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**Hermes Institute of
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GREECE AT A GLANCE



HELLENIC FOREIGN POLICY, DEFENSE & SECURITY DIRECTORATE

PROVIDING KNOWLEDGE TO THOSE WHO SHAPE THE FUTURE

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

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

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

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

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POLITICS

Name deal sparks acrimony in Greece, FYROM

Greece's political parties are on a collision course over the name deal struck with FYROM after New Democracy filed a no-confidence motion challenging Prime Minister Alexis Tsipras's right to strike the agreement, given the objections of the coalition's junior coalition partner, Independent Greeks (ANEL).

The debate on the issue will be concluded Saturday with speeches by party leaders and the vote on the motion, which all opposition parties are expected to back.

"I have an obligation before the Greek people to try to avert the mortgaging of our country's future with an agreement that is detrimental to our national interests," New Democracy leader Kyriakos Mitsotakis told an acrimonious Parliament session.

"We are all up against history," he said, adding that the motion seeks to prevent an unprecedented institutional derailment of the country, as it is unclear whether the SYRIZA-led government has the necessary parliamentary majority to ratify the deal. He also warned that the deal will be a *fait accompli* that may be irreversible.

For his part, Tsipras, who "welcomed" the motion, hinted that the confrontation over the deal will be a major one. "We will speak about everything and every one. You won't get away from it," Tsipras said.

With ANEL leader Panos Kammenos saying he will oppose the deal when it comes to Parliament, it is clear that Tsipras will have to rely on support from other political parties for its approval.

The bad blood was not limited to ruling SYRIZA and ND, as Movement For Change (KINAL) was also hit by internal strife with the leaders of its constituent parties – Fofi Gennimata of Democratic Alignment and To Potami's Stavros Theodorakis – at odds over the name deal – expected to be signed on Sunday in Prespes, northern Greece.

Theodorakis has stated he will back the deal when it comes to Parliament while Gennimata said she won't, placing a great strain on KINAL's cohesion.

(www.ekathimerini.com)

ANEL to oppose both name deal and censure motion, spokesperson says

Independent Greeks (ANEL), the Greek government's nationalist coalition partner, will oppose both the name deal with Skopje and the no-confidence motion against Prime Minister Alexis Tsipras filed by New Democracy opposition, a party spokesperson said Thursday, June 14th.

The party of Panos Kammenos, who is also defense minister, has said publicly in the past that it

will not throw its weight behind the accord reached with FYROM, but will not topple the SYRIZA-led government, either.

(www.amna.gr)

Greece passes fast-track reform package to unlock bailout cash

Greece's parliament on Thursday, June 14th, passed a fast-track reform package to unlock bailout funds and wrap up a fourth and final review of its loan programme as it seeks more debt relief from its official creditors next week.

Lawmakers passed the reform package 154-to-144 in the 300-seat parliament. It was endorsed by lawmakers of the leftist-led alliance while all other opposition parties voted it down.

"This government smothered Greeks with taxes. It crushed growth and pushed the middle-class to poverty," said conservative opposition leader Kyriakos Mitsotakis during a heated debate on the reforms bill.

"You created a large mass of desperate people who are drowning in debt and have no hope for the future," he said.

(www.reuters.com)

Ex PM Samaras says name deal an “unnecessary and humiliating compromise”

Greece's former conservative Prime Minister, Antonis Samaras on Wednesday, June 13th slammed an agreement reached between Athens and Skopje on the name issue, describing it as an “unnecessary and humiliating compromise.”

In a statement, Samaras said that by signing up to the deal, Greece's left-led government was not only giving up Macedonia's name to Skopje, but also the Macedonian ethnicity, identity and language.

The deal was bound to undermine stability in the wider region, Samaras said.

(www.ekathimerini.com)

Tsipras has no legitimacy to sign name deal, Mitsotakis tells President

Greek Prime Minister Alexis Tsipras does not have the political legitimacy to sign the name deal with FYROM for this is not approved by his junior government coalition partner, the Independent Greeks (ANEL), opposition leader Kyriakos Mitsotakis said during a meeting with President Prokopis Pavlopoulos on Wednesday, June 13th.

