



## News from the Nations

### **Israeli investors do well in Turkey**

Israeli investors are showing increasing interest in major Turkish projects. According to the Jewish Chronicle, a consortium led by the Israeli shipping magnate Sami Ofer and a Turkish partner, Global Investment Holding, has offered more than £2 billion for the right to run a major Istanbul seaport for forty-nine years. Mr Ofer owns fourteen per cent of Turkey's Tupras oil refinery. Meanwhile, Israel's largest financial institution, Bank Hapoalim, has acquired 57.5 per cent of Turkey's Bank Kredi ve Kalkinma.

### **Loan for Palestinian business**

The European Commission and European Investment Bank are launching a new loan guarantee scheme for small businesses created in the Gaza Strip, Gordon Brown recently announced. In Israel briefly before returning to London for the terror bill vote, the chancellor said the scheme should eventually provide backing for £230 million of business loans in Gaza, which could create 100,000 jobs. The international community is keen to make funds available for the reconstruction of the Palestinian territories, especially since September's Israeli withdrawal from Gaza after thirty-eight years. Mr Brown said the EIB would announce investments worth about £27 million in infrastructure in the Palestinian territories, including millions for electricity. He acknowledged that previous grants had often ended up in private accounts.

### **A general's reflection**

The following are the views of Major General Dan Harel, after concluding thirty-one years in the Israeli army, culminating in his command of the disengagement from Gaza, as reported in the *Jerusalem Post*. He is reflecting on Israeli society and threats from Gaza and Egypt, and looking ahead to becoming military attaché in Washington. "Everything in the eastern Mediterranean is limited by time. I fear that we will have to return and deal with things in the future, hopefully it will be as long from now as possible. It could be that the Palestinians have conditioned us over the years to a situation in which there is a lack of control, that this is a situation which we accept as natural". This is not the only place where Harel sees control wanting. He is also critical of Egypt for not living up to its agreement to seal the Philadelphia corridor with its beefed-up forces. "They are not preventing the smuggling on the border or within Egypt proper. A lot of ammunition and weapons are coming from Sinai. They are being stored in the Sinai and transferred to the Palestinian side. The Egyptians are not imposing their responsibility as a sovereign state. They did not do it before and they are not doing it now", says Harel. "This is an uncontrolled Wild West where tens of thousands of people have crossed to the Egyptian side. According to Egyptian figures, some 90,000 to 100,000 Palestinians have crossed to their side". Despite Israel's agreement to let Egypt deploy 750 soldiers along the Egypt-Gaza border (as previously recorded), Harel says the Egyptians have refused to expand contacts with the IDF beyond liaison officers: "The problem is not one of a border, but a region. These weapons are coming from some place—I am talking of thousands of everything—they are travelling across the Sinai. They are coming from Egyptian citizens, and these Egyptians are selling them to the Palestinians". In the meantime, Harel has diverted some of the forces once deployed in the Gaza Strip to the 240-kilometre border with Egypt to halt smuggling.

### **JACK STRAW WARNS SYRIA**

According to the Jewish Chronicle, Jack Straw told the Labour Friends of Israel that Britain was pressing for a United Nations declaration calling on Iran and Syria to halt support for terror groups such as Hizbullah and Islamic Jihad. The foreign secretary expressed deep concern about the harmful influence of the two régimes, following the Iranian president's call for the destruction of Israel. Mr Straw said, "I would now like the United Nations to make a clear declaration that Hizbullah cannot use the Sheba farms area as a reason to delay disarming, and that Syria and Iran cannot use it as an excuse to support terrorism".

#### **New radar system used to detect Gaza rockets**

According to the Jerusalem Post, the Israeli Defence Force has deployed a sophisticated new radar system near the Gaza Strip, which it is hoped will give early warning to Israeli residents of incoming Katyusha missiles, Kassam rockets and possibly mortar rounds. The system is also known as Tactical High Energy Laser (THEL). The radar has been in place for at least two months, but it is not known whether it successfully tracked any of the Kassams fired from the Gaza Strip following disengagement. According to security sources familiar with the design, the THEL radar is designed to track fifteen targets simultaneously. The full system would then use a powerful laser to fire a beam intended to destroy incoming missiles, rockets and even some artillery and mortar shells; it is able to fire a beam every five seconds.

#### **Venezuela and the United States**

Venezuela's President Hugo Chavez models himself on President Fidel Castro of Cuba, who wants to steer Latin America firmly to the left. He also rules a key oil-producing country, which gives him unusual leverage. In a recent interview with Newsweek, Chavez made clear his dislike for US President Bush, and suggested that there was evidence of plans in the United States to invade Venezuela, and that the price of oil would consequently shoot up. Meanwhile, the US has threatened to block a record-breaking arms deal, under which Spain would sell ships and aircraft to Venezuela. The US claims that an £890 million arms deal with Mr Chavez, who is a fierce critic of the Bush Administration, could destabilise the region. The proposed deal includes four coastal patrol ships, four corvettes, ten C-295 transport planes and two maritime surveillance planes—a massive boost to Spain. Talks on this issue are continuing.

#### **US asks Israel to halt Venezuelan arms deal**

Israel has put on hold a large arms deal with Venezuela following a US demand to curb military co-operation with the régime of Hugo Chavez. According to Israeli sources, the American demand was presented several months ago at a time when military ties between Israel and the US were troubled because of the sale of arms to China. The deal that was stopped includes the upgrade of F-16 fighter jets of the Venezuelan air force. Israel has sold Venezuela radar, air-defence missiles and Litening pods used by fighter jets to target air-to-ground missiles, according to Tel Aviv University's Jaffee Centre for Strategic Balance.

#### **Kofi Annan cancels Iran visit**

UN Secretary Kofi Annan has abandoned plans to visit Iran following Iranian President Ahmadinejad's recent call to "wipe Israel off the map". Annan was due to visit Teheran as part of a tour of North Africa, the Middle East and southern Asia. In light of the ongoing controversy, it would have been difficult to advance the agenda that he had wanted to discuss with the Iranian leadership.

#### **Israel and US plane project**

The US has ended a year-long freeze on Israeli participation in American defence projects by allowing Israeli firms to take part in the prestigious Joint Strike Fighter (JSF) project. The Israelis had been frozen out of the JSF project after Jerusalem agreed to sell advanced drones to China—a move that Washington said would endanger its Far East ally, Taiwan. As part of the deal, Israel has agreed to tighten control over its arms sales.

#### **INDIA AND US SEEK TO DOUBLE TRADE**

Mr Portman, US trade representative, and Kamal Nath, India's commerce and industry minister, have set a goal of doubling bilateral trade to more than £23 billion within three years. The officials held the first meeting of the India-US Trade Policy Forum, which was established during Indian Prime Minister Manmohan Singh's visit to the US in July.

#### **Israel-Palestinian Authority border deal**

Israel and the Palestinian Authority recently reached a landmark agreement on the staffing of Gaza's border crossings to Egypt and Israel. Under the deal, brokered by visiting US Secretary of State Condoleezza Rice, the Palestinians will control their border with Egypt, with the EU monitoring. Israel will control the crossing points from Gaza into Israel, and will also control the entrance of goods from Egypt, to ensure that arms are not smuggled in. Meanwhile, British officials are to be among the advance guard of an EU team that will monitor the border between Gaza and Egypt following a deal brokered between Israel and the PA to allow freer movement for local traders.