

A dramatic low-angle shot of soldiers and a tank silhouetted against a bright, low sun. The sun is positioned centrally between two soldiers, creating a strong lens flare and illuminating the scene from behind. The soldier on the right is standing and holding a rifle, while the soldier on the left is partially obscured by the tank's turret. The tank's barrel points upwards and to the left. The sky is a clear, pale blue.

2019: The Year Ahead

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Turkey

Military Interventions in Northern Syria

In 2018, Turkey launched Operation Olive Branch in northern Syria west of the Euphrates in order to continue the purge of terrorist elements (Daesh, YPG) that began in 2016 with the launch of Operation Euphrates Shield. In 2019, Turkey aims to remove the YPG east of Euphrates. In this context, talks have been underway with the US for months, but no roadmap or clear solution for Turkey's concerns has been put forward. Turkish President Recep Tayyip Erdoğan has made statements calling for a more positive US position on Manbij: "We are now calling on the US to clear Manbij once and for all so that the rightful residents can go back to their own lands. Or else we will walk into Manbij. Turkey has wasted enough time by not intervening in the swamp of terror to the east of the Euphrates. We will not tolerate even one day of delay in the clearance of Manbij". He underscored that Turkey considers the presence of the YPG in northern Syria to be an existential threat.

If the YPG continues to operate in Syria, Turkey will not shy away from taking the steps necessary to address their concerns. There is a strong likelihood that some sort of operation will be carried out in 2019 against the YPG east of the Euphrates. Following a phone call between President Erdogan and President Trump, the US President abruptly announced that the US intends to pull its forces out of Syria within 100 days, reportedly catching his own advisors off guard. Trump's decision was followed by resignations from US Defense Secretary James Mattis and Special Presidential Envoy for the global coalition to defeat Daesh, Brett McGurk. While a US withdrawal has been a Turkish demand for some time now, it nonetheless adds another layer of uncertainty to future developments in the region. On the one hand, it potentially clears the way for a planned Turkish operation to dislodge the YPG from the area. On the other hand, the power vacuum that could result from a US withdrawal from northern Syria has the

potential to alter the strategic balance in the country, forcing Turkey to deal with a new dynamic to the conflict.

If the US quickly withdraws from northern Syria without coordinating with Turkey it could create a situation wherein major state and non-state actors seek to fill the vacuum left by the withdrawal of US forces, further destabilising the country. However, both Turkey and the US have made statements to the effect that they are determined to coordinate their efforts in order to avoid such a situation. Turkish Foreign Minister Mevlut recently told reporters that Ankara and Washington have agreed to complete the roadmap on Manbij leading up to the withdrawal of US forces and the two sides have both publicly indicated that preventing a resurgence of Daesh is a top priority. This point was further emphasized in a recent call between Presidents Erdogan and Trump in which they agreed "to ensure coordination between their countries' military, diplomatic and other officials to avoid a power vacuum which could result following any abuse of the withdrawal and transition phase in Syria" according to a statement issued by the Turkish Presidency. The fact remains however, that Turkish forces are positioned in such a way that an operation targeting the YPG either in Manbij or east of the Euphrates could be launched at any time.

Turkey hosts approximately four million Syrian refugees and has an interest in creating a stable environment so that refugees are able to safely return home. The YPG presence complicates this objective. In addition to the threat the terrorist group presents to Turkey directly, the fact that the YPG is in control of mostly Arab villages means that many displaced residents remain hesitant to return home. Turkey has gone to great lengths to avoid civilian casualties in previous operations and will pursue future operations with the aim of restoring economic and social life to areas previously under the control of terrorist organisations.

Turkey's increasingly independent foreign policy aims to protect its security and advance its national interests while simultaneously prioritising the well-being of civilians. Turkey will continue to apply both diplomacy and military deterrence as part of its foreign policy, particularly in Northern Syria, as the course of events there will determine a large part of Turkey's security in the coming years. In this context, the YPG presence in Manbij and the territories east of Euphrates will be one of the dominant issues on Turkey's agenda.



Turkish Armed Forces' armoured military vehicles and Turkish armoured personnel carriers are being dispatched to support the units at border in Hatay, Turkey. (Cem Genco - Anadolu Agency)

Turkey

2019: Turkey as an Emerging Pan-Regional Energy Hub

Turkey is becoming a leading pan-regional energy hub. This strategy is not only securing Ankara's own energy needs but allows the country to be a key export platform for the much needed natural gas to south-eastern Europe and beyond.

Turkey is transforming into one of the vital transit hubs to connect energy-rich Russia, Central Asia and the Middle East with Europe. European countries such as Hungary, Serbia, Macedonia and Greece are keen to receive gas supply through the TurkStream pipeline and the Trans-Anatolian Natural Gas Pipeline (TANAP), which would carry natural gas to the Turkish-Greek border and on to Europe.

The demand for natural gas has been growing much faster than for other primary energy sources, and it is expected that Europe's dependency on natural gas will gradually increase. Therefore, a steady supply of gas has become an ever more important item on the European political agenda and puts Ankara on the map of European energy security.

Blessed with a prime geographical position, Turkey has become an increasingly important natural gas importing country and at the same time provides a strategically important oil and gas transit destination. It should be noted that natural gas is the primary energy source in Turkey and covers around 30% of the country's energy needs. In 2017, Turkey's natural gas import volumes increased by almost 20%, to 55.2bn cu metres. More than 50% of these imports came from Russia, making Turkey the second-largest export market for Gazprom, the Russian state-owned gas powerhouse.

For Brussels and Moscow, the issues are as much geopolitical as economic. The EU wants to free itself from the dependency on Russia gas, especially in the light of the Russian-Ukrainian conflict. On the other hand, Russia wants to bypass Ukrainian pipelines to supply gas to its European customers. In this context, some observers consider the TurkStream pipeline as boosting Russian energy exports, thus undermining Brussels' energy policy and favouring Moscow. Others, however, consider Turkey's growth as an energy hub as an additional step towards European Union candidacy. Ankara's significant role in energy geopolitics in addition to its rising diplomatic power and its position as a bridge to the Muslim world, represent substantial assets for the European Union.

On the other hand, Turkey also began importing gas from Azerbaijan via the Trans-Anatolian Natural Gas Pipeline (TANAP), which has an initial annual target capacity of 16bn cu metres (scalable to 32bn cu metres). About 10bn cu metres of this initial capacity will be exported to Europe once the Trans-

The eastern Mediterranean will continue to be a source of tensions, particularly as Turkey senses a measure of regional collusion designed to cut it off from the Mediterranean.

Adriatic Pipeline (TAP), from the Turkish-Greek border to Italy through Greece, Albania and the Adriatic Sea, is completed in 2020. This project is commended by the EU, as it is seen as somewhat reducing the latter's reliance on Russian gas imports.

There are also some issues for Turkey looming ahead. The discovery of natural gas reserves in the eastern Mediterranean has become a source of tension in this region. Regional players are trying to develop offshore fields without much thought for Turkey's interests. In the case of Cyprus, the issue is even more urgent as Turkey is keen to represent the interests of Turkish Cypriots in the Turkish Republic of Northern Cyprus. This has obliged Ankara to defend its maritime borders and block an Italian energy company from drilling for gas in the east of Cyprus. Egypt was also warned not to engage in any gratuitous provocation in this respect.

The EU is seriously considering the EastMed pipeline, which connects Israel and Cyprus with Greece and Italy. This project would allow the EU to diversify its energy sources away from Russia. The pipeline would account for 5% of EU energy imports. However, apart from the high cost of extraction given the complicated offshore terrain, there are also political issues that weaken the viability of this energy route. The outstanding dispute between Turkey and Cyprus, which Turkey has not recognized since an attempted military coup engineered by a Greek Military Junta in 1974 and subsequent Turkish military intervention, has an essential bearing on the maritime borders. Hence, Ankara is demanding its rightful share of gas profits on behalf of the Turkish Cypriots. However, Israel, Egypt, Cyprus, and Greece axis is trying to move ahead with the project in the eastern Mediterranean without consideration for either Turkey's interests or the rights of Turkish Cypriots.

Against this backdrop, the eastern Mediterranean will continue to be a source of tensions, particularly as Turkey senses a measure of regional collusion designed to cut it off from the Mediterranean. If these provocations continue in 2019, a violent incident at sea, by accident or otherwise, is likely to take place.

Turkey



Specialized sergeants attend a military swearing ceremony at Izmir Yeni Foca Gendarmerie Commando Combating Terrorists Operations' School Commandership after they complete their four-week training in Izmir, Turkey. (Mahmut Serdar Alakuş - Anadolu Agency)

Turkey

2019: Turkey Upgrades its Defensive Capabilities

The Euphrates Shield (2016-2017) and Olive Branch (2018) Operations aimed to neutralize the terrorist groups threatening Turkey's borders and wreaking havoc to the west of the Euphrates. Throughout both operations, the Turkish military was highly sensitive to the presence of civilians and minimized the risk to residential areas. The Interior Minister Süleyman Soyulu announced that as of December 2018, 291,000 Syrians have been able to return to their homes in the region where Operation Euphrates Shield was conducted. Turkey remains committed to restoring stability to the region and is ready to conduct further operations until the terrorist threat is rooted out. As a key guarantor of security for the region and the civilians embroiled in the Syrian war, Turkey plans to upgrade its military capacities to better enable it to secure the region with minimal reliance on foreign support. Consequently, one of the major objectives on Turkey's agenda is to invest in its national defence industry and rely more on domestically produced weaponry.

Turkey's defence industry is still developing, and the current situation necessitates that Turkey upgrades its defensive capabilities in the short-run. Turkey has placed an order for the S-400 Triumph (also known as the SA-21 Growler) surface-to-air missile defence system from Russia and is expected to acquire them by next year. A dedicated missile facility is under construction and expected to be operational by 2020. This system is capable of hitting up to 80 targets simultaneously, including cruise and ballistic missiles, as well as aircraft. The radar can detect projectiles up to 600 km, and it can neutralize targets moving at extremely high speeds within a maximum range of 400 km. As a result, it will massively increase Turkey's defensive capability, as well as make it the only NATO member country to possess the S-400 system. This has naturally led to tensions with NATO, which considers the system to be a primary threat to its ability to counter Russia. Nevertheless, Turkey's circumstances have necessitated this acquisition, and it plans to go ahead with the deal.