One day after Athens and Skopje announced they had reached a historic deal on the decades-old dispute, the New Democracy leader urged Pavlopoulos to make sure that the agreement is reviewed by Parliament before it is signed by the government. The agreement, under which

FYROM will change its name to Republic of North Macedonia, is expected to be signed this weekend.

The meeting between Mitsotakis and Pavlopoulos had originally been scheduled for Tuesday June, 12th.

(www.ekathimerini.com)

Alleged impunity for Rouvikonas is “hot air,” says minister

Claims by the main opposition that the government lets anarchist group Rouvikonas operate with impunity is just “hot air,” Citizen Protection Minister Nikos Toskas said on Monday, responding to New Democracy leader Kyriakos Mitsotakis.

Mitsotakis claimed that the group enjoys the protection of the government and that its actions are considered normal by Prime Minister Alexis Tsipras.

About 20 Rouvikonas members tried to barge into the Citizen Protection Ministry building earlier on Monday but were prevented by the guards at the main entrance.

(www.ekathimerini.com)

Argos mayor expelled over anti-Semitic rant

The mayor of the small town of Argos in southern Greece, Dimitris Kambosou, was expelled from the New Democracy party on Friday June 8th over anti-Semitic references regarding his counterpart in Thessaloniki, Yiannis Boutaris.

The decision was taken by the conservative leader Kyriakos Mitsotakis.

In an anti-Semitic rant, Kambosou expressed his dislike of Boutaris over his stance on various national and social issues, adding that “he only gets away with it because he is liked by the Jews.”

“He can say what he wants because he wears the [kippah],” he said.

In a statement, New Democracy expressed its condemnation over Kambosou’s “disgusting” comments, announcing his immediate expulsion from the party.

(www.ekathimerini.com)

ECONOMIC

Euro zone creditors agree key payment to Greece before debt relief talks

Euro zone creditors approved on Thursday June 14th a new disbursement of 1 billion euros to Greece, a move that was seen as a precondition for talks on new debt relief measures for Athens next week.

The euro zone bailout fund, the European Stability Mechanism (ESM), authorised the new payment which will be used for the clearance of arrears. The move came one week before a crucial meeting of euro zone finance ministers in Luxembourg which is expected to decide on Greece's financial future.

The release of funds was subject to a positive assessment by the European institutions of the clearance of net arrears by the Greek government.

"I am pleased to note that the Greek government has made sufficient progress in clearing its arrears to the private sector", ESM Managing Director Klaus Regling said in a statement.

(www.reuters.com)

Moscovici, Centeno welcome approval of Greek reform package

EU Economics Commissioner Pierre Moscovici welcomed the approval Thursday, June 14th, by the Greek Parliament of a fast-track reform package to unblock bailout funds and complete a fourth and final review of Greece's loan program.

"Good news as the bill enacting several prior actions is adopted by the Hellenic Parliament! Our teams will carefully assess these and the completion of the other commitments ahead of the Europe on 21/6. Another step towards a successful conclusion of the Greek program," Moscovici tweeted.

President of the Eurogroup Mario Centeno also congratulated Greece for clearing the last batch of economic reforms required by creditors.

"Greece continues to deliver on commitments. Another milestone completed in arrears clearance allows the ESM to disburse the pending €1 billion. Today's ESM board decision is a good omen for the discussions on program exit in next week's Eurogroup," he tweeted.

(www.ekathimerini.com)

Greece wants a bold Merkel embrace of Macron's euro zone plans

Chancellor Angela Merkel should be bolder in responding to French proposals to strengthen the euro zone, the Greek finance minister said in interview published on Wednesday June 13th, adding that concerns over Italy had highlighted the need to act.

The German newspaper Zeit Online asked Euclid Tsakalotos whether Europe needed a vision like that embodied in President Emmanuel Macron's reform proposals or a more realistic approach favored by Merkel.

"Whether it is realistic or not has to be determined," Tsakalotos said. "Just continuing as before will not solve the euro zone's problems. Merkel could be bolder. And that would be good for Germany and for her legacy as a European politician."

The Eurogroup was “very clear” from 2017 and made a commitment to debt relief so Greece could access debt markets once the bailout programme ended this year, Tsakolotos said.

