



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

SOUTHEASTERN EUROPE

AT A GLANCE



SOUTHEAST EUROPE DIRECTORATE

“SOUTHEASTERN EUROPE AT A GLANCE” is a weekly review of the most significant current political, economic, energy, defense, and security news of Southeastern Europe. It covers 14 countries; Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Former Yugoslav Republic of Macedonia (FYROM), Greece, Kosovo, Moldova, Montenegro, Romania, Serbia, Slovenia, and Turkey. However Greece enjoys its own weekly review for a more detailed presentation of its current affairs (GREECE AT A GLANCE).

This ambitious newsletter aspires to become an informative “tool” for anyone who is interested in the region and wishes to have knowledge of the non-stop current developments and challenges. “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 the region.

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ALBANIA: January 7th, perception of the Albanian public for the economic situation has deteriorated for the third trimester, which is the most negative result since 2015. The Bank of Albania said that the index which measures the evaluation of businesses and consumers about the situation of the economy has dropped with 1.2% in the fourth trimester of 2018, going below its long-term average. According to the poll, the increased pessimism in the economy was due to the economic slowdown of trade and industry, with construction being the only sector receiving growth. According to the Bank, businesses that are operating in sectors of services, trade and industry, have reported lower production and a deterioration of the financial situation, while the construction businesses have marked a growth and better financial situation. The other component of the economic perception, the one that measures the consumers' trust, after several negative trimesters, as has finally marked a light improvement, with 0.7%. However, this has not been enough to cushion the growth of pessimism in other key sectors of the economy. Deterioration of the economic perception for three trimesters is a concerning signal for the economy. Although the trust indicator remains in the long-term average, its quick drop has been followed by a significant economic slowdown, especially during the 2011-2015 period, when the economic growth went down to minimal levels. The only good achievement is the level of payment encasing of the Energy Distribution, which is at 96%, and the plan was just 93% until June 2019. (www.top-channel.tv)

- January 10th, the President of Albania, Ilir Meta, rejected the proposition of the Albanian Prime Minister, Edi Rama, to appoint Genti Caka as

Foreign Minister. Meta argued that Caka does not have political, diplomatic, and administrative experience, which, according to Meta, has been proven during his term as Deputy Foreign Minister. Meta also referred to Caka's stance on the Kosovo - Serbia border "*Caka's dangerous statements with unpredictable consequences in the region, go against the regional policy of Albania, NATO and the EU. Supporting or not, reaction against the idea of territory exchange is a destructive approach that damages the peace and security in the region,*" Meta wrote. "*By not receiving the Security Certification from June 7th, 2018 to January 3rd, 2019 he not only had put at risk classified state information regarding NATO and the EU, but he also confirmed his disobedience to this clear legal obligation,*" Meta said. Rama, responded on social media by considering Meta's refusal not only anti-constitutional, but also scandalously shameful for his institution. "*I apologize to Kosovo for this shameful case,*" Rama wrote on social media. (www.top-channel.tv)

- January 11th, According to the Albanian Armed Forces at the Pashaliman Marine Base in Oricum weapons of various types were stolen during the night of January 10th, 2019. "*The soldier who was supposed to guard was not in his workplace during the incident, while three automatic rifles were reported missing. This theft is considered as an unprecedented incident, while five soldiers were prosecuted as suspects of the theft,*" the Armed Forces announced. The Armed Forces underlined that are in close cooperation with the state Prosecution and Police in order to clear up the incident. The MP of the opposition Democratic Party of Albania (Partia Demokratike e Shqipërisë - PD), Gent Strazmiri claimed that "*A scandal regarding a certificate of high security*

information issued with less control than a family certificate emerged. Another scandal with the security of the weapons depot in the most important naval base broke out. These incidents happened in the last 24 hours. In a NATO member state governed by a corrupted and narcotics involved Government, security standards are below zero. All security services work 24/24 only when the political survival of the narco-Prime Minister is threatened, like the students in protests, oil workers, miners, and people in protest.” (www.albaniandailynews.com)

COUNTRY ASSESSMENT :

Dismissal of the Foreign Minister Bushati who is considered as a successful one has caused political tension in Albania. The Albanian President did not sign his replacement by Genti Caka provoking the reaction of the Prime Minister. Meta is moving on the edge of constitutional line and finally he will decree Caka's appointment. It is not a secret that Meta is a political opponent of the ruling party putting obstacles to the Prime Minister. It is assessed that collapse of Government is rather unlikely because opposition is still too weak for such an “achievement”. The Government is accused of having links with organized crime and current situation raises questions over the power of “Albanian mafia” in the country and its influence in state's politics. Undoubtedly, corruption and organized crime remains the most significant state's problem undermining its strategic goal of opening accession negotiations with the EU. The EU closely monitors progress of reforms especially in justice sector. Latest European Parliament assessment on Albania accession negotiations is a rather positive sign underlining concerns over specific issues such as corruption,

justice reforms, and implementation of rule of law. The final decision is up to the EU Heads of Governments for opening Albania's accession negotiations in June 2019. Albania monitors Kosovo – Serbia negotiations and definitely has a role as a “mother nation.” It is estimated that Albania will fully comply with the EU and U.S “line” for territorial exchanges or border changes between Serbia and Kosovo if it is necessary for a mutual accepted solution. Albania maintains its leading role in the Albanian world providing guarantees and support to Albanian population in the region namely Kosovo, Serbia, Montenegro, and F.Y.R.O.M. In this context, the Albanian Prime Minister and his Government work on promoting Kosovo interests in international community using any forum they have access. Possible border changes may engage Albania in dangerous situations taking into consideration that it has the role of “protector” of Albanians in the region. Security situation stable without major incidents or challenges.



BOSNIA & HERZEGOVINA:

January 7th, allegations of “a malign influence” of Russia in Bosnia were made up by the western centers of power, according to Bosnian Serb leader Milorad Dodik, who said that no one speaks about the influence of Britain and America in Bosnia which, according to him, actually exists. “If we talk about their influence, their presence, their money, we could tell who is influencing here,” said Dodik, currently serving as Bosnia Presidency Chairman. Milorad Dodik is the leader of the strongest political party in Republika Srpska (RS), Bosnia's Serb-dominated part, where he was elected in last October election to represent both Bosnian ethnic Serbs and RS entity. Other two members in the state tripartite

Presidency, the Bosniak (Muslim Bosnians) and the Croat, are elected in Federation (FB&H) entity. Prior to Bosnia's general election in October 2018, Dodik met Russia's President Vladimir Putin who wished the Serb leader luck in the run for the Presidency. Although he denied Russia's influence, Dodik always emphasised RS enjoys the strong support of Russia. Speaking to journalists in the north-western city of Banja Luka on January 6th, 2018 Dodik said he could understand Britain was resentful towards Russia for blocking the Resolution at the UN Security Council which would declare Serbs as the “*genocide people*” of last century. According to Dodik, Britain was a genocide society for centuries ago but that nobody dared to tell in public what they have done. *“There's no room for Serbs to say that the British did something good for us,”* he added. The Serb leader also said that the former foreign envoy in Bosnia who died recently, Lord Paddy Ashdown, was *“the biggest vermin in the region”* and he was, according to Dodik the product of British politics. (www.ba.n1info.com)



Bosnian Serb Chairman of the Bosnia & Herzegovina Presidency, Milorad Dodik
(Photo source: www.predsjednistvobih.ba)

- January 9th, Republika Srpska (RS) is more stable than before and is capable of functioning on its own, according to the President of the Bosnia's Serb-dominated part who spoke on occasion of the RS Day taking place on January 9th despite a Constitutional Court ban. RS is the better part of Bosnia, Zeljka Cvijanovic told RS public broadcaster RTRS, adding that she wished Bosnia's other entity, the Federation (FB&H), was the same. RS authorities marked the holiday on Wednesday despite a 2015 decision of the state-level Constitutional Court which acted upon a motion of a Bosniak politician and said that marking the RS Day on January 9th was unconstitutional. According to the court, marking January 9th as the RS Day discriminates non-Serbs in this entity since this date is also the Orthodox day of St. Stephen. RS authorities never approved of this decision and continued marking the date. RS is more prosperous in terms of harmonization of its legislation with the European Union (EU) standards, although the entity is often labeled as a culprit, said Cvijanovic. On occasion of the RS Day, Cvijanovic decorated the Prime Minister of Serbia, Ana Brnabic, with the Order of Republika Srpska, the highest recognition of this entity. Previously, the medal was given to former Serb officials some of whom were convicted as war criminals. Previous recipients of the Order are, among others, Radovan Karadzic, the former President of the RS who is appealing a war crimes sentence at an international court and former RS President Biljana Plavsic, who also served a war crimes sentence. Brnabic accepted the decoration, saying that this confirms *“a responsible policy of the Government and the President of Serbia.”* Serbia and Republika Srpska have *“a brotherly relation, which overcomes formal, ordinary frameworks of bilateral cooperation,”* said Serbia's senior

official. Cvijanovic also decorated Russia's Ambassador to Bosnia Petr Ivantsov with the Republika Srpska Flag Order for, as she said, exceptional credits in the international cooperation and strengthening the peace as well as for his contribution to overall relations between RS and Serbia. (www.ba.n1info.com)