In spite of the tensions that Turkey's planned acquisition of the S-400 system has engendered, the delivery of two F-35 Lightning II multirole fighter

jets from the US is still scheduled to deliver for 2019. The program to develop the fifth-generation combat aircraft effort represents the joint efforts of a number of US allies including the United Kingdom, Italy, Australia, Canada, Norway, Denmark, the Netherlands and Turkey. The addition of the F-35 Lightning jets to the Turkish Air Force fleet (which currently has no fifth-generation fighter jets) will greatly enhance its offensive and defensive capabilities.

In order to increase domestic military production, Turkey has increased its expenditure in ASELSAN, the R&D wing of the Turkish Armed Forces. Last year, ASELSAN worked with 47 universities and provided a total of \$150.2 million for 117 active projects. ASELSAN's turnover amounted to \$1.43 billion dollars, 52 per cent of this turnover was provided to the Turkish Armed Forces, 20 per cent for exports, and 20 per cent for other institutions. Turkey has also begun to produce its own aerial drones, which greatly enhance the military's reconnaissance capabilities. The unmanned Siha Akıncı drone is set for launch in 2019 and contains all the capacities of conventional drone systems including reconnaissance runs and the ability to carry missiles. In addition, it can operate at an altitude of up to 40,000 feet for up to 24 hours. The Turkish Navy has also made breakthroughs in increasing domestic production. As part of the Turkish Navy's MILGEM project, the Multipurpose Amphibious Assault Ship TCG Anadolu, which has been largely produced domestically (68%), is set to be operational in 2019. There are also plans to develop sub-marine and engine systems domestically in the upcoming years.

Turkey now holds a regional record in the volume of the exported defence equipment in 2018 and plans to become one of the leading exporters in the defence industry. While the share of the defence industry in the GDP is almost 2%, the defence industry is looking to sustain greater domestic production of military assets in order to maximize exports and minimize imports. As the 8th strongest army in the world, and regional power, Turkey will play an important role in bolstering the security framework of the Middle East in 2019.

MENA

An Israeli War Against Hezbollah?

The latest tensions on the Israeli-Lebanese border have raised concerns about another potential Israel-Hezbollah confrontation. If war were to break out in 2019, it would likely include additional actors, raising the prospect of a wider regional conflagration.

There are a number of causes fueling this apparent escalation. The first one stems from the fact that Hezbollah has been steadily upgrading its missile capabilities with Iran's help. Since 2006, and the so-called "July War" between Israel and Hezbollah, the latter has purportedly acquired over 100,000 rockets and missiles with the ability to fire over 1,000 per day and with a range that could severely damage Israel's critical infrastructure thereby significantly impacting the lives of Israeli citizens.

The second factor has been Iran's efforts to gain the upper-hand in its rivalry with Israel via its presence in Syria. The presence of Iranian-backed militias in Syria and its demonstrated ability to direct a vast panoply of asymmetric warfare strategies sends a strong message to Israel that Iran is a power to be reckoned with in the Levant. Moreover, Iran's avoidance of any direct conventional confrontation with Israel has allowed Tehran to preserve its forces, while putting it in a position where it could - at a relatively low cost - threaten Tel Aviv's position in the region.

Occasionally, Iranian proxies have demonstrated their willingness to test much riskier approaches, such as when they launched an explosives-laden UAV into Israeli airspace in February 2018, which was intercepted by an Israeli Apache helicopter. The subsequent examination of its method revealed it was strapped with explosives and aimed to attack targets in Israel. This incident prompted rounds of retaliation by Israeli air jets, during which two Israeli F-16 were shot down and crashed in Israeli territory.

A week later, Prime Minister Benjamin Netanyahu warned that, if necessary, Israel would act against Iran, not just its allies in the Middle East, restating that Tehran was the world's greatest threat. This may well be an empty rhetorical exercise from Netanyahu designed for internal political purposes. However, the fact that military targets in connection with the Iranian UAV launch pad at the T-4 base in Syria were attacked underlines the seriousness of the threat levels. This is especially relevant since a dozen military personnel were reportedly killed in this context, including Iranians. This escalation has been ongoing since late 2017, and Israeli warplanes have repeatedly targeted not just arms shipments en route to Hezbollah in Lebanon, but also Iranian military facilities in Syria.

There is of course another angle to this story. The Hezbollah built tunnels are not new and it is likely that Israel has been aware of their presence on the border for some years now. The fact the timing of this latest operation coincided with increasing domestic pressure on the Israeli Prime Minister Netanyahu relating to ongoing corruption charges is significant, and could very well be part of an effort to divert the attention of both international and local media.

On a more strategic level, the sense of Israel's vulnerability among decision makers is increasing. It has become clear that their campaign to hit Iranian and Hezbollah in Syria is floundering, leaving the Israeli government to look for a PR rather than a military victory. Reports ranging from Iranian cargo jets landing in the dead of night at Beirut's international airport, to Iranian supported missile factories being established in Lebanon itself, have only increased the sense of anxiety among Israeli decision makers. The anxiety however, is based not on the belief that Hezbollah will actually use the tunnels to 'invade' Israel, but rather on the fact that Israel is quickly losing the upper hand in its regional struggle with Iran.

For its part, Hezbollah has not taken the 'bait', either in Syria or in the latest Israeli operation on the Lebanese border. There are no serious indications that Hezbollah has ambitions to initiate a conflict with Israel, a factor serious analysts and Israeli decision makers are no doubt aware of. Ultimately, both Israel and Hezbollah benefit politically from the threat the other side poses. From one perspective then, there are no 'new' tensions on the Israeli-Lebanon border, but rather a continuation of a PR and media war designed to shape the geo-political narrative of the region. However, in the course of conducting this war, miscalculations from both sides remain a distinct possibility.

Additional elements that could increase the likelihood of such a miscalculation include the following: Firstly, the Trump administration unveiled its strategy to "confront Iran" in the aftermath of its withdrawal from the Joint Comprehensive Plan of Action (JCPOA). As a consequence, there remains a distinct possibility that Tehran could resort to escalation outside its territory in order to put pressures on the United States and its strategic allies in the Middle East, in particular, Israel.

Secondly, the drawn-out process of Cabinet formation in Lebanon, which has been without a government for seven months, has the potential to exacerbate internal tensions. If the deadlock continues, Hezbollah could choose to escalate its actions against Israel in order to distract from what could



A view from the site where 6-day-long clashes happened between Hezbollah and Hay'at Tahrir al-Sham (HTS) armed groups during a guided press tour in Aarsal town of Baalbek, Lebanon on July 29, 2017. Armed groups have reached a cease-fire deal in the mountainous Lebanon-Syria border region. (Ratib Al Safadi - Anadolu Agency)

be perceived as its political failings and to put itself squarely back in the frame of 'resistance'. Although it remains unlikely that Hezbollah will seek to provoke Israel into an all-out war, any miscalculation by the group could potentially escalate into a full-blown conflict.

If all of these factors coalesce into a perfect storm, a new conflict could very well erupt. The most likely scenario for a new conflict in Israel's northern frontier would be a war

between Israel and Hezbollah in Lebanon, in which thousands of other Iranian-backed proxies could also participate. The Syrian front would remain relatively quiet, especially in the light of the Israeli-Russian understanding. Additionally, attacks could take place from Gaza against targets in Israel, coupled with attacks against Israeli interests in the region. Both Israel and Hezbollah need to tread carefully in order to maintain the relative peace that exists between them. Failure to do so could make 2019 a very dangerous year for both parties.

MENA

Saudi Withdrawal from Yemen?

Pressure is mounting on the Saudi-led coalition to withdraw from Yemen. The Khashoggi affair appears to have been a potentially fatal mistake for the Saudi Crown Prince Mohammed bin Salman (MBS), as this political assassination has tarnished not only his reputation but also the reputation of his regime in general.

In addition to being the principal architect of the war on Yemen, the Crown Prince inadvertently sent a double message through the Khashoggi murder. Firstly, it highlighted to the international community that there is currently no reliable leadership in Saudi Arabia. Secondly, to the US policymakers that despite the level of political capital invested in MBS by the US administration, they have little to no leverage over his behaviour. Regarding the latter, some US Congressmen, staunch defenders of Saudi Arabia in the past, have already made it clear that they feel used, and have implied that sanctions may be in order.

As a result, the Pentagon communicated its decision on November 9 that it would stop aerial refuelling of Saudi fight jets conducting operations in Yemen. This is effectively a U-turn on a policy that began under President Obama in 2015 when Riyadh declared its war on Yemen. On December 13th, the Senate broke with the White House when it voted 63 to 37 to advance a resolution to end U.S. military support for the Saudi-led war. Democrats in the House of Representatives have promised to use their impending majority to end U.S. support for the Saudi war.

This follows statements in late October from US Secretary of Defense James Mattis (fmr) and CIA Director George Pompeo calling for a cease-fire, both of which have increased pressure on the Saudis and MBS in particular.

The Saudi-led war has undoubtedly been a calamity for Yemen and has caused the country's humanitarian crisis to worsen to unprecedented levels. According to the United Nations (UN), Yemen is witnessing the world's worst humanitarian crisis with three out of four of its population – that's 22 million people – needing basic assistance to survive. A continuation of the conflict could tip the impoverished nation into the worst famine the world has seen for 100 years. Therefore, the UN has stepped up their pressure and submitted concrete proposals

for de-escalation in several hot spots in Yemen, such as the critical port city of Hodeida and Taiz, the third largest city.

Furthermore, the Saudi-led military campaign itself is unravelling. Media reports suggest that 8,000-plus Sudanese mercenaries are beginning to turn on their Saudi and UAE officers because of unpaid salaries and unrealistic objectives against the Houthi rebels. The low morale and fighting spirit are partly responsible for the many discomfitures of the Saudi-led forces in Yemen. The latter have failed to recapture Hodeida, in spite of numerous offensives in the past three years. Moreover, Saudi- and UAE-led forces did not manage to occupy areas closer to the Houthi heartland, and their hopes for a swift victory, like most of their hopes for Yemen, proved to be a mirage.

