***. In 2017, the company continued to grow in key markets including North America, which grew by more than 17%.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE 12 W&R Barnett Chief executive: William Barnett Pre-tax profit: £36.2m Employment: 1,140 Pay bill: £49.4m Clarendon House Belfast BT1 3BG Tel: 028 9032 5465 [*www.wrbarnett.com*](http://www.wrbarnett.com) &R Barnett is the holding company of a diversified group of international commodity trading, storage, agribusiness and industrial companies.

WIt's a global trader of molasses and related liquid commodities, and the leading trader of grain and non-grain animal feed commodities. It is also a prominent supplier of bulk liquid storage facilities to the UK food, feed, industrial and energy sectors with over 400,000 cubic meters of storage assets located on the Mersey, Humber, Thames and Avonmouth. Through John Thompson & Sons, it is the largest manufacturer of animal feed in Northern Ireland.

W&R Barnett entered corrugated packaging market in 2015 with the acquisition of Logson Holdings.

Turnover and profits rose in the year reflecting the addition of Logson and Hansa NFC GmbH to the W&R Barnett Group. It made significant investments in buildings, plant and IT and continued to make acquisitions, including The Boxshop Limited in East Kilbride, Scotland and Argos Feed Group Zrt. in Hungary.

13 Belfast Harbour Chief executive: Joe O'Neill Pre-tax profits: £35.8m Employment: 141 Pay bill: £7.7m Corporation Square Belfast BT1 3AL Tel: 028 9055 4403 [*www.belfast-harbour.co.uk*](http://www.belfast-harbour.co.uk) Belfast Harbour handled a record 23.7million tonnes in 2017, representing 70% of all Northern Ireland's seaborne trade and around 20% of the entire island. In recent years sectors such as aggregates, wind farm machinery, freight, ferry passengers and cruise visits have performed strongly.

The Harbour Estate is also a major driver of Northern Ireland's economy with over 700 firms based there.

In addition to being a major conduit for imports and exports across virtually every business sector, Belfast Harbour is also a major investor in infrastructure. In the past decade the Harbour has invested £250m in new marine facilities and the ongoing regeneration of Belfast Harbour Estate. Last year £40m was invested in new capital projects whilst a further £135m has been committed to future projects. By 2019 Belfast Harbour will have invested £120m in City Quays. City Quays 1 and 2 are already complete and the Harbour has committed a further £50m towards City Quays 3. A new 190-bedroom AC Hotel by Marriott has opened, as well as a film studio on the North Foreshore leased to Warner Horizon Scripted Television.

14 Terex GB (materials processing) President: Kieran Hegarty Pre-tax profit: £28.3m Employment: 1,694 Pay bill: £62.4m Drumquin Road Omagh BT78 5PN Tel: 0845 0305 200 [*www.terex.com*](http://www.terex.com) erex GB is the American-owned and Northern Ireland-registered company which bought Powerscreen plc. It is part of Terex Corporation, a NYSE-listed global organisation.

TTerex GB is part of Terex Materials Processing, one of five divisions of Terex Corporation. Terex Materials Processing designs and manufactures mobile crushing, screening and washing equipment and the material processing group's main lines include Powerscreen, Terex Finlay and Terex Mineral. For the full year in 2017, Terex Corporation reported income from continuing operations of $60m on net sales of $4.4bn. In February, Terex Corporation chief executive and president John L Garrison said it expected an improved picture for 2018.: "By implementing our strategy, strengthening the company, and increasing backlog by 56%, we are well positioned for what we expect to be an improving global market environment in 2018.

"We expect to increase revenue and improve operating margins in every business segment. We will continue to implement the Simplify and Execute to Win elements of our strategy."

15 Almac Group Managing director: Alan Armstrong Pre-tax profit: £26.8m Employment: 3,975 Pay bill: £183.6m Seagoe Industrial Estate BT63 5QD Tel: 028 3833 5815 [*www.almacgroup.com*](http://www.almacgroup.com) lmac Group is an established contract development and manufacturing organisation providing integrated services to the pharmaceutical and biotech sectors globally.

AThe company is privately owned and has grown organically over almost 50 years and now employs nearly 5,000 people globally. Almac is headquartered in Craigavon with additional operations throughout Europe, across the US (Pennsylvania, North Carolina and California) and in Asia (Singapore and Tokyo). In February, it announced the completion of a £20m investment with the opening of a 95,000sq ft custom built cold store facility at its global headquarters in Craigavon At the start of last year, it announced a new facility in Dundalk, Co Louth to guarantee continued single market access following Brexit. In 2016, the company announced investment ***plans*** totalling £31m to expand its operations in Europe and North America, increasing its global headcount to reach 5,000. And £20m is being spent on expanding Almac's US headquarter site in Souderton, Pennsylvania as well as leasing new office space in nearby Lansdale.

16 SHS Group Chief executive: Elaine Birchall Pre-tax profit: £24.8m Employment: 781 Pay bill: £31.7m 199 Airport Road West Belfast BT3 9ED Tel: 028 9045 4647 [*www.shs-group.com*](http://www.shs-group.com) ounded in 1975, the SHS Group operates in the fast moving consumer goods (FMCG) sector in the UK, Ireland and increasingly in international markets.

FFrom its Belfast headquarters it supports its commercial divisions with information systems, HR, finance, procurement, logistics, customer services and corporate affairs.

Employing over 900 people throughout the UK and Ireland, the company owns brands such as WKD, Shloer, Bottlegreen and Merrydown Cider and distributes a portfolio of well-known brands including Jordans, Ryvita, Finish, Mars Drinks and Colgate. The SHS Group is also the largest supplier of own label herbs and spices in Great Britain and manufactures a range of branded and private label condiments and sauces.

In the last 12 months, the SHS Group announced the acquisition of Standard Brands, the global leader in ignition products and the acquisition of a majority shareholding in the 3V Group, owners of the Meridian and Rocks brands. Meridian is the leading brand of nut butter in the UK and Ireland and Rocks is a leading brand of organic squash.

17 Cooolkeeragh ESB Director: John Healy Pre-tax profit: £24.2m Employment: Nil Pay bill: Nil 2 Electra Road Londonderry BT47 6UL Tel: 028 00 000000 [*www.esb.ie*](http://www.esb.ie) he Coolkeeragh ESB gas fired electricity generating plant in Londonderry is owned by Irish parent company ESB. The combined-cycle gas turbine plant was commissioned in June 2005.

TA leading energy security expert has said Coolkeeragh is critical to Northern Ireland's electricity security.

Dr Patrick Keatley, an Ulster University academic specialising in energy storage, made the observation after AES announced it would close two coal fired generators at Kilroot in May. The US-owned firm opted for the shutdown after bids to sell electricity capacity to the grid from the two units failed in a recent Single Energy Market (SEM) competitve auction.

Mr Keatley was more sanguine when he spoke to the Northern Ireland Affairs Committee (NIAC), stating: "We have system security in Northern Ireland."

He said energy security was not dependent on AES's Kilroot coal units, and that its other generators in NI, plus ESB's gas-fired plant at Coolkeeragh, alongside the latter's renewable generators, guaranteed supply.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE 18 Northridge/NIIB Managing director: James McGee Pre-tax profit: £23.9m Employment: 121 Pay bill: £5.1m 1 Donegall Square South Belfast BT1 5LR Tel: 028 9072 4411 [*www.northridgefinance.com*](http://www.northridgefinance.com) NIIB Group Ltd, trading as Northridge Finance, is an Asset finance company based in Belfast with a UK wide operation. NIIB is a wholly owned subsidiary of Bank of Ireland UK PLC and has been part of Bank of Ireland Group since 1984.

Established more than 60 years ago, NIIB traded solely in Northern Ireland until 1999, when it expanded into Great Britain - now a valuable part of business income.

NIIB is a prime lender providing hire purchase, personal contract purchase and lease arrangements via motor dealers, commercial brokers and its direct sales team. The business said its main focus is with motor dealers where the business thrives on a fully transparent partnership model. Its "Joint Venture" product was recognised as the Best Finance Product at the European Motor Finance Awards in 2015.

The business employs around 120 people, mainly located at Bank of Ireland's offices at Donegall Square South, Belfast. The business acquired Marshall Leasing during 2017, the 27th largest fleet provider in the UK. The deal gives it the full range of asset finance products.

19 SSE Airtricity (two companies) Chief executive: Stephen Wheeler Pre-tax profit: £23.8m Employment: 177 Pay bill: £5.2m 17 to 25 Great Victoria Street Belfast BT2 7AQ 0843 133 1147 [*www.sseairtricity.com*](http://www.sseairtricity.com) SSE is Northern Ireland's second largest energy utility and a major provider of renewable power. Its enrgy supply business, SSE Airtricity, provides greener electricity, natural gas and energy-related services to home and business customers across Northern Ireland.

SSE is also the third largest energy generator by capacity in the all-island Single Electricity Market, with over 1,800MW of thermal and renewable energy generation in operation. It generates over 120MW of renewable energy at our wind farms in Northern Ireland, enough to power roughly 100,000 homes. Since 2008, SSE has invested over £0.5bn in the development of Northern Ireland's sustainable energy infrastructure, Three years ago, the company announced a 10-year naming rights partnership with The SSE Arena, Belfast. In June 2016, it was announced that SSE Airtricity would be the commissioning supplier of natural gas to domestic and small commercial customers for the new Gas to the West distribution network, further securing the company's position as a major provider of natural gas.

20 LCC Group Managing director: Michael Loughran Pre-tax profit: £20.8m Employment: 233 Pay bill: £5.8m 18 Churchtown Road Cookstown Tel: 028 8676 5588 [*www.lcccoal.com*](http://www.lcccoal.com) CC Group is made up of LCC Coal, LCC Oil, Go Power and a number of other companies.

LProfits are largely derived from overseas bulk trading activities as far afield as South Africa, Columbia and across Europe.

The bought Cloghan Point Oil Terminal near Carrickfergus from AES Power in a multimillion pound deal. And in October 2016, it bought out its joint venture partner, Norwegian oil giant Statoil ASA, to acquire full ownership of the Maydown oil terminal in Co Londonderry.

Go Power has risen to hold a prominent share of the Northern Ireland business power market, government and council contracts to supply electricity.

LCC Power has grown from employing seven people in 2012 to close to over 170. LCC's oil division was established in 1997 to expand the range of fuels available to its customers.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE 21 John Henderson Hldgs MDs: Geoffrey and Martin Agnew Pre-tax profit: £20m Employment: 3,387 Pay bill: £65.3m Hightown Road Mallusk BT36 4RT Tel: 028 9034 2733 [*www.henderson-group.com*](http://www.henderson-group.com) The company manages a number of subsidiaries. Henderson Wholesale Limited holds the franchise for Spar, Eurospar and Vivo in Northern Ireland. The company provides a marketing, advisory and distribution service to over 450 grocery retailers.

Henderson Retail owns and operates 79 supermarket, neighbourhood and forecourt stores and similarly trades under license at a further seven stores.

Henderson Foodservice is a food service business. Henderson Group Property Limited owns retail property leased mainly to Henderson Retail.

The Streat Franchising Ltd sell and provide support to café franchises. There is also a technology subsidiary and a property management company.

During the year operating profit at the group rose from £23.8m to £26.2m.

22 FP McCann Chief executive: Eoin McCann Pre-tax profit: £19.5m Employment: 1,374 Pay bill: £50.6m 3 Drumard Road Magherafelt BT45 8QA Tel: 028 79 642558 [*www.fpmccann.co.uk*](http://www.fpmccann.co.uk) Established in 1945, Magherafelt-based civil engineering and precast concrete manufacturing business FP McCann says it is going from strength to strength. Over the past 12 years, the company has been growing the business both organically and through acquisition. Their most recent acquisitions include Patrick Bradley Ltd (Kilrea), Cootes Concrete Products (Armagh), P. Clarke and Sons Ltd (Lisnaskea), Buchan Concrete (Byley) and Bison Flooring Manufacturing Ltd (Glasgow). As a result, the company is now the largest precast concrete product manufacturer in the UK.

Among its range of core activities, the company boosts a residential developments division (FP McCann Homes) as well as being a major supplier of quarry products and ready-mix concrete products.

TG Eakin Managing director: Paul Eakin Pre-tax profit: £18m Employment: 63 Pay bill: £2m 15 Ballystockart Road Comber Co Down Tel: 028 9187 1000 [*www.eakin.eu*](http://www.eakin.eu) G Eakin is a Comber-based company which makes medical skincare products for use in stoma and wound care.

TWith a turnover of £31m, the family-run Eakin Group is one of Northern Ireland's biggest success stories in the health sector.

The firm's biggest market is the US but its products are sold in 40 countries around the world. In 2014, the company invested £12m extending its Comber manufacturing facility to over 100,000 sq ft. It also acquired English firm Cliffe Medical, which owns Respond Plus in Larne, for an undisclosed sum.

The acquisition of Cliffe was TG Eakin's first since 2007, when it took over Pelican healthcare in Cardiff. The company was founded by Tom Eakin and is now run by his sons Paul and Jeremy.

24 GE Grid Solutions (UK) General manager: Graham McGuigan Pre-tax profit: £16.7m Employment: 242 Pay bill: £14.5m 7 Lissue Walk Lisburn BT28 2LU Tel: 028 92 622915 [*www.gegridsolutions.com/MD.htm*](http://www.gegridsolutions.com/MD.htm) GE Grid Solutions (UK) Limited, a global technology business headquartered in Lisburn is a subsidiary of US multinational General Electric (GE). Operating across aviation, healthcare, capital, transportation, power, oil and gas and digital solutions, GE's global teams work on powering, curing and moving the world. Leveraging manufacturing and core product expertise out of Lisburn supported by global direct and indirect sales networks, the Lisburn operation is a leading vendor in condition monitoring devices, software and services for Asset Performance Management (APM) of electrical grid and substation equipment such as AIS/GIS and power transformer.

25 AES Chief executive: Ian Luney Pre-tax profit: £16.2m Employment: 267 Pay bill: £22.4m Larne Road Carrickfergus Co Antrim BT38 7LX [*www.aesukireland.com*](http://www.aesukireland.com) AES UK & Ireland is part of the AES Corporation, a Fortune 200 energy company with a global portfolio of businesses operating in 17 countries worldwide, employing 19,000 people. It operates Ballylumford and Kilroot power stations but marked a tumultuous start to 2018. It lost out in capacity contracts in the auction for the new Integrated Single Electricity Market (ISEM) - with the company saying it will close down Kilroot with the loss of 260 jobs. It comes a year after AES celebrated 25 years of investment and operation in Northern Ireland. It operates the largest battery energy storage facility in the UK and Ireland, the Kilroot Advancion® Energy Storage Array, as well as Kilroot and Ballylumford. AES directly employs around 260. It acquired Kilroot in 1992 - its first acquisition outside the US.

26 John Graham Hldgs Chief executive: Michael Graham Pre-tax profit: £16m Employment: 1,844 Pay bill: £85.7m Ballygowan Road Hillsborough Co Down Tel: 028 9268 9500 [*www.graham.co.uk*](http://www.graham.co.uk) Co Down-based GRAHAM is Northern Ireland's largest construction company, delivering building, civil engineering, facilities management, project investment and fit-out projects across the UK and Ireland.

GRAHAM currently has a record £400m worth of live construction projects in Northern Ireland. These include the major redevelopment of Acute Services at Ulster Hospital, the stunning Grand Central Hotel for Hastings Hotels in Belfast and the A6 upgrade between Derry/Londonderry and Dungiven.

GRAHAM's turnover for 2016/17 rose 11% on the previous financial year, to £565m (up from £508m), with recorded profit sales of £16m. It now has offices all over the UK and Ireland including Hillsborough, Belfast, Dublin, Aberdeen, Glasgow, Dumfries and Edinburgh.

27 Capita Managed IT Solutions Managing director: Ed Brown Pre-tax profit: £13.4m Employment: 739 Pay bill: £29.3m 62 Church Road Newtownabbey Tel: 028 9085 9085 [*www.capita-mits.co.uk*](http://www.capita-mits.co.uk) Capita Managed IT Solutions is a major IT services organisation delivering cloud, end-to-end IT Solutions, and IT Managed Services to thousands of customers.

Its Newtownabbey centre supports customers including The Education Authority (NI), Department of Justice and Equality (ROI), Balfour Beatty, Viridian, DVA, AAH, and Transport for London. The company says it invests "heavily in our people and technologies, working with Microsoft to deliver IT Services that deliver true digital transformation to businesses and organisations". For over 30 years, Capita Managed IT Solutions has focused on key areas including education, public sector, health, utilities and commercial. Services range from subcontracting a single element of and organisation's IT, to a full IT Infrastructure outsource.

28 McAleer and Rushe Managing director: Martin Magee Pre-tax profit: £13.4m Employment: 300 Pay bill: £18.6m 17 to 19 Dungannon Road Cookstown Co Tyrone Tel: 028 8676 3741 [*www.mcaleer-rushe.co.uk*](http://www.mcaleer-rushe.co.uk) McAleer and Rushe is based in Cookstown with offices in London, Dublin and Belfast. The company employs 300 people in the UK and Ireland and celebrated 50 years in business last year with an expected £300m of design and build turnover.

The business a strong presence and growing client base with around 20 active sites including Edinburgh, Liverpool, Portsmouth, Dublin, Belfast and several London projects. The company focuses on residential, commercial office, student accommodation and turnkey hotel projects across a range of brands. Projects in Northen Ireland include a new Maldron Hotel in Belfast and student accommodation. The new Maldron Hotel opened in March. Managing director Martin Magee said its "dedication, expertise and professionalism" helped the firm stand out in the construction sector.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE Kainos plc Chief executive: Brendan Mooney Pre-tax profit: £13.3m Employment: 884 Pay bill: £43.7m 4 to 6 Upper Crescent Belfast BT7 1NT Tel: 028 9057 1100 [*www.kainos.com*](http://www.kainos.com) Kainos, situated in the university area of Belfast, specialises in digital services and platforms, with clients in government and healthcare. A trading update from the company in April, one of just three plcs in Northern Ireland, said employee and contractor numbers had grown by 200. The firm said that trading in the year to the end of March "continued in line with market expectations". The trading update said that it was also acquiring more international clients, supported by the group's growing physical presence in Europe. As its sales had grown, its contracted backlog was also up. In October last year, Kainos announced it was opening a base in Copenhagen to "meet growing demand" in Europe for its WorkSmart business, which covers areas including payroll and finance. It already has offices in Dublin, the US, Germany and Poland.

30 Montupet Managing director: John McMichael Pre-tax profit: £13.3m Employment: 582 Pay bill: £21.6m The Cutts Dunmurry BT17 9HN Tel: 028 90301049 [*www.montupet.fr*](http://www.montupet.fr) Montupet has been operating in Northern Ireland since 1989 and is now part of the Canadian industrial group Linamar, based in Guelph, Ontario.

The Montupet Group was purchased by Linamar in February 2016.

This acquisition was to add a leading player in the design and manufacture of complex aluminium light casting to the Linamar capabilities.

The larger group now consists of 58 manufacturing plants worldwide with a total workforce of 26,000 employees and total turnover of CAN$ 6.5bn, and net earnings of CAN$550bn.

The product range encompasses engine, transmission, driveline components and assemblies, and the brand Skyjack manufacturing scissor lifts and telescopic booms.

31 Gardrum Holdings MD: Derek Keys Pre-tax profit: £13.1m Employment: 87 Pay bill: £3m 72 to 74 Omagh Road Dromore BT78 3AJ Tel: 028 8289 8262 [*www.euroauctions.com*](http://www.euroauctions.com) Gardrum Holding's main business is conducting off-site and onsite machinery auction sales and valuations throughout Europe, trading as Euro Auctions.

It's the biggest auctioneer of construction machinery in the UK. Some group companies hold properties for use within the group or for development and resale.

Its first auction took place in Dromore, Co Tyrone in 1998, before holding its first auction outside the province in Wetherby, Yorkshire in 2000.

It branched out into holding auctions outside the British Isles in 2006 with an event in Dormagen, Germany. It now has five permanent sites around the world, including Brisbane in Australia.

32 Heron Brothers Chief executive: Damian Heron Pre-tax profit: £12.8m Employment: 244 Pay bill: £9.4m 2 St Patrick Street Draperstown BT45 7AL Tel: 028 7962 8505 [*www.heronbros.com*](http://www.heronbros.com) Heron Bros and Heron Property Ltd said that it's enjoying one of the busiest years since 2007 with strong order books across all divisions. The company says: "Heron Bros is an award winning construction and property development company which operates throughout the UK, Ireland and Europe. We have combined our traditional values with an advanced innovative approach to construction which delivers excellence in project value, quality and client satisfaction." The company is now in its sixtieth year. Projects include Gallagher Shopping Park in Port Glasgow and a Porsche Centre in Belfast.

33 Hilton Foods Finance director: Nigel Majewski Pre-tax profit: £12.7m Employment: 24 Pay bill: £6.7m c/0 PwC Laganbank Road Belfast Tel: 028 9024 5454 [*www.hiltonfoodgroupplc.com*](http://www.hiltonfoodgroupplc.com) Hilton Foods, which changed its name from Hilton Meats two years ago, is part of the Hilton Food Group plc group of companies. The group supplies major international food retailers from facilities in the UK.

The company buys is meats from a global base of suppliers, which it then processes and packs in large scale meat-packing plants for distribution by third-party hauliers to customers.

The company says its plants operate at "high volume levels necessary to ***produce*** competitive unit packing costs, whilst achieving the levels of hygiene, food safety assurance, shelf life and product quality".

34 Andor Technology Managing director:Gary Wilmot Pre-tax profit: £12.7m Employment: 287 Pay bill: £15.4m Springvale Business Park 7 MillenniumWay Belfast Tel: 028 9023 7126 [*www.andor.com*](http://www.andor.com) Andor Technology, now part of Oxford Instruments plc, manufactures high performance scientific imaging cameras, spectroscopy solutions and microscopy systems for research and OEM markets.

Andor, which started out as a spin-out from Queen's University, has been involved in the photonics industry for over 20 years and is expert in light measuring solutions that allow consumers to perform light measurements previously considered impossible. The company's products are used in a wide range of applications including medical research to further the understanding of heart disease, cancer and neuronal diseases such as Alzheimer's and Parkinson's disease. It also has applications for forensic science and astronomy. The company had been a plc in its own right before its takeover in 2014.

35 First Derivatives Chief executive: Brian Conlon Pre-tax profit: £12.5m Employment: 1,595 Pay bill: £88.2m 3 Canal Quay Newry BT35 6BP Tel: 028 3025 2242 [*www.firstderivatives.com*](http://www.firstderivatives.com) NEWRY financial software firm First Derivatives has said it expects to benefit from tax cuts in the US as it reported strong trading in the second half of the year.

In an update, the company - which has now branched out into other uses for its software - said revenue would likely be ahead of the forecast £180.2m.

And it said it had analysed the impact of the US Tax Cuts and Jobs Act, which has cut the US Federal corporate income tax rate form 35% to 21%.

During the last 12 months it's also signed up clients in new sectors, including the Formula 1 Red Bull team and Airbus defence and space. The company is based in Newry but has offices around the world. FD said its Airbus deal was for "large scale processing of geospatial data", and would bring oppportunities in energy and engineering.

36 Retlan Manufacturing Director: Enda Cushnahan Pre-tax profit: £12.4m Employment: 886 Pay bill: £26.1m 116 Deerpark Road Toomebridge BT41 3SS Tel: 028 9446 0898 [*www.sdctrailers.com*](http://www.sdctrailers.com) Retlan Manufacturing is a holding company with interests in a number of engineering companies specialising in the manufacture and sale of commercial trailers - SDC Trailers - - as well as the sale of commercial vehicle and trailer parts. The group is registered in Toomebridge.