- January 9th, the US Secretary of State, Michael R. Pompeo urged Bosnia's Presidency to adopt the annual national program, an important step on Bosnia's path towards NATO membership after NATO Foreign Ministers granted supported Bosnia's reforms and efforts to activate the country's Membership Action Plan (MAP) in December 2018. *"The creation and submission of the program to Brussels will not predetermine Bosnia's future NATO membership, but will influence the transformation and modernization of your Armed Forces,"* Pompeo wrote to the three members of Bosnia's Presidency. *"It will also improve the country's security and strengthen the reform process as part of Bosnia's aspirations to get the EU candidate status."* He wrote that Bosnia's wish to join the Alliance was clearly stated through its foreign policy and that he understands the concerns within the Presidency that more intense cooperation with the NATO could affect the country's relations with its neighbors. Even though Serbia is not a NATO member and has no intention to become one, Pompeo noted that Serbia has a significant level of cooperation with the Alliance, including joint exercises aimed at increasing their interoperability. There is no reason why Bosnia should not have such close cooperation with NATO as well, he wrote. Considering that Bosnia is of strategic interest for regional stability, the US Secretary of State concluded that the his country appreciates and wants a higher degree of

cooperation with Bosnia and that it is high time for the country to submit its annual national program to the Alliance. Bosnian Croat member of tripartite Presidency, Zeljko Komsic, said the letter should be seen as a further incentive and the US and NATO's help to Bosnia to reinforce its reform activities in all aspects of life. *"Bosnia and its institutions have earlier expressed their determination to continue the Euro-Atlantic integration process through relevant laws and strategies, and we will insist that the process continues,"* Komsic said reacting to Pompeo's letter. It is clear, he said, that Bosnia belongs to the family of European, democratic and pluralist states gathered around common values and interests expressed through EU and NATO institutions. *"It is high time that we take our place within this family because Bosnia has no other alternative,"* Komsic noted. Sefik Dzaferovic, the Bosniak member of the Presidency also welcomed Pompeo's letter. *"For many years, Bosnia was a country in which NATO conducted a peace mission, in order to strengthen the state and its institutions, and Bosnia emerged as a partner of the NATO alliance and as such, it became a part of this Alliance,"* Head of Bosnian mission to NATO, Almir Dzuvo said for N1. Bosnian Armed Forces' participation in missions such as the one in Afghanistan contributed to the strengthening of trust and showed that its Armed Forces and State institutions could be a reliable partner of NATO. *"The call to submit the annual national program is the result of a long-standing with the Alliance. It is open and not predetermined,"* Dzuvo said. Asked about how important it is for Bosnia to use the current, positive momentum coming from NATO, he said that Bosnia should submit its annual national program as soon as possible, for the sake of its and regional stability. (www.ba.n1info.com)

COUNTRY ASSESSMENT :

Country faces several functional and institutional problems. Consequently political fragility maintains permanent uncertainty and institutional mistrust. It is under question if the general election held on October 7th, 2018 will bring political stability in the country. Although it is estimated that formation of Government would be a very difficult issue adding more problems in state's function, establishment of a coalition Government is very likely to include the three main parties representing the three constituent entities (Bosniaks, Serbs, Croats). HDZ (Bosnian Croatian party), SDA (Bosnian Muslim or Bosniak party), and SNSD (Bosnian Serbian party) have reached an agreement to cooperate in forming a ruling coalition despite their different views on main issues. It is rumored the Bosnian Serb Zoran Tegeltija will be nominated as the new Chairman of the Council of Ministers. However, the Bosnian Croat member of the tripartite Presidency stated that he is not willing to support a Bosnian Serb who is opposed towards state's accession to NATO. It is assessed that the matter is a part of background negotiations between parties, but also an issue of inter-Croatian parties namely Komcic against Covic. Tension has broken out between Bosnia and Croatia due to the direct intervention of the latter in country's internal affairs. In our point of view it is another sign of "Dayton Peace Agreement" malfunction. Croatian actions put the agreement under question claiming that Bosnia's Croats rights are violated. In this context, Bosnia's Croats highlight the issue of re-establishment of Herzeg – Bosnia republic raising questions for Croatia's real intentions over Bosnia. One should take into consideration the current arms race in the region mainly by Serbia

and Croatia. Not only that, but also the establishment of Kosovo Army complicates current situation. Election of ultra nationalist Serb Milorad Dodik in the tripartite Presidency is a strong sign of more nationalistic rhetoric and more obstacles towards Bosnia's EU and NATO integration. Dodik is a person who does not actually believe in B&H viability and is expected to promote (actually, he has already started) his own political agenda. Bosnia has become a field of influence's rivalry; Saudi Arabia, Turkey, and Russia approach the country mainly through "investments" and/or funding ethnic or religious groups according to their interests. Approval of Bosnia's MAP by NATO aims at facilitating state's approach with the Alliance; however Dodik's presence in the tripartite Presidency is a critical obstacle for any further step. The U.S expressed their interest regarding Bosnia's path towards NATO pushing the Bosnian Presidency to move forward the process. Dragisevic case tends to turn into an anti-government action. However, it is under question why just a few months after the general election where SNSD achieved a clear victory, RS citizens protest against the Government. State authorities and Police keep claiming that protests are a threat against national security implying that external stakeholders push for destabilizing RS.



BULGARIA: January 7th, Libyan Maritime Administration has issued an order to detain any ship flying the Bulgarian flag. According to the media, the instructions are "dispatched to all Libya's commercial, industrial and oil ports" and are reciprocal measures "in response to the actions taken by the Bulgarian authorities against the Libyan Badr tanker." In addition, the Head of the administration, Eng.

Omar Abdella Jaws, ordered in the same order to carry out a thorough inspection of all vessels and to be detained owned by Bulgarian companies or registered in Bulgaria. Badr has been in Burgas since November 2018 due to claims by a private Bulgarian firm for old receivables from Libya, but according to the Libyan state, what has happened is reminiscent of piracy. On December 21st, 2018 people from a private security company and private enforcement agents accompanied by official representatives of the Border Police and the Maritime Administration of Burgas, took the ship and changed its crew and flag. Because of this action, Libya responded to the Bulgarian state, believed that its national sovereignty had been violated and referred to the UN Security Council. Because of the case the special envoy of Prime Minister Faye Zoraj visited Sofia yesterday. Representatives of the Border Police in Burgas said the crew was neither arrested nor intimidated. (www.novinite.com)

- January 8th, Bulgaria could join the Eurozone in early 2022, said the European Commission Vice President for Eurozone and Social Dialogue and Financial Stability, Financial Services and Capital Markets Valdis Dombrovskis. If Bulgaria has done its best to fulfill its commitments, it will receive the green light for entry into the ERM II exchange mechanism in the summer of this year, he added. *“If everything goes wrong with the review of assets in Bulgaria's banking system, the country can join ERM II in the middle of this year, then it must be at least three years to reach the euro and to meet the Maastricht criteria, and next year to assess the results achieved and preparatory work,”* he concluded. Bulgaria has officially announced its wish to join ERM II (also called the *“Eurozone waiting room”*) and the bank union in the summer of 2018 and expects to join

both in July 2019. The country is currently following a roadmap to meet the conditions of the currency union countries, which include a new review of the banking system and changes in the legislation regarding the Bulgarian National Bank. (www.novinite.com)

- January 9th, Bulgarian Prime Minister Boiko Borissov's coalition Cabinet decided to ask the National Assembly to approve the opening of negotiations with the United States on the acquisition of F-16 fighter jets for the Bulgarian Air Force. Earlier, on December 21st, 2018 a military and political Committee recommended the F-16 option, over the bids by Sweden to supply new made-to-order JAS-39 Gripen jets, and an offer from Italy of second-hand Eurofighter Typhoon aircrafts. The Committee said that its decision was based on the US having offered to deliver a complete package of fighter aircraft with armaments and equipment fitted, unlike the other two offers. Speaking after the Cabinet meeting, Defense Minister Krassimir Karakachanov said that the decision was about starting negotiations, not about a purchase. The Government also seeks the National Assembly to agree on deviation of the 920 million euro already approved by the Parliament for the fighter jet acquisition. The US offer exceeds the approved price parameters but Washington has indicated it may be willing to amend its offer. *“The United States remains committed to working with the Bulgarian Government to tailor the final scope of its potential F-16 to its budget and operational requirements, while still offering superior capabilities,”* the White House said in a statement on the eve of the Bulgarian Cabinet's January 9th, 2018 meeting. Karakachanov claimed *“I will not hide that in the course of the negotiation process over the past few months we have had certain*

assurances that the price will be adjusted – the price offered by the United States.” He said that the White House statement on January 9th, 2018 “also clearly shows that Washington has an understanding of the negotiation process and the financial parameters set out in our updated project.” Bulgaria’s Chief of Defense General Andrei Botev said that the Joint Committee had “done a good job.” Botev expressed hope that the contract could be concluded on the very best terms for Bulgaria as soon as possible. “I hope the National Assembly also mandates the Government to continue the negotiations so that a contract can be concluded,” he said. Bulgarian Air Force Commander Major General Tsanko Stoikov said that this is “a historic moment” because the process had got further than it ever had in the past 10 years. Modernization of the Air Force is essential, Stoikov said. “You are all familiar with the problems we have with the maintenance and operation of the already aging aviation equipment,” he said. “The planes are new, modern, with the latest equipment and armaments, so we will be able to carry out the tasks that are now set for the performance of the Air Force,” Stoikov said. The starting of negotiations with the US on the F-16 jets has been backed by Borissov’s Citizens for European Development of Bulgaria (Граждани за европейско развитие на България – GERB) party, though there are some divisions in the minority coalition partner, the United Patriots on the issue. The F-16 option has been opposed by the opposition Bulgarian Socialist Party (Bulgarska Sotsialisticheska Partiya - BSP) and by the President Roumen Radev, a former Air Force Commander and regular critic of Borissov’s Government. (www.sofiaglobe.com)

COUNTRY ASSESSMENT :

The junior partner of the ruling coalition, United Patriots looks like the vulnerable piece of the Governmental stability; none could predict when a new incident or dispute will break out. The current issue for inter-conflict is the purchase of the new fighter jets. Thus, Bulgaria has entered in a period of fragile political stability. The President Radev grabs every opportunity to criticize the Government (and the Prime Minister Borissov) highlighting his different political affiliation (Radev is backed by the opposition Socialists). Opposition BSP tries to push further Borisov and his Government by strengthening its rhetoric and having tabled three motions of no confidence so far. The country strengthened its efforts towards entering the Eurozone achieving a positive decision of the Eurogroup. However, the EC made clear that Bulgaria could not enter the Eurozone before 2022. Apart from that the European Parliament adopted a resolution for the accession of Bulgaria (and Romania) in Schengen Zone. However, it is questioned if the European Council will receive a unanimous final decision for Bulgaria under the current migration pressure. Corruption and organized crime remain significant obstacles and should be addressed decisively. Although modernization of Armed Forces is a top priority for Bulgaria and huge armament projects are ongoing (fighter jets, armored vehicles, vessels etc) military operational capability of the state is questioned especially in the Air Force. Bulgarian Armed Forces are far from NATO standards. Security situation stable; no major threats.