Additionally, the longer the conflict with the Houthis continues, attacks by terrorist entities such as al-Qaeda in the Arabian Peninsula (AQAP) will continue to benefit the divided focus of the key protagonists and the international community, as it strengthens its grip on the ungoverned territory. AQAP has thus enhanced their capabilities. For example, attacks against UAE-backed forces rose from 25 per cent of AQAP's total attacks in the first half of 2017 to 51 per cent in the second half of 2017. This trend has worsened in 2018.

All these factors make a military victory for the Saudi-led coalition unlikely. Although the Saudi- and UAE-led troops have the edge in military hardware, numbers and funding, the Houthis have proven that they can and will wage ruthless guerrilla warfare to attain their objectives. This does not mean that the Houthis will be victorious either, as any clear-cut military triumph is out of the question given the history and socio-political configuration of Yemen.

However, it must be said that the more the Saudi-led axis stay in Yemen, the more they are making both Iran and AQAP stronger. Before the Saudi-led war, the Houthis were hardly Iranian puppets. The Iranians saw an opportunity to provoke their Saudi rivals by lending support to the Houthis. For their part, the Houthis got closer to Iran out of necessity, and as result, Iranian influence in Yemen has grown.

There are indications that the US may change its stance in 2019 and prevent its Gulf allies from continuing their self-defeating intervention. If Washington persuades Riyadh and Abu Dhabi on the one hand, and the Houthis on the other hand, to reach an acceptable compromise, this would not only stabilise Yemen and ameliorate conditions on the ground, preventing terrorist entities from gaining more territory, but it would also reduce the Iranian influence over the Houthis.

There are indications that the US may change its stance in 2019 and prevent its Gulf allies from continuing their self-defeating intervention.

Children walk around at Darwan refugee camp in Amran north of Sana'a, Yemen on April 11, 2018. Yemeni families, displaced by the clashes and airstrikes by Saudi Arabian-led coalition, face difficulties living under tough conditions. Yemen faces political instability due to the armed takeover by the Houthis since 2014 as they control some regions including Yemeni capital Sana'a.
(Mohammed Hamoud - Anadolu Agency)



MENA

What Does 2019 Hold for Mohammed bin Salman?

The Khashoggi affair led to a series of implications for Saudi Arabia's Crown Prince Mohammed bin Salman (MBS). The dispatching of a hit-squad to kill Jamal Khashoggi, which even the US Senate has held the Crown Prince responsible for, proved to be terrible miscalculation. Despite spending millions of dollars hiring lobbying firms and public relations companies to persuade world public opinion that MBS is the face of reform in Saudi Arabia, the Khashoggi murder has dented his reputation to the point of no return. This political assassination, combined with other ill-conceived foreign policy decisions (War in Yemen, blockade of Qatar, detention of the Lebanese Prime Minister) have caused a public outcry among American and international journalists and intellectuals. The fact that Time Magazine named slain writer Jamal Khashoggi, along with other journalists, as its 2018 "Person of the Year," in a cover story headlined "The Guardians and the War on Truth," is particularly telling.

Facing international pressure, MBS is starting to face blowback over his reckless policies. This could well trigger a reconsideration of the traditional supportive US position, which has historically given the Saudis a blank cheque. Already, US Congressmen and Senators who were traditionally staunch supporters of Saudi Arabia, have expressed their concern about MBS' policies and are stepping up their efforts to put pressure on the Saudi regime, indicating that sanctions could well be in the works.

At the very least, there are some indications that MBS' range of power and control may be reduced. Media reports have suggested that the appointment of former US Army General John Abizaid as Ambassador to Saudi Arabia, which comes after nearly two years of American ambassadorial absence in Riyadh, signals such change. A former ambassador described General Abizaid's tasks as addressing "a fractured GCC over Qatar, the US role in Yemen, a Saudi transformation beset with challenges because of the Khashoggi murder as a part of a crackdown on dissent in the Kingdom and a changing US-Saudi relationship." Some observers went to the extent of predicting that MBS will take a back seat on foreign relations and defence for a while, focusing instead on domestic policy and economic matters.

The negative perceptions about the Saudi leadership are believed to have hit the economic vision promoted by MBS. The Neom City Project is beset by uncertainties after the withdrawal of several key business leaders from the

so-called "Davos in the Desert" meeting, to which many renowned business personalities and firms were invited. Additionally, the Saudi government has demonstrated an apparent inability to attract international investment. A shocking collapse in foreign direct investment (FDI) last year was clear evidence of its difficulties in enticing global

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capital. Although this coincided with a decline in global stock markets, it is nonetheless notable and indicative of possible future trajectories for Saudi Arabia's level of FDI. Investors continue to leave the Saudi Stock Exchange (Tadawul); a trend that accelerated following the grisly murder of Khashoggi. In monetary terms, investors sold SR7.1bn (\$1.9bn) more shares than they bought in the five weeks from 7 October to 8 November. This number is larger than the total net inflow of FDI into Saudi Arabia in the entire year of 2017. Adding to the financial concerns of the Kingdom is the fact that the current trajectory of

the national budget is based on projections of \$80 USD/barrel oil. Currently, the price oil sits at around \$40/barrel, indicating that significant financial shortfalls are likely to increase pressure on the 'rentier-state' approach to governance, potentially exacerbating socio-economic tensions in the country.

2019 will likely be the year of the internationalisation of the Khashoggi affair. The lack of cooperation from Riyadh, the series of denials, obfuscation, blame deflection, and outright lies have given Ankara no choice but to seek

the legal instruments provided by international courts. To have the desired effects, this option will depend on international support by leading nations in Europe and around the world.

The position of the US is also critical in this context. If Washington agrees to open an international investigation that would include MBS and his brother, Khaled bin Salman, Saudi Arabia's ambassador in Washington, for his role in luring Khashoggi to Istanbul, this would be the ideal scenario that could bring closure to this gruesome case. However, given the ties between the Trump administration and MBS, this is highly unlikely, especially that the tenors of the administration have rhetorically linked the possible removal of MBS with the problematic issue of finding his replacement without endangering Saudi Arabia's stability and energy exports to the world markets.



Saudi Crown Prince Mohammad bin Salman al-Saud and Vice Premier of China Zhang Gaoli (not seen) sign cooperation agreement during an inter-delegation meeting in Jeddah, Saudi Arabia. (Bandar Algaloud / Saudi Royal Council / Handout - Anadolu Agency)

MENA



The forecast for 2019 is that the sanctions - in their current form - will in fact have the opposite effect, namely consolidating the power of the hardliners.

MENA

What Consequences for the Sanctions on Iran?

It is too early to measure the full impact on Iran following the Trump Administration's withdrawal from the Joint Comprehensive Plan of Action (JCPOA), and the re-imposition of sanctions. A full assessment will depend on whether the European Union (EU), China, Russia, India, and other countries will carry on buying Iranian oil. Many heavyweight economies in Asia, such as China, Japan, India and South Korea, continue at present to purchase considerable quantities of Iranian crude thanks to US waivers and other mechanisms that currently circumvent sanctions.

If Tehran can continue benefiting from these formal loopholes, while complementing this strategy with more underground efforts, such as cross-border smuggling, then the Iranian regime will be able to survive. The latter relies on oil revenues to sustain its grip in power via a vast array of social welfare programs and subsidies, which keep social stability.

On the other hand, if the regime cannot sustain these exports at an acceptable level, it will be obliged to implement unpopular economic austerity measures, which will provoke the anger of the lower classes. President Hassan Rouhani had already experienced a similar situation, when he tried to enforce milder market reforms in December 2017 and early 2018. At that time, demonstrations took place against these policies, and slogans became soon focused on the perceived government corruption. Three ministers were subsequently forced to resign. Therefore, it is not difficult to foresee how the Iranian street would behave if the sanctions' economic and social consequences reach an unbearable level.

In the case of much-hardened sanctions, the deeper they bite, the more they will cause rising concerns from the Iranian people. The first segments of the Iranian society that will be affected are the low-income people and the working classes. However, the middle class will also feel the pinch of the recession. In the

light of continuously diminishing incomes and high inflation rates, the purchasing power for all Iranians will be depleted and will lead to deteriorating living standards. This situation presents the regime with two main options: It can either give some overtures to the public and implement some reforms or intensify domestic repression to maintain its grip on power.

Back in November, US National Security Advisor John Bolton declared that the Trump Administration's objective behind the sanctions on Iran was: "to squeeze them very hard. As the British say: 'Squeeze them until the pips squeak.'" This means that the objective number one of the Trump administration is to shake the political, economic, and social foundations of the Islamic Republic.

However, the forecast for 2019 is that these sanctions – in their current format – will, in fact, have the opposite effect, namely consolidating the power of the hardliners. While the Islamic Revolutionary Guards Corps (IRGC) did not directly oppose the JCPOA, they were deeply concerned about a potential détente that would have come had the JCPOA been fully implemented. Greater engagement with Western Europe and the US would give more power to the moderates and reformists and would have undermined the economic leverage of the IRGC affiliates. Now that the JCPOA has effectively been scrapped, any public disorder will likely be faced with heavy-handed repression, which in turn could lead to more power for the IRGC.

Iran has a track record of sustaining heavy pressure. Tehran managed to survive a fierce war with Iraq (1980-1988), cycles of sanctions, and protracted periods of economic crisis. Strikes and demonstrations take place frequently and are nothing new for the regime; nor is the never-ending power struggle between hardliners and moderates. Thus, there are more indications for the regime's political survival than any signs of capitulation or collapse.

President of Iran, Hassan Rouhani delivers a speech during Turkey-Iran Business Forum at Cankaya Palace in Ankara, Turkey. (Erçin Top - Anadolu Agency)

MENA

A New Dawn for Libya?