Two years ago SDC Trailers was sold to CIMC Vehicles in China in one of three big deals last year involving the sale of Northern Ireland assets to Chinese firms. SDC Trailers is the largest trailer manufacturer in the UK and Ireland, with production facilities in Toomebridge, Antrim and Mansfield, Nottinghamshire. SDC offers heavy duty trailers for the road transport and logistics industries including box vans, curtainsiders, skeletals, platforms, urban and extended length trailers. It has been in business for 40 years.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE Randox Holdings Chief executive: Dr Peter FitzGerald Pre-tax profit: £12.3m Employment: 1,185 Pay bill: £32.7m 55 Diamond Road Crumlin CoAntrim Tel: 0 28 9442 2413 [*www.randox.com*](http://www.randox.com) andox is a global leader in healthcare diagnostics.

RMore than 5% of the world's population - receives medical diagnosis using Randox products each year. Randox is the largest diagnostic company from the UK and exports over 95% of products worldwide. Randox has an extensive portfolio including food diagnostics, alcohol and drugs testing, and a comprehensive test menu of markers for disease diagnosis and risk. The company has a major focus on R&D, with scientists working in pioneering research into common illnesses such as cancer, cardiovascular disease and Alzheimer's disease. Up to 16% of turnover is reinvested in R&D. It has key manufacturing and research and development sites in Northern Ireland, Ireland, India, and in the USA. This year it marked the second year of a five-year deal as title sponsor of the Grand National.

Buttercrane Centre Director: Patricia Henry Pre-tax profit: £11.9m Employment: n.a Pay bill: n.a 1 Ballycregagh Road Cloughmills Ballymena BT44 9LD [*www.buttercraneshopping.co.uk*](http://www.buttercraneshopping.co.uk) Buttercrane Centre Ltd is a property investment company with a portfolio including the Newry shopping centre of the same name. The centre has benefited from growth in footfall from the Republic following the referendum decision of 2016, as the fall in the value of sterling left it a cheaper venue for shoppers in the Republic. But it faced disappointment following the decision of anchor retailer Marks & Spencer to relocate to The Quays Shopping Centre in Newry earlier this year.

Buttercrane received a lift earlier this year when Burger King, the home of the Whopper, has opened and Superdrug opened in the centre, with 650 m squared now let to the two national brands.

Dunbia Director: Jim Dobson Pre-tax profit: £11.8m Employment: 3,584 Pay bill: £80m Granville Industrial Estate Granville Road Dungannon Tel: 028 8772 3350 [*www.dunbia.com*](http://www.dunbia.com) In the last four decades, Jim and brother Jack Dobson have grown their small Dungannon butcher shop into meat giant Dunbia, with sites throughout the UK and Ireland, turning over almost £800m each year.

Set up in 1976 after the brothers bought over a small frozen meat shop in Dungannon, Dunbia has grown to employ nearly 4,000 staff - 1,200 working in Northern Ireland - across a dozen sites, selling and exporting beef, lamb and pork across the globe.

In December 2015, it emerged that the brothers were considering a sale of both the red meat and pork businesses.

In 2016, the pork business in Ballymena was sold to Cranswick plc while a joint venture in its red meat was formed with Irish processor Dawn Meats.

Glen Electric Director: Fergal Naughton Pre-tax profit: £11.6m Employment: 0 Pay bill: 0 Greenbank Industrial Estate Warrenpoint Road Newry Tel: 028 00 000000 [*www.glendimplex.com*](http://www.glendimplex.com) Glen Electric acts as an investment holding company and supplier of management services. It's run by Fergal Naughton, the son of Glen Dimplex founder Martin Naughton. In 1973 Glen Electric was established by Mr Naughton snr and four colleagues in Newry, Northern Ireland. The new business started manufacturing oil-filled radiators, employing seven people. With the acquisition of Dimplex in 1977, a company eight times Glen's size, and a brand leader in electric heating, the ambition of the young Glen Dimplex management team was confirmed. Today, Glen Dimplex describes itself as "the undisputed world leader in intelligent electric heating and renewable energy solutions, as well as holding significant global market positions in domestic appliances, cooling and ventilation".

41 Carnbane House Chief executive: Eamon O'Hare Pre-tax profit: £11m Employment: 188 Pay bill: £7.6m Shepherds Way Newry Co Down Tel: 028 3026 4662 [*www.ohmg.com*](http://www.ohmg.com) Carnbane House is the holding company of O'Hare & McGovern Ltd, a major contracting firm in Newry. It has 40 years' experience of delivering high quality projects across the UK and Ireland with a turnover in excess of £100m. The company says: "We deliver award winning construction projects for our clients across a range of sectors; and are recognised as an industry leader in Innovation and construction excellence with a particular emphasis on Building Information Modelling and Sustainable Construction Development." Major projects in recent years include construction work on a former Belfast Met building, now student accommodation site John Bell House.

McLaughlin & Harvey Director: Philip Cheevers Pre-tax profit: £11m Employment: 790 Pay bill: £42.8m 15 Trench Road Mallusk BT36 8FA 028 9034 2777 [*www.mclh.co.uk*](http://www.mclh.co.uk) McLaughlin & Harvey is a major construction firm which has worked on a wide range of contracts. It recently won a deal for the new headquarters of UTV at City Quays in Belfast (see picture). It has worked extensively in education, including a building at Oxford Brookes University. In Scotland, the company's work has included the included a £7m music department at Fettes College, the private school attended by Tony Blair. It has also built a £67m critical care unit and helipad at King's College Hospital in London. As well as growing its construction and civil engineering work, it is also increasing its facilities management (FM) services. At present, it carries out FM for retailers including Marks & Spencer and Waitrose in Great Britain. And the business has also said it's keen to extend its work in airport infrastructure.

Severfield Director: Ryan Davis Pre-tax profit: £11m Employment: 296 Pay bill: £13.2m Fisher House Ballinamallard BT94 2FY Tel: 028 6638 8521 [*www.severfield.com*](http://www.severfield.com) The Co Fermanagh steel construction firm formerly known as Fisher Engineering is now part of a UKwide plc. The Northern Ireland firm substantially grew pre-tax profits to £11m in the 12 months to March 2017, from just over £5.7m in the year before. The firm has worked on projects at Wimbledon Centre Court, the Shard and the 2012 Olympic Stadium. Severfield (NI) which employs nearly 300 people in the design, fabrication and installation of steel structures, was known as Fisher Engineering Ltd until a rebrand in 2016.

Isaac Agnew (eight cos) Chief executive: Yuile Magee Pre-tax profit: £11m Employment: 935 Pay bill: £29.6m 4 Boucher Crescent Belfast BT12 6HU Tel: 028 93 80325 [*www.agnewcars.com*](http://www.agnewcars.com) The Agnew Group is Northern Ireland's leading motor vehicle retailer group, and is also counted as one of the UK's top 25 franchised dealers. The Agnew Group was acquired by the Sytner Group in 2012, the UK' s largest motor retailer. Sytner Group's parent company is Penske Automotive Group a NYSE listed company.

The business represents nine manufacturer brands across 15 various dealership locations in Belfast, Newtownabbey and Portadown. Agnew Group also operates Agnew AutoStore (Multi-franchised used car outlet), Agnew Corporate (Contract Hire Offering), TPS (VW Group Trade Parts), Agnew Repair Centre (Bodyshop) and Agnew Trade Centre (Trade Auction Site). The group has experienced 20% growth in new and used car sales over the past five years.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE 45 firmus energy\* Chief executive: Michael Scott Pre-tax profit: £10.73m Employment: 103 Pay bill: £4.2m firmus energy Kilbegs Business Park Antrim Tel: 028 9442 7814 [*www.firmusenergy.co.uk*](http://www.firmusenergy.co.uk) Deka Energy Associates is the natural gas, supply and distribution, parent company which owns firmus energy (distribution) and firmus energy (supply). The purchase of firmus energy was completed at the end of June 2014 at a cost of £78.4m.

Deka Energy Associates paid its first dividend of £3.75m to its shareholding owners in 2016. DEKA Energy Associates is a subsidiary of iCON Sapphire Holdco Sarl which is, in turn, a subsidiary of iCON Infrastructure Partners LP, registered in Jersey.

The company has brought natural gas to over 30 towns, cities and villages across Northern Ireland, along the route of the North-West and South-North gas transmission pipelines.

46 Wrights Group Chief executive: Mark Nodder Pre-tax profit: £10.7m Employment: 1,861 Pay bill: £52.25m Fenaghy Road Ballymena BT42 1PY Tel: 028 2564 1212 [*www.wrightbus.com*](http://www.wrightbus.com) Based in Ballymena, Co. Antrim, Wrights Group currently employs around 1700 people and is one of Europe's leading independently-owned manufacturers of public transport vehicles.

In recent years the company has delivered 1000 iconic New Routemaster buses for service in London as well as repeat orders for double decker buses in Hong Kong and Singapore.

In November 2016 the company unveiled the world's first hydrogen-powered double decker, and continues to lead within the field of low and zero emission buses. The company announced up to 85 potential job losses earlier this year.

Progressive Bldg Soc Chief executive: Darina Armstrong Pre-tax profit: £10.7m Employment: 176 Pay bill: £7.5m Progressive House 33 to 37 Wellington Place Belfast Tel: 028 9024 4926 [*www.theprogressive.com*](http://www.theprogressive.com) Northern Ireland's largest locally owned financial institution has maintained its strong financial position in 2017 with pre-tax profits of £10.7m. Last year, Progressive Building Society helped more than 1,000 people to buy their home and almost 600 to build a new home, with overall new mortgage lending of £200m.

Progressive created nine new jobs throughout the year, bringing its employment number to 176 people across its 12 Northern Ireland branches and head office.

Darina Armstrong, chief executive of Progressive Building Society, said: "Our commitment to serving our members in communities across Northern Ireland is the bedrock of our business and has seen us maintain a strong financial position for many years." She said the society had "experienced staff across our 12 branches".

Phoenix Natural Gas Chief executive: Michael McKinstry Pre-tax profit: £10.2m Employment: 123 Pay bill: £5.8m 197 Airport Road West Belfast BT3 9ED Tel: 03454 55 55 55 [*www.phoenixnaturalgas.com*](http://www.phoenixnaturalgas.com) Phoenix Natural Gas is the largest gas distribution business in Northern Ireland, operating a distribution network across the Greater Belfast Area which extends to 3,500km of pipeline and brings natural gas to over 50% of the population of Northern Ireland.

After 20 years in Northern Ireland, Phoenix Natural Gas has developed the market and built its network, connecting over 200,000 customers and establishing natural gas as the fuel of choice for customers in the licence area.

Since it was set up in 1996, the company has made natural gas available to 320,000 properties in the original license area of Greater Belfast and invested £500m building its network and connecting customers. It's now bringing natural gas to parts of Co Down including Annahilt, Ballygowan, Ballynahinch and Hillsborough.

Caterpillar Corp Director: Mark McClure Pre-tax profit: £10m Employment: 1,624 Pay bill: £67m Old Glenarm Road, Larne BT40 1EJ Tel: 028 2826 1000 [*www.caterpillar.com*](http://www.caterpillar.com) Caterpillar Northern Ireland employs around 1,700 people. Its headquarters are in Larne, and it has offices and a manufacturing facility at Springvale Business Park in Belfast. Its principal activity is in the design, manufacture, sale and support of quality standard and customised generator sets and bespoke associated equipment that provide reliable electric power. During 2017, it supplied generator sets for projects around the world including commercial and public sector projects.

The company also has a shared services centre in the Springvale Industrial Park, Belfast, providing administrative support for the local business as well as for other Caterpillar European entities. In recent years Caterpillar Northern Ireland has diversified its product portfolio to include the production of axles for Cat® articulated trucks.

Mutual Energy Chief executive: Paddy Larkin Pre-tax profit: £10m Employment: 22 Pay bill: £2m 85 Ormeau Road Belfast BT7 1SH Tel: 028 9043 7580 [*www.mutual-energy.com*](http://www.mutual-energy.com) Mutual Energy is a mutual company which says it "manages ***strategic*** energy assets in the long term interests of Northern Ireland's energy consumers". Having no shareholders, any financial surpluses are for the benefit of energy consumers. This combined with long term secure finance has allowed the company to manage major energy assets at a very low cost to consumers. Following an open competitive process, Mutual Energy and SGN were awarded licences by the Utility Regulator for Northern Ireland to build and operate the high pressure and low pressure gas pipelines which will extend the natural gas network into the west of Northern Ireland. This significant gas network extension will bring the benefits of natural gas to the towns including Coalisland, Cookstown, Derrylin and Dungannon.

Tobermore Chief executive: David Henderson Pre-tax profit: £9.97m Employment: 219 Pay bill: £6.9m 2 Lisnamuck Road Tobermore BT45 5QF Tel: 028 7964 2411 [*www.tobermore.co.uk*](http://www.tobermore.co.uk) Tobermore specialise in the manufacture of paving and walling products for the commercial and domestic markets, and has enjoyed major success in the UK and Ireland.

David Henderson, managing director at Tobermore, is the second generation of his family to lead the business.

It has paving and walling centres in Tobermore, Bangor, Dublin and Cork and a national sales team covering the UK and Ireland.

Mr Henderson said: "Over the years, we've tried to set ourselves apart in the marketplace with our superior product range, our innovative manufacturing processes and our first class customer service." Tobermore is a UK and European Quality Award winning company and says that it believes in conducting business "in a manner of integrity, honesty and teamwork".

Seagate Technology VP, heads operations: Dr Brian Burns Pre-tax profit: £9.95m Employment: 1404 Pay bill: £63.5m Springtown Industrial Estate Londonderry BT48 0LY Tel: 028 7127 4000 [*www.seagate.com*](http://www.seagate.com) Seagate is the industry leader in harddisc drives and storage solutions. The company offers the industry's broadest portfolio of hard disc drives, solid state drives and hybrid drives, as well as an extensive line of retail storage products for consumers and small businesses.

The Springtown facility, which has been operating for over 20 years, is the largest factory of its type.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE Kilwaughter Holdings Chief executive: Simon McDowell Pre-tax profit: £9.6m Employment: 132 Pay bill: £5.5m 9 Starbog Road Larne BT40 2TJ Tel: 028 2826 0766 [*www.kilwaughter.com*](http://www.kilwaughter.com) Kilwaughter is one of Northern Ireland's leading manufacturers, providing specialist products for the construction and ***agriculture*** sectors.

The Co Antrim-based company employs 132 people and is best known for its brands - K Rend and Kilwaughter Lime.

Market-leading K Rend is the UK's largest independent silicone render manufacturer while Kilwaughter Lime has been processing the county's much sought after white limestone at its Larne site since 1939. The company aim is to build a long term sustainable business, becoming the brand of choice across various sectors, through ongoing investment.

54 Thompson Aero Seating Chief executive: Gary Montgomery Pre-tax profit: £9m Employment: 364 Pay bill: £17.5m 50 Seagoe Industrial Area Portadown, Craigavon BT63 5QE Tel: 028 3833 4000 [*www.thompsonaero.com*](http://www.thompsonaero.com) Thompson Aero Seating make airline seating and says it is "recognised for cutting edge design,engineering and manufacture of premium business-class, full flat-bed airline seating". The company reported a successful time exhibiting at the Aircraft Interiors Expo in Hamburg, April 2018. In December 2016, the Aviation Industry Corporation of China (AVIC) acquired Thompson Aero Seating in a multi-million pound deal. To meet increased demand Thompson's first production facility was secured at the Seagoe Industrial Park, Portadown in 2011, and the manufacture of the first Thompson Vantage seats began. Customers include Aer Lingus, American Airlines, Air Canada, Brussels Airlines and Austrian Airlines. Thompson Aero Seating said it was looking forward to expanding its capacity after the AVIC deal.

Clearway Hlds. Chief executive: Paul Murphy Pre-tax profit: £8.9m Employment:165 Pay bill: £6m 41 Dobbin Road Portadown BT62 4EY Tel: 028 38337333 [*www.clearway-group.co.uk*](http://www.clearway-group.co.uk) Clearway was established in the mid 1960s when John Murphy started in the waste management and scrap recycling business. Clearway operates from four modern processing and exporting facilities located at Portadown (head office), as well as three export divisions in Belfast, Londonderry and Sligo. Each facility accepts and processes all grades of ferrous and non-ferrous scrap metals. A landfill site at Aughrim Quarry was acquired by Clearway in 2006. The site has a capacity to receive up to 250,000 tonnes per annum - which Clearway said provides "long-term solutions to the waste disposal of Northern Ireland".

Bemis Healthcare Manufacturing director: Paul Millar Pre-tax profit: £8.5m Employment: 275 Pay bill: £7.8m Campsie Industrial Estate Londonderry BT47 3GQ Tel: 028 7181 4000 [*www.bemis.com*](http://www.bemis.com) Bemis Healthcare Packaging provides engineered packaging forthe protection of medical devices, sensitive drugs and sophisticateddiagnostic systems.

It specialises in co-extruded, laminated and flexible films, foil barrier laminations, pouches and bags, among other products.

Bemis Healthcare Packaging is an active member of the Healthcare Plastics Recycling Council (HPRC). Recent investments in include setting up its new business services Centre in Londonderry (in addition to its already-established healthcare business) to support its European operations with the creation of up to 95 new positions in finance and IT over the next five years.

Bemis Healthcare Packaging is part of the 150-year-old Bemis, which is a US company. Bemis Healthcare Packaging was formerly known as Perfecseal.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE 57 Dale Farm Co-op Chief executive: Nick Wheelan Pre-tax profit: £ 7.9m Employment: 1,058 Pay bill: £33.5m Dale Farm House 15 Dargan Rd, Belfast BT3 9LS Tel: 028 9037 2200 [*www.dalefarm.co.uk*](http://www.dalefarm.co.uk) Dale Farm is Northern Ireland's biggest dairy co-op, and owns Dale Farm Milk, Dale Farm Ice Cream, Dromona, Spelga, Fivemiletown, Mullins Ice Cream, Rowan Glen and Loseley. At the time of going to press, Dale Farm remains a suitor of cross-border dairy processor LacPatrick, which takes milk from around 700 dairy farmers in border counties of Northern Ireland.

A spokeswoman for Dale Farm said it was also "set to report strong financial results for 2017 for the third year running".

"With headquarters in Belfast, Dale Farm has 10 sites across the UK and a long-standing heritage in the dairy industry," she added.

If a LacPatrick deal goes ahead, t would be Dale Farm's first significant cross-border move since it bought an ice cream distribution business in the Republic 11 years ago.

Charles Hurst Group Chief executive: Colin McNab Pre-tax profit: £7.7m Employment: 870 Pay bill: £25.9m 62 Boucher Rd Belfast BT12 6LR Tel: 028 9517 0268 [*www.charleshurstgroup.co.uk*](http://www.charleshurstgroup.co.uk) Founded more than a century ago in 1911, Charles Hurst is Northern Ireland's largest car retailer and calls itself "one of the region's most successful businesses".

The award-winning company employs more than 900 staff across 11 geographic locations, almost 20 car franchises, three motorcycle outlets, a dedicated van centre and four specialist tyre retail operations. It also operates a dedicated accident repair centre, fast-fit operation and a smart Repair centre. The company is headquartered at Belfast's Boucher Road on Europe's largest automotive retail site. It's part of the UK car retail and aftercare giant Lookers plc.

Charles Hurst opened its third successful business in Dublin in 2017 when it launched a new premium showroom.

Heartsine Technologies Chief executive:Declan O'Mahoney Pre-tax profit: £7.7m Employment: 126 Pay bill: £4.9m 203 Airport Rd West Belfast BT3 9ED Tel: 028 9093 9400 [*www.heartsine.com*](http://www.heartsine.com) Heartsine was founded in 1998 by John Anderson with a group of investors to further the development of portable cardiac defibrillators. In the 1960s, Professor Anderson was approached to start the biomedical engineering group at the Royal Victoria Hospital and headed the effort to ***produce*** the world's first mobile defibrillator to bring the expertise of the hospital to the patient to improve outcomes. The result changed the way emergency care is delivered globally.

HeartSine was acquired by US firm Physio-Control in 2015. Physio-Control is now part of Stryker Corporation. In its latest ***strategic*** report, the company said it continues its "innovation, design and provision of automated external defibrillators for... treatment of sudden cardiac arrest".

Denvir Hldgs (Argento) Chief executive: Pete Boyle Pre-tax profit: £7.6m Employment: 579 Pay bill: £6.5m 12-14 Cornmarket Belfast BT1 4DD Tel: 028 9064 4606 [*www.argento.com*](http://www.argento.com) The Argento chain has around 50 shops across the UK, and last year opened a store in Manchester's Trafford Centre. Pete Boyle, from Strabane in Co Tyrone, started the jewellery business from market stalls on Belfast's Royal Avenue and Rossnowlagh Beach in Co Donegal.

The company sells brands of jewellery including PILGRIM, August Woods and Nomination. In more recent company accounts for the year to June 2017, pre-tax profits were up slightly from £7.7m to £7.8m.

A report for subsidiary Argento Contemporary Jewellery added that there had been "a consistent increase in individual store turnover year on year". Denvir Holdings' report comments that sales are up despite a "highly competitive" and discount-driven retail environment.

61 Lagan Construction Group Chief executive: Kevin Anthony Lagan Pre-tax profit: £7.6m Employment: 527 Pay bill: £25.3m Rosemount House 21-23 Sydenham Road Belfast Tel: 028 9045 5531 [*www.laganscg.com*](http://www.laganscg.com) Lagan Construction Group, now in administration, has been known for its work in civil engineering and building for roads, airports, water, energy, marine and building.

It specialises in piling and foundation for civil engineering and building. It offers infrastructure investment advice and management including operation and maintenance. In February the company was placed into administration along with Lagan Construction Group Holdings, Lagan Building Contractors Limited and Lagan Water. There remain another 26 unaffected companies in the group. The group said the administration was caused by factors including delays in the commencement of new projects and protracted contractual disputes on some existing major projects, a reference to its work on the new Ulster University campus in Belfast city centre.

62 MJM Marine Director: Naoimh McConville Pre-tax profit: £7.4m Employment: 215 Pay bill: £7.4m Carnbane Business Park Newry BT35 6QH Tel: 028 3025 8450 [*www.mjm-group.com*](http://www.mjm-group.com) MJM Marine Ltd is the world leader in marine fit out services with 35 years' experience. The company combines design services, specialist joinery and quality manufacturing with project management capabilities to deliver innovative interior fit-outs to cruise, ferry and superyacht companies. It also provides fitout services to high-end land-based clients. MJM Marine Ltd has built its reputation on quality workmanship, on-time or ahead-of-time delivery, cost management and a partnership approach. In 2017, the company secured a number of 'firsts' in terms of new business and markets. It secured its first Chinese project, furnishing a five-deck liner for Star Cruises in Shenzhen. It's also refitting ship the Azamara Pursuit at the Harland & Wolff shipyard in Belfast, a potential gamechanger in the ind 63 Brett Martin Holdings Chief executive: Laurence Martin Pre-tax profit: £7.3m Employment: 935 Pay bill: £30.3m 24 Roughfort Road Mallusk, BT36 4RB Tel. 028 90 849999   [*www.brettmartin.com*](http://www.brettmartin.com) Newtownabbey-based Brett Martin is Northern Ireland's largest thermoplastics manufacturer with sales of £124.4 in 2016. Established in 1958 the company has grown in significance to become one of the largest manufacturers of polycarbonate in Europe.