CROATIA: January 10th, Israel cannot deliver the F-16 fighter jets to Croatia, the Croatian Defense Minister Damir Krsticevic said after a meeting with the Israeli representatives in

Zagreb, officially confirming that the deal on the procurement of jets has fallen through. *“Israel has notified the Croatian Defense Ministry it, unfortunately, cannot get the US approval for the delivery of the fighter jets. The Ministry will now propose the next steps to the Government. The contract was not signed, and there will be no financial damage for Croatia. Croatia does not bear any responsibility [for the result],”* Krsticevic said after the meeting. Croatia has in March 2018 reached a deal with Israel on the procurement of 12 F-16 C/D “Barak” fighter jets, worth about 477 million dollars. The aircraft, between 25 and 30 years old, were intended to replace the outdated Soviet-made MiG-21 aircraft currently used by the Croatian Air Force. However, the media reported on December 2018 that the Trump administration was blocking the deal, since the aircraft were originally manufactured by the US company Lockheed Martin, and US insisted that the planes must be stripped of modernized electronics installed by the Israeli Air Force before being transferred to a third party. *“Croatia could not have changed the outcome and bears no responsibility. Israel was unable to secure the permission for the third-party transfer,”* said the Director-General of the Israeli Ministry of Defense, Udi Adam, in Zagreb after the meeting, adding that the Israeli Defense Ministry was *“looking forward to further developing bilateral relations with Croatia.”* After the reports on the US’ blocking the deal had surfaced on December, the US Ambassador to Croatia, Robert Kohorst, had said both Israel and Croatia were aware of the technical specifications of the deal. *“There is no document containing warnings about any problems with the Israeli or any other bid,”* Croatian President Kolinda Grabar-Kitarovic said on Wednesday, adding that everyone involved knew the US approval was

needed, which Israel had undertaken to obtain. The deadlock had cost Croatia valuable time, she added, warning that the Croatian Air Force is now reduced to only three, outdated, MiG-21 aircraft. (www.hr.n1info.com)

- January 11th, *“As long as Serbian officials continue making tendentious and unacceptable claims, and as long as Serbia keeps failing to come to terms with its role in the wars of the 1990s, no significant improvement in relations between Croatia and Serbia can be expected,”* Croatian Foreign Minister, Marija Pejcinovic-Buric, said. *“It's regrettable that senior Serbian officials continue making tendentious and malicious statements about Croatia,”* she said adding that this is no way to build good neighborly relations. Pejcinovic-Buric was responding to a statement by Serbian Foreign Minister Ivica Dacic, who had described Croatian Prime Minister Andrej Plenkovic's statement on peaceful re-integration *“shameless.”* Plenkovic had previously said that the process of peaceful re-integration of parts of eastern Croatia in the late 1990s was *“one of the key legacies of Croatia's first President Franjo Tudjman.”* Dacic called Plenkovic's remark *“shameless”* and added that he was not sure whether *“Plenkovic is also referring to our 220,000 unfortunates from Operation Storm.”* On December 10th, 2019, Serbia's Defense Minister, Aleksandar Vulin, said, among other things, that *“Croats want to expel the few ethnic Serbs that are still left.”* When asked to comment, Pejcinovic-Buric slammed statements by both Dacic and Vulin. *“These are two men who come from the closest circles of Slobodan Milosevic... and as long as such people are members of the Serbian Government, it's hard to expect such malicious statements to stop, aimed at Croatia, but also*

other countries,” she said. She added that Belgrade should come to terms with its role in the wars of the 1990s in order for relations of Serbia and Croatia to improve, and added that it is difficult to expect positive steps as long as the Serbian cabinet includes men who were once close associates of Slobodan Milosevic. “We are hoping that one day Serbia would develop awareness that there can be no peace and prosperity in our neighborhood without it,” Pejcinovic-Buric said. “The starting point is for the aggressor to face its past - and that was, as we all know, Serbia,” she added saying that after that step is taken the two countries could discuss all other unresolved issues between them. “We are neighbors, and we will remain neighbors,” said Pejcinovic-Buric. (www.hr.n1info.com)

- January 11th, Croatian Ambassador to Bosnia & Herzegovina, Ivan Del Vechio has been summoned back to Zagreb after he participated in events marking Republika Srpska (RS) Day, a move Croatian officials have characterized as “*the wrong call.*” The Ministry of Foreign Affairs confirmed that he is being recalled. Ambassador Del Vechio is still in Zagreb where he was summoned for consultations, according to the Ministry of Foreign Affairs and European Affairs. On January 9th, 2019, Del Vechio was in Banja Luka for the events marking the controversial RS Day. The celebration, which was also attended by the Croatian Democratic Union of Bosnia and Herzegovina (Hrvatska Demokratska Zajednica Bosne i Hercegovine - HDZ BiH) leader Dragan Covic, honored Slavko Lisic, who has been sentenced by Croatian courts to 15 years for war crimes committed in Dalmatia. Minister of Foreign Affairs and European Affairs Marija Pejcinovic Buric said on Thursday that Croatia had never participated in this celebration and that

should have been the case this year as well. Del Vechio, she said, had made the wrong decision. The Ministry said that it had not been aware that Del Vechio would be attending the event and that he was summoned to Zagreb to explain. January 9th is celebrated in RS as the day when Bosnian Serbs declared their own entity in Bosnia and Herzegovina in 1992. (www.glashrvatske.hrt.hr)

COUNTRY ASSESSMENT :

Croatia follows a tough external policy with neighboring countries. Although it has territorial disputes with Slovenia and Bosnia it does not hesitate to intervene in Bosnia's internal affairs in the name of Croatian entity living there. Declaration on the status of Croats in Bosnia was considered by the neighboring country as a direct interference in its internal affairs. Bosnia's Croats announced their plans to re-establish the Republic Herzeg Bosnia, while Croatia keeps funding Bosnia's Croats highlighting the existence of three equal entities. It is a fact, that after the October 2018 elections Croatia insists on a hard line against Bosnia's politics requesting actually changes of Dayton Peace Agreement. It is more than obvious that Croatia tries to establish a leading role in Western Balkans not only as an EU and NATO member state but also as a rising “local” power. One should take into consideration that Croatia shows its military strength and capabilities quite often not only in international, but also in national level sending strong messages to neighboring countries. Although the President is a member of the ruling party, it is estimated that there is some kind of political distance between the President and Government. However, ruling coalition claims political stability. Border dispute on Piran Bay remains active and Slovenia's initiative to file

a lawsuit against Croatia adds a new chapter between the two countries conflict. It is still a question how Croatia will react. Apart from that a new border conflict has emerged with Bosnia & Herzegovina regarding Peljesak Bridge. The state accelerates its efforts towards accession in Schengen zone. Croatia implements a policy of Armed Forces' modernization trying to form a reliable and well equipped force according to NATO standards. Failure to complete successfully the purchase of a modern fighter jet maintains a long period of an ineffective and weak Croatian Air Force.



CYPRUS: January 9th, drilling activities on behalf of ExxonMobil and Qatar Petroleum in the Delphine target in Cyprus' offshore block 10 have been completed but there will be no announcements until after the end of drilling in the second location the energy consortium has chosen to explore, Energy Minister, George Lakkotrypīs, said. The Ministry announced that drilling in the Delphine-1 target has been completed and the Stena Icemax drillship has already started operating in Glafcos-1, the second location in block 10 the consortium has chosen to carry out exploratory drilling. No announcements would be made by the Government or the energy companies concerned, until after the second drilling is completed. Lakkotrypīs told state broadcaster CyBC that the Government made an agreement that the results of the two drillings would be jointly announced with the companies in due time. He said that the second drilling, in Glafcos-1 target, is to be completed soon. Turkish Foreign Minister Mevlut Cavusoglu said Ankara is not against drilling activities in the Eastern Mediterranean. *"We are starting drilling off the coast of Cyprus too. The*

stability of the region is important for us. We are following developments closely but the rights of the Turkish Republic of North Cyprus [occupied part of Cyprus] must be guaranteed and protected," Cavusoglu said. (www.cyprus-mail.com)

- January 11th, Cyprus is a valuable supporter of regional security and its role is very much appreciated in the international environment, Chairman of the European Union Military Committee (EUMC) Claudio Graziano said. Graziano was speaking after a meeting with the Chief of the National Guard, Lieutenant General Ilias Leontaris in Nicosia. He said Cyprus is a very active member of the EU and a solid partner and pillar of stability at the South Eastern corner of Europe. After taking on his position only two months ago, Graziano said it is very important to begin the first year of his mandate by visiting European capitals since it provided a valuable opportunity to better understand the respective viewpoints and concerns. As regards his meeting with Lieutenant General Leontaris he said they had a very frank and constructive discussion and they covered a number of important issues. *"Cyprus has consistently provided high quality contributions to EU operations, I have personally met Cypriots officers in the field and I can testify to their professionalism,"* he said. Graziano also said he is also conscious of the challenges Cyprus is facing with regards to migration, in particular as a consequence of the conflict in Syria and the proximity to the Middle East. *"Migration is clearly one of the most important topics on the European agenda, but we are all aware of the difficulties in finding common views,"* he added. The European official said that the Union is currently in a very formative phase with regard to the Common Security and Defense Policy, noting

that the implementation of the EU Global Strategy on Foreign and Security Policy would shape cooperation for some time to come. Leontaris said Cyprus is the south-eastern frontier of the EU. *"We build reliable partnerships in the region that are enhancing security and stability,"* he said. Cyprus already participates in eight PESCO (Permanent Structured Cooperation) projects, including the Joint EU Intelligence School, which is also discussed with Cypriot officials. Graziano also met the Defense Minister Savvas Angelides with whom he discussed the Cyprus issue, Turkish provocations in the island's Exclusive Economic Zone and Cyprus' participation in the EU operations. The General met also with President Nicos Anastasiades. (www.cyprus-mail.com)

- January 12th, the UN Secretary General Antonio Guterres has reaffirmed the importance of UNFICYP to peacekeeping in Cyprus in his report circulated to the Security Council in New York but he highlighted several areas of concern as far as confidence-building is concerned. He recommended the force's mandate be renewed for another six months until July 31st, 2019. *"As I concluded in my latest report on my good offices, I believe that prospects remain alive for a comprehensive settlement within a foreseeable horizon. I also remain convinced that prior to deploying the full weight of my good offices, the sides should agree on a joint way forward,"* he said, adding that he urges the leaders and the guarantor powers to continue their constructive engagement with the United Nations Senior Official Jane Holl Lute and to engage with each other, to this end. UNFICYP, he said, continues to play an indispensable role in preventing tensions at various levels from escalating and hindering dialogue and the search for a political solution.