Libya has been in turmoil since the toppling of the Gaddafi regime. It is effectively divided into at least two entities, and the conflict now involves foreign actors from three continents. There are two primary competing political factions. On the one hand, the UN-backed and Tripoli-based Government of National Accord (GNA) holds some authority in the west of the country but has failed to assert control over other regions. On the other hand, the warlord and former CIA asset Khalifa Haftar, who heads the so-called Libyan National Army (LNA), has the support of the Tobruk-based House of Representatives and controls large territories in the east. These two forces are supported by a constellation of loose coalitions with variable degrees of loyalty.

The conflict has turned Libya into a fierce civil war. It has also provided the opportunity for militias to engage in all sorts of criminal activities, ranging from smuggling oil and weapons to human trafficking and terrorism. Terrorist organisations, such as Al Qaeda and Daesh, have been active in the country in the past few years. Lately, though, both groups have had many setbacks, with Daesh losing its stronghold in the coastal city of Sirte in 2016. However, there has been a spillover effect, as Daesh affiliated terrorists have staged attacks against neighbouring states such as Tunisia.

The civil war has also paved the way for a war economy. This situation has enabled war profiteers, armed groups, crime syndicates, corrupt businessmen and politicians to sustain their activities through illicit oil revenues and other criminal activities, which generate substantial sums of money. Subsequently, the conduct of these activities gives little incentive for these groups, who profit from the state's absence, to return to a functioning central government and a strong security apparatus. Consequently, these forces play the role of spoilers towards any genuine political process that could lead to a return to normalcy. Needless to say, war profiteering is also undermining what remains from Libya's formal economy and any working institutions, which further increases the cost for the restoration of a functioning central government in Libya.

Moreover, foreign interventions have further complicated the problem. As a result, the efforts made by the international community toward peace and reconciliation have been mostly unsuccessful. For instance, both France and Italy have

played a more intrusive role in Libyan politics, undermining rather than supporting the UN-led peace initiative. Other players like Russia, the United Arab Emirates (UAE), and Egypt have also blatantly supported Haftar and the LNA over the UN-supported Government of National Accord (GNA). Such meddling has encouraged Haftar to flout UN-brokered agreements and try to use pure military force to prevail over his adversaries.

Such behaviour was exemplified during the recent (November 12-13, 2018) international conference on Libya organised by Italy. The idea was for Rome to help the UN progress on several vital elements of its peace plan, including coordinating Libyan national elections and brokering a permanent security

arrangement. However, the conference took place amidst bickering between the Italian government and UN Libya envoy Ghassan Salamé. In the meantime, Haftar's access to high-level officials from Russia, Britain, France, Italy, and elsewhere, seems to have fuelled his arrogance to the extent that he is looking for any pretext

to sabotage genuine peace efforts. Haftar, who does not conceal his antagonism towards several international actors like Algeria, Chad, Sudan, Qatar and Turkey, appears to be adding more confusion to the already chaotic Libyan politics.

Nevertheless, there are some glimpses of hope. On 7 December 2018, the leader of the GNA, Fayeze al Sarraj, invited Khalifa Haftar to visit the GNA headquarters in Tripoli and discuss unification. Al Sarraj spoke earlier with Haftar on 13 November 2018 when both were at the Libya conference in Italy. In addition, the Chairman of the Libyan High National Elections Commission (HNEC) stated that the referendum for the Libyan constitution is expected to be held in late February 2019.

Given the amorphous nature of the Libyan political dynamics, these electoral processes and dates are by no means written in stone and are to be taken with caution. However, the international community must exert pressures on all parties of the civil war in Libya, and particularly Haftar to come to an acceptable compromise. Failure to do so will likely deepen Libya's descent into the abyss, as the longer the conflict carries on, the more it will represent a significant source of threat in a critical, fragile region of the world.



Libyans, gathered at the al Shuhada Martyrs Square, celebrate the 6th anniversary of Libyan Revolution in Tripoli, Libya. People celebrate NATO-backed revolution that ousted Moamer Kadhafi. (Hazem Turkia - Anadolu Agency)

MENA

Algeria: Are the Chickens Coming Home to Roost?

Algeria is preparing itself for what will be a key year in 2019 with presidential elections in which current president Abdelaziz Bouteflika will be seeking a fifth term in office, despite his ailing health.

The tepid economy is expected to worsen with experts warning that 2019 will see a crisis develop as oil prices rise and the country's reserves deplete. The high levels of public spending in the last ten years cannot be maintained and have rapidly emptied the state coffers. The government has released a draft budget of \$71.9 billion for 2019 to finance free housing programmes, development of agriculture and water, and infrastructure and subsidies on consumer goods, which will result in a deficit of 9.2% of the country's GDP.

In 2019, the state can no longer rely on the recovery of oil prices, and the authorities need to recognise that the current model is running out of steam. Declining oil prices and high government spending has caused Algeria's foreign currency reserves to deplete at an alarming rate. Budget cuts and the expansionary monetary policies that fuel inflation are insufficient and only allow for the government to save time without tackling the underlying problems. Nevertheless, the government will continue to spend significant resources on trying to buy social peace, particularly in light of the upcoming presidential elections.

A number of recent reforms enforced by Bouteflika and the ruling National Liberation Front (FLN) have been interpreted as a purging of figures within the party and governmental apparatuses suspected of disloyalty. Part of the reforms adopted include the suspension of the FLN's governing bodies and the installation of a six-member interim transitional executive body designed to reform the party ahead of next year's party congress. The forced resignation last month of the FLN's Secretary General and one of the key veterans of the independence war, Djamel Ould Abbès, is an indicator of the type of direction the power elite are currently undertaking in order to cement loyalty and ensure the current status quo is maintained.

However, recent tensions between the FLN and the power elite, led by Bouteflika's brother Said and a number of key business figures, combined with dwindling levels of loyalty within the military are an indicator that 2019 may be different. Former civilian and military officials are now being accused of seeking to sow discord with the ranks of the ruling elite. One of those figures suspected is the former intelligence chief General Toufik, and Chief of Staff, Gaid Saleh, who is now facing the threat of enforced resignation over tensions with Prime Minister Ahmed Ouyahia, who previously stated that he has no intention of running against Bouteflika.

Many of the political parties, particularly the practically non-existent opposition, have failed to prepare for the 2019 elections. A consensus for potential candidates is yet to emerge, which is primarily due to the fact that a joint candidacy representing the principal tendencies of the opposition would still be incapable of contesting Bouteflika.

Of the many scenarios that can be expected next year, the likelihood of a postponement of the presidential elections seems to be gathering momentum. Many of the parties, including the most vocal Movement for Society of Peace (MSP), have lead calls for a postponement in the hopes that reforms can be initiated. However, there is no law or article in the Algerian constitution that allows the postponement of the presidential election.

The ailing health of the president, who suffered a stroke in 2013 and has since been wheelchair-bound is likely to remain a permanent source of concern. The possibility that Bouteflika's deteriorating health could potentially lead to his death before the elections has also raised concerns that a coup may be in the works for 2019.

A coup d'état could occur with the military stepping in deeming Bouteflika unfit for leadership. In such a scenario, Saleh would likely seek to remove the current ruling class from their positions, revise the constitution and replace vacant positions. The most likely scenario is that the current status quo will remain in place and the FLN will be victorious. Elections in Algeria have tended to elicit low voter turnout as Algerians have long given up hope of emancipation via the ballot box. However, tensions within the ruling party represent an unstable dynamic that could possibly result in a military coup in which Bouteflika is removed and Saleh steps down from his position to become a civilian president.

The faults of the FLN may give the military enough ammunition to step in and take matters into its own hands, as it did with Liamine Zeroual's presidential appointment in the 1990s.

Reinforcing the current socio-political status quo remains the priority of the regime, however, a looming economic crisis could change all that. A potential scenario next year could involve an uprising – either a people's revolution or a military uprising backed by the people. While this remains a relatively marginal possibility, recent reforms and a crackdown on figures that are seen as a threat to the presidential narrative mean the military may have the incentive to impose their authority if the country begins to spiral out of control, both economically and politically.

Asia

US-China: The Official Start of a New Cold War?

The world has witnessed a deterioration in US-China relations over the past few years, with the two powers clashing over economic and strategic issues, as well as security concerns. There is a strong possibility that 2019 will see US-China relations worsen and potentially lead to the official start of a new Cold War. There are multiple signs are pointing in that direction.

One of these indicators is the ongoing dispute in the South China Sea. The South China Sea is the starting point of the maritime 'silk road' - part of China's 'One Belt One Road' initiative (RBI). RBI is a broad strategic plan that aims to advance multiple fronts of Chinese objectives. It builds upon and adds to existing road, rail, pipeline, telecommunications, port (dry, air and sea) and other infrastructure across many countries, creating new markets for Chinese products and enabling investments of Chinese savings. The strategic importance of the location of the South China Sea in terms of both trade and security as well as potentially large gas and oil reserves in the area makes it an asset not just for the Chinese, but also ASEAN countries and the US. China's claim over much of the South China Sea has led to a trifold conflict between China and the US, China and the ASEAN claimants including Taiwan, the Philippines, Vietnam and Malaysia; and China and the ASEAN as a whole. The ever-intensifying conflict between China and the US threatens to develop into a major conflict, with the US throwing its weight behind the ASEAN claimants and attempting to build alliances in the region à la the Cold War.

Secondly, experts say that the risk of confrontation between China and the US over long-term US ally Taiwan is likely to grow

in 2019 as the US supports Taiwan's claims over the South China Sea in addition to buttressing its independence. US President Donald Trump communicated with then President of Taiwan Tsai Ing-wen in 2016, breaking diplomatic protocol and triggering a warning from Beijing that China-US relations would be damaged if Washington did not respect the One-China Policy. With the US Navy regularly sailing its ships through the Taiwan Strait in late 2018, it may be only a matter of time before the Chinese respond in a heavy-handed way.

Thirdly, even though President Trump and President Xi agreed to call a 90-day ceasefire in their countries' bitter dispute which has seen Washington slap tariffs on \$250bn worth of Chinese goods, and Beijing responding in kind, there have been some troubling signs that the ceasefire may not result in a peaceful solution as more allies get pulled in by the US. The arrest of Meng Wangzhou, the Chief Financial

Officer and daughter of the founder of Chinese telecom giant Huawei, in Canada on the request of the United States has the potential of spiralling into a much larger conflict both in terms of scale and scope. Meng faces the prospect of being extradited to the US to face charges of violating sanctions against Iran. Not long after Meng's arrest, two Canadians, a diplomat and an entrepreneur, were arrested in China.

