



**Hermes Institute of
International Affairs,
Security & Geoeconomy**

GREECE AT A GLANCE



HELLENIC FOREIGN POLICY, DEFENSE & SECURITY DIRECTORATE

«GREECE AT A GLANCE» is a weekly review of the most significant current political, economic, defense, and security, diplomacy and energy news of Greece.

This ambitious newsletter aspires to become an informative «tool» for anyone who is interested in Greece and wishes to have knowledge of the non-stop current developments and challenges the country faces. Greece has a highly geostrategic and geopolitical position on the map, being together with Cyprus the southeast frontier of the European Union and the gate between the western world, the Middle East and North Africa.

Lately, Greece has been in the center of a financial crisis fighting to «stand at its feet» and to return back to economic normality. At the same time, the war in Syria made Greece the main gate towards Europe for large flows of refugees, posing another humanitarian and security challenge for the country in an already difficult and challenging international and regional environment.

«HERMES» Institute is not a news agency and it is not one of its ambitions to become one but it is strongly believed that today's events provide the necessary material to understand the future and to analyze situations that may affect in peace, stability, and growth of Greece.

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POLITICS

Yanis Varoufakis launches political party

Yanis Varoufakis, Greece's former finance minister who transfixed Europe with his unconventional style at the climax of the debt crisis, has launched a new party MeRA25 promising to free his country from debt bondage.

His goal is to mount a pan-European movement by 2025 that will overturn the European establishment which, in his words, "is becoming ever more toxic, class-oriented, powerless and discredited."

Varoufakis broke ranks with Syriza in July 2015, after the party capitulated to a third bailout loan with more austerity terms attached.

(www.aljazeera.com)

ECONOMIC

Greece concludes sale of 67 percent stake in Thessaloniki Port

Greece concluded the sale of 67 percent stake in Thessaloniki port, the country's second-largest, to a German-led consortium, its privatizations agency said.

Deutsche Invest and its partners, France's Terminal Link SAS and Cyprus-based Belterra Investments, signed the deal in December. The sale is part of a privatization scheme Greece has agreed under its latest international bailout.

The deal is worth 1.1 billion euros, HRADF said, and the consortium has already paid 231.9 million euros to take over the port as well as agreeing to spend at least 180 million euros to upgrade its infrastructure within seven years.

(www.reuters.com)

European bailout fund approves €6.7bn loan for Greece

Europe's bailout fund has approved a €6.7bn loan installment to Greece as part of its third international rescue program.

The European Stability Mechanism said the approval came following the Greek government's completion of a series of required reforms.

The funds will be used to service the country's debt and clear domestic arrears.

The ESM said an initial fund of €5.7bn is to be disbursed on Wednesday.

The remainder, to be used for clearing arrears, may be disbursed after May 1st if the country "makes progress in reducing its stock of arrears".

(www.esm.europa.eu)

Greece's Aegean Air makes 4 billion euros Airbus jet order

Greece's largest carrier Aegean Airlines picked Airbus for an order of 42 aircraft worth 4 billion euros to renew its fleet of single-aisle planes and add capacity for future expansion, executives said on Wednesday.

The order is the largest by a Greek carrier and one of the biggest investments by a private Greek company since the country's debt crisis erupted in 2010.

Seeking to reduce maintenance costs, Aegean, a member of the Star Alliance airline group, had been considering the Airbus A320neo or Boeing's 737 MAX, with its people working on the project for the last 12 months.

"Today is a very important day for Aegean," Vice-Chairman Eftychios Vassilakis said during a news conference. "We confirmed our commitment to improve our competitiveness by signing a deal for an order of up to 42 aircraft."

(www.reuters.com)

DEFENSE & SECURITY

Turkish court rules to keep 2 Greek soldiers in jail after EU calls for their release

A Turkish court ruled against the release of two Greek soldiers charged with espionage and illegally entering the country, according to Turkish media reports.

Both the privately run Dogan news agency and state-run Anadolu Agency reported the decision of the local court in the city of Edirne near the Greek border.

Anadolu said the court had ruled there was enough evidence to fear that the two men would flee if granted bail.

(www.dw.com)

PM: Greece relies on EU support in case of soldiers detained in Turkey

Greece's prime minister said that Athens would continue bilateral efforts to resolve the issue of two Greek soldiers detained in Turkey but also depended on its EU partners for their support.

