

World News

Russia Deploys More Surface-to-Air Missiles in Crimean Build-Up

Russia deployed a new division of S-400 surface-to-air missiles in Crimea on Saturday, Russian news agencies reported, in an escalation of military tensions on the Crimean peninsula.

Russian army S-400 Triumph medium-range and long-range surface-to-air missile system rehearse before the World War II anniversary in Moscow. Russian annexed Crimea from Ukraine in 2014, triggering economic sanctions by the European Union and United States and a tense stand-off in the region.

The U.S. said in December it planned to provide Ukraine with “enhanced defensive capabilities”, which officials said included Javelin anti-tank missiles.

Moscow’s latest deployment represents the second division armed with S-400 air defense systems on the peninsula, after the first in the spring of 2017 near the port town of Fedosia.

The new division will be based next to the town of Sevastopol and will control the air-space over the border with Ukraine, the RIA news agency reported.

The new air defense system, designed to defend Russia’s borders, can be turned into combat mode in less than five minutes, Interfax news agency quoted Viktor Sevostyanov, a commander with Russia’s air forces, as saying.

Russia’s defense ministry says the S-400 systems, known as “Triumph”, can bring down airborne targets at a range of 400 kilometers and ballistic missiles at a range of 60 kilometers.

Amid Drought and Pests, Can GMOs Save Uganda’s Farmers?



Women carry baskets of banana as they walk past a military personnel patrolling in Uganda’s capital Kampala

Uganda is, quite literally, a banana republic. The east African country is the world’s second-largest banana producer, and every day Ugandans consume an average of 1.5 pounds of bananas each. Long, green plantains are cooked and mashed into a soft, starchy national dish. Shorter, sweet bananas are roasted over hot coals to make a roadside snack. For breakfast, bananas are stewed in a savory sauce usually accompanied with meat or beans.

So when banana crops are threatened by disease or pests, the consequences can be dire. An invasion of banana bacterial wilt last decade was predicted to destroy 90 percent of the country’s

crops at a cost of \$4 billion. The disease was stopped, but only after expensive and protracted interventions by the government.

Next time, the country will likely turn to a different solution: genetic modifications.

Government researchers have been conducting field tests with disease-resistant bananas for years, but, as in most African countries, farmers were largely banned from using genetically modified crops. There have been a handful of flirtations across the continent, but South Africa is the only sub-Saharan African country to grow genetically modified food commercially.

Turkey is No Longer a Free Country, According to Global Rights Report

Political and civil rights in Turkey have degraded so severely under President Recep Tayyip Erdogan that it is no longer a free country, according to a new report on freedoms around the world.

The annual Freedom in the World report, produced by the US NGO Freedom House, has classified

Turkey as “not free” for the first time since the report series began in 1999. It had lost its status as “partly free” due to a slide in political and civil rights.

Freedom House pointed to Mr Erdogan’s widespread crackdown in the wake of a failed 2016 coup and the disputed referendum in 2017 which gave the Turkish president widespread new powers.

The report also criticised Mr Erdogan for sacking elected mayors and replacing them with political allies and for “arbitrary prosecutions of rights activists and other perceived enemies of the state”.

Turkey’s passage over the threshold from



“Partly Free” to “Not Free” is the culmination of a long and accelerating slide in Freedom in the World,” wrote Michael Abramowitz, Freedom House’s president.

“The country’s score has been in free fall since 2014 due to an escalating series of assaults on the press, social media users, protesters, political parties, the judiciary, and the electoral system, as President Recep Tayyip Erdogan fights to impose personalised control over the state and society in a deteriorating domestic and regional security environment.”

Nations Are Wielding Their Sovereign Wealth Funds as Tools of Power

Interconnective tissue binds Russia, Arab state-owned investment funds, and Middle Eastern countries undergoing rapid transformations.



Kirill Dmitriev, head of the Russian Direct Investment Fund, attends a BRICS summit in Russia in 2015.

A year ago, in Seychelles, an Indian Ocean archipelago, the leader of the United Arab Emirates arranged a secret meeting between Erik Prince founder of the security firm Blackwater, Trump supporter, and brother of Education Secretary Betsy DeVos and Kirill Dmitriev, head of the Russian Direct Investment Fund (RDIF), which is Russia’s sovereign wealth fund. As reported by the Washington Post and in testimony before the House Intelligence Committee, the purpose of the meeting was to set up back channel communications between then President-elect Donald Trump and Moscow.