The timing of Meng's arrest is interesting, as 2018 saw Huawei top Apple in smartphone manufacturing. 2019 faces the prospect of a more overt conflict between the US and China with the possibility that allies on both sides will be forced to clearly choose one over the other in exchange for support.



U.S. President Donald Trump arrives at the Elysee Palace after the international ceremony for the Centenary of the WWI Armistice of 11 November 1918, in Paris, France. (Mustafa Yalçın - Anadolu Agency)



A Kashmiri man wearing Bharatiya Janata Party's (BJP) cap and covering his face with the BJP flag stands outside Sher-i-Kashmir cricket stadium where India's Prime Minister Narendra Modi will address a campaign rally in Srinagar, Kashmir. Modi will address a campaign rally ahead of local elections in Indian-held Kashmir, to boost his Hindu nationalist Bharatiya Janata Party (BJP) to win a first-ever majority in the troubled Muslim-majority region. (Ahmer Khan - Anadolu Agency)

General Elections in India: Discomfiture for Modi?

The Indian General Election is set to take place in April or May 2019. Prime Minister Narendra Modi and his party Bharatiya JP (BJP) stormed to victory in 2014, followed by wins in many state elections, and have managed to conjure an image of invincibility. Even though there are a few reasons to believe that all is not well in Modiville, it is expected that Prime Minister Modi will hold onto power.

The first reason for the BJP to worry is that the Indian National Congress, the main opposition party, has decided to build a strategic coalition of opposition parties with an aim of defeating the BJP-led NDA. However, this may prove to be less of a challenge than expected as the charismatic PM Modi, not Rahul Gandhi (the President for Congress), is still most Indians' favoured choice for Prime Minister according to the most recent polls.

Secondly, the 'acche din', or good days, that were promised to the many segments of Indian society, including farmers, students and others, have yet to come. Additionally, the expected advantages of demonetization have not fully materialized (opposition leaders claim it even backfired) and the implementation of the GST has left many business owners confused and even worse off. However, PM Modi is considered to be a strong nationalist with a clear vision. Even though there are allegations that the BJP has been tweaking economic figures before the general election, the Indian annual economic growth rate is (apparently) still 7.1% - though it has decreased from last year's 8.2%. India's

ease of business rating, however, has improved from 100 in 2017 to 77 in 2018.

Thirdly, PM Modi and his party have gained an international reputation for human rights abuses, particularly against minorities. Minority religious groups and Dalits (lower caste Hindus that account for 16% of the Indian population) may not want to vote for the 'saffron party'. However, based on political calculations, Shiv Sena, a radical Hindu nationalist party, has not chosen to contest the 2019 election in alliance with the BJP. Though that may help the BJP win more minority and moderate Hindu votes, it may also push away BJP's base - the voters who are supporters of the Hindutva ideology.

This may have been one of the reasons behind what happened in Chattisgarh, Rajasthan and Madhya Pradesh, where the BJP unexpectedly lost in state elections in December 2018 - the same ones that were considered a barometer for the general elections. If the same economic issues remain or worsen, for example, if the fuel prices rise or the minimum support prices for the Kharif crops are not properly implemented for farmers' welfare, or communalism continues to thrive and more hostility towards minorities is encouraged, the BJP will most likely lose its majority in the Lok Sabha (India's Lower House of Parliament) in the 2019 Indian general elections. Despite that, the BJP will still most likely remain the largest political force in India.

Asia

US-Taliban Talks: Is There Light at the End of the Tunnel?

There are some cautious hopes that the direct US-Taliban negotiations may be successful in 2019.

Since 2006, attempts have been made by the US to negotiate with the Taliban, pursuing a dialogue with regional Taliban figures as well as with Saudi Arabia and Pakistan. None of these efforts has borne fruit, as the Taliban's primary demand has been the withdrawal of US troops from Afghanistan.

However, US peace envoy to Afghanistan Zalmay Khalilzad has been optimistic about the prospect for a breakthrough in US-Taliban negotiations in the lead up to Afghanistan's Presidential Elections, to be held in April 2019, and the consequent US troop withdrawal from Afghanistan.

Will the US be able to successfully negotiate a peace deal with the Taliban in 2019? There are reasons to be hopeful as it appears both the US and the Taliban are eager for a negotiated end to a conflict that has lasted almost two decades.

The Taliban has made significant gains in its fight against the Afghan military, despite it being supported by roughly 14,000 American and NATO troops. In August 2017, President Trump publicly announced that the Taliban have nowhere to hide and that no place is beyond the reach of the American military. Immediately following the announcement, the US military commander in Afghanistan, Gen. John W. Nicholson, declared that a new US strategy would focus on ensuring that the Taliban would not achieve their objectives through military means, with the hopes that it would force them to renounce violence and reconcile with the Afghan government.

The fact that US military strategy in the country was reduced to preventing a Taliban victory spoke volumes about the lack of strategic clarity. US-backed Afghan troops, meanwhile, continue to lose ground. The reality on the

ground in Afghanistan today means that both the US and the Afghan government cannot afford not to negotiate with the Taliban if they hope to put an end to the long-running conflict.

The Trump administration's announcement that the US will withdraw roughly 7,000 troops (half of the American presence) in the coming months has further complicated the situation, and reportedly stunned Afghan official, who said that they had not been briefed on the plan. While some American officials have said that the troop withdrawal is part of an effort to make Afghan forces more self-reliant, others, such as the incoming Commander of US Central

Command Lt. Gen. Kenneth F. McKenzie, have previously stated that the Afghan military would dissolve if not for American support. There remains the possibility that the Taliban may see this is apparently abrupt withdrawal as an opportunity to further press Afghan forces, who have continued to lose ground to the Taliban. If the withdrawal of US troops proceeds as announced, it is unclear if Afghan forces will

be able to hold off an increasingly aggressive Taliban.

Although it is unclear how the announced US troop withdrawal will affect the administration's negotiations with the Taliban, there remains the possibility that the seemingly abrupt decision to pull 7,000 US troops from the country is in reality part of a trust-building measure designed to bolster peace talks with the Taliban. Some analysts argue that this is unlikely as the US Special Representative for Afghan Reconciliation, Zalmay Khalilzad, said that he had made it clear to the Taliban that the US was committed to Afghanistan. At the same time, the announcement to withdraw troops came just days after peace talks between the US and the Taliban were hosted in the United Arab Emirates. Therefore, the possibility that this represents some sort of coordinated effort cannot be discounted. Ultimately, the devil is in the details, and the interest parties will have to wait to see how exactly the planned US troop withdrawal will play out, particularly in light of the ongoing peace-talks.



Afghan Foreign Minister, Salahuddin Rabbani (C) chairs the second round of four-way peace talks at the Presidential palace in Kabul. A second round of four-country talks aimed at reviving peace negotiations with the Taliban began in Kabul on January 18. The meeting comes as battlefield losses in Afghanistan are mounting and entire swaths of the country that cost hundreds of U.S.-led coalition and Afghan military lives to secure slip back into Taliban hands. Taliban representatives have not been invited to the talks. (Haroon Sabawoon - Anadolu Agency)

Asia

Regardless of the immediate reasons behind the announcement, one possible outcome could be an increased effort by regional players, such as Russia and Pakistan, to increase efforts to bolster stability in the country. With American troops withdrawing, the motivation for Russia to seek stability in the country could become more pronounced as the danger of Afghanistan reverting into a base for trans-national terrorism represents a more immediate threat to Russia than it does to the United States. Pakistan has also recently made overtures that they are interested in cooperating to bring about a peaceful end to 17 years of conflict in Afghanistan. A faster than expected US troop withdrawal may help expedite this process.

The Taliban have long hoped for direct negotiations with the US. They believe that the US is the only power that can ensure the withdrawal of foreign troops from the country and remove international sanctions against senior Taliban officials. For the Taliban, the fact that the US is willing to come to the table translates into a perception that the US may be willing to meet one or both of the demands under the appropriate conditions.

There are other, less obvious signs that the current round of negotiations may amount to something. Firstly, there are talks of the imminent delaying of the Afghan Presidential

Elections, originally scheduled to be held in April 2019. This postponement – if confirmed – is a sign from the US that there is genuine intent for negotiation. Secondly, the Taliban have shown signs of moderation in some of their stances. Examples include the inclusion of women and minorities in their organization in different capacities, as well as adhering to the self-imposed Eid-ul-Fitr related ceasefire in June 2018.

Only a week after criticizing Pakistan on Twitter, President Trump reached out to the new Pakistani PM Imran Khan in December 2018 to ask for Pakistan's help with in negotiations with the Taliban. In addition to being a key regional stakeholder, Pakistan holds some influence with the Taliban, particularly via its Inter-Services Intelligence Agency (ISI). Khan, who enjoys good ties with Pakistan's armed forces, has been publicly propagating dialogue as the means to end the war in Afghanistan since 2001.