“It is extremely important that we don’t end up with newspapers ... writing on June 22 that the Europeans have once again kicked the can down the road and have failed to address the Greek debt problem,” he said. “If that happens, we obviously won’t have access to the markets.”

Greece has repeatedly said that once its bailout programme ends it will not require a precautionary credit line. Tsakalotos said that such an arrangement was essentially a euphemism for a new programme.

“At some point, you have to trust a country to take its responsibilities seriously. We have had a program for eight years and want to leave it now,” Tsakalotos said.

(www.reuters.com)

IMF will remain engaged in Greece, Lagarde says

The International Monetary Fund will remain engaged in Greece in some form, which will most likely become clearer after a June 21 meeting of the Eurogroup of eurozone finance ministers, IMF chief Christine Lagarde said on Monday June 11th.

“We are considering all the options,” Lagarde told a news conference with chiefs of other leading economic organizations in Berlin.

“But we will certainly remain engaged one way or the other with Greece – and that will probably come to a denouement which will be much clearer on June 21 when there is a Eurogroup meeting.”

(www.reuters.com)

DEFENSE & SECURITY

Turkey: Even birds need our consent to fly in the Aegean

With Greece featuring prominently in Turkey’s election campaigning, Turkish Foreign Minister Mevlut Cavusoglu raised the tension a notch again Thursday, June 14th, warning that not even a bird will fly over the Aegean without Ankara’s permission.

Responding to criticism by Turkish ultra-nationalists that 18 islands have been “lost” to Greece in recent years, Cavusoglu said that since the crisis over the Imia islets in 1996 there have been no changes in the legal status of the Aegean.

“Not only during our own rule, but before that there has been no change in the status of the Aegean. We will not allow this. Even in the case of research we will not give permission, not even to a bird in the Aegean,” he said during an interview with a Turkish radio station.

He went on to say that Turkey will make no concessions in the Aegean and Cyprus, and that

Ankara will also begin gas exploration “around” the Eastern Mediterranean island. “We also have a drill,” he said.

(www.ekathimerini.com)

Two jailed Greek soldiers to be reassigned posts in Turkey

Bidding for the release of the two Greek soldiers who have been held without charge in Turkey since March, the government will push for a legislative amendment in Parliament in the coming days that will assign them to a post in the neighboring country.

Turkish courts have so far rejected three appeals for the release of the two soldiers from pre-trial detention on the grounds that they do not have a permanent residence in the country and therefore are considered a flight risk.

As a result the two men have been held in custody in a high-security prison in the northwestern Turkish province of Edirne pending their trial.

Turkish judges have yet to set a trial date.

In comments on Wednesday to state-run ERA radio, Alternate Defense Minister Fotis Kouvelis said the amendment will also secure that the two men, Lieutenant Angelos Mitretodis and Sergeant Dimitris Kouklatzis, will receive the wages of servicemen posted in a foreign country.

(www.ekathimerini.com)

Turkish F-16 overflights in eastern Aegean

A pair of Turkish F-16 fighter jets entered Athens' Flight Information Region (FIR) over Lemnos and Lesvos on Monday June 11th afternoon.

The two jets flew over the islet of Levitha at 24,300 feet and exited Athens' FIR at 3.59 p.m., east of the island of Rhodes.

(www.ekathimerini.com)

DIPLOMACY

FYROM president says won't approve name deal with Greece

FYROM's president said on Wednesday, June 13th, he would not sign a landmark deal reached with Greece on changing his country's name, dashing hopes of a swift end to a diplomatic dispute that has blocked Skopje's bid to join the European Union and NATO.

“My position is final and I will not yield to any pressure, blackmail or threats. I will not support or sign such a damaging agreement,” FYROM's President Gjorge Ivanov told a news conference in Skopje.

The president also said FYROM's possible future membership of the EU and NATO was not sufficient excuse to sign such a "bad agreement".

"We will oppose this deal of capitulation with all democratic and legal means," VMRO-DPMNE head Hristijan Mickoski told a news conference, branding the agreement "an absolute defeat for Skopje's diplomacy".