The two soldiers were detained this month after crossing the border into Turkey in bad weather. Greece says the incident was the "result of a mistake" and has asked for their swift return.

Tsipras, speaking at an EU summit in Brussels, said he had assurances from the heads of the EU Commission and EU Council that the issue would be raised with Turkish President Recep Tayyip Erdogan during talks in Bulgaria. "We will continue our efforts through bilateral channels, but at the same time, we depend on the official and open mobilization of our partners, our allies," Tsipras said.

(www.reuters.com)

President says Greece will protect borders as Ankara intensifies rhetoric

President Prokopis Pavlopoulos sought to send another firm message to Ankara amid increasingly hostile rhetoric from across the Aegean as a Greek military readiness exercise got under way in the southern Aegean.

“Greece will strongly support its borders and those of Europe,” Pavlopoulos said during a visit to the Salamina naval base, repeating that “there are no gray zones” in the Aegean. Defending “international legitimacy... is not simply our right, it is also our duty to the international community,” he said.

The president, who was accompanied by Defense Minister Panos Kammenos, once again called on Turkey to respect international laws and treaties, noting that the only issue of dispute between the two countries relates to the delineation of the continental shelf.

Pavlopoulos said he observed the “readiness of the country’s navy to defend our national sovereignty and borders, and consequently the borders of the European Union.”

Kammenos had ordered the one-day exercise, code-named Pyrpoltis (Fire-raiser), to be carried out in the Aegean, northwest of Rhodes, following a long meeting with military officials on Tuesday night, during which the recent activity of Turkish armed forces in the region was discussed.

The exercise involved a Hellenic Navy frigate, assault and transport helicopters and a Zubr military hovercraft carrying members of the special forces, and also saw the participation of Hellenic Air Force planes.

The aim of the exercise was to test the readiness of Greek armed forces in a crisis scenario, such as the need to recapture an islet. It was completed successfully at the end of the day without any signs of Turkish transgressions of Greek air space or territorial waters.

However, Turkey’s National Security Council issued a stern message on Wednesday, toward Greece as well as the European Union and US, declaring that it will not give up its claims in the Aegean, the Eastern Mediterranean and northern Syria, where Turkish troops have occupied Afrin.

According to Skai, the council said Ankara’s demands would not change and suggested that Greece was not behaving like a good neighbor.

(www.skai.gr, www.ekathimerini.com)

Military parade marks Greece Independence Day

Greece commemorated on Sunday the 197th anniversary of the 1821 War of Independence against the 400-year Ottoman rule with the annual military parade in the center of the capital. Student parades were held Saturday across the country.

Greece stepped up its rhetoric against Turkish expansionist aims in the Aegean, with the defence minister saying any Turkish attempt to impinge on Greek national territory would be crushed.

The minister, Panos Kammenos, made the statement after a military parade here in Athens to mark Greek Independence Day. It was on 25 March 1821 that the Greeks began their war of independence against the Ottoman Empire. Kammenos also warned Turkey against reviving Ottoman ideas. Other political figures, including Prime Minister Alexis Tsipras, delivered similar warnings.

Souring the atmosphere is the continued detention of two Greek soldiers in a Turkish jail after they strayed across the border more than three weeks ago. Kammenos called the detentions completely illegal and called on Greece's European partners to pressure Turkey into freeing the two Greek servicemen, whom most Greeks regard as political hostages.

Kammenos concluded his comments by saying that if the Turks continued their aggressive actions, they ought to go back to Central Asia where they came from – a remark that surely would not go down well in Ankara.

Security services avert plan to install Gulenists in Greece

Greek security services averted a plan to install in Greece supporters of Fethullah Gulen, the exiled Turkish cleric accused by Ankara of orchestrating the failed coup in 2016, according to information obtained exclusively by Kathimerini.

According to that information, those supporters of Gulen, who lives in self-imposed exile in the US, had planned to set up accommodation in Greece to host members of the cleric's movement who have fled Turkey.

Three US nationals of Turkish origin, believed to have had a leading role in this plan were stopped at Athens International Airport.

The three had arrived on a commercial flight from the US but, following an inspection by authorities at the airport, were obliged to return for reasons of national security. Due to the sensitivity of the case, it was handled with great secrecy by a small team of government officials.