Privately owned and managed, it has operations at seven separate UK sites with export activities extending to over 70 global markets.

Brett Martin's primary manufacturing competencies include plastics extrusion, injection moulding and rotational moulding. Output consists of flat, corrugated and structured plastic sheet in polycarbonate, GRP, PVC, foam PVC, PET and acrylic, pipe extrusions, profile extrusions, and, moulded parts and fittings.

Principal market sectors include construction, fabrication, print and display.

64 Old Bushmills Distillery Master distiller: Colum Egan Pre-tax profit: £7.1m Employment: 106 Pay bill: £5.5m 2 Distillery Road Bushmills BT57 8XH Tel: 028 2073 3218 [*www.bushmills.com*](http://www.bushmills.com) Bushmills Irish whiskey, one of Northern Ireland's most revered products, has been part of Mexican drinks giant Jose Cuervo since its sale by Diageo in 2015. Jose Cuervo and Old Bushmills Distillery are part of the Becle group.

In a ***strategic*** report accompanying its accounts for 2016, the directors comment that Bushmills remains "one of the leaders in the Irish whiskey category and demonstrated a good level of performance in its major markets".

Performance during 2016 was affected by a change in distribution of the spirit, which is now sold through a master distributor under the Becle operating model. Turnover was down from £75.6m in 2015 to £27.8m, though the previous accounting period had covered 18 months. Pre-tax profits were also down from £20m.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE Tennent's NI Director: Tom McCusker Pre-tax profit: £7m Employment: 113 Pay bill: £3.8m 15 Dargan Road Belfast BT3 9LZ Tel: 028 9595 2100 [*www.candcgroupplc*](http://www.candcgroupplc) Tennent's NI is a manufacturer, owner and distributor of drinks brands, combining strong distribution, wholesale marketing capabilities, bolstered by a decided sales force.

The company announced an investmentof £1.2m to create 25 new jobs three years ago. Its brand portfolio includes Magners Cider, as well as beer, wine and soft drink brands. Beer offerings include Tennent's, Becks Vier, Stella Artois, Staropramen, Hoegaarden, Leffe, Heverlee, Clonmel 1650 and Corona Extra. The company is part of C&C Group plc in the Republic of Ireland. Earlier this year C&C made a strategically important inroad into the GB market when it acquired wholesalers Matthew Clark and Bibendum following the administration of parent Conviviality. C&C Group last year welcomed ened Northern Ireland-born industry veteran Jim Clerkin as non-executive director.

Liberty IT Chief executive: William Hamilton Pre-tax profit: £7m Employment: 498 Pay bill: £24.4m Adelaide Exchange 24-26 Adelaide Street Belfast BT2 8GD [*www.liberty-it.co.uk*](http://www.liberty-it.co.uk) Liberty IT is a technology leader, delivering innovative, enterprise-scale solutions to support the needs of parent company, Liberty Mutual Insurance. The company says that it delivers "cloud technologies, agile engineering and disciplined practice to deliver high-value projects to improve ease of access and service quality to our customers, whilst maintaining a strong security and reliability focus". The business operates from two sites in Dublin and Belfast. Liberty IT explains: "Our business takes us across the globe supporting other parts of the group to craft and deliver world-class IT solutions.

"This year alone, teams of NI-based staff have been working on tech projects in Hong Kong, Columbia, Brazil and Thailand, as well as continuing to support Liberty Mutual across the US."

Ballyvesey Holdings Chief executive: Harold Montgomery Pre-tax profit: £6.9m Employment: 2,540 Pay bill: £83m 607 Antrim Rd Newtownabbey BT36 4RF Tel: 0289084 9321 [*www.ballyveseyholdings.com*](http://www.ballyveseyholdings.com) allyvesey Holdings is a diverse group of over 26 companies indifferent parts of the freight transport business and vehicle sales.

BIt now includes subsidiaries, which rangefrom a recruitment agency in Poland, metalrecycling business Ballyvesey Recycling and a trailer manufacturer, Montracon.

Other well-known brand names include Montgomery Transport and car retailers J E Coulter. The group is owned by family shareholders and now has its headquarters in Doncaster in the north of England. The trading network extends across Great Britain and Northern Ireland and into Europe. It also operates Montgomery Refrigeration, Sky Platforms, Scotia Plant, Eurofleet rental and Heathrow Truck Centre.

Lough Erne Inv Chief executive: Charles Crawford Pre-tax profit: £6.8m Employment: 113 Pay bill: £2.7m Manor Waterhouse Farm, Lisnaskea Co Fermanagh, BT92 0BN Tel: 028 6772 1345 [*www.readyeggproducts.com*](http://www.readyeggproducts.com) Ready Egg Products is a family owned business based in Co Fermanagh. The company ***produces*** and processes a range of high quality pasteurised liquid egg products, scrambled egg products and hard boiled eggs in sizes to suit all requirements within the food service and manufacturing sectors throughout the UK and Ireland.

In 2014 a new liquid egg processing facility was opened by the company Chesterfield, England. 2018 will see continued innovation and expansion to the sites.

The company was presented a Deloitte Best Managed Company award in 2018.

69 Multi-Packaging Solutions Chief executive: Chris Dears Pre-tax profit: £6.7m Employment: 165 Pay bill: £ 5.2m 1 Enterprise Way Hightown Industrial Estate Newtownabbey Tel: 028 90 804033 [*www.multipkg.com.com*](http://www.multipkg.com.com) MPS - now WestRock-MPS - came into being in June 2017 when Multi Packaging Solutions (MPS) joined with WestRock. As a global supplier of speciality packaging to the pharmaceutical/healthcare, branded food and drink and media sectors, WestRock-MPS' history goes back more than 150 years in Northern Ireland.

It began in the centre of Belfast as WW Cleland in 1865. The company says that WestRock-MPS Belfast is "the modestly-scaled local centre of the organisation of over 45,000 staff operating in 30 countries across 4 continents". "We offer global capabilities while maintaining a local emphasis founded on strong business ethics and trusted partnerships."

The company says it also benefits from a strategy of investing in the wellbeing and development of personnel.

Ulster Carpets Chief executive: Nick Coburn Pre-tax profit: £6.7m Employment: 640 Pay bill: £24.3m Castleisland Factory Craigavon BT62 1EE Tel: 028 3833 4433 [*www.ulstercarpets.com*](http://www.ulstercarpets.com) The Ulster Carpets Group says it has completed another year of strong trading with sales increasing 6.8% to £68.4m. This was achieved by growth in all key export markets and the successful integration of the two acquired companies, Roger Oates Design in mid 2016 and then in March 2017, Griffiths Textile Machines.

The company said that by gaining a net 10% of net pre-tax profit on sales, the group (consisting of six companies) generated strong positive cash flows.

"This provided the Ulster Group with the opportunity to continue on its twin strategy of an intensive investment ***programme*** across the group with resultant organic growth and concurrently seeking further suitable acquisitions to further enhance an already strong balance sheet."

71 Whitemountain Chief executive: Pat Ward Pre-tax profit: £6.4m Employment: 205 Pay bill: £8.7m 19 Clarendon Road, Belfast BT1 3BG Tel: 028 9026 1000 [*www.whitemountain.co.uk*](http://www.whitemountain.co.uk) Whitemountain, formerly part of Lagan Group, is now part of UK plc Breedon Group. It was acquired by the plc following the £455m sale of the majority of Lagan Group. Whitemountain is a major contracting and materials business operating throughout the UK and Ireland, specialising in civil engineering, highway maintenance, airfield construction, aggregate production, bitumen importation and distribution, waste management and green energy.

Its customer base includes leading airport operators, principal contractors in the highways, civil engineering and construction sectors, and public sector roads authorities. It undertakes works as a product supplier, a main contractor, a sub-contractor or a joint venture partner.

72 Geda LLP Managing partner: Eugene McKenna Pre-tax profit: £6.2m Employment: NS Pay bill: NS 36 Moor Road, Coalisland Dungannon BT71 4QB Tel: 028 8774 7600 [*www.geda.co.uk*](http://www.geda.co.uk) Geda Construction is a major building, civil engineering and property development company based in Co Tyrone. Since the 1970s Geda Construction has been providing a comprehensive building and civil engineering services to private and public sector clients across the UK and Ireland.

The company specialises in the educational, residential, community and industrial markets as well as water infrastructure, reservoirs and wastewater treatment works. Earlier this year it was awarded Residential Development of the Year Award at the Greater Lincolnshire Construction and Property Awards, 2018.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE 73 Cooneen by Design Chief executive: Kevin McMahon Pre-tax profit: £6.2m Employment: 152 Pay bill: £5.6m 23 Cooneen Road Fivemiletown BT75 0NE Tel: 028 8952 1401 [*www.cooneengroup.com*](http://www.cooneengroup.com) Cooneen by Design (formerly-Cooneen Textiles) and its subsidiaries are based in Fivemiletown, Co Tyrone, and its registered office is in Broughshane, Co Antrim.

It is a successful manufacturer of children's character clothing and has attracteda number of established high street brands as customers. The Cooneen Group also includes Hawk Holdings in the USA, a supplier of specialist clothing.

A recent addition was Images at Work,a distributor of specialist clothing. The group's prinicipal activity is described as the design, supply, manufacture and distribution of specific clothing to a global marketplace. Two years ago the company celebrated 50 years in business. The group is one of the business interests of industrialist, John B McGuckian.

Walter Watson Ltd Chairman: Walter Watson Pre-tax profit: £6.2m Employment: 247 Pay bill: £7.6m 124 Ballylough Rd Castlewellan BT31 9JQ Tel: 028 4377 8711 [*www.walter-watson.co.uk*](http://www.walter-watson.co.uk) Since it was set up in 1967, Walter Watson Limited has grown to become an industry leader in five market sectors - structural steel fabrication, cut and bent reinforcement, steel stockholding, overhead crane systems and the manufacturing of ***Agricultural*** machinery. It continues to be overseen by chairman and founder Walter Watson with managing director David Barr leading the management teams across the business. The main production facilities are based in Castlewellan, Co Down. There is also a distribution depot in Kilmarnock. Regional offices are also located in Co. Kildare, Ireland and the Scottish regions. The company operates in sectors including retail, education, manufacturing and leisure facilities. It has supplied structural steel for a 46,000m2 building in Monaghan, the largest of its type on the island of Ireland.

Kingspan Envir. Chief executive: Gene Murtagh Pre-tax profit: £ 6.1m Employment: 726 Pay bill: £27.7m 180 Gilford Road Craigavon BT63 5LF Tel: 028 3836 4400 [*www.kingspan.com*](http://www.kingspan.com) Kingspan Environmental, part of hte Kingspan Group, creates sustainable, renewable and environmentally friendly solutions for sourcing, storing and protecting energy and water, powering homes and businesses across the world. The company works with property developers, building owners, designers, contractors and installers. The Cavan-based parent company saw profit increase by 11% year-on-year to (EURO)377.5m in 2017. The strong performance was driven by acquisitions, which contributed 9% and 8% to sale and profit growth respectively, according to the group's preliminary results for 2017.

Lagan Asphalt Chief executive: Pat Ward Pre-tax profit: £6m Employment: 99 Pay bill: £6.2m Rosemount Business Park Ballycoolin Dublin 11 Tel: +353 (0)1 885 9999 [*www.laganasphaltgroup.com*](http://www.laganasphaltgroup.com) Lagan Asphalt is another former part of the Lagan Group which has been acquired by the UK plc Breedon Group. Lagan Asphalt Group Ltd has evolved from a successful quarrying company formed during the 1960s to become a diversifiedfGroup of independent and privately-owned construction, manufacturing and civil engineering companies. Investment in manufacturing plants, diversification, R&D, innovation and selective acquisitions has allowed its quality product range grow continually over the last generation. Lagan products include bitumen, asphalt, aggregates, special surfacing products, sand and screeds.

77 Warner Chilcott UK Site head: Jim McElroy Pre-tax profit: £5.9m Employment: 144 Pay bill: £8.2m Old Belfast Rd, Milbrook Larne BT40 2SH Tel: 028 2826 7222 [*www.allergan.com*](http://www.allergan.com) The Larne base of Teva, a centre for pharmaceutical research and development, started out as Warner Chilcott. The latter was acquired by Actavis in 2013. Actavis was then bought two years by Teva, the biggest generics pharmaceutical company in the world. In Larne, the company manufacturers one product for the US marketplace, and also has a major research and development presence.

Forestside Acquisit. Director: Mark Fenchelle Pre-tax profit: £5.9m Employment: n/a Pay bill: n/a Victoria House Gloucester Street Belfast BT1 4LS Forestside Acquisitions is a property investment company relating to south Belfast shopping centre Forestside. Formerly it and Londonderry's Foyleside had been held in a single company before being split into two separate firms.

Both had been backed by Irish venture capital fund Kildare Partners, with two of its directors, Ryan Horstman and Emer Finnan, appointed to both companies.

However, they have since resigned from Forestside Acquisitions, Two new directors, Mark Fenchelle and Louis Paletta, have now been appoined.

79 Donegall Place Investments Director: Pat McCormack Pre-tax profit: £5.8m Employment: 8 Pay bill: £2.6m Aisling House, 50 Stranmillis Embankment Belfast BT9 5FL Donegall Place Investments is a property investment business which formerly counted property developer and KFC tycoon Michael Herbert and his wife Lesley as directors. The business was best known for its ownership of Lisburn's Bow Street Mall and Bangor's Bloomfield Shopping Centre. However, Bloomfield was sold two years ago to London investment firm Ellandi and Tristan Capital Partners, which also snapped up Enniskillen's Erneside Shopping Centre.

80 Stothers M&E Chief executive: David Conlon Pre-tax profit: £5.7 Employment: 89 Pay bill: £3.8m Radiant Works 23 Sunwich St, Belfast BT6 8HR Tel: 028 9045 0821 [*www.stothersm-e.co.uk*](http://www.stothersm-e.co.uk)/ tothers (M&E) Ltd was founded in 1957 by Denis Stothers and was located on the Albertbridge Road in Belfast.

SStothers has evolved from a small-scale maintenance provider to a national market leader in the provision of mechanical and electrical building Services and contract maintenance. This organic growth was achieved through progressive and carefully ***planned*** internal development and succession ***planning***, with particular focus given to development and up skilling of all staff.

Stothers (M&E) now boasts annual turnover in excess of £35m, serviced by 100 directly employed staff and a supply chain in excess of 1,000 approved suppliers and subcontractors. There are offices in Glasgow and Manchester. It has carried out several high-profile projects for UTV and Wiggle/Chain Reaction.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE 81 Chain Reaction Cycles Chief executive: Will Kernan Pre-tax profit: £5.7m Employment: 470 Pay bill: £15.7m 24 Boucher Road Belfast BT12 6HR Tel: 028 90 682703 [*www.chainreactioncycles.com*](http://www.chainreactioncycles.com) hain Reaction Cycles was taken over in 2016 in a multi-million pound deal with rival Wiggle.

CThe growth of Chain Reaction Cycles from a small bike shop in Ballynure to one of the world's biggest online retailers was a major Northern Ireland success story.

It also catapulted the Watson family, who founded the company, onto the Sunday Times Rich List.

The Watsons then left the board of directors of the company they founded. There was also disappointment following the deal when nearly 300 jobs were relocated from locations to Doagh, Carrickfergus and Ballyclare to Wiggle's headquarters in Wolverhampton.

Diageo Chief executive: Jorge Lopes Pre-tax profit: £5.56m Employment: 272 Pay bill: £13.73m Capital House 3 Upper Queen St Belfast Tel: 028 90 682021 [*www.diageo.com*](http://www.diageo.com) Diageo is a global leader in beverage alcohol with an outstanding collection of brands across spirits, beer and wine categories. These brands include Johnnie Walker, Crown Royal, J B, Buchanan's and Windsor whiskies, Smirnoff, Cîroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray and Guinness.

In 2014, the company acquired Tequila Don Julio from Casa Cuervo in Mexico in return for giving up heritage Co Antrim whiskey Bushmills.

Diageo NI is part of a global company, and its products are sold in more than 180 countries around the world. The management team continues to invest to build on the brands and routes to consumer, to deliver long term profitable growth. It's listed on both the London Stock Exchange and the New York Stock Exchange.

83 William Keys Ltd Chief executive: Derek Keys Pre-tax profit: £5.56m Employment: 18 Pay bill: £376,000 72 Omagh Road Dromore Co Tyrone Tel: 028 82 897111 [*www.wkeys.co.uk*](http://www.wkeys.co.uk) William Keys & Sons is a plant and machinery dealership based in Dromore, Co.Tyrone, Northern Ireland. It's a family run business, specialising in the import and export of industrial plant and construction equipment.

In 1980, William Keys set up the company as a used tractor importer in the local market. Since then it has expanded rapidly and begun selling plant and construction equipment to Europe. It now operates on a global scale.

The Keys family also operate Gardrum Holdings, the company name behind machinery auction giant Euro Auctions.

Springvale EPS Managing director: Anthony France Pre-tax profit: £5.51m Employment: 115 Pay bill: £4.74m 75 Springvale Road Ballyclare Co Antrim Tel: 028 93 341159 [*www.springvale.com*](http://www.springvale.com) Springvale EPS is an insulating materials company with operations in Ballyclare. It had been part of Irish plc Kingspan before a management buy-out. The company is based in Newcastle upon Tyne but its accounts are domiciled in Northern Ireland.

In a ***strategic*** report accompanying its results, the company said it had experienced a year of rapid sales growth, with sales up 26% on the year before. However, large increases in the cost of raw materials had affected profitability.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE 85 CDE Global Chief executive: Brendan McGurgan Pre-tax profit: £5.29m Employment: 173 Pay bill: £6.5m Ballyreagh Industrial Estate Cookstown Co Tyrone Tel: 028 8676 7900 [*www.cdeglobal.com*](http://www.cdeglobal.com) CDE Global Ltd in Co Tyrone sells its waste and materials processing equipment to more than 70 countries. Its products are used in sectors including sand and aggregates, construction waste recycling, mining, specialist industrial sands and environmental Customers around the world such as Mexican building materials supplier Cemex have helped export growth. It was also named as one of Ireland's Best Managed companies in the Deloitte Best Managed Companies Awards ***programme*** this year. Last year the company announced ***plans*** for a new office development at its headquarters in Cookstown. It also increased product assembly space at its Cookstown location by 32% in January to allow for the production of 60 additional machines every year.

86 Golf Holdings Chief executive: Patrick Hunt Pre-tax profit: £5.2m Employment: 2,118 Pay bill: £28.19m 3 Duncrue Place Belfast BT3 9BU Tel: 028 90 746274 [*www.winemark.com*](http://www.winemark.com) Golf Holdings is the holding company for a group of businesses in the hospitality sector. It's best-known for Wine Inns, which owns pubs and restaurants such as southBelfast's Chelsea Wine Bar, and off-licencechain Winemark.

The group also includes wholesalw drinks company James E McCabe. Philip Russell Ltd -a wholesale and retail distributor of wines, spirits, drinks and pet food products - is another subsidiary.

Golf Holdings is behind the Russell's Food and Drink chain of convenience stores. Wine Inns recently sold off its Elk pub complex in east Belfast. In 2015 it sold off its Crescent Townhouse in Belfast's Botanic Avenue and sold its Holywood wine bar Wine & Co in 2013. The Chelsea on Lisburn Road was refurbished that same year at a cost of around £1m.

87 Calor Gas NI Chief executive: Gino Vansteenhuyse Pre-tax profit: £5.13m Employment: 78 Pay bill: £3.58m Airport Road West Belfast Tel: 028 9045 5588 [*www.calor.co.uk*](http://www.calor.co.uk) Calor Gas is a supplier and distributor of liquefied petroleum gas across Ireland. It fills and markets gas cylinders, and markets and sells bulk gas. The company is part of SHV Energy.

This year, the company launched Northern Ireland's first certified renewable LPG for homes and businesses. The product is certified as offering up to 90% lower emissions than fossil fuels.

While traditional LPG is made as a by-product of coal and oil extraction, the new Calor BioLPG or BioPropane is made from renewable feedstocks, recycled waste materials and sustainably sourced renewable vegetable oils, which would have otherwise been discarded.

88 Huhtamaki General manager: Richard Smith Pre-tax profit: £5.06m Employment: 219 Pay bill: £7.65m 41 Inn Road, Dollingstown BT66 7JN Tel: 028 38 327711 [*www.huhtamaki.com*](http://www.huhtamaki.com) Huhtamaki Lurgan calls itself "a perfect example of the new circular economy". The operation is the largest user of recycled paper in Northern Ireland converting old newspapers and printing off-cuts into egg cartons, egg trays and cup carriers for the food service sector. The Lurgan operation, which employs 225 people, has been making moulded fibre products for over 70 years, and recently commissioned a £6m new line which increased output by 25%. The company is also working to develop other products from re-cycled paper to meet demand for alternatives to plastic packaging. One example is the use of grass in egg cartons which was recently launched in Waitrose. The company is part of Huhtamaki Group based in Finland which operates 74 production sites around the world Delta Packaging in Belfast.

89 Hastings Hotel Group Chief executive: Howard Hastings Pre-tax profit: £4.91m Employment: 1,138 Pay bill: £12.22m Stormont Hotel Belfast BT4 3LP Tel: 028 90 458444 [*www.hastingshotels.com*](http://www.hastingshotels.com) Hastings Hotels Group is one of Northern Ireland's most famous companies and owns and operates key hotels around the province. The business, which was founded by the late Sir Billy Hastings, owns Newcastle's Slieve Donard Hotel, The Stormont, Culloden and Europa hotels in Belfast, Co Antrim's Ballygally Hotel and the Everglades in Londonderry. Those properties will soon be joined by Belfast's £53m Grand Central Hotel on Bedford Street. The Grand Central is inspired by the original Grand Central Hotel on the city's Royal Avenue. A restaurant and bar on the first floor is nod to Belfast's maritime history and will be named the Seahorse Bar & Bistro. On the ground floor with entrance off Bedford Street there will be The GC, Grand Café.

See page 60 Re-Gen Waste Managing director: Joseph Doherty Pre-tax profit: £4.89m Employment: 194 Pay bill: £3.77m 7 Shepherds Drive Carnbane Industrial Estate Newry Tel: 028 3026 5432 [*www.regenwaste.com*](http://www.regenwaste.com) Newry-headquartered Re-Gen Waste Ltd, is a specialist environmental services company providing collection, processing and single stream material resale services for public and private organisations across the UK and Ireland.

The company started trading in 2004 and since then has grown significantly to become one of Europe's leading waste management companies.

Re-Gen employs 202 staff across a wide range of disciplines and their operations include waste to energy(WtE), mixed dry recycling (MDR) processing, municipal solid waste (MSW) processing, transport and engineering.

The company operates its purpose-built installation 24 hours a day and has processed nearly two million tonnes of waste to date.

Gordons Chemist Chief executive: Robert Gordon Pre-tax profit: £4.8m Employment: 662 Pay bill: £11.86m 74 Scarva Road Banbridge BT32 3QD Tel: 028 40 669000 [*www.gordonsdirect.com*](http://www.gordonsdirect.com) Gordons Chemists began as a single pharmacy more than 30 years ago in Donaghadee, Co Down. Today, the family-run group runs more than 60 pharmacies on the high street and in shopping centres across Northern Ireland and Scotland.

Last year, its financial performance earned it a place at number 13 in the annual Sunday Times BDO Profit Track 100 league table, ranking the UK firms with the fastest-growing profits over three years. Pre-tax profits this year have increased from £4.7m to £4.8m.

The company also has an online store, Gordons Direct. It has an ethos of championinghomegrown brands including cosmetics firm B Perfect, stocked in its 35 Northern Ireland shops.