But he noted with concern the enhancements to military positions and capabilities that were recorded on both sides during the reporting period, in deliberate breach of the military status quo. Guterres said he is also concerned by the increase in unauthorized civilian incursions into the buffer zone that cause friction, especially when they occur in close proximity to the opposing forces *"and when they are intended to provoke the other side or the United Nations."* Guterres called on both sides to respect the authority of UNFICYP in the buffer zone and to heed the call of the Security Council to work with the mission on the demarcation of the buffer zone and to implement the 2018 United Nations aide-memoire. The UN chief welcomed the opening of two new crossing points at LefkaAplici/Lefke-Apliç and Dherynia/Derinya, which inter alia promotes freedom of movement across the island and generates greater opportunities for people-to-people contact, trust-building and economic cooperation, he said. *"The positive example of the crossing points notwithstanding, I regret that progress could not be achieved in implementing other confidence-building measures such as the interoperability of mobile phones and the further integration of the two electricity grids, which were agreed by the leaders in 2015,"* adding *"Implementation of the remaining 2015 confidence-building measures should be possible with the necessary creativity, determination and political will and I urge further work to overcome any technical or other obstacles to this end."* Guterres also said that in line with the repeated call of the Security Council, including most recently in resolution 2430 (2018), he is calling on the parties to work with UNFICYP to devise a balanced package of military-confidence building measures, which could include de-mining and further unmanning of positions. Touching on the

issue of hydrocarbons, Guterres repeated that the risk of further tensions in this respect remained. *“In this context, I reiterate that the natural resources found in and around Cyprus should benefit both communities and should provide a strong incentive to find a durable solution to the Cyprus problem,”* he said. (www.cyprus-mail.com)

COUNTRY ASSESSMENT :

Drilling activities on behalf of ExxonMobil and Qatar Petroleum in Cyprus Exclusive Economic Zone are close to the end and the announcement of results will determine further steps. Turkish threats and aggression did not stop the Cypriot energy project so far. The strategy of multilateral cooperation seems to be fruitful. At the moment, Cyprus is engaged in three different trilateral formations which also include strong features of strategic cooperation and alliance; Cyprus – Egypt – Greece, Cyprus – Israel – Greece, and Cyprus – Jordan – Greece. The last two are highly improved due to the US engagement which expressed their interest by joining the latest summit. It is a fact that Cyprus has a significant deficit of military power which is (externally) balanced by regional cooperation. Involvement of an American company (ExxonMobil) in the drills it is proved “wise” and “smart.” Announcement of Turkish seismographic research within the Cypriot EEZ (plot 4) could be assessed as spasmodic actions of Turkey against Cyprus (already predicted and expected). At the moment, none could assess the level of escalation Turkey seeks to reach. Taking into consideration that Cyprus lacks of military power and especially aeronautical forces it is expected Greece to be engaged more actively in the region. Conduct of aeronautical exercises in cooperation with other

countries (Israel, Egypt etc) sends various messages of defense capability, readiness, and determination. Although the UN Secretary General appears optimistic for a new round of talks between the two communities, it is assessed that talks could not be resumed earlier than summer 2019. President Anastasiades promotes the scenario of a “bizonal, bicomunal decentralized federation”; an idea which is in principle accepted by the leader of the Turkish Cypriot community and enjoys support from the U.S. However, there are a lot of disputed issues in which both parts should compromise; the most important is considered the decision-making process. Recent close approach between Cyprus and the US provoked Russia’s strong reaction which foresees a possible isolation from its influence in the Island. It is not a secret that Russia enjoys or used to enjoy a privileged relationship with Cyprus due to the US distance regarding defense and foreign policy neutrality. It is a question how Cyprus will achieve to balance between the US and Russia interests in the region. As long as part of Cyprus remains under Turkish occupation and Turkish troops (equipped with heavy weapons) are deployed in the island, Cyprus faces an existing direct threat against its national security and sovereignty.



F.Y.R.O.M: January 11th, the World Bank in its latest report predicts growth in the Gross Domestic Product (GDP) in F.Y.R.O.M at 2.9% in 2019, which is a sign that it will be difficult to achieve the Government’s announcement that this year will be an “economic” year. The World Bank estimates, according to the final data for 2018, F.Y.R.O.M last year’s economic growth was only 2.5%. The bank predicts for 2020, an increase of 3.2%. The

World Bank's assessment is different compared to the Government's one, which expects last year's growth to reach an increase of 2.8% and predicts the year-on-year rise to be 3.2%, and in 2020 as much as 4%. According to the World Bank, F.Y.R.O.M's economy will grow at a slower pace than the other economies in the region. The highest growth in the region this year will be in Kosovo at 4.5%. Albania is expected to grow by 3.6%, Serbia by 3.5%, and Bosnia and Herzegovina by 3.4%. Montenegro will also see an increase of less than 3%, as F.Y.R.O.M, where the GDP growth is estimated to be 2.8% in 2019. (www.meta.mk)

- January 11th, in his first statements after the adoption of the constitutional amendments by the Parliament the leader of the opposition Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство - VMRO-DPMNE), Hristijan Mickoski asked for the dissolution of the Parliament and early parliamentary elections along with presidential elections. Mickoski said he would not support any changes to the Constitution for the change of the constitutional name and that the Prespa Agreement will inflict huge damage and bring injustice. *“VMRO-DPMNE demands the immediate dissolution of the Parliament and extraordinary parliamentary elections along with the presidential ones, in accordance with legal regulations. If we based on past experience VMRO-DPMNE will win in these elections,”* Mickoski said. (www.meta.mk)

- January 11th, the Parliament of F.Y.R.O.M passed an amendment to the constitution to

rename the country *“Republic of North Macedonia”* in line with the agreement with Greece to put an end to a 27-year-old dispute. 81 deputies in the 120 seat Parliament voted in favor. Representatives of the opposition Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство - VMRO-DPMNE) who opposed the agreement with Greece boycotted the vote. However, the name change will only go into effect if Greek Parliament ratifies the 2018 accord between the F.Y.R.O.M Prime Minister Zoran Zaev and his Greek counterpart Alexis Tsipras. As soon as the 33rd amendment comes into force, the citizenship will be *“Macedonian/citizen of the Republic of North Macedonia”* which neither determines nor defines the ethnic background of the citizens. The adjective shall be *“Republic North Macedonia”* or *“North Macedonia.”* With the 35th amendment F.Y.R.O.M guarantees that it will respect the sovereignty, territorial integrity and political independence of neighboring countries, namely Albania, Bulgaria, Greece, Kosovo, and Serbia. Addressing deputies in Skopje, Zaev said the vote would *“open the doors to the future, Macedonia's [F.Y.R.O.M's] European future.”* NATO and the EU welcomed the decision, which both organizations had backed. NATO Secretary General Jens Stoltenberg said it was *“an important contribution to a stable and prosperous region.”* EU foreign policy Chief Federica Mogherini congratulated F.Y.R.O.M's Parliament and said the EU *“remains firmly committed to continue to fully support and accompany towards its common strategic goal of EU integration.”* Following Friday's decision, Tsipras *“congratulated Mr. Zaev on the successful*

conclusion of the process to revise the constitution,” the Greek Prime Minister's office said. The process to change the Constitution started in October 2018, with the pro-Zaev coalition managing to snatch 80 votes in favor. The laboriously won majority included eight VMRO-DMPNE deputies. They were subsequently purged from the party. Some conservative lawmakers accused the Government of offering millions in bribes in exchange for votes. Zaev's party denied the claims and pledged to respond with legal action. (www.mia.mk, www.dw.com)

COUNTRY ASSESSMENT :

As it was expected F.Y.R.O.M successfully concluded the ratification process of the name agreement with Greece known also as the “Prespa Agreement.” From the very first moment Zaev was the absolute dominant in the parliamentary process enjoying full support of the EU and US. The historic fact is that Zaev resolved a 27 year long dispute unlocking the doors of the EU and NATO and strengthening stability and security of the state. Actually, Zaev got more than he could ask for securing “Macedonian” citizenship and language. VMRO-DMPNE strong reactions are only for domestic political reasons since its previous nationalistic policy failed to lead the country in the Euro-Atlantic path. VMRO-DMPNE leader Mickoski asked for snap parliamentary elections but it is estimated that Zaev’s SDSM would enjoy a clear victory cashing out his success. At the moment, Zaev’s concern is the successful ratification of the agreement by Greece; a possible failure in the Greek Parliament will block F.Y.R.O.M’s accession in NATO (and the EU). It is expected that F.Y.R.O.M’s Prime Minister will minimize his

recent nationalistic rhetoric aiming at facilitating ratification process in Greece. NATO and EU praised F.Y.R.O.M for the successful process sending a clear message that the “gates” are open (under the precondition of Greek Parliament ratification). The country has become a field of rivalry between the US and EU on the one side and Russia on the other. After Montenegro, NATO seeks to bring F.Y.R.O.M within the Alliance isolating Russian influence in the region. Lavrov openly claims that the US and EU blackmailed and bribed MPs to support the name agreement with Greece. Needless to say that in a period where border questions are raised again in the Balkans, F.Y.R.O.M needs political stability and growth prospects.



GREECE: January 8th, aeronautical exercises in the Aegean and the Eastern Mediterranean from February 27th until March 3rd announced by Turkey are reportedly a source of renewed concern for Athens given the recent tension in bilateral relations. What is more, the name of the exercise, “Mavi Vatan” – translated in English as “Blue Motherland” – was the term used last month by Turkish Defense Minister Hulusi Akar when referring to a 462,000 square meter area in the Aegean, Mediterranean and Black seas that Ankara is monitoring. “We will never allow any steps and faits accomplis to be taken despite of Turkey in our blue motherland,” he had said. The timing of the exercise is also sensitive, given that the anniversary of the Imia crisis in the eastern Aegean – which almost led to of war between Greece and Turkey in 1996 – is at the end of January. Furthermore, Greek observers are also concerned that the tense domestic situation in Turkey could also prompt Ankara to divert attention by adopting an even more

aggressive stance in the Aegean and the Eastern Mediterranean. A telling example of Turkey's position was a folk song recited recently by President Recep Tayyip Erdogan laced with anti-Greek sentiment during a visit to Izmir. (www.ekathimerini.com)