Ultimately however, the Taliban's demand that foreign troops withdraw from Afghanistan rests on assurances that Afghanistan will not once again become a haven for terrorists. While a total withdrawal of foreign troops remains unlikely, if the Taliban accept a partial withdrawal, there is significantly higher chance for successful negotiations in 2019



Afghan security officials stand guard near the site where a truck bomb exploded targeting a hotel used by foreign contractors in Kabul, Afghanistan. (Haroon Sabawoon - Anadolu Agency)

Asia

A Denuclearized Korean Peninsula? The Trajectory of US-North Korea Talks

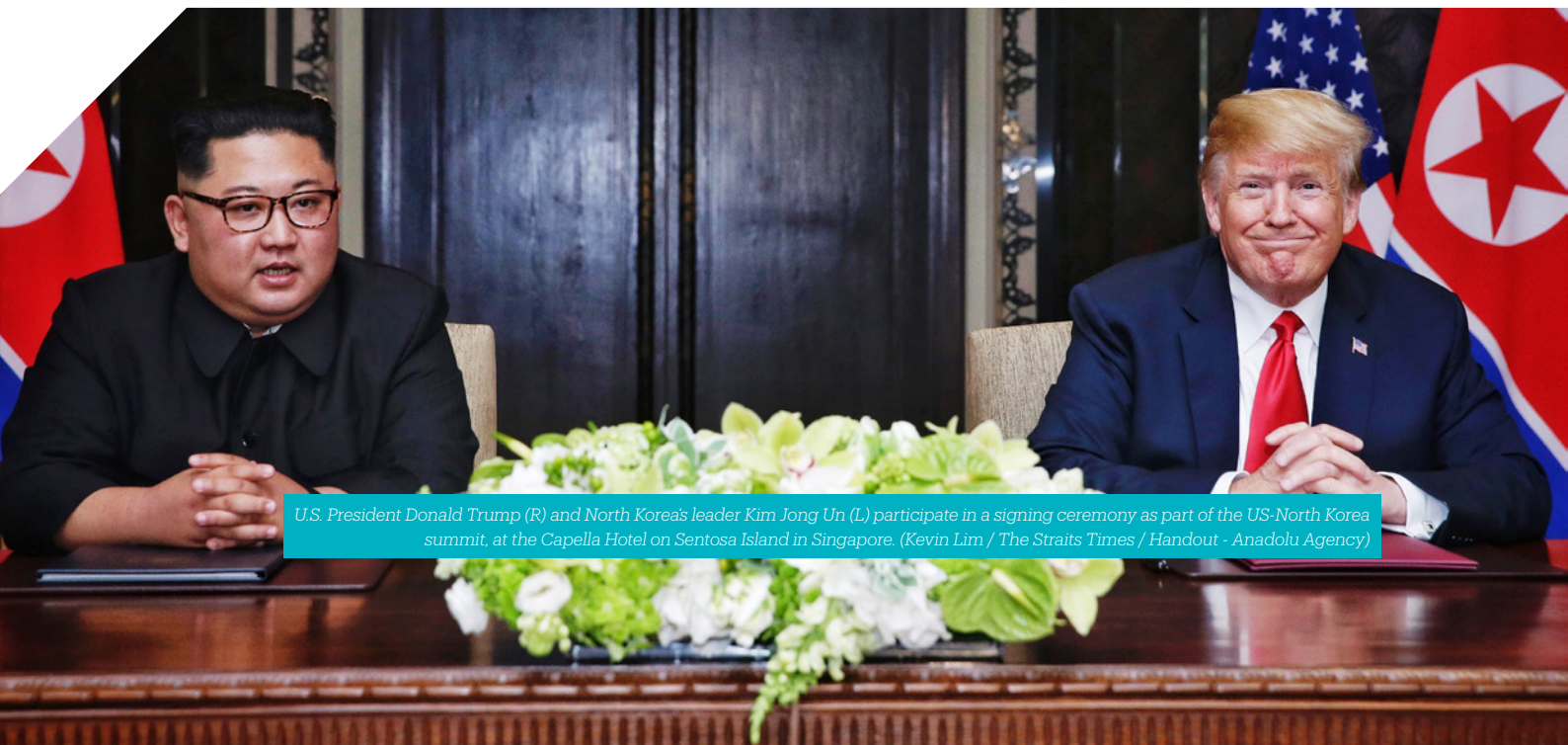
Following the June 2018 summit in Singapore, which saw a face-to-face meeting between US President Donald Trump and North Korean leader Kim Jong Un, a follow-up meeting has been scheduled to be held in early 2019. With officials like US Secretary of State Mike Pompeo hoping to make big strides in the denuclearization of North Korea, will the US-North Korea relationship continue to thaw or will the progress be reversed?

In 2017, President Trump referred to the North Korean leader as the 'Little Rocket Man' and tweeted that North Korea would face 'fire and fury' if it attempts to threaten the US. This period also saw the largest nuclear test by North Korea to date with many experts believing North Korea was close to, or already had the capacity to strike the continental US. This shifted US policymakers' threat assessment for North Korea, as reflected in Trump's rhetoric against North Korea and its leadership. However, following the Singapore summit the missile tests were halted, accompanied a change in tone of both US and North Korean leadership. Some of North Korea's past demands were met, including the cancellation of US-South Korea joint military exercises and the easing of sanctions.

The Singapore summit represented the beginnings of a dialogue between the US and North Korea with the hopes of building a 'lasting a stable peace regime' and getting a commitment from North Korea 'to work toward complete denuclearisation of the Korean Peninsula.' The concrete

results of the summit were marginal, and it remains an open question as to whether or not the denuclearisation of the Korean Peninsula will be realised.

In 2019, though there is a strong possibility that there will be a continuation of dialogue, it is unlikely that a significant breakthrough in the US-North Korean relations will take place. Although experts claim that Kim Jong Un is more serious about denuclearization because of the potential that it could ease economic sanctions it is likely that the denuclearisation in exchange for recognition, aid or removal of sanctions is not on the cards for North Korea in 2019. This is because of three reasons: one, the best predictor of the future is the past. North Korea has, on several occasions in the past, stated that it had no intention to give up its nuclear weapons. Secondly, when US Vice President Mike Pence claimed that the US was looking at the 'Libyan model' for a North Korean nuclear disarmament plan, it instantly garnered a reaction from the North Koreans - they are very wary of going down the path of Libya and are more likely to consider the path taken by Pakistan. Thirdly, and most pertinently for 2019, the Chinese-North Korean relationship that had cooled over the past few years is warming considerably now and will continue to do so in the future, given currently strained US-China ties. China, being North Korea's largest economic partner by far, has the potential to apply significant pressure on the rogue state, but will most likely not do so as long as relations with the US remained strained.



U.S. President Donald Trump (R) and North Korea's leader Kim Jong Un (L) participate in a signing ceremony as part of the US-North Korea summit, at the Capella Hotel on Sentosa Island in Singapore. (Kevin Lim / The Straits Times / Handout - Anadolu Agency)



Indonesian voters cast their ballots during regional officials elections in South Tangerang, outside of the capital Jakarta, Indonesia, on December 09, 2015. Indonesia held for the first time stage simultaneous regional elections in more than 250 provinces, districts and cities to vote for the regional officials who will lead them for the next five years. (Agoes Rudianto - Anadolu Agency)

2019 Indonesian Elections: A Game Changer?

Indonesia, the world's largest Muslim majority country, has a thriving economy as well as an active democracy. It is officially a secular country, and often touted as one of the most tolerant Muslim nations with no clothing restrictions or bans on alcohol. However, with political Islam taking over more political space, the next Indonesian elections, set to take place in April 2019, may not be an easy win for the incumbent President Joko Widodo, whose religious credentials have often been criticised for being not 'Muslim enough'.

The race is between President Joko Widodo and Prabowo Subianto, who was also the former's opponent in 2014. Though President Widodo's popularity ratings were very high a year before the election, there are fears that his opponents are using Muslim identity politics to stoke ethnic and religious sentiment in a country where 87 per cent of the country's 266 million citizens are at least nominally Muslim and where few dare criticize religious ideas. Social media is also being exploited by hard-line opponents who accuse the president of being a closet Christian or a communist.

The rising political temperature in the otherwise religiously tolerant country was evident on 2 December 2018, the second anniversary of the '212' protests in 2016, when thousands demanded the resignation of a popular Chinese

Christian politician, Basuki Tjahaja Purnama known as Ahok, for alleged blasphemy, a clear sign of identity politics taking root in Indonesian politics. This year, the same thousands were demanding the resignation of President Widodo for supporting Ahok.

The "Islamic Defenders Front", known by its Indonesian initials FPI, appears to be led by a 52-year-old cleric named Muhammad Rizieq Shihab, commonly known as Habieb Rizieq. Rizieq is currently in self-exile in Saudi Arabia.

The recent influence of identity issues on Indonesian politics was most evident when Sukmawati Sukarnoputri, the sister of former President Megawati Sukarno, the head of the Indonesian Democratic Party of Struggle, or PDI-P, President Widodo's political party, had to publicly apologise for a nationalistic poem she had written 19 years ago, which was characterised as having 'offended Muslim sentiment'.

However, the most telling sign of pressure on the incumbent, a pluralist and nationalist figure, is that he picked Ma'ruf Amin, a conservative Muslim cleric, as his vice-presidential candidate. While this move has helped reduce criticism from certain reactionary quarters, this decision may further accommodate the rise of conservative groups in Indonesian politics in 2019 and beyond.

Europe

The Brexit Saga: A Bridge too Far? (Political)

A referendum in the UK was held on Thursday 23 June 2016 on whether or not the country should leave or remain in the European Union. 51.9% of the 30 million which voted chose to leave the EU-48.1% voted to remain- and so the process for Britain's exit or 'Brexit' began.

As has been the case since 2016, Brexit will continue to dominate British politics in 2019 particularly in the lead up to March 29th. Back and forth negotiations have caused much contention in Parliament and has further divided the 'remainers' and 'leavers'. The complexities of the deal, particularly on how Northern Ireland will be affected by Brexit, has made this process particularly difficult for Prime Minister Theresa May.

2019 will most likely see some form of a deal reached by March 29th. The deal reached will allow for a transition window of just under two years to negotiate the two significant issues of Britain and the EU's free-trade agreement and the avoidance of a hard border with Ireland and flow of goods with Northern Ireland.

Brexit's transition in 2019 will occur at a time when Brussels prepares for elections and the formulation of a new European Commission. The EU will be looking maintain its dominance in the Brexit process, and to make an example out of Brexit in order to deter other members from following suit through any further deal which may be to the detriment of the EU. 2019 looks to be a volatile period for financial markets and economies particularly with EU members weighed down by debt and the vulnerability of the European banking system.

A new trade deal will not be able to be ratified within the 21-day transition window so it is likely the Brexit process will be further delayed. Looking at how precarious the process of negotiating the best exit deal for the UK has been, it is likely that after March 29th, similar divisions and delays will ensue. What is certain is any decision will likely have materially adverse consequences for the British economy at its onset.