BSG Civil Engineering Chief executive: Seamus Gillan Pre-tax profit: £4.61m Employment: 50 Pay bill: £1.95m 6 Bank Square Maghera BT46 5AZ Tel: 028 7964 3610 [*www.waterprojectsonline.com*](http://www.waterprojectsonline.com) BSG Civil Engineering Ltd in Maghera has developed from a civil engineering contractor to a construction company with a large turnover. NI Water is its main contract. The company has also acquired and developed property. As well as its work for NI Water, it has also undertaken multi million pound contracts for clients such as the Belfast Harbour Commission and Donegal County Council. In 1987 Seamus Gillan Civil Engineering diversified into sheet pile driving, which led to the formation of BSG Piling Ltd. Around 14 years ago, Seamus Gillan Civil Engineering and BSG Piling Ltd amalgamated to form BSG Civil Engineering Limited.

NORTHERN IRELAND'S TOP 100 COMPANIES IN PROFILE 93 Avondale Foods Chief executive: Harry Geddis Pre-tax profit: £4.6m Employment: 402 Pay bill: £9.5m Dukestown Lane Craigavon BT66 8TB Tel: 028 3834 1619 [*www.avondale-foods.co.uk*](http://www.avondale-foods.co.uk) Avondale Foods develops and manufactures wet salads - such as coleslaw and potato salads - side salads, salad meals, vegetable accompaniments, porridges, soups, and dressings. The company supplies its products under the Country Kitchen brand and supermarket own-label throughout the UK and Ireland. It also supplies wholesale and foodservice. It has been in business for 54 years. Customers include multiple supermarkets Sainsbury's, Tesco, Waitrose and Marks & Spencer.

Breezemount UK Director: Philip Shields Pre-tax profit: £4.5m Employment: 879 Pay bill: £13.7m 29 Edenordinary Road Banbridge Co Down Tel: 028 9269 8173 [*www.breezemount.com*](http://www.breezemount.com) Breeezemount UK operates as a delivery agent for retail stores and trades from locations around the UK. According to a ***strategic*** report filed with its recent results, the business has enjoyed substantial development over recent years. It said it intends to develop future business through close relationships with customers. It also says it supports the film industry "through financing the promotion and distribution of high quality films, and has made substantial investment with its partners over recent years". It said the film activities were a "medium term investment" which it expected would generate losses in the short-term. Risks facing the company were related to "recovery from the current economic downturn".

Western Building Systems Chief executive: Martin McCloskey Pre-tax profit: £4.5m Employment: 45 Pay bill: £1.8m 11 Mountjoy Road Coalisland Co Tyrone BT71 5DQ [*www.westernbuild.com*](http://www.westernbuild.com) Founded by managing director Martin McCloskey, Western Building Systems is a specialist construction company in operation for more than 35 years. The Tyrone-based company delivers a diverse range of modular, hybrid and traditional projects throughout the UK and Ireland within the education, health, industrial, commercial and residential sectors. As a 'SingleSource' systems provider, Western is unique within the construction industry due to its 'start to finish' in-house manufacturing capabilities. Key areas of expertise include design and build, commercial construction, timber and steel frame buildings, offsite modular buildings, house building, windows and furniture.

Lagan Homes Chairman: Kevin Lagan Pre-tax profit: £4.4m Employment: 23 Pay bill: £57m Lagan House 19 Clarendon Road Belfast Tel: 028 9026 1080 [*www.laganhomes.com*](http://www.laganhomes.com) Lagan Homes has entered a new era after founder and chairman Kevin Lagan sold the remainder of his Lagan Group interests, to concentrate on Lagan Homes. Announcing the sale of Lagan Group to Breedon, a spokesman for Kevin Lagan said: "Kevin and his family intend to pursue a managed growth strategy with the Lagan Homes and FastHouse businesses, which are being retained."

Lagan Homes is described as "one of the largest housebuilders in Northern Ireland, with a longstanding reputation for delivering quality homes". The company is now ***planning*** to develop its markets in Ireland and in Great Britain, where it has a strong regional presence.

Kevin Lagan is also the majority shareholder in LF FastHouse. It is supplying around 470 luxury holiday lodges to Ireland's first-ever CenterParcs resort in Co Longford.

97 CJ Upton Director: James Upton Pre-tax profit: £4.4m Employment: 111 Pay bill: £4.8m 1 Lanyon Quay Belfast BT1 3LG [*www.cjupton.co.uk*](http://www.cjupton.co.uk) Uptonsteel is a manufacturer of products including steel sheet, blanks, coil and slit coil. It describes itself as a "service orientated company (with) a reputation for consistently offering the shortest lead-times in the industry. "Our next day service for both standard and cut-to-length sheets remains unrivalled. A combination of steel from the world's leading ***producers*** and a flexible, customer-focused approach to processing and distribution results in a service that customers can rely on."

98 Northstone Chief executive: Eamonn Sweeney Pre-tax profit: £4.3m Employment: 1146 Pay bill: £45.9m 99 Kingsway Dunmurry BT17 9NU Tel: 028 90 551276 [*www.northstone-ni.co.uk*](http://www.northstone-ni.co.uk) Northstone (NI) Limited, a subsidiary of CRH plc, is one of Northern Ireland's foremost construction groups. It is a provider of top quality goods and services to the construction industry through its three trading divisions of Farrans Construction, Cubis Systems and Northstone Materials.

Farrans Construction, contractor on Victoria Square, Odyssey Arena and Westlink, is a premier construction company operating throughout the UK and Ireland. Providing innovative and integrated solutions through conventional contracting, design and build and PPP, it excels in the education, healthcare, utility and infrastructure sectors of the industry. It continues to enhance its reputation a provider of superior quality homes to local community.

99 BA Kitchen Cmpnts Directors: Kieran and Brian McCracken Pre-tax profit: £4.2m Employment: 242 Pay bill: £7m Derryloran Industrial Estate Cookstown Tel: 028 8676 4600 [*www.byba.co.uk*](http://www.byba.co.uk) BA Kitchen Components Ltd wasestablished in 1990, with headquarters at Cookstown, Co Tyrone. In August last year, it received investment from private equity fund H2 Equity Partners. It is run by brothers John and Brian McCracken. From three modern production facilities at Cookstown, Doncaster and more recently Rotherham in Kent, BA manufactures kitchen, bedroom and bathroom furniture doors and a range of matching components and accessories. They have now further developed the range by manufacturing kitchen cabinets since August 2016. BA has grown steadily to become a major UK manufacturer and exporter to the UK, European and global furniture components industry. They now supply over 50,000 doors a week to companies worldwide. It exports to 27 countries.

100 Coca-Cola HBC Managing director: Matthieu Seguin Pre-tax profit: £4.2m Employment: 449 Pay bill: £23.4m Knockmore Hill Lisburn BT28 2SZ Tel: 028 9264 2000 [*www.coca-colahellenicireland*](http://www.coca-colahellenicireland) Coca-Cola HBC Northern Ireland is a member of the 28-country Coca-Cola Hellenic Bottling Company, a franchisee of the Coca-Cola Company. Coca-Cola HBC has been operating in Northern Ireland since 1939.

From its manufacturing plant at Knockmore Hill in Lisburn and office facility in Dublin, it ***produces***, distributes, marketsand sells a wide range of soft drinks to anall-Ireland market. The company's extensive product portfolio includes Deep RiverRock water, Fruice fruit juice, Powerade and carbonated soft drinks such as Coca-Cola, Diet Coke, Coke Zero and Fanta.

Prices of some of its products have increased following the introduction of the sugar tax this year.

The company has lobbied Ministers in the Republic over its concerns for the future of cross-border trading following Brexit.

**Load-Date:** May 8, 2018

**End of Document**



[***Zimbabwe Monthly Briefing October 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T0T-P8R1-DYRW-V3HG-00000-00&context=1516831)

ARC Briefing Zimbabwe

October 2017

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**Body**

**ABSTRACT**

***President Robert Mugabe (1980-present) reshuffles his cabinet, rewarding loyalists and dismissing vice-president Emmerson Mnangagwa's allies in government. The reshuffle is likely to weaken Mnangagwa in the ongoing internal succession rivalry in the ruling Zimbabwe African National Union- Patriotic Front (Zanu-PF) party. Foreign currency shortages in Zimbabwe cause commodity shortages and drive up inflation. The government plans to consolidate import laws to promote local industries and the consumption of locally produced products.***

**FULL TEXT**

**Mugabe reshuffles his cabinet, weakens Mnangagwa's succession prospects...**

President **Robert Mugabe** (1980- present) reshuffled his cabinet on 9 October, rewarding loyalists and sidelining perceived allies of the vice-president, **Emmerson Mnangagwa**. The reshuffle is likely a move to weaken Mnangagwa politically, given the public attacks that first lady **Grace Mugabe** and co-vice president **Phelekezela Mphoko** made against him in September.[[25]](#footnote-26)1 The reshuffle followed Mugabe's announcement on 7 October that he would reshuffle his *"underperforming"* cabinet.[[26]](#footnote-27)2 The announcement came after Mugabe's public spat with Mnangagwa at **Harare International Airport** when Mugabe returned from the second **Zimbabwe-South Africa Bi-National Commission** in **Pretoria** (**South Africa**) on 4 October.[[27]](#footnote-28)3 Mphoko and Grace Mugabe are both believed to be in the **Generation 40 (G40)** faction that is engaged in a struggle against Mnangagwa's '**Lacoste**' group in the race to succeed 93-year-old President Mugabe.[[28]](#footnote-29)4

Although Mugabe had claimed that the reshuffle was based on performance, it appeared to reward political loyalty.[[29]](#footnote-30)5 He removed or redeployed from ***strategic*** portfolios all ministers seen as allies of Mnangagwa and replaced them with trusted loyalists. Mugabe removed Mnangagwa from the influential justice, legal and parliamentary affairs portfolio, and transferred Mnangagwa's perceived ally, **Patrick Chinamasa**, from the finance ministry to the less influential and newly created cyber security, threat detection and mitigation ministry.[[30]](#footnote-31)6 Chinamasa had been finance minister since 2013.

Political analyst **Alex Magaisa** said that Chinamsa's removal from the national treasury to 'superintendent' of the Internet -- essentially equivalent to a director's role in a more substantive ministry -- is tantamount to a dismissal.[[31]](#footnote-32)7 Other Mnangagwa loyalists whom Mugabe replaced include **Faber Chidarikire** as minister of state for **Mashonaland West Province**, replaced by **Webster Shamu**; and the public service, labour and social welfare minister, **Prisca Mupfumira** who lost her portfolio to Mugabe's nephew, **Patrick Zhuwao**.[[32]](#footnote-33)8

*"Mugabe's cabinet reshuffle was mainly concerned with succession and preparations for the Zanu-PF conference in December, which could be turned into a congress to amend the party's constitution and further consolidate power into the first family by installing Grace Mugabe into the presidium. Mugabe thus needed to weaken Mnangagwa before then, through demoting or dismissing his allies, which would make it difficult for Mnangagwa to resist his removal from office. These developments have an uncanny resemblance to the circumstances that preceded the removal of former vice president* ***Joice Mujuru*** *in 2014."*[[33]](#footnote-34)9

Mnangagwa's loss of the justice ministry is a notable demotion. The portfolio gave him political authority over the country's judicial system as well as control over government business in parliament. It placed him at the centre of government, making him more powerful than co-vice president Mphoko.[[34]](#footnote-35)10 Mphoko retains his peace and reconciliation portfolio, while Mnangagwa is now a vice-president without portfolio. By removing Mnangagwa from the justice ministry and replacing him with **Happyton Bonyongwe**, the current director general of the **Central Intelligence Organisation (CIO)**, Mugabe appears to be signaling that the intelligence operatives and military officials loyal to him will now oversee his succession.[[35]](#footnote-36)11

**Foreign currency shortages cause commodity shortages and trigger inflation**

A leading financial research firm, **Equity Axis**, reported on 2 October that the Zimbabwe economy is still in decline despite the appearance of economic stability that use of the **United States (US)** dollar imparts.[[36]](#footnote-37)12 Zimbabwe's worsening foreign currency shortages are causing a further deterioration of the economy.[[37]](#footnote-38)13 Several companies in the retail industry are struggling to restock products, resulting in intermittent shortages.[[38]](#footnote-39)14 The situation is likely to worsen in the run up to the general elections in 2018, which may contribute to increased risk of political violence.[[39]](#footnote-40)15 The foreign currency shortages have caused the informal market to flourish, as more people take advantage of the real time gross settlement system (RTGS) money transfer facility.[[40]](#footnote-41)16

The ongoing foreign currency shortages are a result of various economic factors: the government's budget overruns; constant government overdraft demands; possible election funding demands; and the doubling of the bond notes circulating in the market.[[41]](#footnote-42)17 However, the government has tried to allay fears of a deteriorating economic situation. The **Zimbabwe National Statistics Agency (Zimstat**) reported in August that annual inflation was 0.14%, which is unchanged from prior months.[[42]](#footnote-43)18 However, Equity Axis disputed the figures and said that consumers' purchasing power has decreased drastically.[[43]](#footnote-44)19

Retailers and suppliers of a broad set of products are reportedly using a *"three-pronged pricing system"*, which differentiates prices of goods and services depending on the method of payment.[[44]](#footnote-45)20 There is a paper US dollar price, another for "plastic money" or local US dollar-denominated bank deposits transferable by debit or swipe cards, and a price for parallel paper money, or bond notes.[[45]](#footnote-46)21 Customers transacting through bond notes, mobile money transfers, and swipe cards incur additional costs.[[46]](#footnote-47)22 Although the bond notes are pegged at par with the US dollars held at the **Africa Export Import Bank**, this peg has failed to hold and the government has resorted to price controls and imposed a penalty of up to seven years imprisonment for not accepting cash and plastic money at par with the US dollar.[[47]](#footnote-48)23

The money shortages have seen card and mobile money payments overtake cash sales at retailers, limiting the hard currency that suppliers need for restocking, and driving up food prices. Cash transactions have reportedly shrunk to about 2% of daily takings across **Spar Zimbabwe**'s 33 chain stores, from about 60% a year ago.[[48]](#footnote-49)24 Spar indicated that about 60% of stock on any supermarket shelf in the country is imported, and that without sufficient US dollars, inflation on imported goods has risen by almost 60%.[[49]](#footnote-50)25

Meanwhile, the **Reserve Bank of Zimbabwe** (central bank) has reportedly printed and introduced more bond notes into the system.[[50]](#footnote-51)26 Bond notes are only changeable within Zimbabwe's borders and are not accepted outside the country. Foreign suppliers, including those selling household consumer goods such as oil, ***agricultural*** feed and basic foods stuffs, do not accept the bond notes. Informal traders and small shops that mostly stock their supplies from outside the country are charging 30 - 40% more for bond note payments while rejecting mobile money and electronic payments.[[51]](#footnote-52)27 The situation is likely to worsen as long as there is no new foreign direct investment.

*"The lack of foreign direct investment and a rising trade and budget deficit are exacerbating the dollar shortages. The difficulties facing Zimbabwe will only get worse if the government continues to believe that its own expenditures are more important than the productive sectors."*[[52]](#footnote-53)28

Ordinary Zimbabweans, particularly those working in the formal sector, will be the most affected by rising inflation. The **Zimbabwe Congress of Trade Unions (ZCTU)** blames the government's unrestrained consumptive spending for triggering inflation, and leading to the devaluation of workers' salaries.[[53]](#footnote-54)29 The resurgence of inflation will also lead to the closure of several of the few businesses that have remained operational throughout the protracted economic decline, thus contributing to the high rate of unemployment in the country.

**Government to consolidate import laws to promote local industries**

The industry and commerce ministry has consolidated a number of statutory instruments (SIs) issued in 2016 to control the importation of goods that are available on the domestic market.[[54]](#footnote-55)30 It used **Statutory Instrument 122 (SI 122)** on 29 September to create a reference point for several piecemeal statutory instruments.[[55]](#footnote-56)31 The most notable was **SI 64** of 2016, which removed about 100 products from the open general licence to encourage the consumption of locally manufactured products.[[56]](#footnote-57)32 The products listed under SI 64 include fertilisers, plastic pipes, wheel barrows, roofing frameworks, tinned fruits and vegetables, dairy products, furniture, coffee creamers and petroleum jellies.[[57]](#footnote-58)33 Previously, the government gazetted a ban on the importation of batteries, candles, floor polish, tobacco twines, second-hand clothing, blankets, 23 pharmaceutical products, milk, potatoes, onions, biscuits, sugar, poultry, meat products and yeast under a different statutory instrument.

Local products have struggled to compete with imports on price due to the high cost of production in Zimbabwe. The government hoped that by introducing measures to control the importation of certain goods, local consumers would switch to domestic products and increase revenues for local ***producers***. However, this has been difficult to enforce because of corruption at the borders. Nevertheless, it appears that the strategy helped companies increase their capacity utilisation and brought in some investment in a challenging business environment. A government report in June indicated that SI 64 had unlocked at least $100m in foreign direct investment (FDI) inflows since its introduction in 2016, and resulted in a 12% increase in exports.[[58]](#footnote-59)34 The industry and commerce ministry reported that apart from FDI inflows, output in some domestic firms doubled as consumers switched to local products.[[59]](#footnote-60)35 The ministry also reported that Zimbabwe saved over $2 billion in potential import expenses following the introduction of SI 64.[[60]](#footnote-61)36

Some companies that formerly exported to Zimbabwe and were affected by the import controls have reportedly set up manufacturing plants in the country. This includes **India**-based **Varun Beverages**, which has set up a $30m bottling plant in **Harare** under the **Pepsi** brand.[[61]](#footnote-62)37 Local company **Hanawa Super Foods** also opened a $1.5m potato crisp manufacturing plant in Harare after the importation of their products was banned under SI 64. In addition, **South Africa**-based **Willowton Group** and **Zambia**-based **Trade Kings** have also invested in the country, with combined FDI estimated at $65m.[[62]](#footnote-63)38 Willowton Group is building a $40m factory in **Mutare** to ***produce*** cooking oil and soap while Trade Kings Zimbabwe is constructing a $15m state-of-the-art detergent plant Harare.[[63]](#footnote-64)39

The government is also reportedly working on the formulation of a local content policy that is aimed at enhancing value addition through the utilisation of local resources and localisation of supply chains.[[64]](#footnote-65)40 The local content policy is an industrialisation policy strategy aimed at stimulating the production and consumption of locally ***produced*** goods through strengthening existing policy ***interventions*** and strategies such as the import management ***programme***.[[65]](#footnote-66)41 Although these policies and initiatives achieve some beneficial results in the short to medium term, Zimbabwe's economy will continue to decline because of unfavourable political conditions under the Zanu-PF government. Loss of investor interest has resulted in a lack of economic expansion, and shrinkage through the closure of manufacturing factories. The country's unstable currency regime and inflation also discourages investments, since profits cannot be guaranteed.

**Planner**

December 2017 **(Zimbabwe) Zanu-PF** special congress;

21 February 2018 **(Zimbabwe)** President **Robert Mugabe's** birthday celebrations;

18 April 2018 **(Zimbabwe) Independence Day** celebrations;

24 - 28 Apr 2018 **Bulawayo (Zimbabwe)**. ZITF Business Days;

2018 (**Zimbabwe**) Scheduled elections;

**Chronology**

16 October 2017. **Harare** (**Zimbabwe**) *NewsdzeZimbabwe*. Zanu-PF's provinces agree to hold an extra-ordinary congress in December;

12 October 2017. **Harare** (**Zimbabwe**). *VOA* Zimbabwe police remove thousands of vendors from the Harare central business district on President **Robert Mugabe**'s orders;

9 October 2017. **Harare** (**Zimbabwe**). *Newsday* President Robert Mugabe reshuffles his cabinet, dismissing several ministers thought to be loyal to vice-president **Emmerson Mnangagwa;**

7 Oct 2017 **Harare (Zimbabwe)***Reuters*. President Robert Mugabe says that he may make several cabinet changes in the coming week as part of a cabinet review;

6 Oct 2017 **Harare (Zimbabwe)***Reuters*. Vice president **Emmerson Mnangagwa** says that poison was the cause of his hospitalisation in August;

6 October 2017. **Harare** (**Zimbabwe**). *BBC* First lady **Grace Mugabe** warns of an impending coup plot as struggles to succeed President Robert Mugabe escalate;

5 October 2017. **Harare** (**Zimbabwe**). *VOA* Vice president **Phelekezela Mphoko** accuses covice president Emmerson Mnangagwa of undermining President Mugabe and fanning tribal politics;

3 October 2017. **Harare** (**Zimbabwe**) *The Guardian* Police detain a journalist from the **News Day** newspaper for reporting that first lady Grace Mugabe donated used underwear and women's nightgowns to ruling party supporters;

1 October 2017. **Harare** (**Zimbabwe**). *Nehanda Radio***Zimbabwe Electoral Commission** commissioner **Qhubani Moyo** admits there is a loophole in the biometric voter process which allows multiple registration using different national identity documents;

29 Sept 2017 **Harare** (**Zimbabwe**) *AFP*. Police fire teargas at anti-government protesters;

24 Sept 2017 **Harare** (**Zimbabwe**) *Bloomberg*. The government signs a $600m loan with the **African Export-Import Bank**;

**FOOTNOTES**

**Load-Date:** August 10, 2018

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[***BRIEF NEWS BULLETIN NO. 10271***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R4H-6W61-F12K-R1F5-00000-00&context=1516831)

HINA Digest

8 December 2017

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**Body**

Zagreb, 08 December 2017 (Hina) - EPP head warns of danger of S-E Europe returning to its dark pastZAGREB, Dec7(Hina) - European People's Party (EPP) leader Joseph Daul warned in Zagreb on Thursday that there was a danger of Southeast Europe falling back into its dark past due to growing tension and nationalist dialogues, telling Croatian Prime Minister Andrej Plenkovic that he has aresponsibility for theregion.Interreligious dialogue is crucial in Europe today and it is even more crucial in a multi-confessional and multi-ethnic region like the Balkans. Unfortunately, nationalist rhetoric still prevailsover dialogue, we are witnessinga worrying increase in tensions and nationalist dialogues, which makesone believe that the region could fall back into its dark past, Daul said at the opening of the 20th annual conference of the EPP group for dialogue with churches and religious institutions, taking place in Zagreb on Thursday and Friday.Daul gave as an example the French-German reconciliation after World War II, saying that as a man coming from the French Alsace region on the border with Germany, he believed that the region of Southeast Europe needed a similar scenario.It may take one or two generations to put the past behind. In this region, luckily not in Croatia, we must prevent the feeding of nationalismand hate if we don't want another war, said Daul.He told PM Plenkovic that he had a responsibility for the region and a key role in helping other Western Balkan countries make their European dream come true.Addressing the event, Plenkovic said that existing social tensions, migration and growing religious intolerance underlined the need for dialogue and understanding among different religious communities.There is no doubt that partnership is required between religious communities in the fight against extremism and persecution of Christians in Europe's widerneighbourhood.