(www.ekathimerini.com)

DIPLOMACY

Trump speaks of “bonds of history and culture” between Greece and the US

Greek Independence Day is an occasion to remember the historical and cultural values that bind Greece and the United States, US President Donald Trump said.

Speaking at a celebration for the March 25, 1821, anniversary at the White House, Trump said that the event was an occasion to “take renewed confidence that whatever challenges we might

face anytime in the future, we will face them together as members of a great community of nations.”

“Like our ancestors, we too shall draw strength from the bonds of history and culture that united our countries and shape our destinies,” the American president told a gathering of hundreds of prominent members of the Greek American community.

Thanking his guests, Trump said that Greece’s “enduring influence” is evident not just in the principles that have shaped western civilization, in culture, science and architecture, but also “through so many Americans of Greek descent who contribute so much to this nation that we love.”

Noting that Greek Independence Day has been celebrated at the White House since 1987 and will continue to do so for years to come, Trump quipped that he will only be there “for another seven.”

Trump also expressed his “deep gratitude” to Archbishop Demetrius,” describing the head of the Greek Orthodox Archdiocese of America as “highly respected and a great gentleman.”

The archbishop, for his part, thanked Trump for the invitation, saying that by hosting the celebration the American president was “honoring the spirit of freedom and human dignity that wells in the hearts of all humanity.”

“Our American Declaration of Independence speaks of truths that are self-evident. It is a paradox that such self-evident truths are often the ones that we must advocate most passionately and defend more strenuously time and time again, frequently with enormous sacrifices,” Archbishop Demetrius said. “The Greek War of Independence is a prime example of this.”

“Mr President, we are grateful that you share these vital American and universal principles and we kindly ask that you continue to affirm them all the more in this troubled world,” the archbishop said.

“We further ask for your special care and attention to the continuous injustices suffered by our Ecumenical Patriarchate of Constantinople in matters of full religious freedom,” he added.

The archbishop also called on the US president to “speak on behalf of all of us for a fair and equitable solution to the prolonged and tragic division of Cyprus and to the issue of a solution for a historically appropriate and justifiable name for the state of FYROM,” he said referring to ongoing name talks between Athens and Skopje.

(www.ekathimerini.com)

Greece wants EU diplomatic pressure on Turkey over Aegean, East Med

Greece on Monday urged the European Union to put political and diplomatic pressure on Turkey to end its illegal activity in the Aegean and the eastern Mediterranean.

Speaking on Sto Kokkino radio ahead of a summit between EU President Donald Tusk, European Commission chief Jean-Claude Juncker and Turkish President Recep Tayyip Erdogan in Varna, Bulgaria, government spokesman Dimitris Tzanakopoulos said Turkey's repeated provocations and aggressive rhetoric were undermining regional stability.

"Turkey must return to the path of legality and reason, and I think that this will be the aim of Juncker and Tusk in Varna," Tzanakopoulos said. "We also await to see what Erdogan's stance will be," he said.

"What is important for us is that [the EU] utilizes every political and diplomatic pressure on Turkey so that it will switch back to a behavior that will not cause problems in the wider region," the Greek official said.

Tzanakopoulos also welcomed last week's European Council statement which called on Ankara to respect the sovereign rights of Cyprus to explore and exploit its natural resources in accordance with EU and international law.

"The important thing is that Europe presented a united and determined stance," he said.

(www.ekathimerini.com)

Greece considering seeking damages from Turkey over coast guard vessel

Greece is considering seeking compensation from Turkey for the coast guard vessel a Turkish ship rammed off the Imia islets in the Aegean last month, according to a document submitted to Parliament by Foreign Minister Nikos Kotzias.

In the document, dated March 20, Kotzias writes that Greece's foreign ministry services are examining all aspects relating to a possible claim for compensation suffered by the Hellenic Coast Guard vessel as a result of the incident on February 12.

Kotzias added that the Foreign Ministry was taking all possible action to protect Greece's national interests.

The document was a response to a question tabled by conservative New Democracy MP Yiannis Antoniadis.

(www.ekathimerini.com)

Bulgarian PM Held Telephone Conversations with the Prime Minister of Greece

Prime Minister Boyko Borissov informed Greek Prime Minister Alexis Tsipras and Cyprus President Nicos Anastasiades in telephone conversations on the issues raised during the EU-Turkey Leadership Meeting in Varna on March 26th.