- January 10th, on her first visit to Athens in four years, German Chancellor Angela Merkel expressed her support for the Prespes name deal as well as Greece's ongoing economic reform efforts, saying the country is entering a new phase. In a joint press conference with Prime Minister Alexis Tsipras, Merkel said the name deal "*creates clarity*" and will be beneficial not just for Greece and the F.Y.R.O.M but for the whole of the EU. She hailed the efforts of Tsipras and his F.Y.R.O.M counterpart Zoran Zaev and said she would raise the issue of the name deal with Greece's conservative New Democracy (Νέα Δημοκρατία – ND) leader, Kyriakos Mitsotakis, with whom she met on January 11th, 2019. She noted, however, that she did not believe she could influence Mitsotakis, who opposes the agreement. Merkel rejected speculation that there had been a trade-off between Greek support for the Prespes accord and creditors' approval of the cancellation of a planned round of pension cuts this month, saying she was "*surprised*" that the question had even been posed. Tsipras, for his part, said that the deal reached between Greece and F.Y.R.O.M on the name dispute can be a "*model*" for solving other problems in the region. Describing Greece as a "*pillar of stability in the region*," Tsipras said that the country has moved from being "*part of the problem to part of the solution in Europe*." Merkel referred to German investments in Greece, while suggesting that the country's public administration could benefit from some improvements. She also thanked Tsipras for

naming Germany as the honored country for next year's Thessaloniki International Fair. The two leaders also discussed the refugee crisis, with Merkel acknowledging that it struck Greece when it was already grappling with its economic crisis. Merkel said Berlin would continue to support the deal for returns between Turkey and the EU signed in March 2016 which minimized the flow of migrants through Greece but said it should not apply to refugees fleeing war and strife. Tsipras, for his part, underlined the importance of Turkey showing respect for international law "*at a time that a new energy map is in the process of being drawn up*." He also said Albania should not be a candidate for European Union membership as long as it disrespects its Greek minority. Both Tsipras and Merkel stressed the improvement in relations between the two sides since the peak of the crisis. However, Tsipras took the opportunity to reiterate Greece's demands for war reparations from Germany. Merkel and opposition ND leader Mitsotakis on January 11th, 2019 agreed to disagree on the issue of the Prespes deal, as anticipated, but reportedly saw eye-to-eye on issues relating to Greece's continued economic reforms and the need for investments. Commenting after the hour-long meeting, Mitsotakis said the discussion had been "*frank*" and wide-ranging. He said he outlined the conservative party's plan to "*drastically reduce taxes and attract new investments along with [implementing] a broad range of reforms so the country can emerge from the crisis*." On the name deal with F.Y.R.O.M, Mitsotakis said he explained to Merkel why ND will not ratify it. "*It is not just because that is the will of the majority of the Greek people but because it is a bad deal that, instead of solving problems in the broader region of the Balkans, could trigger new ones*," he

said, adding that ND's position is "non-negotiable." (www.ekathimerini.gr)

- January 13th, Prime Minister Alexis Tsipras said he will seek a vote of confidence in Parliament after the resignation of Defense Minister Panos Kammenos, leader of junior partner Independent Greeks (Ανεξάρτητοι Έλληνες –ANEL), over the F.Y.R.O.M name deal. Tsipras also announced he will replace Kammenos with Admiral Evangelos Apostolakis, Chief of the Hellenic National Defense General Staff (GEETHA). The replacement, also approved by Kammenos, will take effect Tuesday. Kammenos resigned following a Sunday morning meeting with Tsipras. "The issue of Macedonia does not allow me not to sacrifice the office...I revoke my support for the Government. The Independent Greeks are leaving the Government," he told reporters after the meeting. Talking to reporters after their meeting, Tsipras thanked Kammenos for his "irreplaceable and significant" contribution to the coalition Government, and said that their partnership was frank and fruitful. Tsipras said his Government has a lot of things to do, lots of reforms to implement. "I could have found ad hoc majorities for each issue, but...I do not play it safe," he added. A motion of confidence submitted by the Government can, in theory, be passed with as few as 120 votes in the 300-member Parliament, if enough lawmakers abstain. By contrast, a motion of no confidence tabled by the opposition needs 151 votes to pass. Tsipras has indicated in the past that he would not be content leading a minority Government and that he would seek the support of 151 MPs. Tsipras said that he aims to hold a general election at the latest possible date, October 2019. Parliament speaker Nikos Voutsis has announced that he suggested to the Government that debate on the

confidence motion start on January 15th, 2019 with the vote on January 16th, 2019. (www.ekathimerini.gr)

COUNTRY ASSESSMENT :

Successful conclusion of the ratification process of the Greece – F.Y.R.O.M name deal provoked "chain reactions" in Greece. A major political crisis has broken out in Athens affecting political stability of the state. The junior partner of the ruling coalition, ANEL withdrew its support to the Government. However, the Prime Minister Alexis Tsipras implied that he has already found the necessary 6 MPs to secure majority within the Parliament and as a consequence submitted a motion of confidence. It is assessed that within the coming week Tsipras will renew his ruling mandate and then the Parliament will ratify the so-called "Prespa Agreement" no later than February 15th, 2019. The country has already entered in full pre-electoral period and parties are prepared for snap elections. Under these circumstances it is assessed that early election may be called in May 2019 together with local and European election. Political turmoil emerged in a period where Greece faces several diplomatic, security, and economic challenges. The alternative scenario of parliamentary election in autumn 2019 when actually mandate of current Government expires has few possibilities under the current political situation. Internal terrorism is considered as a major unresolved problem of national security undermining stability of the state. Tension between Greece and Turkey has been raised not only in rhetoric level. Turkish fighter jets keep violating Greek airspace, while NAVTEXs reserves part of Greek continental shelf and Cypriot Exclusive Economic Zone. It is assessed that Greece is taking measures to deter

any further escalation by the Turkish side showing determination and readiness to protect national interests. Next period will be critical to see if Turkey keeps maintaining a war of words or it will escalate situation taking in advantage an accidental or preplanned incident.



KOSOVO: January 8th, the negotiating team of Kosovo, led by Fatmir Limaj and Shpend Ahmeti, met with the EU High Representative for Foreign Policy and Security, Federica Mogherini. The EU Spokesperson, Maja Kocijancic, explained that the team was invited by the EU for consultation, but the high-level political talks will continue only between the Presidents of Kosovo and Serbia. Consultations concern normalization of relations between Pristina and Belgrade, a process intermediated by the EU. The dialogue is actually suspended, while the negotiating team is also rejected by the Kosovo opposition. Democratic League of Kosovo (Lidhja Demokratike e Kosovës - LDK) and Self-Determination (Vetevendosje – LV) insisted that the delegation does not represent the majority of Kosovo citizens. Belgrade, on the other hand, made it clear that they will not attend any dialogue as long as Pristina keeps the 100% tax on Serbian goods entering Kosovo. The Prime Minister Haradinaj seems determined that the taxes will not be removed, while the President, Hashim Thaci, claims that Pristina may remove the tax if there is a final agreement with Serbia. (www.top-channel.tv)

- January 10th, Blerim Shala, political advisor to President Hashim Thaci told T7 television program 'Pressing' that Serbia will condition recognition of Kosovo with annexing a part of its territory. "Serbia wants bits of territory in exchange of recognition," Shala stated adding that

this has not been requested officially by Serbia. "But indications are clear," Shala said referring to statements of Serbian President Aleksandar Vucic. According to Shala, Vucic's discourse is that a part of Kosovo should merge with Serbia. Commenting on the idea of President Thaci on "land swap" between Kosovo and Serbia as part of arrangements of a final solution between the two countries, Shala said that such a solution "is worth taking into consideration." He stated that a final agreement on mutual recognition between Kosovo and Serbia would solve existing problems of both countries. According to Shala Serbia's final stance on the dialogue is still unclear. He also stated that there is no timeframe of reaching of the final agreement with Serbia. (www.gazetaexpress.com)

- January 11th, Kosovo Prime Minister, Ramush Haradinaj, believes the dialogue with Serbia can continue without revocation of the decision on imposing 100% tax on Serbia's goods. Haradinaj called on opposition parties of Democratic League of Kosovo (Lidhja Demokratike e Kosovës - LDK) and Self-Determination (Vetevendosje – LV) to join State Delegation tasked to dialogue with Serbia. Haradinaj reiterated that Kosovo will not rescind the 100% tax on imported goods from Serbia and Bosnia-Herzegovina, until the two countries recognize Kosovo as independent country. During a press conference Haradinaj said that the tax will not be revoked, regardless the fact that Serbia has conditioned continuation of the EU-facilitated dialogue on normalization of relations with Kosovo, with revocation of the tax. "My stance is very clear. The tax will not be revoked until they (Serbia and Bosnia-Herzegovina) recognize Kosovo," Haradinaj said. Talking on dialogue with Serbia, Haradinaj called on opposition

parties to join negotiation team aimed at strengthening Kosovo's position in dialogue with Serbia. But Chairman of the LDK, Isa Mustafa, during a press conference said the Government of Kosovo, is not in charge of the dialogue. (www.gazetaexpress.com)

COUNTRY ASSESSMENT :

Kosovo has reached a critical point where only through normalization of relations with Serbia it will be able to move forward namely to enter the UN, NATO, EU and to achieve a normal status of a state. However, the state's authorities show a tendency of escalating tension with Serbia undermining a peaceful resolution of the case. By imposing 100% tariff on Serbian (and Bosnian products), establishing Kosovo army, executing Special Forces operation in northern Kosovo, arresting Serbs, and requesting special court for Serbs it is created a climate which does not facilitate dialogue and the establishment of confidence between the two parties. It should be also underlined that at the moment Kosovo's political power are divided regarding negotiation process and goals. The Prime Minister Haradinaj and the Government are not in harmony with the President Thaci who is the chief negotiator of the state. There is even a matter of legitimacy within the state regarding who is authorized to represent the country in dialogue with Serbia. Kosovo Government works on establishing a legal framework regarding dialogue with Serbia. The EU and the Foreign Policy High Representative rejected Haradinaj's unilateral actions accusing him of undermining dialogue. The question of border exchange or simply change continues to divide Kosovo political forces and population. However, it could be estimated that if Kosovo keeps on acting in such way it may be isolated on

the table of international negotiations. It seems that the U.S (and the EU) has a leading role in the background pushing for the idea of territorial change (or exchange). Thaci reiterated once again his confidence that dialogue will start again and agreement will be reached. It is assessed that there is somekind background talks between Thaci and Vucic which strengthen Kosovo President's confidence that his country will be recognized by Serbia. It is a fact that Thaci, and the EU wish to isolate Haradinaj intervention in the dialogue process. Kosovo lacks determination over its critical reforms which will establish in the country rule of law and modern functional administration. Path towards the EU and NATO will be long and hard. Kosovo announced the establishment of its army; an issue which may provoke rapid reaction by the Serbian side including military and Police power. One should take into consideration that the Serb President has already ordered all defense and security stakeholders to take all necessary measures for protecting Serbian population in Kosovo.