While much has been written on the relevance of this meeting to the investigation into the Trump campaign’s collusion with Russia, there is another, more consequential aspect to it that deserves attention: the use of sovereign wealth funds as a tool of national power. The changing regional power dynamics between Russia and the Arab world has injected geopolitics into the strategic decision-making of the Gulf Cooperation Council (GCC) members’ sovereign wealth funds in a way that should concern policymakers and international investors.

According to the Sovereign Wealth Fund Institute, the funds of Saudi Arabia, the United Arab Emirates, Qatar, and Kuwait have a combined \$2.8 trillion in assets under management. These governments are using their national wealth as a strategic tool of power projection as never before and blurring the line between economic and political decision-making. The Arab Spring, the potency of extremist movements, and the attendant conflicts in Syria, Iraq, Yemen, and Libya have given new saliency to the perennial concerns of regime stability and have compelled Arab rulers to take enhanced measures to protect themselves. Concerns about America’s regional staying power, Russia’s expansive military and diplomatic role in regional affairs, and Iranian influence have transformed the GCC into a new front in great power competition, which regional leaders must take into account.

Added to this mix is a new generation of leaders: Millennials now rule Qatar and Saudi Arabia. The UAE has been governed by an exceptionally forward-look-

ing and interventionist leadership for over ten years. These leaders are not content to let others fight their battles for them. They are both adept at and inclined to use all elements of national power — economic, political, and military — in integrated and aggressive ways to protect their interests.

In the case of Russia, the Gulf states are using sovereign investments as leverage to advance their respective equities with regard to Iran, Syria, Yemen, and Libya; as a hedge against great power competition in the region; and as a political tool in the context of their intra-GCC rivalries.

In 2011, Russia established the RDIF, with seed capital of \$10 billion. Since then, Gulf sovereign wealth funds have set aside at least \$20 billion for investment in Russia. These placements include \$10 billion by Saudi Arabia’s Public Investment Fund, \$5 billion from Abu Dhabi’s department of finance, \$2 billion by the Qatar Investment Authority, and \$1 billion by the UAE’s Mubadala. In addition to its \$2 billion commitment to RDIF, the Qatar Investment Authority has taken a 9.75-percent stake valued at \$6.83 billion in Rosneft, an oil company controlled by the Russian government, a 24.9 percent stake in St. Petersburg’s Pulkovo Airport, and a \$500 million stake in VTB, a Russian bank currently under international sanctions, and RDIF’s parent.

Even if allowances are made for sectorial and geographic diversification, the level of allocations to these markets is out of proportion to their size and viability.

Money and politics make a combustible mix: If you don’t get the formula right, it can blow up in your face. The geopolitical complexities of today’s Middle East can create significant issues of financial risk and legal liability for policymakers, corporate leadership, and the investment community. The UAE’s experience with Malaysia’s 1Malaysia Development Berhad (1MDB) and Abu Dhabi’s International Petroleum Investment Company (IPIC) is a case in point. In April 2017, 1MDB agreed to pay IPIC \$1.2 billion to settle a complaint that it reneged on the terms of a bailout IPIC provided in 2015. In July 2017, investigators at the U.S. Department of Justice alleged that former officials from both IPIC and 1MDB had benefited from fraudulent financial transactions related to the investment.

Each sovereign wealth fund is different and needs to be understood in the context of the particular transaction being entered into. Comprehensive and accurate information about a fund and how it operates is a must. Some sovereign wealth funds have been formed with potentially conflicting incentives, not only to make profitable investments, but also to further political and social objectives. Others can be used for political purposes even though that is not their mandate, which can cause a fundamental divergence between the interests of the sovereign wealth funds and those of other purely economic investors.

In this climate, policymakers and investors would do well to understand better the interconnective tissue that binds Russia, Arab sovereign wealth funds, and Middle Eastern states undergoing rapid transformations.

Chinese Salvagers Recover Two Bodies from Flaming Iranian Tanker



A rescue ship works to extinguish the fire on the stricken Iranian oil tanker Sanchi in the East China Sea

A Chinese salvage team recovered two bodies on Saturday from a stricken Iranian oil tanker, that was still blazing a week after it caught fire and was left adrift following a collision in the East China Sea.