At the European Council meeting in Brussels on March 22 and 23, the Bulgarian Prime Minister undertook to promote open topics between Greece and Cyprus on the one hand and Turkey on the other hand to discuss with President Erdogan.

Borissov pointed out that he had raised questions about the arrested Greek soldiers, the tensions in the Eastern Mediterranean and the Aegean Sea, and the Cyprus issue in the framework of his bilateral meeting with the Turkish president, and then they were also discussed during the working dinner with the Presidents of the European Council and the European Commission Donald Tusk and Jean-Claude Juncker.

He also said that EU leaders insisted on a positive outcome until Easter on the case of the two Greek soldiers detained on Turkish territory. With regard to Cyprus, the Turkish President has informed them that a solution will be sought under international law. In his telephone conversations today, Boyko Borissov pointed out that the development of the topic will continue to be followed with attention from Bulgaria and from Brussels. According to the Bulgarian Prime Minister, restoring confidence and peace in the region is now of critical importance.

Prime Minister Alexis Tsipras and President Nicos Anastasiades expressed their gratitude to Boyko Borissov.

(www.novinite.com)

ENERGY

Greece seeking higher price in gas grid sale - privatisation agency

Greece's privatisation agency said it is seeking a higher price from two suitors for a 66 percent stake in its gas grid operator DESFA after opening binding bids.

Greece relaunched the sale last year as part of its latest 86 billion euro international bailout, and after a previous 400 million euro deal with Azerbaijan's SOCAR fell through in 2016.

The privatisation agency said in a statement that it asked the bidders to improve their financial offers.

"The prices offered exceeded 400 million euros," Energy Minister George Stathakis said in a press release. He added the new round with improved bids will be completed in a few weeks.

Snam declined to comment, while Reganosa did not immediately respond.

Athens is selling a 31 percent stake and Hellenic Petroleum, Greece's biggest oil refiner, its 35 percent stake in the grid.

A share purchase agreement and a shareholders' agreement for DESFA are due to be signed by April for the sale to conclude by June, before Greece exits its third bailout in August.

DESFA, which owns and operates Greece's natural gas network and a liquefied natural gas terminal on an islet off Athens, is considered a valuable asset as gas consumption in Greece rises and the country seeks to boost its presence in the regional energy market.

DESFA transports gas from the Greek-Bulgarian and Greek-Turkish borders to Greek consumers via a 1,459-km (907-mile) pipeline.

(www.reuters.com)

Eldorado Gold updated Greek mine plan reduces “footprint”

Canada's Eldorado Gold Corp filed a new technical report for its contentious Skouries gold mine project in Greece, which said it “significantly” reduces the development's environmental footprint.

The miner, which also filed updated reports for projects in Turkey and Canada, took a tough stand with Greece in November, freezing investment and suspending operations in Skouries following a years-long permit tussle with the government.

The Skouries report updates a 2011 plan with industry-best practices for waste water management and tailings, the report said. A change to filtered tailings, for example, will reduce the environmental disturbance from tailings and waste rock, it added.

“This compact mine plan utilizes industry best practice to minimize disturbance to the natural environment, including surface water and ground water impacts,” the report said.

It will cost an estimated \$689 million to build the mine, which has 3.77 million ounces of gold reserves, 779 million pounds of copper and a 23-year operation plan.

The report projects a 21 percent after-tax internal rate of return and net present value of \$925 million.

Greece, which launched arbitration with Eldorado in November, has argued that the company violated its contractual obligations by submitting a deficient plan for a metallurgical plant to process ore.

Proceedings are expected to conclude by April 6, Eldorado said in a recent filing.

(www.reuters.com)

ASSESSMENT

The increasing tension between Greece and Turkey is not a concern only for the Greeks but also for NATO and the EU as it hasn't reached such level in a long time. As the two Greek soldiers remain imprisoned the tension will only rise further.

The majority of Greeks believe that the government doesn't deal with their imprisonment as well as it should with many talking about “cowardice”. Many people even believe that the government is not doing enough to free them...

The ongoing negotiations concerning FYROM's naming are another thorn for the leftist SYRIZA in power as it is one of the most difficult diplomatic to solve.

The Greek government seems to be getting entangled to many issues simultaneously which are of equal importance. Something that could lead the current administration to a very perilous path.

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