MOLDOVA: January 9th, western analyst Vladimir Socor argued that Moldova is profoundly ill, and the state is usurped by a single-person group of interests in which the rule of law has been abolished. There is no more free market – which is controlled by private media interests – and no more justice. In an interview for Free Europe Radio, the analyst mentioned that the situation in Chisinau is a morbid one. In his view and according to the standard international criteria is, actually a state on the verge of bankruptcy. “I’m not referring to technical or financial failure; I mean political and moral bankruptcy.” In this context, Socor assumed that the Democratic Party of Moldova (Partidul Democrat

din Moldova – PD) leader Vlad Plahotniuc might want to become Prime Minister in order to be formally received by Heads of state from abroad, Western or Russian leaders. At the same time, the expert reminded that Plahotniuc strangled all his allies, squeezed them, and *“threw them aside as broken and squeezed lemons,”* further writes “Epoch Times.” The analyst said this is the fate of everyone, and others like Ilan Shor remain allies of fear, as they are very vulnerable. Shor purchases his relative and provisional freedom by rendering services to Plahotniuc. He is a *“prisoner ally”* of Plahotniuc, and examples of prison allies will go on. *“I am thinking of a series of prominent figures from the current Government and the leadership of the current Parliament that can be sued for acts committed when they were in power in previous Governments; banks, airports, but these characters remain allied by Mr. Plahotniuc at least temporarily,”* concluded Socor, quoted by “Epoch Times.” Furthermore, Socor highlighted the fact that the upcoming parliamentary elections will be a decisive point in the near future of Moldova. (www.moldova.org)

- January 10th, President Igor Dodon sent an official letter to the Russian Prime Minister Dmitry Medvedev on a decision by the Government of the Russian Federation according to which it is forbidden to import Ukrainian goods as well as goods from other countries that are brought into the Russian territory by transit through the territory of Ukraine. Dodon said that the decision of the Russian Government has caused some difficulties for Moldovan exports. *“This decision has created risks for certain categories of Moldovan goods, such as wine products and canned food, since, according to new rules, they have to be delivered to Russia by avoiding Ukraine, which significantly increases*

transport costs,” Dodon wrote. The Head of state has stated that *“he has personally solved the problem”* and that *“solution will be specified in the near future.”* Igor Dodon previously announced that following the agreement with the Russian President Vladimir Putin on January 1st, 2019, Russia canceled customs import duties for several categories of goods from the Republic of Moldova such as vegetables, fruits, canned fruits and vegetables, and wine products. (www.moldova.org)

- January 11th, the Joint Control Commission, at its first meeting in 2019 focused its discussions on proposals by the Moldovan delegation to work out a mechanism of monitoring the Security Zone, in line with the commitments taken based on a protocol signed in January 2017, the Reintegration Policies Bureau has reported. The Tiraspol representatives’ refusal to access this measure triggered hot disputes between the participants. The arguments presented by Moldova’s delegation, backed by the representatives of Ukraine, would remove the deficiencies signaled earlier and would ensure the non-admission of incidents in the Security Zone. A proposal also by the Moldovan delegation to involve the OSCE Mission in elaborating such a mechanism of monitoring was turned down too. At the same time, the participants in the meeting tackled the activity of the military observers and their reports, especially the refusals to sign contracts which do not objectively cover the infringements committed in the Security Zone. Moldova’s delegation reiterated that such situations were triggered by the lack of a distinct regulation of the Joint Military Command. The Moldovan delegation unveiled cases when some military exercises held in the Security Zone and made public including on official sites, are not

contained in reports by the military observers (which prompted Moldova's military representatives not to approve such incomplete draft acts). Moldova's delegation referred to the long term, during which the sides had not been able to reach consensus on some important subjects. The Joint Control Commission will hold its next meeting on January 17th, 2019.

COUNTRY ASSESSMENT :

Political life is "hostage" of the pro-Russian President Igor Dodon and pro-Western Government rivalry which undermines the institutional function of the country. In the wider framework Moldova is between the Euro-Atlantic structures on the one hand and the Russian influence on the other. Political situation in the country is alarming and the EU has hardened its policy towards Moldova pushing for more reforms which will strengthen state's transparency, accountability and democratic values. Coming parliamentary elections scheduled for February 24th, 2019 will be closely monitored by the international community and especially the US and EU as a "democratic stress test." Romanian Presidency of the EU Council is a positive conjuncture for Moldova changing the climate between Moldova and EU. Moreover the US express concerns over a possible Russian interference in the elections. The Government is sliding into dangerous paths which support corruption and organized crime and deep and determined justice reforms are needed. The U.S, EU and IMF express their major concerns. Opposition parties try to establish a single united bloc against the ruling coalition accused of nepotism and corruption. The ongoing crisis between Russia and Ukraine may affect Moldova; First of all Russia maintains military forces in

Transnistrian ground and secondly it shares common borders with Ukraine which cannot go unnoticed by international stakeholders. Moldova, together with Georgia and Ukraine released a particularly aggressive announcement against Russian actions in Kerch Strait and Azov Sea. One should keep an eye on current political (and public) trend on reunification with Romania. The "Transnistria case" is always a "running sore" for the country working as a potential factor of destabilization.



MONTENEGRO: January 9th, hardly can Turkish investors find better destination than Montenegro to extend their business on said the Prime Minister, Dusko Markovic in an interview with the Turkish journalist and Director of Turkish television and magazine Turkomani, Kazim Kilinc. Interest of Turkish companies in Montenegro is getting bigger and bigger. Representatives of key departments of the Montenegrin economy meet with the new interested potential investors from Turkey on a daily basis. Markovic pointed out that Turkey is an important economic partner for Montenegro with around 130 million euro of investments in the last decade. Markovic said to Turkish investors to keep in mind the proverb that is believed to be Turkish "Strike the iron while it's hot." Montenegro is a prestigious investment destination, particularly since its NATO accession. (www.cdm.me)

- January 10th, the Ministry of Defense has issued a public advertisement for the admission of 51 people as soldiers with the contract for a fixed period of one year. "It is about 40 formation positions, 17 of which are in the Infantry Battalion, with a place of service in Danilovgrad, three formation positions in the Air Force of the

Armed Forces of Montenegro [place of service Golubovci], two in the Logistic Battalion [place of service Golubovci], two in the Honorary Guard [also Golubovci], seven for the Special Forces Unit [place of service Danilovgrad], two in the Training Center, also in Danilovgrad, and seven in the Navy of the Army of Montenegro, with a place of service in Bar,” the Ministry of Defense announced. (www.rtcg.me)

- January 11th, the Montenegrin economy should achieve a slightly lower rate this year, due to its strong base, following the high last year's growth, announced the Vice Governor of the Central Bank (CBCG), Nikola Fabris. “Our forecast is that the growth rate of Gross Domestic Product (GDP) in this year amount to about 3.5%,” Fabris said in an interview with Mina business agency. According to him, sectors that the CBCG expects to be economic growth holders this year are tourism, energy and construction, mostly by the continuation of construction of the highway, tourist and energy facilities. “Also, it is realistic to expect a gradual recovery processing industry and a certain growth of agricultural production in the function of imports substitutions,” Fabris said. (www.rtcg.me)

COUNTRY ASSESSMENT :

Although the country enjoys a period of “euphoria”, major reforms should be implemented in order the country to come closer to the EU. The EP assessment is positive praising the state’s efforts to implement major reforms, but on the other hand it underlines the problems of the rule of law, media freedom, corruption, money laundering, and organized crime. However, the EP expressly states that Montenegro under certain conditions may be able to access the EU

by 2025. The Government promotes state’s political and economic stability which creates an almost ideal investment environment. Although the Government takes concrete measures against corruption, organized crime, and money laundering it is assessed that a lot should be done to reach such a level of economic activity; mainly in the field of public administration, public sector corruption, and money laundering. Imprisonment of opposition MPs is a worrying and alarming sign regarding rule of law and democratic values in the country. Montenegro shows activity within NATO trying to prove that it is an equal partner of the alliance with military capacity according to NATO standards. Although the state fulfills its obligations as a full member of the Alliance questions are raised for such initiatives due to their impact in Montenegro’s society but also in country’s foreign relations. A significant number of people is opposed in NATO and maintains pro-Russian stance.



ROMANIA: January 8th, the first meeting of the General Affairs Council under the Romanian Presidency took place in Brussels. Presiding over the meeting, George Ciamba, Romania’s EU Affairs Minister, presented the Presidency’s priorities for the next six months. The Multiannual Financial Framework (MFF) was a major topic discussed at the council. Ciamba said all efforts will be made to present a basis for an agreement on this topic this fall. Speaking of how Romania will approach the EU Council Presidency, Ciamba said the country will work as an honest broker. “We will work as an honest broker to rise to the level of expectations; we want to keep the unity and cohesion in the Union during a dynamic period, marked by challenges – Brexit, but at the same time by the

bridge in between institutional cycles, the next Multiannual Financial Framework, and the European elections.” “Cohesion” is the motto of Romania’s EU Council Presidency. “Europe of convergence,” “A safer Europe,” “Europe as a stronger global actor,” and “Europe of common values” are the four pillars on which Romania’s EU Council Presidency rests, Ciamba explained. The main objectives Romania put forth under the pillar Europe of convergence include taking forward the negotiation process on the 2021-2027 Multiannual Financial Framework; developing the EU social dimension through the enforcement of the European Pillar of Social Rights; advancing the EU agenda in the economic and financial fields; and promoting research and innovation, digitalization and connectivity, in order to increase the competitiveness of the European economy and industry. Ciamba also spoke for the need to deal with new security challenges and the wish to support cooperation initiatives in the field. The EU Affairs Minister said disinformation has become “one of the greatest challenges to our democracies.” In order to be effective in tackling the issue, joint efforts of the EU member states and the civil society are needed, he said. Referring to “Europe as a stronger global actor” pillar, he spoke of consolidating the global role played by EU and of advancing the EU enlargement policy. Encouraging solidarity and policies such as ones against discrimination, and ensuring equal opportunities between men and women are some of the objectives grouped under the “Europe of common values” pillar. Ciamba also mentioned the informal EU Summit in Sibiu, set to take place on May 9th, 2019 and said he hoped the event will sent a message of unity at any level of the Union. (www.romania-insider.com)