That is the first step in overcoming those challenges, Plenkovic said, underlining the long history of coexistence of religious communities in Croatia.He said that he wanted to raise public awareness in Croatia of the importance of tolerance, inclusiveness and understanding.Plenkovic said that in the EPP as well as in the HDZ, which is a member of that group, "we emphasise what we have in common ratherthan what sets us apart."The Zagreb conference focuses on religion in European integration processes, migration and refugee crises and theirimpact on society and culture, and on cooperation in mutual understanding.The event brought together Croatian ministers and members of parliament, members of the European parliament, EPP members and representatives of religious communities.Croatian Parliament Speaker Gordan Jandrokovic said at the event that religious communities had the right to participate in social and political discussions, as envisaged by the EU Treaty.He noted that faith, notably Christianity, had proven to be a link of unity that could be found among EU founders.Modern Europe is faced with two key challenges - moral relativism and a fear of theIslamisation of Europe, said Jandrokovic."Croatia's model of coexistence of Islam and a modern democratic society can serve as an example to others," he said.The conference will continue on Friday with a discussion on religion, violence, peace and inter-religious relations from the Croatian and South-European perspectives.The EPP is the largest political group in the European Parliament, with 217 members from 27 EU countries.Daul says Croatia exceptionally important for EU, it is its entrance to the BalkansZAGREB, December 8, 2017 (Hina) - European People's Party (EPP) president Joseph Daul said in Zagreb on Thursday evening that Croatia was exceptionally important to the European Union as it represented the EU's entrance to the Balkans, a region important in security terms.We are counting on you, Daul told reporters after a meeting of the Croatian Democratic Union head committee on Thursday evening.Daul said that at the meeting he spoke about his life in the French region of Alsace and about his family who needed nearly two generation to overcome the anger after World War II.The Balkans is very important to us. It is pat of Europe, Daul said. He underscored that the Balkans was very important for Europe's security, notably with regards to the developments on the other side of the Mediterranean.Stressing that the EPP was looking for partners on the other side of the Mediterranean, he added that the group welcomed two political parties from Morocco and two from Lebanon and that it was currently seeking partners in Algeria and Tunisia.Earlier on Thursday, Daul spoke at a two-day EPP conference in Zagreb.Croatian Prime Minister and HDZ president Andrej Plenkovic told the press he had informed members of the HDZ head committee that Croatia and the HDZ would host an EPP statutory congress in 2019.He said this would be a regular election congress and the biggest political meeting in Croatia with over 2,000 envoys from all European countries attending.Timmermans says in touch with Croatia,Slovenia in bid to solve border rowZAGREB, Dec7(Hina) - The European Commission's First Vice President, Frans Timmermans, said in Brussels on Thursday he was in contact with the governments of Croatia and Slovenia in an effort to help the two neighbouring countriesresolve their border row, however,he was not yet certain he would visit Zagreb and Ljubljana.Let me be clear, it is a border dispute between two (EU) member-states and the European Commission hopes that the issue can be solved without a delay in a constructive dialogue between them,the Vice President told a news conference.In late November, Commission President Jean-Claude Juncker tasked Timmermans with mediating in the Croatia-Slovenia border dispute and announced his visit to both countries by the end of the year.The Commission's spokesperson said then thatJuncker talked with the prime ministers of both countries, Andrej Plenkovic of Croatia and Miro Cerar of Slovenia, about the dispute and what ensued after the pronouncement of the arbitration award this summer.President Juncker has reiterated that the Commission remains committed to contributing to or facilitating the process so as to implement the ruling in the best way and has asked first Vice-President Timmermans to take that job, the spokesperson said then, adding that Juncker had notified Plenkovic and Cerar, and that Timmermans ***planned*** to travel to the two countries before the end of the year to discuss this matter.Croatia withdrew from the border arbitration process because Slovenia irrevocably contaminated it. It does not recognise the ruling and does not intend to implement it, while Slovenia insists the ruling should be implemented. In September, Cerar cancelled a meeting with Plenkovic in Zagreb after Plenkovic dismissed the ruling during a UN General Assembly address, criticising Ljubljana for breaching international law. The two spoke in Brussels in late October during an EU summit but did not manage to agree the terms and the date of their next meeting, although they agreed that talks should resume on the technical level.When asked by the press about his announced tour of Croatia and Slovenia, Timmermans said today that he would do his best to help resolve the dispute.I'm in contactwith both governments and I'm going to ask them how they perceive my role so that my activities can be usefulas much as possible, he said.Croatian FM urges OSCE to step up involvement in BosniaZAGREB, Dec 7 (Hina) - Croatia's Minister of Foreign and European Affairs, Marija Pejcinovic Buric, on Thursday called on the Organisation for Security and Cooperation in Europe (OSCE) to step up its involvement in Bosnia and Herzegovina.Security in Southeast Europe is certainly the most important issue to Croatia within the OSCE framework, but it also attaches importance to the conflict in Ukraine, Pejcinovic Buric said on the margins of an OSCE annual ministerial conference in Vienna.She said Croatia highly appreciated the OSCE's commitment to stability in Southeast Europe through its presence and support in the field.Six OSCE missions are active in the region and the most important one to Croatia is that in Bosnia and Herzegovina, the Croatian minister said.Pejcinovic Buric called on this organisation to intensify its involvement in Bosnia and Herzegovina with regard to minority rights, legislative reform, promoting tolerance, the fight against discrimination, and freedom of the media. She also stressed the importance of fair political representation, education reform, youth training and the fight against violence."We have expressed our desire and expectation for the OSCE mission in Bosnia and Herzegovina to ensure, as part of its mandate, equality for all three constituent nations and in this context we also advocate an electoral reform," the minister said.Pejcinovic Buric said that Croatia regretted the deterioration in the security situation in eastern Ukraine and human suffering caused by the conflict there."Full implementation of the Minsk agreement by all is key for a transition to a sustainable political solution in line with the principles and obligations of the OSCE and it should start with a permanent cessation of fighting."She reiterated Croatia's commitment to the sovereignty, political independence, unity and territorial integrity of Ukraine within its internationally recognised borders.American OSCE monitor Joseph Stone was killed in Ukraine in April this year, and Pejcinovic Buric said that because of that tragic death and because of incidents that occurred there week after week, the OSCE should send a clear signal to those responsible that they would suffer consequences."Croatia currently has nine monitors in Ukraine and cares for their security and the security of their colleagues," she said.During the morning part of the OSCE conference, Pejcinovic Buric met with US Secretary of State Rex Tillerson, with whom she discussed the situation in Southeast Europe, as well as with Canadian Foreign Minister Chrystia Freeland, Swiss Foreign Minister Ignazio Cassis and Lichtenstein's Foreign Minister Aurelia Frick with whom she agreed on the lifting of movement restrictions for Croatian nationals and discussed avoidance of double taxation.With the conference in Vienna, Austria ends its annual chairmanship of the OSCE, which will be assumed by Italy.EU interior ministers discuss strengthening fight against terrorismZAGREB, Dec 7 (Hina) - The interior ministers of EU member states on Thursday met in Brussels to discuss the EU's fight against terrorism, particularly in reference to online youth radicalisation, in which Croatia is cooperating well with other member states, Croatia's Interior MinisterDavor Bozinovic said."We had an extensive discussion which was preceded by a conference on how to tackle terrorist propaganda oninternet platforms, which areused to promote some radical ideologies on the one hand, and on the otherto mobilise new members to join terrorist groups," Bozinovic said.He added that his ministry hasa point of contact whichcollaborates with Europol in identifying and removing content that could be connected to terrorist intentions."We spoke about the establishment of a centreto combat radicalisation at EU level, whosemain function would be prevention. In that regard, our services, the Interior Ministry and intelligence community areinterested in strongercooperation, and Croatia is making a full contribution because it is clear that we cannot defend ourselves from the challenge ofterrorism only our ownborders,"Bozinovic added.Asked about the risk of foreign fighters returning to Croatia, Bozinovic saidthat the authorities arealert even though Croatia isnot as exposed as some other countries are."Croatia certainly isn't on the front line of exposure, butwe are not underestimating anything, including the possibility of those fighters returning to our surroundings. We havea very systematic policy,using information exchange possibilities," Bozinovic said and added that the EU can be capable of handling that danger if it secures the timely exchange of proper information.Gov't increases minimum wageZAGREB, Dec7(Hina) - The Croatian government on Thursday adopted a regulation increasing the minimum wage by 5% or a gross amount of HRK 163 (net amount of HRK 131) so in 2018 the minimum wage will amount to 42.9% of the average wage.The government-sponsored amendments to the Minimum Wage Act also envisage extra payments for work on Sundays and holidays and for overtime work.As a measure to compensate employers for the increase in the minimum wage, the government has proposed reducing, by 50%, the minimum rate forhealth insurance contributions, which are paid by employers. This will result in employers paying HRK 103.85 less monthly in contributions for the minimum wage.To be entitled to compensation, an employer must be paying a minimum wage for at least 12 months.The gross minimum wage will thus increase as of next year fromHRK3,276 to3,439.80, which is HRK 2,752 net, while employers' costs will decrease from HRK3,839.47 to3,735.62.Byamending regulations on income tax, to go into force as of 2018, the government wants to help employers in the tourism sector by exempting them from paying taxes on expenses for meals, accommodation and drinks for theirpermanent seasonal workers, said Finance Minister Zdravko Maric.As of next year, the value of a non-taxable gift in kind will be increased from HRK 400 to 600.The government's measures are aimed at increasing the wages of the least paid workers and send a message to the industries where a large number of workers receive the minimum wage, said Prime Minister Andrej Plenkovic.Labourand Pension System Minister Marko Pavic recalled that this was the second 5% increase in the minimum wage in the term of the incumbent government, while Economy Minister Martina Dalic said that the government's measures were geared towards benefiting workers and increasing employers' competitiveness.Employers applaud gov't measures, call for reformsZAGREB, Dec7(Hina) - The Croatian Employers Association (HUP) on Thursday welcomed the government's measures regarding a higherminimum wage, seasonal employment in tourism and quotas for the import of labour, but also underlined the need to implement reforms.The measures are a good compromise between unions' expectations and employers' warnings about the real situation on the market, HUP said in a press release.A higher pay isin everyone's interest but itcannot be set administratively, while ignoring the real situation in the economy and Croatia's competitiveness, HUP said.We welcome these measures and the government has shown that it is a social partner which acknowledges the arguments of both unions and employers,HUP director general Davor Majetic said, adding that for the first time the government acceptedsome HUP proposals concerning a higher minimum wage in labour-intensive industries, which he said operated on the brink of viability.Employers, like the government and the unions, wantto provide for the highest paypossible, but pay growth is limited by the real state of the economy, which makes some of the union demands unrealistic and contrary to the interest to keep as many jobs as possible, Majetic said.All employers whose financial results allowthat, increase salaries, but in some industries there is no room for that until betterconditions are created for doing business, he added.Croatian companies are burdened by high business costs and many other obstacles that makes them less competitive in comparison withforeign companies, which have lower costs and better conditions, so HUP is seeking broader reforms which will make it possible to slash business costs, create a more stimulating environment and raise salaries, HUP said.Only profitable business guarantees regular salary payments, jobs and investments in the development and modernisation of doing business, without which neither salaries nor jobs are sustainable in the long term, HUP added.It called on the government, unions, the opposition and other social stakeholders to work together on reforms, saying their implementation was the only way to have a more advanced society and higher living standards.The government's decision today on the minimum wage and other measures gives us hope that it understands the economy's challenges and problems, and we hope it will actually start implementing the necessary reforms, HIP said.Gov't endorses draft basic collective agreement for civil servantsZAGREB, Dec7(Hina) - The government at it session on Thursday endorsed a draft basic collective agreementfor civil servantswhich sets the base pay at HRK 5,421.54 and retains the workers' acquired rights.The agreement will be in effect as of November 1.Labour and Pension System Minister Marko Pavic said the expected duration of the agreement was four years, starting with December 1, adding that the government would make sure that the current level of right were applied as of November.One of the most important elements of the basic collective agreement is an increase of the transportation allowance foremployees driving to work with their own carsfrom HRK 0.75 to HRK 1 per kilometre. Workers older than 61 and living less than 2 kilometres away from their place of work will be compensated for public transportation.Money for Christmas and holiday bonuses will be ensured in the state budget, Pavic said, adding that meeting the Maastricht criteria was a priorityWages for November are yet to be increased by 2%, which is a total increase of 6% on the year, and the base pay will amount to HRK 5,421.54, said Pavic.Negotiations on the basic collective agreement lasted two and a half months over 16 negotiating rounds.Collective agreement for public sector employees signedZAGREB, Dec 7 (Hina) - The government and representatives of 11 unions on Thursday signed a four-year collective agreement for public sector employees under which the base pay amounts to HRK 5,421.54 as of November 1 and transport compensation rises from HRK 0.75 to 1 per kilometre for staff who do not have access to public transport.Prime Minister Andrej Plenkovic said he was pleased with the consensus reached by the social partners. The agreement appliesto doctors, nurses, teachers, scientists, welfare and culture workers,important sectors for the functioning of society, he added.We have reached a high level of understanding in the negotiations held over the past 13-14 months and are achieving results with financial consequences that are sustainable and in keeping with the possibilities of the state budget, economic growth and the obligations stemming from the social dialogue, Plenkovic said.He voiced confidence that all outstanding issues would be resolved through dialogue, with trust and the desire for everyone in Croatia to live better.Labour Minister Marko Pavic said the negotiations on the new collective agreement were lengthy and tough,resultingin a compromise solution that did not satisfy everyone, although the government met the demands as much as it could.Employment quotas for foreigners to be higher in 2018ZAGREB, Dec7(Hina) - The Croatian government on Thursday formulated new, higheremployment quotas for foreign nationals, with Labour and Pension System Minister Marko Pavic saying that the quotas would be increased to prevent any labour shortage-related risks to the investment cycle but that the government's primary goal was to employ domestic workers.In 2018, a total of 31,000 work permits will be available for the employment of foreign nationals. Of that number, 22,000 are new permits and 9,000 are existing permits that will be extended.Of the 22,000 new permits, 17,495 are for permanent employment and4,225 are for seasonal employment, including 3,715 work permits for the tourism and restaurant industriesin the duration of up to six months.As for permanent employment, most permits, 11,270, will be issued for the construction sector. One of the noveltiesis the ***planned*** issuance of 300 permits for the IT sector.Pavic said that in the next four months the Croatian Employment Service would be conducting a campaign to offer employment to Croatian nationals so that they were hired before the activation of the new measures and so that it could be determined how many people were actuallyout of work.This isa balanced approach aimed primarily at hiring domestic labourand possible shortages will be compensated for with the quotas to prevent risks to the investment cycle and ensure economic growth in 2018, said Pavic.Prime Minister Andrej Plenkovic saidthe decision to increase employment quotas for foreign nationals was based on real needs in individual economic sectors andan evidentshortage that could be felt during this year's tourist season.Tourism Minister Gari Cappelli said work permits for the tourism sector were only a necessary backupbut that before its activation, all possibilities would be explored to hire domestic workers in the tourism sector, including retraining.Gov't endorses bill on tourist sector servicesZAGREB, Dec7(Hina) - Croatia's government on Thursdayendorsed a final billon providing services in tourism, and the legislation will regulate the work of travel agencies, tour operators, animators, guides as well as work in specific forms of tourist services, ranging from nautical tourism to conference and health tourism, and tourist services on rural farms.The legislation is in accordance with anEU directive.Tourism Minister Gari Cappelli said that the law reduces administrative barriers and fines.It also regulates services of tourist guides from the European Union and Switzerland in Croatia on a temporary basis.The new legislation gives a wider list of providers of medical tourism services. According to the minister, all this will facilitateinvestments in the amount of 300 million euros and the creation of 2,000 jobs.The new law will enable the Church and religious communities to organise pilgrimages and other trips for religious reasons.Furthermore, active and adventuretravel packages and toursare regulatedtoo.Gov't endorses amendments to legislation regulating cooperation in tax sectorZAGREB, Dec7(Hina) - The government adopted at its session on Thursday a final bill of amendments to the law on administrative cooperation in the tax sector, regulating cooperation between Croatia and other EU member states as well as theautomatic exchange of information on financial accounts, expected to enter into effect at the start of 2018.The amendments to the law regulate the adjustment of Croatia's legislation with the 2016 EU directive regarding granting tax authorities access to information which will help prevent money launderingand secure a legal framework for further strengthening the fight against tax fraud.Finance Minister Zdravko Maricsaid the final bill enables tax authorities to access information gathered for the purpose of preventing money laundering and terrorism financing.The amendments also regulate the implementation of anagreement between Croatia and the United States on meeting tax obligations at the international level and the implementation of the Foreign Account Compliance Act (FACTA).Gov't to allocate HRK 670Mto hospitals to cover costsZAGREB, Dec 7 (Hina) - The Croatian government on Thursday adopted a proposal to allocate funds to state-owned hospitals to settle a portion of their debts to providers of medicines and medical supplies, Health Minister Milan Kujundzic announced on Thursday, adding that HRK 670 million (EUR 88.7 million) would be allocated for this purpose.The single largest amount, of HRK 208 million,will be allocated to the Zagreb Clinical Hospital Centre. Among others, Zagreb's Sisters of Mercy Clinical Hospital Centre and Dubrava Clinical Hospital will receive HRK 92 million and 73.8 million respectively, HRK 104.4 million will go to Split's Clinical Hospital Centre and HRK 88.6 million toOsijek's Clinical Hospital Centre.Aquaculture Bill sent to parliamentZAGREB, Dec7(Hina) - The Croatian government on Thursday sent to parliament a final bill on aquaculture, whereby aquaculture was given ***strategic*** importance in Croatia's economy, ***Agriculture*** Minister Tomislav Tolusic said at a government meeting in Zagreb.The legislation, that provides for the implementation of the EU regulation on the use of alien and locally absent species in aquaculture, also stipulates the implementation of thecoordinated EU aquaculture policy,the Common Fisheries Policy, and defines national goals in the development of the aquaculture sector, Tolusic said.The legislation is aimed at boosting the competitiveness of Croatia's aquacultureand making it economically sustainable.The proposed law regulates conditions for fisheries management and paves the way for the adoption of a multiannual national ***strategic*** ***plan*** for Croatia.Countries in region urged to step up cooperation in Common ***Agricultural*** Policy - conferenceZAGREB, Dec7(Hina) - Countries in the region are encouraged to step up their cooperation in fields of common interest such as European Union funds and the Union'sCommon ***Agricultural*** Policy (CAP), it was heard at an international conference organised on Thursday by the ***Agriculture*** Ministry and the Zagreb-based Paying Agency for ***Agriculture***, Fisheries and Rural Development.Addressing the conference which brought together representatives of Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia and Turkey in Zagreb on Thursday, Croatia's ***Agriculture*** Minister Tomislav Tolusic praised thePaying Agency as one of the best of its kind in the EU."Before entering the EU, we had gone through a long a pre-accession phase.We have highly educated people and we believe that we can assist our neighbours," the Croatian minister said.He admitted that pre-accession processes had been difficult, however, Croatia gained the know-how and the experience, and Croatian ***agricultural*** ***producers*** have benefited a lot from their country's EU membership.Annually, Croatia sets aside 450 million euros ingrants in ***agriculture***, and the means are secured from Croatia's budget and EU funds.As much as 2.4 billion euros isavailable underthe Rural Development ***Programme***.The head of the MacedonianAgency for Financial Support of the ***Agriculture*** and the Rural Development, Nikola Babovski, said that Croatia's experiences were significant and helpful.Later in the day, the Paying Agency for ***Agriculture***, Fisheries and Rural Developmentand the Agency for Financial Support of the ***Agriculture*** and the Rural Development were due tosign a memorandum paving the way for the continuation of cooperation.EU is most important peace project, says commissioner for int'l cooperationZAGREB, Dec7(Hina) - The European Union is a unique and the most successful peace project of the past 60 years, which it has accomplished by promoting a model of economic progress and development for all,European Commissioner for International Cooperation and Development Neven Mimica said in Zagreb on Thursday.Sustainable peace is built through partnership, respect and mutual understanding, hesaid,speaking about security as a foundation of development and sustainable peace-buildingat an international student conference on the future of peace organised bythe Dag Hammarskjold University College of International Relations and Diplomacy.He said the economic costs of conflicts farexceeded the funds used to build peace, adding that the economic cost of conflicts last year was estimated to have exceeded US$ 14 trillion, amounting to nearly $2,000 per capitaon Earth.We know that peace-building can be 16 times more cost-effective than conflict ***intervention***, but despite that, we set aside less than1% of war costs for peace-building and related activities, Mimica said.The EU spends over EUR 2 billion on security projects, including security sector reform, border management, combating organised crime, counter-terrorism and combating violent extremism, he said.At the same time, our campaigns for ensuring sustainable development help in dealing with the main causes of insecurity and conflict, from access to education and health to bettergovernance, civil society and employment possibilities, Mimica said.Development cooperation is important, if not the most important thing, for dealing with the long term causes of conflict, poverty and instability, he added.The EU's 2016 foreign and security policy strategy offers a vision of Europe's engagement in the world, recognising that European security depends on global security, and promoting a common approach to conflict prevention and improving regional and global stability, Mimica said.Thenew development consensus from June is another sign of the EU's commitment to meeting global promises and sustainable development goals, he added.HDZ rep rules out privatisation of power company HEPZAGREB, Dec7(Hina) - The whipof the Croatian Democratic Union (HDZ) parliamentary bench of deputies, Branko Bacic, on Thursday refuted speculation about a possible privatisation of the nationalpower provider HEP.At this moment, there is no talk about a possible privatisation of HEP in any state institution and scaring people with this weird, camouflaged privatisation is inappropriate, Bacic said after Tomislav Panenic of the Bridge party raised the issue of apackage of laws on waters and the financing of water management."This is no ordinary package. This package is like Pandora's box. Once you open it, it irreversibly leads only to one thing -- the privatisation of HEP," Panenic said.Bacic said HEP cannot be privatised without appropriatelegislation and that as far as he knows, this issue is not being discussed by a single institution or a forum.Adopting a law on waters will help strengthen HEP, Bacic said, telling the Bridge party that, if it had any other information regarding this, to publicly say so.Bacic recalled that the 2002 law, adopted during the government led by Ivica Racan's Social Democratic party (SDP), had foreseen the privatisation of HEP, but that the HDZ-led government in 2010 abrogated the law, stressing that HEP's privatisationis not possible without the adoption of the requiredlegislation in parliament.SDP MP says waste disposal run by 'waste mafia'ZAGREB, Dec7(Hina) - Social Democratic Party (SDP) member of parliament Stjepan Kovac said on Thursday that a waste mafia was operating in Croatia, calling on the relevant institutions, including Environmental Protection Minister Tomislav Coric, to react promptly in connection with a scandal involving the disposal of sewage sludge in the northern Medjimurje region."Not only is Medjimurje of little interest to the government and state institutions, but local residents are at risk, their farmland is being poisoned and their health is in danger," Kovac said in the parliament.He wondered how it was possible for a company with no appropriate licence or capacity to handle sewage sludge in Zagreb to win, in a public tender, the job of sewage sludge disposal.Kovac also wondered why an inspection team had not been sent to the company to see how it handled the waste, claiming that inspectors were aware "of the worst kind of crime and ecocide.""While some are getting rich on waste, citizens are being poisoned. I call on the relevant state institutions to respond. Let Minister Tomislav Coric prove that every Croatian region has the same treatment, and let (Zagreb Mayor) Milan Bandic explain the criteria for awarding the job to a company without an operating licence," said MP Kovac.Exports in Jan-Septincrease by 13.7%, imports by 11.4%ZAGREB, Dec7(Hina) - Croatia's commodity exports in the first nine months of 2017 were 13.7% up from the same period of 2016, while imports grew by 11.4%, show figures released by the national statistical office (DZS) on Thursday.The DZS has thus revised its preliminary estimate according to which exports in the January-September period grew 13.4% and imports by 10.3%.According to the latest data, in the first nine months of this year Croatia exported HRK 75.6 billion worth of commodities and imported HRK 122.2 billion worth of commodities.The foreign trade deficit was thus HRK 46.6 billion while the coverage of imports by exports was 61.9%.Expressed in euros, Croatia's commodity exports in the first nine months grew by 15.2% to EUR 10.2 billion while imports grew by 12.8% to EUR 16.4 billion, with the foreign trade deficit standing at EUR 6.3 billion.DZS figures show that EU member states continue to be the most important markets for Croatian exporters, with 64.6% of total exports being exports to EU marketsand 77.8% of imports being those from EU countries.Exports to EU countries totalled more than EUR 6.5 billion or 10.8% more than in the first nine months of 2016, while imports amounted to EUR 12.79 billion, an increase of12%.Italy, Germany and Slovenia have remained Croatia's main foreign trade partners.Croatia also saw a significant increase in trade with countries of the Central European FreeTrade Agreement (CEFTA), with exports to those countries going up by 21.5% to EUR 1.78 billion and imports going up 21.7% to more than onebillion euros.The most important trade partners in that group were Bosnia and Herzegovina and Serbia.EU growth slows downin Q3, Croatiaabove EU averageZAGREB, Dec 7 (Hina) - The economy of both the 28-member European Union and the 19-member euro area slowed down a little in the third quarter of the year, while Croatia's growth was slightly above the EU average, according to data from the EU statistical office Eurostat released on Thursday.Seasonally adjusted GDP rose by 0.6% in both the EU28 and the euro area during the third quarter of 2017, compared with the previous quarter. In the second quarter of the year, GDP grew by 0.7% in both areas, Eurostat said.At the same time, the United States, the EU's main trading partner,recorded a growth rate of 0.8%, the same as in the previous quarter.During the third quarter of 2017, gross fixed capital formation increased by 1.1% in both zones, household final consumption expenditure rose by 0.5% in the EU28 and by 0.3% in the euro area. In the EU28, exports rose by 0.9% and imports by 1.0%, while the euro area recorded a 1.2% increase in exports and a 1.1% rise in imports.Household final consumption expenditure had a positive contribution to GDP growth in both the EU28 and the euro area (+0.3 percentage points and +0.2 pp respectively) as had gross fixed capital formation (+0.2 pp in both zones).The contribution of the external balance to GDP growth was neutral for the EU28and slightly positive for the euro area. The contribution of changes in inventories was positive for both zones.Compared with the same quarter of 2016, seasonally adjusted GDP rose by 2.6% in both the EU28 and the euro area in the third quarter of 2017, after +2.4% in both zones in the second quarter of 2017. The US economy grew by 2.3% compared with the third quarter of the previous year.Romania recorded by far the highest growth compared with the second quarter of 2017, of +2.6%, ahead ofMalta (+1.9%), Latvia (+1.5%) and Poland (+1.2%).GDP decreased only in Denmark (-0.6%) and remained almost stable in Lithuania (+0.1%).Croatia recorded a quarterly growth rate of 0.9%, alongside Bulgaria, Cyprus and Hungary. Similarly, Slovenia registered a growth rate of 1.0%, and Austria, Germany, Slovakia, Spain andSweden observed growth rates of 0.8%.Compared with the third quarter of 2016, Romania also led with the highestGDP growth rate, of 8.6%, followed by Malta with a rate of 7.7%.With an annual growth rate of 3.2%, Croatia ranked with Spain (+3.1%), Finland (+3.0%) and Lithuania (+3.4%). The lowest growth was registered in Denmark, of 1.3%.Minister says HRK 1B reform of vocational education to be launchedZAGREB, Dec7(Hina) - Education and Science Minister Blazenka Divjak said on Thursday that amendments to the Vocational Education Act, sent by the government to parliament for consideration, would enable a reform of vocational education for which one billion kuna had been secured from EU funds.Divjak said the most important elementin the bill was the ***planned*** establishment of regional competence centres for vocational education and training. Those centres would be established across the country and serve as a link between the education system and the labour market, she said, noting that she expected good proposals from local authorities in that regard."Vocational education has been neglected for years, if not decades. A total of 71% of all high school students are in the system of vocational education and we have schools that lack staff, work with outdated curricula and do not meet labour market demands. The one billion kuna from EU funds will make it possible to finally reform vocational education," said Divjak.Croatian national broadcaster to launch HTV channel for Croatian DiasporaZAGREB, Dec7(Hina) - Croatian Radio and Television (HRT)is going to launch a TV channel for expat Croats and Croat minorities worldwide as well as for the international public in January 2018, the Zagreb-headquartered public service broadcaster told Hina on Thursday.The launch of this channel is in accordance with the contract signed between the HRT and the Croatian government in late SeptemberIn response to Hina's inquiry, the HRT said that it could not give any more information about the project.We emphasisethat we, as a public service broadcaster, undertake to inform Croats outside the Republic of Croatia in the best possible way, the HRT says in its statement.The ***programme*** for this purpose is to be aired through oursatellite and Internet platforms, the HRT says.The channel will air ***programmes*** around the clock, and news contents will account for 25% of the entire ***programme***, while education, science, entertainment, music andculturewill each have a share of 10%.Veterans umbrella organisation files complaint against ex-president, ex-prosecutorZAGREB, Dec 7 (Hina) -An umbrella organisation of Homeland War veteran NGOs on Thursday pressed charges against former president Stjepan Mesic, claiming that he had disclosed classified information, and against former chief state prosecutor, Mladen Bajic for abuse of office,announcingthat they were preparing a complaint against former president Ivo Josipovic.The complaints submitted to the Zagreb County prosecutor's office charges Mesic with disclosing classified information and the gravest criminal offencesagainst Croatia, while Bajic is charged with abuse of office and authority, Zorica Greguric told a press conference on behalf of the veterans NGOs.Zvonimir Separovic of the Croatian Society of Victimology said that global stakeholders were responsible for Slobodan Praljak's death, as was"a superficial" political court and Croats themselves. This nongovernmental organisation was aware of that two years ago when it established its Croatian National Ethics Court to warn of unbearable ethical and moral deviations.Thatcourt "ethically convicted" Mesic because he accused his predecessor Franjo Tudjman of aggression and a criminal enterprise in relation to Bosnia and Herzegovina. Separovic said that Mesic spoke against Croatia, against Croatia's president, defence minister and a Croatian general before a foreign court, which he considers is a treasonable act.In that context, Separovic also referred to former foreign minister Vesna Pusic, who said in parliament that Croatia had conducted an aggression against Bosnia and Herzegovina. He also made reference to former prime minister Josip Manolic.Independent lawmakerZeljko Glasnovic said that these people were in a "network and actlike foreign agents in Croatia.""This doesn't just include individuals but also NGOs that are networked with foreign lobby groups and enemies of the Croatian state who act like a foreign body within the very being of the Croatian people," Glasnovic said."They have a dual mission, to criminalise the Croatian state, the Homeland War and the war in Bosnia and Herzegovina, andto legitimise a failed social experimentknown as Yugoslavia," he said and added that it had never been Croatia's intention to occupy Bosnia and Herzegovina.Bishopscallfor public debate on Istanbul ConventionZAGREB, Dec7(Hina) - The Croatian Conference of Bishops (HBK) on Thursdaycalled for a public debate concerning the ratification of the Istanbul Convention, so that any ambiguity that it causes can be cleared up to avoid anylong-term damaging consequences.HBK president, Zadar Archbishop, Msgr Zelimir Puljic, underscored that Croatia's bishops wishto contribute to a proper stance and the adoption of fruitful decisions about very sensitive issues that have a long-term impact on important areas offamily, upbringing, education, and social life in Croatia."They are issues that deeply impinge on personal attitudes, worldviews and value precepts of Croatian society as a whole and, as believers and citizens,we are not and must not be indifferent toward them," Puljic said.Djakovo-Osijek Archbishop, Msgr Djuro Hranic said that the school education system must not omit upbringing with values. "Precepts that enable children and young people to mature on firm foundations are of exceptional importance," he said and added that the education system in schools should payspecial attention to social-humanities areas.Those areas, he underscored, directly provide avalue framework for upbringing in respecting others, unselfishness and true humanity that can rightly be referred to as solidarity with humanism.The bishops saidthat it should not be allowed,under the guise of concern thatan injustice be done to someone, to make room forthe promotion of an ideologythat intends to change the very anthropological foundations of the idea of a family. He underscored that it is absolutely clear that the legal regulation of the effects of other communities that aren't a family can be regulated by special bylaws.We support those legislative provisions that are aimed at protecting the well-being of children and their right to both parents, Vladimir Dugalic of the Osijek Faculty of Catholic Theology said. He said that is even more important due to the currentlyunfavourable demographic trends, the worrying fall in the birthrate and the growing number of divorces.Orepic distances himself from Grmoja's statementZAGREB, Dec7 (Hina) - Member of Parliament Vlaho Orepic of the opposition Bridge party on Thursday distanced himself from what he described as the scandalous part of the statement by the party's political secretary Nikola Grmoja that Croatia should demand payment for the assistance it had extended to Bosniak refugees during the 1990s war should Bosniak war victims seek compensation from Croatia as a result of a recent verdict handed down by the Hague war crimes tribunal.Asked by the press about a possibility of Bosniaks filing lawsuits against Croatia, Grmoja said: "Then Croatia might as well make out bills for all the refugees it took in and for all the assistance it provided."Orepic wrote on his Facebook page that he was distancing himself from this "indeed scandalous part" of Grmoja's statement."In this moment of time sensitive for peace and co-existence, we need to be aware of the consequences of our public statements," Bridge's former interior minister said.War has transformed Bosnia into sum of ethnically pure territoriesZAGREB, Dec 7 (Hina) - The 1992-1995 war in Bosnia and Herzegovina almost completely destroyed the multi-ethnic structure of local communities, reducing them to mainly mono-ethnic municipalities, according to an analysis by the country's Academy of Sciences and Arts, whose findings were presented in Sarajevo on Thursday.The analysis of demographic and ethnic changes in BiH was based on processes over the past 25 years and a comparison of the 1991 and 2013 population censuses. In it, a dozen BiH scientists warn that the country has undergone a radical transformation which has permanently altered its ethnic structure.Academician Mirko Pejanovic said that until the war, BiH's ethnic structure was most often compared to a tiger's skin because of the diverse and mixed population in nearly every part of the country. He recalled that until 1991, multi-ethnic municipalities were the norm and those with only one ethnic group the exception, whereas today the situation is completely different.Before the war and the break-up of the former Yugoslavia, BiH consisted of 109 municipalities and the last census before the war proves that as many as 91 had ethnically mixed populations. In 46 of them, Croats, Serbs and Muslims (today Bosniaks) were represented nearly equally and in another 40 the population comprised evenly of two ethnic groups.The war destruction, ethnic persecution and lasting emigration have completely changed that, imposing ratios that are the complete opposite of the pre-war ones.The 1995 Dayton peace agreement introduced new municipalities, which now total 141, of which 100 are ethnically pure. Only 20 municipalities in the Federation, the country's Croat-Muslim entity, and as many in Republika Srpska, the Serb entity, have retained to a certain extent a population that can be called multi-ethnic.All that is reflected at entity level, which have ethnically homogeneous territories where one ethnic group makes up 70-90% of the population.Islamic community in Bosnia condemns Trump's decision on JerusalemZAGREB, Dec 7 (Hina) - The Islamic community in Bosnia and Herzegovina on Thursday condemned a decision by US President Donald Trump on recognising Jerusalem as the capital city of Israel and called for the decision to be reconsidered."President Trump's decision is worrying because it is unilateral and doesn't contribute to a peaceful solution to the Israeli-Palestinian issue," the head of the Islamic community said in a press release.The press release further notes that Jerusalem's status is defined byUN resolutions and international law that should be binding for everyone.Islamic leaders recall that Jerusalem is aholy city in which all great religions of the world have their religiousand cultural buildings."This decision could haveconsequences that are difficult to predict. We expect the most responsible countryin the world to make its decisions in accordance with aspirations for world peace and understanding between nations and cultures," the press release said.The Islamic leaders in Bosnia and Herzegovina hope that Trump will listen to advice from his administration, as well asfriends of the USA in the world and the Middle East, and change that decision.In other news:Croatia's SDP leader invited to attend SPD conference in BerlinZAGREB, Dec 7 (Hina) - Croatia's Social Democratic Party (SDP) leader Davor Bernardic and the SDP Mayor of Koprivnica, Misel Jaksic, have attended an international conference organised by the German SPD party and the Party of European Socialists (PES) and have been invited to attend an SPD conference in Berlin on December 7-8 as guests, the SDP said in a statement on Thursday.Bernardic and Jaksic were hosted by Josip Juratovic, a long-serving SPD member of the Bundestag, and Bernardic had an opportunity to meet with SPD leader Martin Schultz and other senior party officials. The main topic discussed was the future of social democracy in Germany and the EU."Europe is at a turning point. Will it be more integrated, more just and socially more sensitive? Europe must become stronger, it must protect the individual. This message was repeatedly highlighted by Martin Schultz in his speeches and it is also important to us in Croatia," Bernardic said.The SDP leader took the opportunity to inform his German colleagues of his party's measures to deter young people from emigrating from Croatia.Juratovic said: "The SPD is now establishing foundations for its own future as well as for the future of Germany, because obviously the SPD must be the guardian of democracy not only in Germany but in the entire EU as well."Juratovic said that the future of the EU could not be built by Germany and France alone, but that other "pillars" were also important, including Croatia. He emphasised the importance of future cooperation and dialogue between all social democrats in the EU, and added that he personally would continue to be involved in promoting ties between Germany's SPD and Croatia's SDP.Gordana Kovacevic voted Croatia's most powerful businesswomanZAGREB, Dec7(Hina) - Ericsson Nikola Tesla Board chair Gordana Kovacevic was votedCroatia's most powerful businesswoman for the third year in a row in Lider weekly's 13th "300 most powerful Croatian businesswomen" vote.Zagrebacki Holding Board chair Ana Stojic Deban was voted second and Croatian Bank for Reconstruction and Development head Tamara Perko third.Among politicians, according to the vote, the most powerful are President Kolinda Grabar-Kitarovic and Economy Minister Martina Dalic.The vote was preceded by the "Women in Business" conference, which heard that the share of women in top and senior management remained very modest.Unfortunately, women are not so present in senior management, but when women are more successful, states are more successful too, said Douglas Jones, charge d'affaires atthe US Embassy to Croatia.The US was the partner country atthis year's conference. The US Embassy supports the various enterprise ***programmes***, including Aurora, conceived to support new women entrepreneurs.Grabar-Kitarovic's envoy Marko Jurcic said that in many segments women in Croatian societystill did not enjoy the same statusas men. Croatian society recognises the importance of women in some elements, while they are deprived in others, he said, underlining the need for full equality in all segments of life.Horvatincic surrenders driving licence after found medically unfit to driveZAGREB, Dec 7 (Hina) - Businessman Tomislav Horvatincic has voluntarily surrendered his driving licence to the police after a medical examination found him permanently unfit to drive a motor vehicle, the Ministry of the Interior confirmed on Thursday.On November 16, the police gave Horvatincic two weeks to submit a health certificate showing that he was fit to drive, after a court in the coastal city of Sibenik acquitted him of causing an accident at sea in 2011 which left an Italian couple killed. The court found that he suffered a bout of syncope, or a temporary loss of consciousness, at the time his speedboat hit the sailboat operated by the Italian couple.Horvatincic underwent a medical examination within the legal time frame as requested and was found permanently unfit to drive a motor vehicle. Based on the health certificate issued, he has voluntarily surrendered his driving licence, the Ministry of the Interior said.Deposits up nearly 4 pct y-o-y in OctoberZAGREB, Dec7(Hina) -At the end of October 2017, deposits in commercial banks totalled HRK 273.8billion, up 3.8% on the year, Raiffeisenbank Austria says in an analysis published on Thursday.While deposits have continued to grow on the year, total deposits in October 2017 dropped by HRK 290 million or 0.1% on the month.Total deposits are made up of deposit money and kuna and foreign currency savings deposits, and at the end of October deposit money amounted to HRK 69.6billion, down 0.4% on the month, but up 23.3% (approx. HRK 13 billion) on the year.ZSE indices,turnover fallZAGREB, Dec7(Hina) - The main Zagreb Stock Exchange (ZSE) indices fell on Thursday, the Crobex by 0.17% to 1,850 points and the Crobex10 by 0.19% to 1,081.62 points, withregular turnover totallingHRK 8.37 million, 3.9 million less than on Wednesday.The most traded stock was the Atlantska Plovidba shipping company, turning over HRK 2.8 million. It closed at HRK 630 per share, up 1.94%.(EUR 1 = HRK 7.5)THIS BULLETIN INCLUDES ITEMS RELEASED BY 0830 HRS ON FRIDAY (Hina) ha Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, Dec7(Hina) - The European Commission's First Vice President, Frans Timmermans, said in Brussels on Thursday he was in contact with the governments of Croatia and Slovenia in an effort to help the two neighbouring countriesresolve their border row, however,he was not yet certain he would visit Zagreb and Ljubljana.