The Withdrawal Agreement, agreed at the EU Summit on 25 November, highlighted the UK's 'backstop' Ireland border solution which would see it enter a customs union with the EU, maintaining a "level playing field". The British cabinet agreed on the Withdrawal Agreement text but have yet to vote on the deal. The next step is for MPs to vote on the deal and, if passed, the European Parliament will then vote on the deal in 2019 before the Brexit deadline.

In the unlikely case of a no-deal, business expenditure would weaken overseas investment. Exports would also struggle as trade would no longer be covered by the EU's Free Trade Agreement and the Sterling would weaken, further provoking inflation. UK ports would have to have a system in place whereby they check all goods entering the UK - which they are currently ill-prepared for - which in turn will affect the number of imports, potentially triggering a recession.

May became PM following David Cameron's resignation in 2016 and then was forced to depend on the Northern Irish Democratic Unionist Party after calling a snap election in 2017. Disagreements over the negotiating process and outcomes have cast doubts on May's ability to lead the Brexit process. A vote of no confidence was undertaken in December 2018, which May was able to contest successfully, despite the reservations regarding her plan so far.

It is likely that 2019 will see May's leadership challenged once again by those waiting for the deal to pass and for Article 50 to be actualised. If May is ousted, current home secretary Sajid Javed, environment secretary Michael Gove or foreign secretary Jeremy Hunt will be potential contenders for the leadership of the Tories. The precariousness of the last two years has strengthened Labour's position but they will most likely have to bide their time until 2022 if the Conservatives continue to put faith in May's leadership. 2019 is likely to reflect a time of historic uncertainty for the UK.



Pro-brexit and pro-remain protesters demonstrate outside UK parliament in London, United Kingdom on December 11, 2018. After British Prime Minister Theresa May postponed a House of Commons vote on the Brexit deal she is in a one day tour of Europe meeting with European counterparts and EU officials today hoping to get some new concessions. (Tayfun Salci - Anadolu Agency)

Europe



Thousands of people take to the streets in a series of 'March for Europe' rallies in protest against the referendum vote to leave the EU, in London, United Kingdom. The demonstrations in London, Oxford and Cambridge are demanding a pause in the Brexit process and call for tight economic, cultural, and social ties with the rest of Europe. (Kate Green - Anadolu Agency)

Europe

Brexit's Potential Economic Fallout

How Brexit will be remembered in history will depend mostly on its economic consequences. This is because one of the prime motivations behind Brexit vote was an economic one. Decreasing real wages and rising inequality in an age of deindustrialization and the rise of under-regulated finance has created legitimate anger, especially among wage-earners. Many working-class Britons believe that Brexit will take them back to the good old days of industrial Britain. However, looking across the range of studies, Brexit seems to be the wrong way of taking this journey 'back to the future'. What the UK needs is reform from within.

There is almost universal consensus, including proponents of 'leave', that there will be a short-term negative shock to the British economy after leaving the EU. Most studies also predict that there will be a long-term loss of GDP for the UK economy compared with the status quo projections of remaining in the EU and its single market.

The risks involved for the UK are obvious. European trade is the lifeblood of the British economy. According to the official figures, the EU is the UK's biggest trading partner, accounting for nearly half of all exports in 2016, while imports from the EU were worth more than imports from the rest of the world combined.

The export of manufactured goods to the EU were worth £145 billion in 2016, or 74% of GDP. Trade in services is particularly important because about 80% of the British economy is oriented towards providing services. Financial services contributed more than a quarter of the UK's services exports to the EU (£27 billion out of £90 billion).

Needless to say, Brexit does not mean that all this trade and jobs will be lost. After all, there are many non-member countries which trade in vast amounts with the EU. Terms of trade and the level of restrictions on the UK will depend on the negotiations.

The EU also seeks to make an example of the UK in order to send a strong signal to other members who may consider leaving the union. With anti-EU

feelings rising in Italy, France, and Central Europe, the EU risks further economic disintegration.

The main reason why people voted 'exit' is because they feel disadvantaged by the rise of services, at the expense of manufacturing jobs and an accompanying reduction in working conditions and minimal real wage growth have.

The average increase in real pay was around 2.9% in the 60s, 70s, and 80s but the rate fell dramatically to just 1.51% in 90s. In the 2000s, the average increase dropped further, to 1.21%, and in the current decade, the rate is even negative, at -0.87%. UK workers suffered a 5% loss in real wage in the 5 years before Brexit vote, making it one of the worst performances in the OECD, second only to crisis-hit Greece.

Between 1970 and 2016 the manufacturing share in nominal GDP fell from 25% to below 10% in the UK. Similarly, the share of total employment in manufacturing has more than halved since 1980 and dropped to 7% in 2017. The manufacturing sector lost 600 000 jobs between 2007 and 2017.

While the two trends may or may not be directly correlated, many people are angry with decades of faltering real wage growth and increasing inequality.

The overwhelming support for 'leave', particularly in small-town Britain as well as among pensioners reflects the sense of nostalgia for good old days. 'Leave' voters dominated small towns and the Northern cities while the metropolitan cities mostly voted 'remain'. Similarly, Brexit has been the choice of the older generation. While 75% of under 25s voted to remain, 70% of over 65s voted for Brexit.

Brexit feels like a bad solution to a very real problem. The effects of Brexit will be felt by almost all the segments of the society negatively. So, Brexit is unlikely to provide voters with what they voted for. The UK's problems should be tackled with economic reform from within; reforms that address the issues related to austerity, housing shortages, employment, NHS underfunding and more, but not by cutting strategic trade ties.



Europe

The Russia-Ukraine Conflict: A Downward Spiral of Escalation?

The Sea of Azov and the Kerch Strait increasingly represent points of contention between Ukraine and Russia. The fact that the sea is legally shared by these two countries complicates the issue, making the resolution of the conflict a remote prospect. Russia's construction of the Kerch Strait Bridge that links Russian mainland and the peninsula has allegedly restricted some Ukrainian sea traffic. In November 2018, Russian forces shot at and seized three Ukrainian navy vessels in the Black Sea, only exacerbating a major escalation of tensions between two countries.

The Ukrainian presidential and parliamentary elections are scheduled in March and October 2019 respectively. Taking into account the propensity for alleged Russian electoral interference seen past elections in the US for example (the first charges relating to Russian interference in the US election have now been laid), the risk of electoral meddling is considered high. The Kremlin undoubtedly will seek to influence both elections. It is in the EU's interest for any potential Russian attempt to manipulate the outcome to fail because the election of a pro-Russian candidate will only blur Ukraine's course of intentions regarding European rapprochement. The outcome of the elections and the outcome of the Moscow's interventions will impact the future of Ukraine's relationship with the EU.

The relationship between Russia and Ukraine regarding the export of Russian natural gas has been complicated by the ongoing crisis between the two countries, with potentially significant impact for Europe. Russia has declared on several occasions that it intends to stop using Ukraine as a transit country for the export of gas to Western markets. On July 17, 2018, in Berlin, Ukraine, Russia and the European Commission held trilateral talks on gas transit through Ukraine for the period after 2019. These talks aimed at securing terms for the transit of Russian gas via Ukraine after their 10-year agreement expires at the end of 2019.

However, Moscow hopes to have its Nord Stream 2 pipeline and TurkStream link ready by the end of 2019 minimizing transit via Ukraine, with the aim of reducing it to zero. Failure to reach common ground would result in supply disruptions. If this happens, a major hole will open in the Ukrainian economy, which Europe and the United States do not appear to be prepared to fill.

The aggression that Russia unleashed against Ukraine in 2014 showed Moscow will keep supporting separatists in the southeastern Donbas region. As the war in Ukraine drags into its fifth year, there is still no end in sight. The Russian operation against Ukrainian military personnel and capture of 24 Ukrainian sailors in November 2018 is a clear

escalation. Ukraine, in response, has declared martial law in ten regions, made good on promises to create an independent Ukrainian Orthodox Church, and ended a treaty of friendship with Russia that was still in force.

Observers said the incident could lead to a fresh round of sanctions by the US and Europe against Moscow and their opposition to the

Kremlin's proposal for a referendum to settle the status of the Donbas. An outcome in favour of Russia in the Donbas would give the Kremlin powerful authority over Ukrainian politics and shake the very concept of sovereignty of Ukrainian statehood.

In spite of the fact that Ukrainian military power hardly presented a threat to the Russian navy, the Kremlin has maintained its aggressive posture, as demonstrated by the most recent altercation in the Black Sea. This shows that it seeks total control of the waters near Crimea in spite of international condemnations and treaties to the contrary. The incident in the Black Sea is a powerful reminder that the tensions between two countries are not part of a forgotten conflict, and that tensions can flare up with little warning.



Ukrainian far-right groups attend a rally as they burn flares demanding to set martial law in the country and to cut diplomatic relations with Russia, after Russian navy seized three Ukrainian ships off near the Crimea, in front of the Ukrainian Parliament in Kiev, Ukraine. (Vladimir Shtanko - Anadolu Agency)

Europe

France: The Storm of Social Discontent is Brewing

The 'gilets jaunes' - or "Yellow Vests"- are the symbol of mass protests in France against President Macron and his economic policies. This is symbolism at its best, as it reflects the protestors' common economic background and not much else. The protesters overwhelmingly hail from the working and middle classes, however, they have different political leaning and demands from the government. They are primarily influenced by personal economic grievances and seek change in the established order. This deep feeling of resentment connects the Yellow Vest movement to a rising trend of economic discontent and populism in the West, including Britain, Italy, US and, to a lesser extent, Central Europe.

The Yellow Vests transformed a protest against a new eco-tax on fuel into a weeks-long resistance against anything that represented the established economic order. What ties them together is anger towards the existing institutions, which they see as incapable of offering a bulwark against economic insecurity.

A lot of that anger is now targeted at President Macron. Macron's background in investment banking does not help him connect with the protestors much. Neither does his style of leadership, as he is overwhelmingly accused of being arrogant and out-of-touch. After four weeks of protests, Macron finally addressed the nation and decreed a "state of social and economic emergency" in France.