The Romanian Minister of EU Affairs, George Ciamba is addressing the General Affairs Council
(Photo source: www.romania2019.eu)

- January 8th, Chairman of the National Liberal Party (Partidul Național Liberal - PNL), Ludovic Orban, has announced that his party will file another censure motion during the parliamentary session that will start in February 2019. “We’ll continue our activity to convince the ruling power MPs, PSD, ALDE and UDMR lawmakers that they are doing Romania a tremendous harm if they keep this Government alive, which is completely unable to do any good to Romania,” said Orban. Last censure motion filed by the Opposition against Viorica Dancila’s Government entitled “It’s enough! Dragnea-Dancila Government, Romania’s shame!” failed in Parliament at the end of 2018, getting even less votes than the number of signatories. Previously, the Prime Minister Dancila said she is not nervous at all about the motion, as the ruling coalition has a majority in Parliament. There were 161 votes to three, while Social Democratic Party (Partidul Social Democrat - PSD), Alliance of Liberals and Democrats (Alianța Liberalilor și Democraților - ALDE), and Democratic Alliance of Hungarians in Romania (Uniunea Democrată Maghiară din România - UDMR) lawmakers have abstained from voting. 233 votes were needed for the motion to pass. (www.romaniajournal.ro)

- January 11th, the European Commission (EC) President Jean-Claude Juncker called for a consensus in Romania during his joint press conference with Romanian President Klaus Iohannis. He also said that the internal conflicts should not be exported to Europe. The two men met as part of Juncker's agenda for the visit in Romania. The EC President and other EU leaders came to Bucharest on Thursday, January 10th, 2019 to attend the ceremony marking the start of the Romanian EU Council Presidency. *"It would be good to have an atmosphere of consensus in this country, your country that would allow everyone, including Europe to move forward. We shouldn't export internal conflicts to Europe and engage in a polemic without a purpose or an end,"* Juncker said after the meeting with Klaus Iohannis at the Cotroceni Palace. In his turn, the Romanian President said that the internal political issues should not affect the progress of the Romanian EU Council presidency. *"[...] I believe all parties understood this,"* Iohannis added. The European official also said he believes the Romanian Presidency of the EU Council would make a significant contribution to demonstrating that those who say that there are two blocks in Europe – the East and the West – are wrong, adding that *"Europe is breathing with these two lungs."* Asked about amnesty and pardon, amid the ruling party's plan to issue an emergency ordinance on amnesty, the EC President said *"I wanted to recall the European rules. It is absolutely necessary to respect the rule of law. I've said that Europe is also made up of compromises, but there must be no compromise on the essential issues, because these key issues would be adversely affected if an amnesty would be granted as expected by some people in your country. Its enforcement would be a step back."* Iohannis also said that the rule of law is not

negotiable, and that *"we can't build in Romania a justice system that is not compatible with other justice systems in Europe."* The two officials touched many topics during their meeting, including Brexit, the multiannual budget for the next period, migration, and the European security. The Romanian President said that talks on the future of Europe will continue at the EU Summit in Sibiu this May 2019. (www.romania-insider.com)

COUNTRY ASSESSMENT ■ :

Political struggle between the President Klaus Iohannis and Government has been transformed into an "open battle" leading the political functionality in a deadlock. The President rejects the Government's proposals one after another leading in institutional and constitutional deadlock. Apart from that the state looks divided in major institutional issues such as national defense, justice, and security. Romania took over the Presidency of the Council of EU facing criticism and non-confidence by the EU member states' high officials. It is assessed that the Romanian Government is reaching a deadlock which could overthrow it only through early elections. On the other hand, it is "unrealistic" a state holding the EU Presidency to face snap elections; It could be detrimental. One should also take into consideration that the ruling coalition has lost majority in the Chamber of deputies which makes things more complex. Iohannis strongly opposes in Government's plans to intervene in judicial system while there are specific signs that the Government works towards controlling state's justice. As a conclusion, the state faces political abnormality in many levels which at the moment could be resolved only by early parliamentary elections. Romania

according to NATO strategic and operational planning has become an advanced base close to Russia. Its strategic importance and role has been upgraded and high level NATO exercises take place in its territory. Current crisis between Russia and Ukraine may affect Romania's security situation as a forward NATO base.



SERBIA: January 8th, Serbian

Assembly Committee on Kosovo Chair Milovan Drecun has assessed that the creation of Greater Albania is an irreversible process. Drecun also pointed out that this will be done *“in one way or another”* and that this is being done in order to create a counterpoint to Serbia - a territory that could, with its size, resources and population be able to compete with Serbia. *“This is a realistic geopolitical assessment, which is also in the interests of western countries. It is clear that they do not oppose the creation of Greater Albania,”* Drecun said adding that *“we must be blind not to see that we will have Greater Albania in the 21st century.”* According to him, *“everything Albania is doing is being done in order to take away our territory, while the creation of Greater Albania is a non-civilized, disruptive and destabilizing act.”* Drecun assessed that the letter of the US President Donald Trump was the key event last year that *“opened up the space for talks on Kosovo and Metohija”* which are expected this year. According to Drecun, Pristina will have to abolish taxes on Serbian goods, because, he said, it is a great challenge for the Albanians to block Trump's initiative, as well as Russia's position that the Kosovo problem should be resolved. *“It is clear that Serbia will not allow Kosovo to decide unilaterally,”* Drecun said. Speaking about the visit of the Russian President Vladimir Putin he said that this year three great powers,

Washington, Moscow, and Beijing, will have the main role when it comes to the Kosovo issue. Drecun also said that *“we must be aware of the extent to which Russia has the capacity to deal with the Kosovo problem.”* *“We need Russia to strengthen us with the Americans, because when Russia puts its weight behind us, the Americans know that no solution can pass without its consent,”* Drecun said. (www.b92.net)

- January 11th, Serbian President Aleksandar Vucic received in Belgrade the Republica Srpska (RS) Prime Minister, Radovan Viskovic. On that occasion, Vucic said that Serbia, as a true friend and trusted partner, will always be a strong support for the RS, the Serb entity in Bosnia & Herzegovina. *“Serbia will always, respecting the Dayton agreement, support various infrastructure and other projects in the RS, as well as joint work to foster our cultural and spiritual ties,”* Vucic emphasized. He said that, for the sake of economic prosperity and realization of joint plans, it is most important to preserve peace and stability in the RS and in Bosnia & Herzegovina. Vucic and Viskovic also discussed concrete joint infrastructure and energy projects. Vucic wished Viskovic a lot of success in his responsible role, with the belief that he will work selflessly to ensure prosperity for the citizens of the RS. The RS Prime Minister said he is looking forward to substantial and intensive cooperation with Vucic and the Government of Serbia, and that he expects a new joint session of the two Governments to take place soon. He pointed out that Vucic is *“the first President of Serbia to move from words to deeds”* because he fulfilled his promises and helped build various facilities and infrastructure projects in the RS, but also in the Muslim-Croat entity, the Federation of B&H. Viskovic thanked Serbia for its assistance so far and said that he is

rejoicing at each of Serbia's successes, because a strong Serbia represents a strong support for the RS. (www.b92.net)

- January 11th, the Defense Minister Aleksandar Vulin said that the Serbian Army is being intensively equipped and armed as it has to be ready to protect each part of state's territory, but also Serbs wherever they live. He made the statement during the presentation of weapons and military equipment that have entered in service in the Serbian Army, or are in the final phase of testing. Vulin stressed that Serbia, as a military neutral country, must be "prepared for any challenge, should be able to accomplish each function on its benefit, and must have every capacity that far bigger and richer armies have." "Since we are not a NATO member Pact or any other military alliance, we must be able to respond to every challenge," Vulin said. (www.b92.net)

COUNTRY ASSESSMENT :

It is assessed that Serbia has followed so far a successful diplomatic strategy achieving to be appeared in the international community as a reasonable voice seeking a compromise resolution via dialogue regarding the Kosovo case. Apart from that Serbia took in advantage that it is a member of the UN, while Kosovo it is not. In this context, Serbia pushed the UNSC for a more active role in resolution process sending a message to the EU that its dialogue process has reached a deadlock. It is estimated that Serbia seeks the engagement of Russia and China which are considered as friendly towards Serbian arguments. Security situation is complex and uncertain since Serbia apart from political and diplomatic means has engaged its military and

security forces. The Armed Forces are in high readiness alert but Vucic tried to de-escalate situation by stating that war is not a possible solution. However, none could predict Serbia's reaction in a possible accidental or pre-planned (provocation included) incident in Northern Kosovo against local Serbs. One should have in mind that top state officials have said in public that Serbia will protect Kosovo Serbs by any mean including security and military force. It is assessed that a possible Kosovo Police operation in the north or security forces deployment may provoke Serbia's security forces engagement for the protection of Serbian population; however, this scenario is not very likely. Putin's visit to Belgrade on January 17th, 2019 is of high interest. At the moment, Serbia looks like acting in accordance with the international law aiming at reducing tension in the region. In other words state's leadership is acting in a "reasonable" and "wise" way avoiding mistakes of the past which have isolated Serbia from the international community. Of course, under these circumstances none could speak for restarting of Belgrade – Pristina dialogue. There are certain analysts who claim that such situation will inevitably lead in Kosovo partition with the north part going to Serbia. Some of them claim that this scenario has already agreed by Vucic and Thaci. Serbian repayment will be Kosovo recognition. By expressing neutrality and maintaining equal distance from the U.S.A and Russia it moves in an environment of fragile balance. Russia is getting involved in Kosovo case by supporting actively Serbian stance.