(www.reuters.com)

Stoltenberg, Tusk call on Greece, FYROM not to "waste" opportunity for solution

Greece and the FYROM should not throw away the opportunity to resolve the long-running name dispute, NATO Secretary General Jens Stoltenberg and European Council President Donald Tusk said in a joint statement on Wednesday, June 13th.

"We welcome the agreement reached between Prime Ministers Tsipras and Zaev yesterday on a solution to the name dispute. We hope that this unique opportunity to relaunch the wider Western Balkan region's European and Euro-Atlantic integration will not be wasted," they said.

"This agreement sets an example for others on how to consolidate peace and stability across the region," they added.

(www.ekathimerini.com)

Name deal to eliminate Skopje's irredentist pretensions, Greek FM says

The name deal reached between Greece and the Former Yugoslav Republic of Macedonia (FYROM) will eliminate irredentist pretensions in Skopje, Greek Foreign Minister Nikos Kotzias said Wednesday, June 13th.

Speaking at a joint press conference with his Russian counterpart Sergei Lavrov following talks in Moscow, Kotzias added that the government hoped to resolve outstanding issues with Albania and restart Cyprus talks aimed at reuniting the Mediterranean island.

"I believe that our region will become more peaceful... Now that we are coming out the financial crisis, we believe that stability in the Balkans can help us all grow," he said.

(www.amna.gr)

Athens, Skopje agree on "North Macedonia"

Greece and FYROM reached an historic agreement Tuesday, June 12th to end a bitter 27-year name dispute that had kept the smaller and younger country out of international institutions such as NATO, the two countries' prime ministers announced.

Greece's Alexis Tsipras and FYROM's Zoran Zaev said the former Yugoslav republic's new name for both domestic and international purposes would be Republic of Northern Macedonia. FYROM will also amend its constitution to reflect the change as part of the deal.

The nationality of the country's citizens will be listed on official documents as "Macedonian/citizen of the Republic of Macedonia."

Zaev said the deal would be signed this weekend, and a voter referendum would be held in the fall.

In a televised address, Tsipras said the 140 countries which had recognized the Balkan state simply as Macedonia would now recognize it as Republic of Northern Macedonia.

"This achieves a clear distinction between Greek Macedonia and our northern neighbors and puts an end to the irredentism which their current constitutional name implies," he said.

He added that FYROM "cannot and will not be able in the future to claim any connection with the ancient Greek civilization of Macedonia."

On the timeline of the deal, Tsipras said that it would be first signed by the two countries' foreign ministers and then ratified by FYROM's parliament.

(www.amna.gr)

Mitsotakis: FYROM deal is “bad,” recognizes Macedonian ethnicity and language

New Democracy leader Kyriakos Mitsotakis slammed the deal reached between Greece and FYROM on Tuesday, June 12th calling it a “bad deal” that recognizes a Macedonian ethnicity and language.

“Accepting the 'Macedonian language' and the 'Macedonian ethnicity' constitutes a non-acceptable national concession,” he said in a video posted on his official Twitter account.

“The solution that was agreed is a bad agreement. It is against the [interests of the] majority of Greeks. Some people do not realize it or, even worse, they do not care to understanding it,” he added.

Mitsotakis said that Prime Minister Alexis Tsipras “does not have any political legitimacy” to commit the country to a deal that is not approved by his junior government coalition partner, the Independent Greeks (ANEL).

(www.ekathimerini.com)

ND chief meets with Israeli PM in Jerusalem

New Democracy leader Kyriakos Mitsotakis and Israeli Prime Minister Benjamin Netanyahu on Monday, June 11th discussed ways to further enhance strategic cooperation between Greece and Israel, as well as the issue of the two Greek soldiers that have been held in Turkey without charge since early March.

“We discussed the new strategic cooperation between Greece and Israel in trade, tourism and energy, and I informed [Netanyahu] about the unacceptable detention of two Greek soldiers in Turkish prisons for over 100 days,” Mitsotakis said in a tweet.

In their hour-long meeting in Jerusalem they also discussed the mutual benefits of the East Med pipeline project, which will link the extensive Eastern Mediterranean gas resources to Europe.