Specifically, the president pledged to raise the minimum wage by €100 per month and reverse an unpopular levy for pensioners with incomes less than €2,000 per month. Moreover, overtime work and end-of-year bonuses will be tax-free. The minimum wage raise will be financed from the state budget. The fact these measures will cost the state €8-10 billion euros is held by many to be an indication that years of austerity in France are coming to a close.

Seeking to divert responsibility for the issues underlying the protests, Macron stressed that the protests were the result of long-simmering problems that pre-dated his mandate. "These are forty years of malaise that have come to the surface," he said. The 40-year old President, a little over 18 months into his presidency, has some validity in this claim. The high-tax, low-inflation and weak-growth policies are not his inventions but part of the economic paradigm that has prevailed over the last 40 years. Simultaneous protests in Brussel and Amsterdam prove that these issues are not restricted to France.

This fierce resentment of existing institutions is spreading across many Western countries for similar reasons. People feel economically marginalized by neo-liberal policies. Real economic growth has stagnated under austerity while income inequality has continued to rise in most advanced countries. Politicians have struggled to explain the fact that the rich continue to get richer, while middle class and low-income earners continue to lose purchasing power. Macron has done an especially bad job in this regard. Overwhelmingly, people feel they are overburdened by tax, with little return.

It is not ideology but this deepening economic insecurity and distrust in the established order which leads to rising populism in the west. Political action is now primarily motivated by issues that impinge immediately and tangibly upon private economic life, which in turn shifts the economic paradigm. As demonstrated by the recent elections in Italy, the austerity paradigm is dying in Europe. Many also feel that Brexit indicates that the EU is headed towards further economic disintegration.

The Yellow Vest movement, which has thrown France into turmoil, is just the latest scene of growing economic discontent in the West. The popular support enjoyed by the Yellow Vests implies that the protests are likely to continue. Currently, European political crises are one of the top risks for global markets heading into 2019. Unless decreasing purchasing power, gnawing financial insecurity, and rising inequality are addressed, those who had been personally affected by unemployment or eroding purchasing power, will continue to retaliate against establishment politics.

For too long, economic decisions made by politicians have had little to do with privately experienced economic grievances. Rather, they stemmed from general business conditions, which do not necessarily have direct consequences, for the better or worse, in the lives of the vast majority of citizens and, more powerfully, by judgments about the relative well-being of the financial markets.

Now, the people are demanding that the connection between the economic conditions of ordinary citizens and politics be strengthened. Political judgment should be based on a more collective mentality and a consideration that goes beyond merely how stock markets move. This is not the first time mass uprisings have led to a new economic paradigm. In the process, the West may have to reinvent the welfare state, which gives lower classes better protection from economic insecurity.

United States

Is the US Headed Towards Another Financial Crisis?

2018 was marked by strong U.S. economic growth, supported by a fiscal stimulus from federal tax cuts and spending increases. In turn, unemployment dropped to an 18-year low. However, a decade after the most significant global financial crisis since the great depression, many analysts point out that the fiscal-stimulus policies that are currently pushing the annual US growth rate above its potential are unsustainable and the next great recession may be looming.

It is a little embarrassing for economists to admit that we actually know very little about business cycles except that they are very real. Seven fat years are always followed by seven lean years so the saying goes. However, the fact remains that we know very little about the timing or the depth of the next recession cycle; the lean years. Many believe that after nearly nine years of expansion -the second-longest in U.S. history-, it is time for the US to expect a downturn.

A survey by J.P. Morgan, for instance, showed that about half of all the ultra-rich clients – i.e. those with more than \$30 million of investments – expect a recession within the next two years. They may not be necessarily right but the trouble with financial markets is that when everyone expects something to happen, it usually does.

It is typically when growth rises above its natural level that the Federal Reserve raises interest rates in order to cool the economy down and avoid inflation. However, when the economy shifts into lower gear (and it always does), consumers and investors who were buying into the growth euphoria may face a large stock of debt along with increasing costs of revolving the debts-i.e. the interest rate. Without fast growth and increasing real wages, it is likely that both investors and consumers will not be able to pay back their debts.

Recessions take place after an outbreak of pessimism. A classic signal that pessimism is rising is the closing gap between the yield on 10-year Treasury bonds and the yield on 3-month Treasury bills –known as the yield curve. 10-year Treasury bonds usually pay a noticeably higher interest rate than shorter-term notes because they involve greater inflation risk. But, the difference between the long and short bonds flattens out if people think that there are troubles ahead so the economy will slow down or inflation will go up. With the yield curve narrowing

since September and likely to invert early 2019, many believe a recession may be looming on the horizon. Adding to concerns is Trump's uneasy relationship with key institutions, including the Federal Reserve, as well as members of his own cabinet. The fact that financial markets reacted (negatively) almost immediately to the resignation of Secretary of Defence, James Mattis is indicative of the financial jitters Trump's unpredictability has the power to cause. He has recently mused about firing the head of the Federal Reserve, Jerome Powell, and some experts believe that 2019 could be the year he follows through on his threat, with the potential to drastically increase volatility, thereby potentially unleashing financial chaos.



United States

The biggest reason for rising pessimism is largely due to the increasing prevalence of trade disputes. Days after the U.S. and China agreed on a temporary cease-fire in their trade war, Canada's arrest of the Huawei CFO undid the confidence that had been generated. The Trump administration's trade disputes with China will likely escalate in 2019, and likely to extend further towards Europe, Mexico, Canada and others, leading to slower growth and higher inflation. Other factors include slowing growth in other parts of the world, especially emerging market economies, and President Trump's pressure on the Fed to keep interest rates lower.

Yet, The downturn need not be too serious. The optimistic outlook of American tech companies and the energy industry may well prevent the US from going into a recession. Overall, the depth of the recession will mostly depend on the competence and timeliness of the policymakers, especially the Fed, in responding to the market signals.

However, unlike in 2008, the US administration may lack the policy tools to confront the next downturn because there will be insufficient space to rescue the economy by cutting interest rates or raising public spending. The space for fiscal stimulus is already limited by massive public debt. US public debt recently hit 105% of its GDP, amounting to more than \$20 trillion, compared to only 64% in the first quarter of 2008. Ratios at these levels have not been seen since World War II.

With the overall debt levels this high, investors will be less willing to buy US bonds unless the Fed continues to raise interest rates. This, in turn, rules out the chance of a quantitative easing. So, the government may not be able to prevent a free fall this time.

There will be a downturn and 2019 is as good a time to expect it. The US Stock Market is already buying the possibility that a downturn is near. The only question is how deep it will be, and how long it will last. It may not be a perfect storm, but it will certainly affect the 2020 elections.



The 'Fearless Girl' statue, a four-foot statue of a young girl, defiantly looks up the iconic Wall Street 'Charging Bull' sculpture in New York City, United States. 'Fearless Girl' statue was installed in front of the bronze 'Charging Bull' for International Women's Day earlier this month to draw attention to the gender pay gap and lack of gender diversity on corporate boards in the financial sector. The statue will remain at her post until February 2018. (Volkan Furuncu - Anadolu Agency)

Africa

Nigeria: High-Risk Elections for 2019?

More than 10 national elections are scheduled to take place in Africa in 2019. All member states of the African Union (AU) are required to hold regular elections and allow observers from the AU to monitor them. Nigeria, Africa's economic powerhouse, is expected to hold fiercely contested presidential and parliamentary elections in 2019.

What happens in Nigeria is important for Africa and the rest of the world. It is Africa's most populous country and the continent's largest economy. Nigeria's upcoming February 2019 elections are among the most significant events scheduled to take place in Africa this year.

The country will elect its President, House of Representatives & Senate, however, Nigerian democracy is far from secure. In fact, recent governors' elections have proven Nigeria's fragility as a democracy. Negative political interference and widespread corruption are creating numerous problems which have the potential to ignite violence. For example, in the Ekiti gubernatorial election in July 2018, party officials engaged in flagrant vote-buying operations. In September Osun gubernatorial election, All Progressives Congress (APC)—the ruling party—dispatched 40,000 police officers to the polls, a move widely believed to be excessive and considered as voter harassment.

75-year-old President Muhamadu Buhari, who spent much of 2017 receiving medical treatment in the UK, is standing for a second term. In 2015, when he unseated the People's Democratic Party (PDP), which had governed Nigeria since 1999, people hoped he would crush both the corruption and Islamist militant problem in the country. This time around Buhari faces stiff competition

Atiku Abubakar—a billionaire businessman, former vice-president, three-time presidential aspirant and APC defector—in the February polls. The two men offer very different visions for the country: Buhari emphasises on the fight against corruption but has been very slow in implementation. Abubakar is marred by corruption allegations but has the upper hand in political and business deal-making.

The February election will take place amid violence and insecurity in many parts of the country. Nigeria struggles with the brunt of Boko Haram, which has engaged terrorist campaigns across the country since 2009. Islamic State/Daesh in West Africa (ISWA), which split from Boko Haram in 2016, is also waging deadly terrorist violence in the country. Conflicts between farmers and herders have claimed the lives of more Nigerians than Boko Haram in 2018. The country's economy remains shaky, according to the World Bank, with more than 10 million young people unemployed. Criminal gangs increasingly target the oil-rich Niger Delta, which could accelerate the weakening of the already sluggish economy, slowed by oil production disruptions and agriculture sector contractions. No matter who wins the election, the new president will have to address these problems and work towards improving the economy. However, many Nigerians believe the February polls will change little.

An election dispute would most likely derail a peaceful transfer of power and result in violence. In 2011, post-election violence killed more than 800 people. A similar tragedy was prevented with the help of the international community in 2015. The 2019 election will similarly require the same precautionary measures.



Africa

An election dispute would most likely derail a peaceful transfer of power and result in violence.



Supporters of the main opposition All Progressives Congress (APC) presidential candidate, Mohammadu Buhari celebrate as Buhari is leading in presidential elections in Kano, Nigeria. (Mohammed Elshamy - Anadolu Agency)



Syrian kids play outside their tent in Hatay's Reyhanli district, Turkey on November 15, 2017. Thousands of people including kids fled their countries due to ongoing civil war and settled in Turkey for the last seven years. Some of Syrian refugees stay at rental houses whereas others stay at tents. (Cem Genco - Anadolu Agency)





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