SLOVENIA: January 7th, the state-owned Plinacro gas transmission company reported that two-way gas flow between Croatia

and Slovenia has been enabled at the interconnection at the border town of Rogatec, which will make it possible for Croatia to export gas in addition to importing it from Slovenia. In addition to the existing gas transmission from Slovenia to Croatia, the interconnection will enable the delivery of about 30,000 cubic metres of gas per hour from Croatia to Slovenia, Plinacro said. This fulfils the obligation to provide two way capacities, in line with European Parliament and EU Council, concerning measures to safeguard gas supply security and enable permanent two-way capacity on all cross-border interconnections, the company added. Consequently, Plinacro and Slovenia's Plinovodi gas transmission company have concluded a new interconnection agreement in line with the relevant EC regulation, Plinacro said. Once a compressor station (KS1) is built near the Velika Ludina municipality in central Croatia, it will be possible to secure a higher pressure in the system, which in turn will enable the export of greater quantities of gas to Slovenia and third countries, Plinacro said. (www.n1info.com)

- January 7th, Defense Minister Karl Erjavec praised Army helicopter rescue crews in Maribor, while he argued in favor of keeping helicopter emergency rescue capabilities a publicly secured service in Slovenia. In this context, he urged the execution of the ruling coalition plan for a 27 million euro purchase of three Bell helicopters to be used for military and civil operations as well. The Minister claimed that this is one of his priorities because new military equipment (like the helicopters) can ensure the country's defense capability. (www.sta.si)

- January 10th, having already warned the Government about the perils of excessive

spending, the Fiscal Council called for expenditure - and revenue-side measures to permanently improve the resilience of public finances to demographic change and slowing of growth. *"In 2019 it is necessary to prepare and adopt measures that will appropriately address long-term challenges, especially concerning demographic change, and contribute to a lasting improvement of public finances while raising potential output,"* the fiscal watchdog said in a report. On the expenditure side, the Fiscal Council recommends streamlining and improving the efficiency of the public sector, on the revenue side it suggests making the tax system more efficient. The report suggests Slovenia reached the peak of the economic cycle in early 2018. While forecasts suggest that in 2019 growth will slow by about a percentage point compared to last year, it says that the pace could be significantly slower than forecast. *"Risks stem in particular from uncertainty in the international environment, which can have a major impact on small, open economy such as Slovenia's,"* the report says. The warning comes just as the Government is gearing up to adopt a revised budget for 2019, its first major budgeting exercise since taking office in autumn. Due to pay rises in the public sector and higher transfers to municipalities, it is widely expected that the revised 2019 budget will involve significantly higher spending and a significantly lower primary surplus than initially planned. In mid-December 2018 the Fiscal Council already warned the Government about a looming deficit that would return Slovenia back to structural deficit zone. The Government retorted that prudent fiscal planning was not an end in itself, it was merely the groundwork of a responsible economic policy, adding that its goal was to stimulate long-term economic growth and secure

fair income distribution. (www.sta.si, www.sloveniatimes.com)

COUNTRY ASSESSMENT :

Slovenia enjoys a relative political stability. The Government has to address several internal social issues (increase of minimum wage, health care, pensions etc) which may test governmental cohesion. Border dispute with Croatia is still ongoing and former Government of Miro Cerar filed a lawsuit against Croatia over its refusal to implement the border arbitration. Although the Prime Minister Marjan Sarec announced that his Government will follow the same policy in the issue, he showed up with an attitude of compromise by claiming that his country will not stop Croatia's accession in the Schengen zone. The Slovenian Armed Forces face problems mainly in the field of modern equipment and manning. The med-term 2018 – 2023 defense program it could improve situation, but under current political situation it is doubtful if it will be implemented to the end.



TURKEY: January 11th, the US National Security Adviser John Bolton said that military-to-military talks between the US and Turkey will continue next week, expressing hope that these talks will produce results that are “acceptable to both sides.” Bolton said, in a radio interview, the US President Donald Trump, and Secretary of State Mike Pompeo understood Turkey had committed “not to harm the Kurds who had fought with us” against DAESH terrorists. “What we’re still pursuing in these military to military conversations are assurances and protocols and procedures so that everybody feels comfortable with how this is going to

happen. And we're hoping those discussions, which will continue next week, will produce results that are acceptable on both sides,” he said in an interview with Hugh Hewitt, according to a transcript. Bolton had suggested on Tuesday that protecting the People's Protection Units (YPG), which is Washington's ally in Syria, would be a pre-condition of the US withdrawal, which began earlier on Friday. That drew a rebuke from President Tayyip Erdoğan, who called his comments “a serious mistake.” The US-led coalition against DAESH began the process of withdrawing from Syria on Friday, making good on Trump's announcement that he had decided to remove 2,000 US troops. Trump's decision stunned allies that have joined Washington in the battle against DAESH. Ankara has been infuriated by the US support for the Syrian Democratic Forces (SDF), which is dominated by the YPG under the pretext of fighting against DAESH. The US provided military training and supplied truckloads of weapons to the YPG, disregarding warnings from Ankara that the YPG is organically linked to the PKK, and partnering with one terrorist group to fight another was not acceptable. (www.dailysabah.com)

- January 12th, the Turkish Naval Forces are preparing for the most extensive maritime drill in the Republic's history. The drill, "Blue Homeland," will put on display an array of new naval weapons and warships. Frigates, submarines, MİLGEM corvettes, amphibious crafts, marines as well as Turkey's indigenous Bayraktar and ANKA Unmanned Aerial Vehicles (UAV), and jet fighters will participate in the drill. It will take place between February 27th and March 8th, 2019 in the seas surrounding Turkey. As in all the other sectors within the defense industry, the Turkish Navy has taken significant

steps in recent years to modernize its fleet, increase combat capability and become stronger in the face of growing intimidation and national security threats. The Turkish shipbuilding industry has also made significant progress in the area of military shipbuilding recently, carrying out design and engineering services, as well as exporting sub-industry products. The MİLGEM corvette project was initiated in 2000, to locally design and build a fleet of multipurpose corvettes and frigates. It looks a major project to replace older ships and strengthen the navy. Within the framework of the program, Turkey has built four corvettes so far, namely TCG Heybeliada, TCG Büyükada, TCG Burgazada and TCG Kınalıada, while a fifth vessel is under construction. The 99.56 meter long and 14.42 meter wide corvettes have a sea endurance of 15 days and have a maximum speed of 26 knots. During the drill, coordination exercises between the naval forces and air forces, including F-16 fighter jets and the UAVs, will be on display. Also, Bayraktar and ANKA UAVs will take part in a naval drill for the first time. Battery command posts and radar sites will also participate in the joint operation exercises. Along with the command echelons of the Turkish Armed Forces, National Defense Minister Hulusi Akar is also expected to follow the drill. (www.dailysabah.com)



TCG HEYBELIADA (F-511)

(Photo source: www.dzkk.tsk.tr)

- January 13th, Turkish troops and tanks carried out military exercises on the border with Syria, state-run media reported, while a monitoring group said a Turkish convoy had crossed the frontier into northern Syria. Turkey's military sent tanks and armored vehicles to the border in the second day of reinforcements near the province of Idlib, the last major rebel stronghold in Syria. On Friday, a Turkish security source said the Turkish army had been rotating forces in and out of the region, and declined to say whether the latest movement was in preparation for an operation inside Syria itself. Hayat Tahrir al-Sham has tightened their control over the Idlib region following more than a week of fighting with Turkey-backed Syrian opposition fighters. Escalation in Idlib comes as US forces prepare to withdraw from a separate region of northern and eastern Syria. Earlier on Saturday, the Turkish Defense Minister Hulusi Akar, Chief of General Staff Yasar Guler, and the Intelligence Agency Head (MIT) Hakan Fidan visited border military units and discussed *"measures to establish peace and stability in the region,"* the Ministry said in a statement. *"We are making every possible effort to preserve the ceasefire and stability in Idlib, in line with the Sochi agreement. Our close cooperation with Russia continues,"* Akar said. Akar's comments came a day after Russia said it remained committed to the agreement it had struck with Turkey to stabilize a de-escalation zone in Idlib, but said Moscow is worried by an increase in the number of ceasefire violations. In the meanwhile, the Turkish Armed Forces has drawn up a five-phase military strategy for an imminent offensive on northern Syria's Manbij to clear the People's Protection Units (YPG) from the region. The strategy focuses initially on maintaining security in the areas near the Turkish border and cut YPG's planned corridor alongside

the Syrian-Turkish border. After that, the Turkish Army would ensure the security of Manbij and advance deeper inside for the fight against DAESH. (www.yenisafak.com, www.dailysabah.com)

COUNTRY ASSESSMENT :

Turkey faces several restrictions in freedom of expression and human rights. Elected MPs and journalists are in custody or convicted by the state Courts. Local and international observers claim the country moves towards an authoritarian regime with thousands of citizens being persecuted. Turkish – U.S relations have strongly been harmed forcing Ankara to approach new allies such as Russia. Although Turkey re-examines its relations with the EU in an effort to avoid international and regional isolation, the EU sends messages of terminating the EU – Turkey accession talks. Turkish Armed Forces have been engaged in military operations against Kurds and PKK in Northern Iraq and against YPG Kurds in Syria as well. The U.S reconsiders its unconditional withdrawal from Syria after domestic and international critics. Protection of Syrian Kurds and YPG forces is a priority for the U.S troops which will remain in Syria as long as it is necessary. In this context, dialogue between Turkey and the U.S is ongoing aiming at reaching a common point of understanding. Although Erdogan announced that Turkey will not conduct a new military operation against Syrian Kurds, it reinforces its military presence in the area. New forces appeared in the Turkish – Syrian borders conducting military drills. The General Staff has already presented an operational plan for an imminent operation in Syrian Manbij. At the moment, Turkey is engaged in military operations in the territory of two other countries, it threatens

to start a new operation in Syria, maintains a significant military force in North Cyprus, and threatens a NATO ally – Greece – with an armed conflict. Apart from the use or the threat of use of direct armed violence Turkey participates actively in diplomatic processes in the region (Syria negotiations, Nagorno-Karabakh conflict, Cyprus question, Qatar crisis etc). The state demonstrates decisively its leading role in the wider region of the Middle East, Southeast Europe, and Southeast Mediterranean. Announcement of a huge navy drill in the Aegean and Mediterranean Sea may raise tension with Cyprus and Greece. Kurdish question is a major security threat for Turkey affecting stability, peace and even unity of the state. Regarding Turkish interests in East Mediterranean Sea it seems that they are reaching a critical point since Cypriots have already started hydrocarbon drills in their Exclusive Economic Zone via the US energy giant ExxonMobil. Is Turkey ready to move from rhetoric to action? It is rather difficult to see a direct harassment against the drill ship but none could exclude a “hot” incident in the Aegean Sea. The Turkish President and high state’s officials express Turkey’s determination to protect its interests no matter what. It seems that strengthened multilateral cooperation between Greece, Israel, Cyprus and Greece, Cyprus, and Egypt raises its concerns of regional isolation in a region (Eastern Mediterranean Sea) where Turkey considers it as a preferential field of action.

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NOTE

-  Stable situation. No security risk
-  Rather stable situation. Security risk is monitored
-  Major concerns over stability and security. significant security risk in specific regions
-  Imminent major incidents regarding stability and security. High security risk
-  Evolving or ongoing crisis or violent/armed conflict