ZAGREB, Dec 7 (Hina) - Croatia's Minister of Foreign and European Affairs, Marija Pejcinovic Buric, on Thursday called on the Organisation for Security and Cooperation in Europe (OSCE) to step up its involvement in Bosnia and Herzegovina.

ZAGREB, Dec 7 (Hina) - The interior ministers of EU member states on Thursday met in Brussels to discuss the EU's fight against terrorism, particularly in reference to online youth radicalisation, in which Croatia is cooperating well with other member states, Croatia's Interior MinisterDavor Bozinovic said.

ZAGREB, Dec7(Hina) - The Croatian government on Thursday adopted a regulation increasing the minimum wage by 5% or a gross amount of HRK 163 (net amount of HRK 131) so in 2018 the minimum wage will amount to 42.9% of the average wage.

ZAGREB, Dec7(Hina) - The Croatian Employers Association (HUP) on Thursday welcomed the government's measures regarding a higherminimum wage, seasonal employment in tourism and quotas for the import of labour, but also underlined the need to implement reforms.

ZAGREB, Dec 7 (Hina) - The government and representatives of 11 unions on Thursday signed a four-year collective agreement for public sector employees under which the base pay amounts to HRK 5,421.54 as of November 1 and transport compensation rises from HRK 0.75 to 1 per kilometre for staff who do not have access to public transport.

ZAGREB, Dec7(Hina) - The Croatian government on Thursday formulated new, higheremployment quotas for foreign nationals, with Labour and Pension System Minister Marko Pavic saying that the quotas would be increased to prevent any labour shortage-related risks to the investment cycle but that the government's primary goal was to employ domestic workers.

ZAGREB, Dec7(Hina) - Croatia's government on Thursdayendorsed a final billon providing services in tourism, and the legislation will regulate the work of travel agencies, tour operators, animators, guides as well as work in specific forms of tourist services, ranging from nautical tourism to conference and health tourism, and tourist services on rural farms.

ZAGREB, Dec7(Hina) - The government adopted at its session on Thursday a final bill of amendments to the law on administrative cooperation in the tax sector, regulating cooperation between Croatia and other EU member states as well as theautomatic exchange of information on financial accounts, expected to enter into effect at the start of 2018.

ZAGREB, Dec 7 (Hina) - The Croatian government on Thursday adopted a proposal to allocate funds to state-owned hospitals to settle a portion of their debts to providers of medicines and medical supplies, Health Minister Milan Kujundzic announced on Thursday, adding that HRK 670 million (EUR 88.7 million) would be allocated for this purpose.

ZAGREB, Dec7(Hina) - The Croatian government on Thursday sent to parliament a final bill on aquaculture, whereby aquaculture was given ***strategic*** importance in Croatia's economy, ***Agriculture*** Minister Tomislav Tolusic said at a government meeting in Zagreb.

ZAGREB, Dec7(Hina) - Countries in the region are encouraged to step up their cooperation in fields of common interest such as European Union funds and the Union'sCommon ***Agricultural*** Policy (CAP), it was heard at an international conference organised on Thursday by the ***Agriculture*** Ministry and the Zagreb-based Paying Agency for ***Agriculture***, Fisheries and Rural Development.

ZAGREB, Dec7(Hina) - The European Union is a unique and the most successful peace project of the past 60 years, which it has accomplished by promoting a model of economic progress and development for all,European Commissioner for International Cooperation and Development Neven Mimica said in Zagreb on Thursday.

ZAGREB, Dec7(Hina) - The whipof the Croatian Democratic Union (HDZ) parliamentary bench of deputies, Branko Bacic, on Thursday refuted speculation about a possible privatisation of the nationalpower provider HEP.

ZAGREB, Dec7(Hina) - Social Democratic Party (SDP) member of parliament Stjepan Kovac said on Thursday that a waste mafia was operating in Croatia, calling on the relevant institutions, including Environmental Protection Minister Tomislav Coric, to react promptly in connection with a scandal involving the disposal of sewage sludge in the northern Medjimurje region.

ZAGREB, Dec7(Hina) - Croatia's commodity exports in the first nine months of 2017 were 13.7% up from the same period of 2016, while imports grew by 11.4%, show figures released by the national statistical office (DZS) on Thursday.

ZAGREB, Dec 7 (Hina) - The economy of both the 28-member European Union and the 19-member euro area slowed down a little in the third quarter of the year, while Croatia's growth was slightly above the EU average, according to data from the EU statistical office Eurostat released on Thursday.

ZAGREB, Dec7(Hina) - Education and Science Minister Blazenka Divjak said on Thursday that amendments to the Vocational Education Act, sent by the government to parliament for consideration, would enable a reform of vocational education for which one billion kuna had been secured from EU funds.

ZAGREB, Dec7(Hina) - Croatian Radio and Television (HRT)is going to launch a TV channel for expat Croats and Croat minorities worldwide as well as for the international public in January 2018, the Zagreb-headquartered public service broadcaster told Hina on Thursday.

ZAGREB, Dec 7 (Hina) -An umbrella organisation of Homeland War veteran NGOs on Thursday pressed charges against former president Stjepan Mesic, claiming that he had disclosed classified information, and against former chief state prosecutor, Mladen Bajic for abuse of office,announcingthat they were preparing a complaint against former president Ivo Josipovic.

ZAGREB, Dec7(Hina) - The Croatian Conference of Bishops (HBK) on Thursdaycalled for a public debate concerning the ratification of the Istanbul Convention, so that any ambiguity that it causes can be cleared up to avoid anylong-term damaging consequences.

ZAGREB, Dec7 (Hina) - Member of Parliament Vlaho Orepic of the opposition Bridge party on Thursday distanced himself from what he described as the scandalous part of the statement by the party's political secretary Nikola Grmoja that Croatia should demand payment for the assistance it had extended to Bosniak refugees during the 1990s war should Bosniak war victims seek compensation from Croatia as a result of a recent verdict handed down by the Hague war crimes tribunal.

ZAGREB, Dec 7 (Hina) - The 1992-1995 war in Bosnia and Herzegovina almost completely destroyed the multi-ethnic structure of local communities, reducing them to mainly mono-ethnic municipalities, according to an analysis by the country's Academy of Sciences and Arts, whose findings were presented in Sarajevo on Thursday.

The analysis of demographic and ethnic changes in BiH was based on processes over the past 25 years and a comparison of the 1991 and 2013 population censuses. In it, a dozen BiH scientists warn that the country has undergone a radical transformation which has permanently altered its ethnic structure.

Academician Mirko Pejanovic said that until the war, BiH's ethnic structure was most often compared to a tiger's skin because of the diverse and mixed population in nearly every part of the country. He recalled that until 1991, multi-ethnic municipalities were the norm and those with only one ethnic group the exception, whereas today the situation is completely different.

Before the war and the break-up of the former Yugoslavia, BiH consisted of 109 municipalities and the last census before the war proves that as many as 91 had ethnically mixed populations. In 46 of them, Croats, Serbs and Muslims (today Bosniaks) were represented nearly equally and in another 40 the population comprised evenly of two ethnic groups.