(www.ekathimerini.com)

ENERGY

EIB supports Greek electricity network modernisation

The European Investment Bank (EIB) said on June 12th that the bank will support a €170 million electricity network investment programme by the Hellenic Electricity Distribution Network Operator (HEDNO), a subsidiary of the largest power provider in Greece, PPC.

The EIB and PPC signed on June 12 the second loan amounting to €45 million within the total loan facility of €85 million, the EIB said, adding that the bank will finance 50% of the new scheme that will reinforce and modernise electricity distribution across the Greek mainland and islands and enable the national network to better supply renewable energy.

The EIB said that the importance of new energy investment in Greece and crucial need to upgrade electricity distribution infrastructure to ensure reliable supply was highlighted ahead of the signature of the Financial Contract for the EIB’s long-term loan in Athens earlier on June 12.

Greece’s Energy and Environment Minister Giorgos Stathakis said long-term investment to modernise and reinforce electricity infrastructure across Greece is essential to ensure reliable electricity supply and cater for increased energy needs in the years ahead. “The European Investment Bank is a long-standing partner of the Greek energy sector and the EIB’s technical expertise and financial support has strengthened energy investment across Greece for decades. I welcome this new EIB backing that will improve electricity distribution in the years ahead and reflects the firm engagement of the EIB in Greece,” Stathakis said.

PPC Chairman and CEO Manolis Panagiotiakis noted that “the role of the Distribution Network, an imperative parameter for the operation of electricity, becomes extremely important for green energy and consumer’s participation, within the European policy framework and in correlation with all relative technological developments.”

In the presence of Stathakis, Panagiotakis and the head of the EIB’s Investment Team for Greece, Peter Jacobs, signed the 20-year EIB loan to PPC. The new EIB loan to support investment by HEDNO follows successful implementation of investment in electricity distribution infrastructure previously supported by the EIB and is guaranteed by Greece, EIB said.

Under the EIB backed investment programme, HEDNO will upgrade and reinforce electricity distribution across Greece, including large-scale investment in Athens, northern Greece and Crete.

The distribution investment programme will further strengthen connections to new renewable energy schemes and reduce the level of electricity lost through theft.

(www.neweurope.eu)

ASSESSMENT

The international community may have welcomed the agreement between Greece and FYROM settling thus the long bitter dispute between the two countries but it has roused strong reaction in both countries. Many people believe in Greece that the government worried about the masses reaction preferred to act under an unprecedented secrecy leaving the political elite second guessing the government's actions. The people on both sides of the border were furious, accusing their respective prime ministers of conceding too much, and protests are planned for both countries in coming days.

In Greece citizens are feeling betrayed as they discover the pages of the agreement. In what can be seen as a defiant movement Tsipras declared that no referendum will take place. Many analysts believe that the Prime Minister is afraid that the referendum will be a massive vote against the agreement, something that could be interpreted as a failure.

The political turmoil touches both countries as FYROM's President Gjorge Ivanov declared he would not sign off on the deal while Tsipras' coalition partners and the main opposition party have also criticized the plan. That means he will have to cobble together an ad-hoc alliance if he is to get it through parliament.

But behind all the joy lies another potential obstacle. The EU leaders are divided over whether to give the green light for membership talks to FYROM and Albania at a summit at the end of this month. Something that begs the question of was it all for nothing?

On the economic front, Athens has agreed to adhere to a post-bailout fiscal trajectory that targets primary budget surpluses - excluding debt servicing outlays - of 3.5 percent of GDP until 2022 and of at least 2.0 percent thereafter.

This gives the government little room for manoeuvre for tax relief unless it fiscally outperforms, generating even larger budget savings.

But to turn the page on the whole programme, which ends on 20 August, and allow Greece to live on its own after three bailout since 2010, more talks are going on between Athens, Brussels and Washington ahead of a Eurogroup meeting in Luxembourg next Thursday, June 21th.

The Greek government gives the impression it tries to achieve as much breakthrough deals in as little time as possible. Even if Tsipras says that the elections will take place in 2019 it sounds

less and less convincing as for many analysts the promises he makes to give away money remind a pre electoral race.

The next few weeks will show if everything will go according to plan. In any case all scenarios are open...

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