The war destruction, ethnic persecution and lasting emigration have completely changed that, imposing ratios that are the complete opposite of the pre-war ones.

The 1995 Dayton peace agreement introduced new municipalities, which now total 141, of which 100 are ethnically pure. Only 20 municipalities in the Federation, the country's Croat-Muslim entity, and as many in Republika Srpska, the Serb entity, have retained to a certain extent a population that can be called multi-ethnic.

All that is reflected at entity level, which have ethnically homogeneous territories where one ethnic group makes up 70-90% of the population.

ZAGREB, Dec 7 (Hina) - The Islamic community in Bosnia and Herzegovina on Thursday condemned a decision by US President Donald Trump on recognising Jerusalem as the capital city of Israel and called for the decision to be reconsidered.

ZAGREB, Dec 7 (Hina) - Croatia's Social Democratic Party (SDP) leader Davor Bernardic and the SDP Mayor of Koprivnica, Misel Jaksic, have attended an international conference organised by the German SPD party and the Party of European Socialists (PES) and have been invited to attend an SPD conference in Berlin on December 7-8 as guests, the SDP said in a statement on Thursday.

Bernardic and Jaksic were hosted by Josip Juratovic, a long-serving SPD member of the Bundestag, and Bernardic had an opportunity to meet with SPD leader Martin Schultz and other senior party officials. The main topic discussed was the future of social democracy in Germany and the EU.

"Europe is at a turning point. Will it be more integrated, more just and socially more sensitive? Europe must become stronger, it must protect the individual. This message was repeatedly highlighted by Martin Schultz in his speeches and it is also important to us in Croatia," Bernardic said.

The SDP leader took the opportunity to inform his German colleagues of his party's measures to deter young people from emigrating from Croatia.

Juratovic said: "The SPD is now establishing foundations for its own future as well as for the future of Germany, because obviously the SPD must be the guardian of democracy not only in Germany but in the entire EU as well."

Juratovic said that the future of the EU could not be built by Germany and France alone, but that other "pillars" were also important, including Croatia. He emphasised the importance of future cooperation and dialogue between all social democrats in the EU, and added that he personally would continue to be involved in promoting ties between Germany's SPD and Croatia's SDP.

ZAGREB, Dec7(Hina) - Ericsson Nikola Tesla Board chair Gordana Kovacevic was votedCroatia's most powerful businesswoman for the third year in a row in Lider weekly's 13th "300 most powerful Croatian businesswomen" vote.

ZAGREB, Dec 7 (Hina) - Businessman Tomislav Horvatincic has voluntarily surrendered his driving licence to the police after a medical examination found him permanently unfit to drive a motor vehicle, the Ministry of the Interior confirmed on Thursday.

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[***PAKISTAN-ITALY POLITICAL, ECONOMIC AND TRADE RELATIONS AND THE PROSPECTS FOR FUTURE TRADE AND BUSINESS OPPORTUNITIES (2004-2014)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P2C-WX81-JCH9-G1FJ-00000-00&context=1516831)

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**Body**

Pakistan enjoys close and cordial diplomatic, economic, cultural, business and trade ties with Italy. The two countries share perceptions on major international and regional issues such as terrorism and UN reforms. Italy supports Pakistan in important regional forums such as the European Union, NATO and Friends of Democratic Pakistan (FoDP).

Italy, like many other European countries recognizes the ***strategic*** location of Pakistan in South Asia and acknowledges that a moderate, democratic and stable Pakistan is essential for the maintenance of peace and security in the entire region.

On its part, Pakistan greatly values its relations with Italy, which has a diversified industrial economy with roughly the same GDP and per capita output as France and the UK. Italy’s capitalist economy remains divided into a developed industrial North, dominated by private enterprise and a less developed ***agricultural*** South, which is dependent on government subsidies to a considerable extent. However, the Italian economy has changed dramatically since the end of World War II. From an ***agriculture*** based economy, it has developed into an industrial country now ranked as the World’s fifth largest industrial economy.1 Italy is a member of the European Union, the Group of Seven (G-7) industrialized nations and the Organization of Economic Cooperation and Development (OECD).

Italy and Pakistan established diplomatic relations in 1948.2 Since then there have been frequent bilateral contacts between Pakistan and Italy at the governmental and non-governmental levels.

Pakistan maintains an embassy in Rome and a Consulate General in Milan, while Italy too has an embassy in Islamabad and a Consulate General in Karachi and an honorary consulate in Lahore. Italy-Pakistan relations are based upon mutual cooperation in the fields of commerce and industry, technology, science, culture and archaeology. Pakistan also receives assistance from Italy. Notwithstanding the vicissitudes of its economy, the Italian government has generously rendered assistance to Pakistan in various industrial projects.3 Rome has also extended humanitarian and emergency assistance to Pakistan whenever a natural disaster has struck Pakistan. Also there are more than 100,000 Pakistanis residing in Italy.

The bilateral relations of these two countries are discussed below in more detail.

Political relations

Italy has rendered support to Pakistan’s stance on various political issues. In the aftermath of the Soviet invasion of Afghanistan in 1979, Pakistan received firm and consistent support from Italy. The Italian government provided generous assistance to Pakistan for the sustenance of Afghan refugees in various camps across the country, and also voted in favour of UN resolutions calling for the withdrawal of Soviet troops from Afghanistan. 4 Italy and Pakistan have shared similar views on a number of international issues in the past ranging from Afghanistan to Kampuchea, the Iran-Iraq war, the Middle East, apartheid in South Africa, arms control, nuclear proliferation and maintaining peace in South Asia.

Over the decades, several high-level visits were exchanged and a number of MoU’s and agreements were signed between Pakistan and Italy.

Pakistan-Italy relations received stimulus in the aftermath of 9/11, when Pakistan decided to join the US led war against terrorism. Around two years before this event, after Pakistan conducted a series of nuclear tests in May 1998 in a tit-for-tat response to the Indian nuclear explosions, Pakistan was unsparingly criticized by most of the European countries including Italy in international fora, such as the European Union and G-8. India too was criticized, but the Western powers were more disturbed about Pakistan, a Muslim country, overtly declaring its nuclear status. The US and the other G-8 countries agreed to block assistance from the international financial institutions to India and Pakistan. Exception was made for humanitarian aid and related projects. In the joint communique issued at Geneva, Italy and the other G-8 countries asked India and Pakistan to take certain steps to attenuate the consequences of the tests.

India and Pakistan were urged to sign the CTBT “immediately and unconditionally” and also both countries were asked to participate in negotiations at the Geneva based Conference on Disarmament (CD) for an internationally binding instrument banning the production of fissile materials for the production of weapons. Finally, Italy and other G-8 states exhorted the two countries to renew their bilateral dialogue on all issues including that of Kashmir. They were asked to take effective measures to ensure that their nuclear competition did not spiral out of control. The two protagonists were urged to refrain from further nuclear testing, ***producing*** more fissile material for weapon purposes, testing ballistic missiles and deploying nuclear weapons.5 The nuclear tests in South Asia were followed by a military coup in Pakistan on October 12, 1999, which resulted in the suspension of various EU-Pakistan agreements and the political dialogue with Islamabad.

Like other EU member states, Italy demanded the restoration of democracy in Pakistan at various meetings of the European Union institutions. The situation changed dramatically, when Pakistan decided to support the US-led international coalition against Al-Qaeda and their hosts, the Taliban regime of Afghanistan in the aftermath of 9/11. A number of steps for bringing stability in Pakistan, Afghanistan and the adjacent regions, and for dealing with the extraordinary circumstances, were taken by the West, including the EU. These included the restoration of political dialogue between the EU and Pakistan, the signing of the 3rd generation Pakistan-EU Agreement, a preferential trade package and inclusion of the country in the EU’s GSP+ scheme. Brussels also announced development aid for Pakistan. In the post 9/11 scenario, the Italian government offered to cancel US$85 million out of the total US$180 million that Pakistan owed to Italy.

The offer was made after the Paris club meeting of December 13, 2001, where it had been decided that Pakistan’s debts would be rescheduled. This debt to Italy pertained to expenditure incurred on Afghan refugee related projects since October 2001. According to a mutually agreed mechanism, the debt would be cancelled in annual tranches of a maximum of 20 million Euros till reaching the total figure of approximately US$85 million.6

With regard to the expansion in the number of UN Security Council’s permanent members, Pakistan, Italy and Argentina have cooperated since 2005 in effectively blocking the induction of any new permanent members. India, Brazil, Germany and Japan – known as the Group of Four – made an official bid in 2005 to gain permanent membership of the UN Security Council. Their bid to gain permanent membership of the UN body was challenged by a group led by Pakistan and Italy, which opposed any additional permanent members and pressed for the Council’s expansion, but with the addition of non-permanent members.7 In this regard, when the then President of Pakistan General Pervez Musharraf paid an official visit to Italy in September 2004, a joint statement was released after his meeting with Italian President Carlo Ciampi.

In this statement the two leaders upheld that although reform of the Security Council was necessary, it should not entail an expansion in the number of permanent seats.8 Both countries expressed the determination to block any attempt to violate basic democratic norms and the principle of equality of nations and oppose any attempts to confer special status on certain countries making them “more equal” than others.9The issue is important for both countries, for each has powerful neighbours which are lobbying to gain the support of UN member states to acquire permanent status in the UN Security Council. Italy is anxious about Germany’s quest for a permanent seat in the Council, while India’s lobbying for a permanent status in the UN’s premier war and peace making body has naturally caused alarm in Pakistan.10 During this meeting the two leaders also discussed means to step up their bilateral cooperation, particularly in trade and on political issues.

The situation in Iraq and Afghanistan also came under discussion. President Musharraf in his address to the Italian Senate urged the European Union to use its power and influence to help resolve conflicts in the Muslim world, particularly long festering ones such as that of Palestine. The Pakistani leader also appealed to the European countries to promote interfaith harmony and pay attention to the economic development of Muslim countries. He also addressed a Pakistan-Italy trade and investment conference in Rome and assured Italian businessman that there would be continuity and consistency in Pakistan’s economic policies, and foreign investments would be accorded legal protection. The two sides also signed agreements on the stoppage of drug trafficking and cooperation in the field of tourism.11

Bilateral relations between Pakistan and Italy continued to gather momentum with the visit of Shaukat Aziz, the then Prime Minister of Pakistan in July 2005. Prime Minister Aziz was accompanied by a high-level delegation that included businessmen. The Prime Minister held meetings with his Italian counterpart Prime Minister Silvio Berlusconi, the presidents of the Senate and the Chamber of Deputies and other political and business persons. During the visit, the leaders of the two countries reiterated their commitment to fight against terrorism and expressed the hope that the Indo-Pakistan composite dialogue would proceed in a sincere and purposeful manner, enabling the two neighbours to resolve all issues, including the dispute over Kashmir. The two sides again expressed their opposition to the proposed expansion of the UN Security Council. The situation in Iraq and the reconstruction of Afghanistan were also discussed.

The two sides highlighted the need to energize the bilateral Joint Economic Commission setup by an agreement signed by Pakistan and Italy on October 7, 1984.12 During the visit a memorandum of understanding on political cooperation between the foreign ministries of the two countries was signed. Also, an agreement regarding a credit line (soft loan) of Euro 7.75 million for supporting Small and Medium Enterprises (SMEs) was signed.

Bilateral consultations again took place during the visit to Pakistan of Italian Deputy Foreign Minister, Marghyerita Boniver in November, 2005. She was accompanied by a delegation. The Pakistani side was led by Makhdum Khusro Bakhtiar, Minister of State for Foreign Affairs. The two sides held an in-depth exchange of views with the aim of boosting their bilateral ties. The prospects for reactivation of the Pakistan-Italy Joint Economic Commission, speeding up the finalization of an agreement on debt cancellation and initiating technical cooperation in the area of olive cultivation also came under discussion.13

In May 2006 Italian Foreign Minister and Deputy Prime Minister Massino D’Alema visited Pakistan. During his visit he held bilateral consultations with the President, the Prime Minister and Foreign Minister of Pakistan. The two sides exchanged views on regional and global issues and discussed all possible ways and means to enhance bilateral cooperation.14

During the Italian Deputy Foreign Minister, Gianni Vernetti’s visit to Pakistan in November 2006, the following four MOU’s were signed:

(i) An MOU on Cultural, Scientific and Technological Cooperation for 2006-2008.

(ii) A Memorandum of Understanding on the implementation of an Italian emergency ***programme*** to support the affectees of the earthquake in the Northern Areas and Azad Kashmir.

(iii) On November 4, 2006, an MOU on Debt for Development Swap.

(iv) An MOU between the Higher Education Commission (HEC) of Pakistan and the Politecnico Di Torino of Italy.15

Another important visit was that of the Italian Chief of Defence, Admiral Giampaolo Di Paola in September 2006. Both sides discussed the geopolitical situation in the region and developments taking place in Afghanistan. Italian assistance to the affectees of the earthquake in Pakistan was lauded by the Pakistani side.

Italian Foreign Minister Franco Frattini visited Pakistan in October 2008. He held discussions on bilateral and regional issues with his Pakistani counterpart Foreign Minister Shah Mehmood Qureshi. The latter apprised Frattini about the growing economic and security challenges faced by Pakistan. Frattini assured Italy’s support and cooperation to Pakistan for its socio-economic development and its fight against terrorism. 16

Italy held the presidency of G-8 in 2009. Besides other international issues, the stability of Afghanistan and its surrounding regions, including Pakistan, remained a top priority on the agenda of the Group. In this regard, a G-8 ministerial meeting on Afghanistan, Pakistan and the regional dimension took place in Trieste, Italy under Italy’s Presidency on June 26-27, 2009. It was seen as a step forward in the process of building trust and fostering genuine cooperation to create a more secure, democratic, integrated and prosperous region17. The G-8 expressed the resolve to establish closer cooperation on border management, stoppage of illicit trafficking in narcotics and weapons, and reintegration of refugees and internally displaced persons (IDP’s), as key measures for South Asia’s progress and stability.18

The 35th G-8 annual summit was held in L’Aquila (Italy) from 8-10 July 2009. The outcome of the summit was of significance for Pakistan, as the G-8 member states, including Italy, made it clear that they would stand behind Pakistan in its fight against terrorism and would continue to support the government of Pakistan under the aegis of various forums such as the Friends of Democratic Pakistan (FoDP).

Here it is important to mention that Italy has always supported Pakistan in the EU on enhanced market access, particularly on issues related to the Generalized System of Preferences Plus (GSP+) scheme.

In September 2009, the then President of Pakistan, Asif Ali Zardari paid a three day visit to Italy, where he met the Italian President Giorgio Napotilano, Italian Prime Minister Silvio Berlusconi and Italian Foreign Minister Franco Frattini. The top-level leaders of the two countries discussed the conflict in Afghanistan and the issue of religious minorities in Pakistan. Their talks also focused on the development of the tourism sector in Pakistan, besides other matters. An important outcome of the visit was that the Italian government agreed to set up a credit line facility of $10 billion for Italian investors willing to invest in Pakistan. 19

Italian Prime Minister Silvio Berlusconi and President Zardari also signed an agreement aimed at enhancing the exchange of intelligence and bilateral trade in the military field.

During Pakistani Foreign Minister Hina Rabbani Khar’s visit to Italy in February 2013,20 Pakistan and Italy signed a ***Strategic*** Engagement ***Plan*** (SEP) under which both the countries committed to increase bilateral cooperation particularly in the fields of defence and security. Under the SEP, the two countries agreed to deepen cooperation in political, security, defence, development, economic, scientific, cultural, energy and educational fields. There would also be stepped up cooperation on issues related to migration. The agreement provides for greater interaction between the defence forces of the two countries and enhanced interaction between their parliaments.21

Economic and trade relations

Pakistan-Italy bilateral trade and investment relations have grown over the decades. According to data from the Office of Statistics of Pakistan, in the period 2012-2013, Italy remained the third largest EU trading partner of Pakistan after the UK and Germany. Overall, Italy was shown at the tenth place with a total value of bilateral trade with Pakistan amounting to around US $1.5 billion. Italy is the 8th biggest exporter in the world.22

Trade between Pakistan and Italy (Million US $)

Pakistan's Exports Pakistan's Imports

Year Balance Of Trade

To Italy From Italy

2003-04 454.048 312.63 141.418

2004-05 588.332 363.729 224.603

2005-06 585.453 523.776 61.677

2006-07 556.23 462.79 93.44

2007-08 641.53 488.15 153.37

2008-09 696.72 689.05 7.67

2009-10 575.98 405.59 170.40

2010-11 650.73 331.65 319.08

2011-12 792.92 325.18 467.74

2012-13 544.63 730.47 (185.84)

2013-14 601.59 540.67 60.92

Pattern of major imports and exports

Major goods imported by Italy from Pakistan

2010 2011 2012

(€ million)

Food 17.89 19.74 25.9

Textiles 240.59 299.25 194.4

Clothing (also leather and fur) 79.86 94.59 75.56

Leather goods (except clothing) 49.42 64.61 57.2

Chemicals 34.21 18.28 8.2

Fabricated metal products, except machinery

5.33 6.09 6.59

and equipment

Computers and electronic and optical products,

electrical equipment, measuring equipment, 3.91 7.5 5.3

and watches

Products of other manufacturing industries 19.81 16.6 17.46

Other products and activities 13.31 18.6 11.99

Total imports by Italy from Pakistan (€ million) 490.81 583.62 431.51

Major goods exported by Italy to

2010 2011 2012

Pakistan

(€ million)

Paper and paper products 4.02 5 4.59

Chemicals 46.72 54.46 51.82

Basic pharmaceutical products and

15.88 13.99 22.75

pharmaceutical preparations

Rubber and plastics 6.17 5.53 6.08

Other products in the processing of non-

metalliferous minerals 4.94 6.36 5.57

Metallurgy products 15.73 11.98 18.79

Fabricated metal products, except

66.52 140.77 182.26

machinery and equipment

Computers and electronic and optical

products, electrical equipment, measuring 42.62 29.91 65.56

equipment, and watches

Electrical and non-electrical equipment

18.69 11.62 12.75

for domestic use

Machinery and equipment 292.11 157.72 146.25

Other products and activities 20.53 16.19 18.39

Total exports by Italy to Pakistan

568.05 488.57 578.76

(€ million)

A number of Italian industries including ENI in the energy sector, Selex Galileo, Galileo Avionics, MBDA Italy and Selex Sistemi Integrati in the defence industry, Saipem in the chemical sector, Landi Renzo and Faber in the CNG sector, Pellegrini, Dazzini Machines, Moon Abrasives in the marble sector and New Holland and others in the transport sector are actively investing directly or indirectly in Pakistan.23

The Italy-Pakistan Business Association

The Italy-Pakistan Business Association is a non-profit association set-up in collaboration with the Italian Embassy in Pakistan. This platform affords an opportunity to Pakistani and Italian enterprises to boost their economic and trade relations by providing them with a wide range of business services in accordance with their requirements.24

Italian Development Committee (IDC)

A new trade body, the Italian Development Committee (IDC), was established on September 30, 2009, aimed at the promotion of bilateral trade and investment between Italy and Pakistan. The IDC is affiliated with the Italian International Chambers of Commerce and has 11 founding members, with the Italian Counsul-General in Karachi, Dominico Benincasa as its honorary president. The IDC is meant to work as a bridge between Italian and local companies in fields where Italian and Pakistani companies can share their knowledge and technical knowhow.25

Pakistan-Italy development cooperation

Italy and Pakistan have been cooperating since nearly five decades. In 1963, Italy joined the Aid to Pakistan Consortium, the group which is now referred to as Pakistan Development Forum. Earlier, Italian cooperation and investments were focused on health and ***agricultural*** sectors. Italy contributed to the economic and infrastructure development of Pakistan. It was also involved in the construction of the world’s biggest earth filled dam, Tarbela and later Ghazi Barotha.26 Currently Pakistan and Italy are cooperating in several fields.

Main ongoing initiatives funded by Italian ministries

• ***Agriculture*** and fisheries

• The promotion of the production and marketing of olive oil in Pakistan.27

• Industry and handicrafts

• Support ***programme*** for development of small and medium enterprises.28

In this regard, a financial agreement amounting to €7.75 million was signed in June 2008 between the Small and Medium Enterprises Bank as a borrower on behalf of the government of Pakistan and the Italian Artigiancassa Bank as lender on behalf of the government of Italy. The agreement provides for the implementation of a credit facility offered by the Italian government for the provision of soft loans for small and medium enterprises (SMEs) development in Pakistan. The loan is interest free and is payable in 39 years. 29

It is worthwhile to mention here that the Italian government has promised to provide a soft term loan of 20 million Euros to promote technical and vocational training and education in the marble sector in NWFP and Balochistan. This was announced after a meeting between the head of an Italian delegation, Emma Gori and Adnan A. Khawaja, the chairman of the National Vocational and Technical Education Commission (Navtec) on September 18, 2009.30

Environment

• Development of environmental resources and the establishment of a cultural center at Shiga.

• Integration and harmonization of ***interventions*** for sustainable development in Northern Pakistan (Karakorum Trust).31

Debt for Development Swap Agreement between Italy and Pakistan

On the request of Pakistan, Italy had initially agreed to waive half of its loan, on the presentation of the record of expenditure incurred on providing services to the Afghan refugees in Pakistan since 2001. This waiver was given in 2006. For the remaining part of the loan, the two sides agreed on Debt-for-Development-Swap and accordingly an agreement was signed on July 24, 2009.32 In this regard a $100 million agreement was signed between the two governments for financing ten projects within the framework of the Pakistan-Italian Debt for Development Swap Agreement. The Agreement was part of the commitments made at the donor’s conference in Tokyo earlier. According to the agreement, the development projects would be sponsored by the federal, provincial and local governments, non-governmental organizations, or channeled through the relevant UN organizations. Projects would be related to health, education, ***agriculture***, basic infrastructure and environment protection.

The agreement envisaged that a management committee for the selection, approval, monitoring and evaluation of the projects would be constituted.33

It was mutually agreed to allocate $10 million for the Internally Displaced Persons (IDPs). The Debt for Development Swap agreement includes two mega integrated projects: one for the Northern Areas that focuses on the Central Karakorum National Park and its surrounding rural areas and the other on the Frontier Regions of the Federally Administered Tribal Areas (FATA). Other features of the agreement include the commercialization and promotion of olive cultivation and olive products in Balochistan, NWFP and Punjab by the public sector, and the construction of an International Centre for Reconstructive Surgery and Vocational Training and Shelter Home for assisting women victims of acid attacks in Punjab. The project would support the physical and social rehabilitation of the victims. Initiatives would also be taken in Balochistan, Punjab and Sindh to establish kidney and eye care services and micro credit schemes.34

The Debt for Development Swap is seen as a very important initiative of the Italian government, for it scrapes off debt through support for development projects, which are beneficial for the country’s society and economy. In this regard in December 2009, the governments of Italy and Pakistan also approved two other projects - Early Recovery of ***Agriculture*** and Livelihood for Conflict Affected Districts of Swat, Shangla, Buner and Lower Dir (NWFP) and Area Development Project for Frontier Regions - for the IDPs and FATA regions respectively. The estimated cost of these projects is Rs.1.4 billion. The project titled “Early Recovery of ***Agriculture*** and Livelihood for Conflict Affected Districts of Swat, Shangla, Buner and Lower Dir (NWFP)” costing Rs. 713 million ($8.7 million), would be administered through PaRRSA (Provincial Relief, Rehabilitation and Settlement Authority).

The project was aimed at reviving the pre-crisis level of ***agricultural*** production in conflict affected areas and improving the population’s income and living conditions through income generating activities, including cash assistance for work on reforestation, orchard management and rehabilitation of the irrigation system. The project for the frontier regions of FATA for which Rs.700 million ($8.2 million) were allocated would be implemented through the FATA Secretariat. The aim of the project was to help in poverty alleviation, by increasing incomes and creating opportunities through a mix of social and economic ***interventions***. It would also secure another purpose i.e. bringing the frontier regions into the country’s mainstream economic system.35

The Italian debt swap funds would finance these projects. Italy has also allocated $10 million for setting up a plant to locally ***produce*** self-destructive syringes under a joint venture between an Italian company and a Pakistani counterpart.36

Humanitarian and Emergency Assistance

Earthquake relief assistance

Pakistan was hit by a devastating earthquake of great intensity on October 8, 2005. Italy pledged US$12.24 million for relief and rehabilitation work. It also donated US$93,821 from other sources. Italy’s rescue and medical team also helped out in the earthquake affected areas.37

At the inaugural session of the Pakistan-Italy Joint Economic Commission which was held in Rome on March 23, 2006, the Italian government cancelled its official debt of US$90 million against Pakistan government’s earthquake related rehabilitation and reconstruction expenditures.38

Italian humanitarian aid to North West Frontier Province (Khyber Pakhtunkhwa)

When a humanitarian crisis developed in the NWFP following the military operations by the Pakistan Army against the Taliban militants, Italy extended emergency assistance to the displaced population by sending two airplanes on May 23, 2009 and June 13, 2009 with humanitarian and relief goods worth €660,000. Italy also provided around €3 million to the UN agencies for relief work in the NWFP.39

Italian investments in Pakistan and prospects for future Pakistan-Italy collaboration

Italian companies began to invest in Pakistan when the Opal laboratories were setup in collaboration with an Italian party in 1963.40 Italian investments in Pakistan have been focused on the automobile, oil and gas, airline, information technology, pharmaceutical, textile and transportation sectors. Italian companies have been involved in building large hydro power projects in Pakistan, including the Tarbela Dam and Ghazi Barotha power project.41 Several Italian companies have expressed interest in investing or boosting their investments in Pakistan, for the country’s liberal economic policies that include no restriction on equity, exemption of foreign companies from taxes and duties are seen as advantages.

Ente Nazionale Idrocarburi (ENI) one of the largest Italian oil and gas exploration companies has expanded its business in Pakistan through investment in the oil and gas sectors. A cooperation agreement was signed between ENI and the Government of Pakistan on March 18, 2009. The agreement envisaged that ENI and the Pakistan government would together identify and explore mutually beneficial new business opportunities in and outside Pakistan and collaborate in terms of joint technical studies and joint initiatives and potential business opportunities in the oil and gas upstream and downstream sectors in Pakistan. The agreement envisages technology transfer through various means between Pakistan State Oil and ENI including inter-company staff secondments, training sessions and technical and operating activities reviews. 42

Another agreement was signed on December 13, 2012, between ENI and Oil and Gas Development Company Ltd (OGDCL). It envisaged the acquisition by ENI of 25% of its shares and extending to it the license to explore offshore Indus Block G, located in Pakistan's Indus Basin.43

With this acquisition, ENI has further strengthened its presence in offshore Pakistan, for the Company is already participating in other offshore blocks such as Indus Block C (ENI 60%) and Block N (ENI 70%), which are close to the newly acquired offshore Indus Block G.44

ENI has been present in Pakistan since 2000 and is the largest international oil ***producer*** in the country, with an average equity production of approximately 58,000 barrels of oil per day.45 Pakistan offers immense investment opportunities, particularly in the field of hydrocarbons as there is a surge in demand for energy in the country, owing to high economic growth and improvement in the living standard of the people. Other Italian companies including utility provider ENEL and national grid operator Terna are also eager to invest in Pakistan’s oil and gas, power and textile sectors.46 These Italian companies may also explore possibilities of investing in related sectors like power generation and petrochemicals.

An important potential sector for Pakistan-Italy joint ventures is the pharmaceutical field in Pakistan. Many Italian pharmaceutical companies have expressed a keen interest in investing in Pakistan. Pakistan is being seriously considered as a base for pharmaceutical products, 47 for the cost of production of pharmaceuticals is very high in Italy. The Pakistan Pharmaceutical Manufacturers Association (PPMA) is very keen that the government should arrange meetings of Pakistani pharmaceutical manufacturers with Italian pharmaceutical companies to explore joint ventures in the pharma industry. The low cost of production in Pakistan and the very high quality of Italian pharmaceutical products would form ideal joint ventures48.

There is a need to hold seminars in both the countries, so that Pakistani and Italian pharmaceutical companies are able to exchange views on the possibilities of establishing joint ventures in various pharmaceutical fields, including biotech facilities, active pharmaceutical ingredients (APIs) and clinical research organizations (CROs). The pharmaceutical business in Pakistan is growing at the rate of 21 percent, so Italian pharmaceutical companies are eager to explore the prospects of mutual cooperation in this field. Besides, major pharmaceutical companies from all over the world are already operating in Pakistan. The Italian companies do not want to be left out.

Another sector in which Italians are providing their expertise and technology to Pakistan is the production of olive oil in Pakistan. A mega project for the promotion of olive oil products, which is aimed at poverty alleviation and economic development is on the anvil. It is to be funded by the Italian Debt for Development Swap scheme. Pakistan is a big importer of olive oil and thus its economy has to bear the burden of importing this costly commodity. Pakistan is basically an agrarian country. Its climate and soil is very suitable for the plantation of olive trees. Certain areas of Potohar, Khyber Pakhtunkhwa and FATA have been identified as suitable for olive production.49 Pakistan is also seeking Italian investment to increase per acre yield and improve the quality of crops.

The country has expressed interest in discussing ways to establish cooperation with Italy for augmenting the production of sugar beet, as Italy gets a higher yield of the product by applying advanced technology50. Italians also specialize in mineral water.

Pakistan’s marble sector is in dire need of help. The country has reserves of millions of tons of marble and chromite in Swat district, Bajaur agency and Khyber Pakhtunkhwa. Marble and granite are among the major minerals extracted in Pakistan after coal, rock salt and limestone. China, Italy and the USA have shown keen interest in Pakistan’s marble reserves in view of the growing world consumption of these minerals. To attract foreign investors, the government should ensure security and proper law and order situation in Swat and adjacent districts. The president of the Italian Marble Association, Cesare Bellamoli appreciated the quality of Pakistani marble and expressed his desire to work with Pakistani entrepreneurs to fully develop the marble industry in Pakistan.51 Pakistan could greatly benefit from the Italian marble cutting technology, as techniques practiced in Pakistan for cutting marble result in hefty wastage.52

In this regard, Italy has already set up a marble factory cum training institute at Risalpur. Italian investors could invest to install hi-tech plants and machinery to ***produce*** quality tiles, slabs and blocks that would meet international standards. Quality marble has a good market in most advanced countries.53

Another field which offers Italian companies tremendous potential for profitable investment is the construction sector in Pakistan. This would enable Pakistan to meet its infrastructure challenges.54 Presently numerous infrastructure development ***programmes*** are in progress in Pakistan, which include a large number of flyovers, under passes, highways, tunnels, dams, roads and industrial projects. Italian entrepreneurs have ideal opportunities to set-up joint ventures with local entrepreneurs for such projects, particularly a mass transit system that connects Gwadar to the Central Asian Republics.55

Moreover, Pakistan is an attractive market for the manufacturers of textile machinery all over the world. The textile industry plays a major role in Pakistan’s economy. Most of the Pakistani textile exports are sold in European markets; thus, it is very necessary for the Pakistani textile industry to be equipped with European machines. Likewise, it must cater to the standards in product quality and design in that choosy market. Pakistan, being a major cotton ***producing*** country could benefit greatly from the modern machinery and technical knowhow and experience that could be provided by Italy. Such assistance could go a long way in enhancing the value of the available raw material through improvements in ginning, spinning, weaving or manufacturing other sorts of finished products. If Italian investors invest to upgrade Pakistan’s textile industry, they would also get a larger share in the Pakistani market.56

Joint ventures to improve the quality of the manufacturing and production of auto parts, jewelry, textile, footwear, processed food, ***agriculture*** and agro-processing, livestock and dairy, gemstone technology, marble quarrying and cutting, oil exploration, energy, textile and leather value addition would prove to be a mutually beneficial exercise. The horticulture and floriculture sectors also offer sound opportunities to foreign investors. In Pakistan, flowers are mostly ***produced*** in winters, while in Europe there is low production of flowers in that season, owing to snow. Most festive in Europe is the winter season. The promotion of floriculture would meet the demand in the European market.57

Pakistan-Italy cooperation in archaeology

Italy has been very active in Pakistan in the cultural field. The Italian archaeological mission in Swat has been active in the country over the last 60 years. It is credited with the restoration of the important Gandhara sites of the Buddhist era, and very recently the discovery and restoration of the Udegram mosque58. Italian archaeologists have also been working in Sindh. In 2013, Italy for the first time co-sponsored the now famous Karachi Literature Festival, which is widely seen as an important instrument for promoting art, literature and culture.59

The EV-K2-CNR is an independent, private, non-profit association, supported by the Italian Ministry of Foreign Affairs for the promotion and development of technological and scientific research in the Hindukush-Karakorum-Himalaya regions. EV-K2-CNR is one of the major partners of the Government of Pakistan for the establishment and management of the Central Karakorum National Park.

Italy has been the first to understand the historical sensitivities of Pakistan and worked with great concentration on the archaeological sites of the Islamic period in the country. Their discovery of a mosque of the Ghaznavid period at Raja Gira was of great significance to the preservation of historical sites of the early Islamic period in Pakistan.60

Given the consistent nature of Pakistan-Italy relations, especially in the economic and trade sectors, one can expect further expansion of the existing bilateral ties in all sectors. Pakistan can greatly benefit from Italian technological advancements. Similarly, Italians can take advantage of the special trade incentives being offered by the Government of Pakistan and the plentiful cheap and skilled labour in the country.

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[***Putin speaks of Skripal case, Syria, S-400 at Turkey presser - Kremlin text***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S1F-WGP1-DYRV-3003-00000-00&context=1516831)

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**Body**

Text of report "Joint news conference of Vladimir Putin and Recep Tayyip Erdogan, 3 April 2018, Ankara" published in English on Russian presidential website on 4 April; subheadings added editorially:

The news conference with the leaders of the two countries took place at the close of the first day of the working visit by the head of state of the Russian Federation to the Republic of Turkey. The presidents of Russia and Turkey made statements for the press and fielded questions from journalists.

Erdogan's speech

President of Turkey Recep Tayyip Erdogan (retranslated): Mr dear friend Mr Putin, ladies and gentlemen,

I wholeheartedly welcome all of you.

First of all, I would like to once again say with satisfaction that we are happy to welcome Mr Putin and the accompanying delegation to our country.

I would like to again congratulate Mr Putin, who is my friend, on his victory in the presidential election.

It is highly significant that Mr Putin has made his first foreign visit following the election to Turkey. This visit is evidence of the high level of relations between Turkey and the Russian Federation.

I would like to offer our condolences to the Russian people over the Kemerovo tragedy. It is especially painful because the majority of the fire victims were children.

We have completed the seventh meeting of the High-Level Cooperation Council. We have compared views on many issues at the Council meeting and in the one-on-one format. The Council members also held separate meetings.

I would like to point out that our political dialogue is having a positive effect on the economy, trade and cultural ties.

Compared to last year, our trade turnover has increased by 31 per cent and exceeds 22bn dollars. Of course, we have a more ambitious goal. We want trade between our countries to grow to 100bn dollars.

On the other hand, the talks on services and investment agreements should be completed as soon as possible, which will accelerate our movement towards the 100bn-dollar target.

As you know, today we launched the construction of the foundation for the Akkuyu Nuclear Power Plant. We ***plan*** to complete the first stage of this project in 2023. I hope we will be able to accelerate this process and so complete this project ahead of ***plan***.

As of now, we intend to invest some 20bn dollars or possibly more in this project. In the future, this plant will satisfy 10 per cent of Turkey's electricity needs.

Work is underway on the second line of the Turkish Stream.

We are also developing cultural and social relations. In 2019, Russia and Turkey will hold events within the framework of cross-years of culture and tourism. I believe that the Yunus Emre Cultural Centre, which opened in Moscow and the Russian Centre for Science and Culture in Ankara will seriously contribute to this.

The number of Russian tourists coming in Turkey reached 4.7m in 2017. This is the largest number of foreign tourists from any country. I believe the figure will increase to 6m this year. We are willing to resume the efforts to liberalise the visa regime as soon as possible.

Friends,

The agenda of our talks included not just matters relating to bilateral relations but also and primarily the Syrian question, as well as other regional matters. As you know, we have coordinated the establishment of de-escalation zones during the Astana process. Tomorrow we will hold a trilateral summit with our Iranian friend to exchange opinions.

I think that we will be able to discuss Syria and other topics at this summit. We will discuss ways to resolve the Syrian conflict. I would like to take this opportunity to say that we have held consultations with our dear friend regarding Operation Olive Branch.

I have personally updated Mr Putin about this operation in Afrin. It was launched to ensure the security of Turkey and the territorial integrity as well as the national unity of Syria. We will continue to work together with Russia to restore stability, tranquillity and security in this region.

This has to do with the Syrian problem. We continue to cooperate with our Russian friends and to discuss our concerns.

Ladies and gentlemen,

Over the past 15 years, the rapid development of Russian-Turkish relations was promoted by neighbourliness, common interests along with mutual respect.

Of course, this has not just benefited the citizens of Turkey and the region, who faced major tribulations. Certain forces certainly wanted to poison Russian-Turkish relations. Praise be to Allah, we have withstood this test. None of these provocations have attained their goals. Our relations continued to strengthen and have become strong as steel.

I believe that we have managed to further strengthen our relationship during the meeting of the High-Level Cooperation Council held today.

I would like to once again welcome our friend, Mr Putin, and the accompanying delegation to Turkey. I hope that our meetings will be beneficial for our nations.

Thank you very much.

Putin's speech

President of Russia Vladimir Putin: Mr President, ladies and gentlemen,

To begin with, I would like to say that the ***programme*** of today's visit was fairly intensive and substantial. At a restricted format meeting, the President and I discussed bilateral issues and a number of urgent international and regional matters.

Later on, we reviewed the entire range of issues related to cooperation in politics, security, the economy, and the cultural and humanitarian area at a meeting of the High-Level Cooperation Council, which was attended by key ministers and heads of major companies. We mapped out areas for further joint work.

A package of interdepartmental agreements and commercial documents was signed following the talks. Relevant ministries were instructed to draft a number of new agreements.

I will note that cooperation between Russia and Turkey is making steady headway. Our political dialogue is intensive. Last year alone President Erdogan and I held eight full-scale meetings.

Our foreign and defence ministries are in close contact, in particular, in the Joint ***Strategic*** ***Planning*** Group. Industry-specific ministries and parliamentarians are consolidating their ties. Our business circles are engaged in productive discussions of joint initiatives.

I would like to add that today we focused primarily on economic and investment cooperation. The Mixed Intergovernmental Russian-Turkish Commission is playing an important coordinating role in the consolidation of economic ties.

I would like to note with satisfaction that Russian-Turkish trade increased in 2017. Mr President cited the figures, but, according to our information, our trade grew even higher, by 40.5 per cent to 22.1bn dollars.

Russia has become the third largest market for Turkish exports after Germany and China. Meanwhile, Turkey has risen to 7th place among Russia's largest foreign economic partners.

We also intend to build up mutual investment. This will facilitate the creation of a joint investment platform with the participation of the Russian Direct Investment Fund and the Sovereign Wealth Fund of Turkey.

Our cooperation in nuclear energy has reached the level of ***strategic*** partnership. As you could see today, Mr Erdogan and I have launched the construction of the reactor building of Akkuyu, Turkey's first nuclear power plant. Our common task is to ensure that it becomes operational by 2023, the 100th anniversary of the Republic of Turkey.

Work is proceeding on schedule on the Turkish Stream gas pipeline. We are building two lines of the pipeline's underwater section. We will soon start implementing the onshore part of the pipeline, which will not just bring gas to the Turkish market and other countries in Southeast Europe, if they want this, but will also enhance the energy security of the region as a whole.

There are good prospects for promoting our cooperation in the iron and steel sector, automobile manufacturing, the ***agricultural*** industry and the production of ***agricultural*** equipment, as well as in finance, innovation, high technology and research.

We also discussed Russian-Turkish cooperation in the sphere of military technology, including the implementation of a contract for the supply of S-400 Triumf anti-aircraft weapon systems to Turkey. We have decided to accelerate the delivery of these highly effective Russian defence systems. We also talked about other promising military technology projects.

We prioritise expanding cultural and humanitarian contacts and ties between our countries' civil societies.

The flow of Russian tourists to Turkey continues to grow and develop dynamically. As we have already said, almost 5m people (4.7m) visited Turkey last year. We believe this figure may grow to six million next year.

In this connection, we have been discussing liberalisation of visa regime and negotiating what documents would allow visa-free travel. Today, we heard the proposals of the heads of relevant agencies.

We discussed possible joint efforts to help resolve the crisis in Syria, to consolidate the ceasefire regime and to create favourable conditions for the intra-Syrian negotiating process in the context of the results of the Syrian National Dialogue Congress, which was held in Sochi, and the recent trilateral contacts in the Astana format.

Mr President has already noted this. Tomorrow, we will discuss these matters further at a trilateral meeting with President of Iran Hassan Rouhani.

We conducted a detailed exchange of opinions on other regional and international matters.

In conclusion, I would like to thank our friend, President of Turkey Recep Tayyip Erdogan, for the detailed talks and hospitality that was accorded to our delegation.

I would like to note that expanding Russian-Turkish cooperation fully meets the interests of both countries and helps maintain peace and stability in our region and beyond.

Thank you.

Obstacles to Russian-Turkish cooperation

Question: I have a question for both leaders. You said today that the main drivers of bilateral relations are the largest projects, such as the Akkuyu Nuclear Power Plant, Turkish Stream and the supply of the S-400 systems. Given the negative and even confrontational agenda regarding Russia, do you see any factors that can hinder the implementation of these ***plans***?

Vladimir Putin: You mentioned negative and even provocative factors in international affairs. There are no such factors in our relations with Turkey. On the contrary, our bilateral relations are developing highly constructively. You can see the result in our trade and economic cooperation and in the speed with which we are implementing large projects, as I have just said.

This concerns Turkish Stream and our nuclear projects. As concerns the supply of gas to Turkey and the Turkish Stream pipeline project, negotiations with our European partners regarding the second line of Nord Stream 2 have been underway for years.

I hope these negotiations will ***produce*** a positive result, but we are still in talks, whereas a similar project with Turkey will be completed soon. It has entered the final stage.

Turkey is a priority and highly reliable partner in this and in all other spheres. This includes compliance with our agreements on many large regional problems that we face and want to resolve. I do not see any problems that would hinder the further development of our relationship with the Republic of Turkey.

Recep Tayyip Erdogan (retranslated): First of all, I would like to tell our dear friend that Turkey took the decision regarding the S-400 missiles independently. And our dear friends in the Russian Federation gave an affirmative answer to our request, as a result of which we have reached an agreement on the supply of the S-400 systems. This matter is closed.

The missiles we are to receive are being manufactured. I would also like to say that our Russian partners have expedited the supply of these missiles to Turkey.

As for your other question, regarding the Akkuyu NPP, I can tell you that we should have launched this project sooner, because this power plant will generate 10 percent of the electricity Turkey needs. Russia has taken a decision that has facilitated this project.

Moreover, I would like to say that this decision will also help us increase the number of skilled personnel. Taken together, this shows that our cooperation in this sphere has been fruitful. We are satisfied. Today we launched the construction of the reactor building. This will help create a new international image of Turkey.

Skripal case

Question: I have a question for the Russian President. Have you discussed the so-called Skripal case and the British position on this matter at today's meeting with Mr Erdogan? How do you assess this situation, given the latest information coming from the UK?

Vladimir Putin: We have broached this subject in passing. Mr President asked some questions in this regard, and I set out our position. As you may know, I myself learned about this incident from the media; I said so time and again.

I would only like to add that, according to international experts, about twenty countries in the world can manufacture these neuropathic substances - twenty countries!

Scotland Yard, as you know, went on record as saying that it needed no less than two months for a full-scale investigation. Finally, as I have been informed just now, the general director of the laboratory in Porton Down - it is located within eight kilometres of the incident site - told Sky News that his laboratory staff had failed to identify the country of origin of this neuropathic substance. They are unable to identify the country of origin. Neither are they able to say that this substance was ***produced*** in the Russian Federation.

In this connection, first, one is surprised by the speed, with which they whipped up an anti-Russia campaign, and I would like to inform you, although we have mentioned this already: We are convening a session of the Executive Council of the international Organisation for the Prohibition of Chemical Weapons tomorrow to analyse this situation in the minutest detail.

We brought up at least 20 questions, and I hope that this discussion will draw the bottom line under what has happened. We are most certainly interested in a full-scale investigation and we would like to have access to this; we hope to receive the relevant material, because Russian Federation citizens are involved. As you may know, the Investigative Committee of the Russian Federation has opened a criminal case and it will definitely be investigated.

Syrian Kurds

Question (retranslated): My first question is for Mr Putin. It is a fact that Turkey conducted Operation Olive Branch and closely coordinated its actions in Syria with Russia. What does Russia think about the future of organisations such as the Democratic Union Party in Syria? My second question is for Mr Erdogan: What do you expect Russia to do in this respect?

Vladimir Putin: This is how we address the task of combating terrorism. We are working together with Syria and several other countries that are interested in resolving the Syrian conflict, first of all to ensure Syria's territorial integrity and sovereignty and to root out terrorism in its territory. We intend to continue to cooperate with Turkey in this sphere.

As for the future of Syria and the future and ongoing political dialogue, we believe that Kurds are part of the multinational people of Syria and so have the right to take part in all political processes there and to find their place in Syria's future. On the other hand, we believe that all processes in this sphere must be coordinated by the parties concerned as closely as possible.

Otherwise, the desired result will not be achieved. As for who exactly must take part in these political negotiations and which place each of Syria's ethnic groups will hold in the future, this is for Syrians themselves to decide.

S-400 missile systems for Turkey

Question (retranslated): Mr Putin, you have said a decision was taken to accelerate the delivery of the S-400 systems. What do you think about the idea of the joint production of these systems? Mr Erdogan, I would like to ask you if you discussed any other issues of military cooperation apart from the S-400.

Vladimir Putin: I have said that we discussed various issues, including the possibility to expand our cooperation in the sphere of military technology. As for the accelerated delivery of the S-400 systems, we have taken this decision at the request of our Turkish partners and friends. We have accelerated the manufacturing of these systems and coordinated the price, which is very important.

As for joint production, the transfer of technology is not a matter of trust or political interaction. It is a purely commercial issue that is decided between economic entities. There are no military or political considerations or limitations in this sphere.

Recep Tayyip Erdogan: Friends, as Mr Putin has said, we have an agreement regarding the S-400. The manufacturing company will work on this project, and as for the price, we have reached an agreement. There is no problem with accelerating the deliveries. We have an agreement on this issue as well.

It should be said that different opinions regarding defence projects are considered when such decisions are made. I believe that Russian companies are also transparent in this regard. Our agencies and defence companies will conduct and are conducting meetings on these issues. We are definitely monitoring the situation.

Thank you very much.

Source: President of the Russian Federation website in English 1200 gmt 4 Apr 18

**Load-Date:** April 4, 2018

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