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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.

#### «HERMES» I.I.A.S.GE

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## **POLITICS**

### **New Democracy says Eurogroup decision puts Greece in a fish bowl**

Opposition New Democracy stressed on Friday June 22<sup>nd</sup> that Greece has got no reduction of its debt from the Eurogroup decision, instead it is getting increased surveillance with the markets having no confidence in the local economy.

The conservatives' vice-president Costis Hatzidakis told Antenna TV that “this debt settlement is nothing exciting. We are not talking of a debt reduction. With the ‘abhorrent’ PSI [in 2012] we got 120 billion euros off our debt, while now we have secured no reduction.”

“What will happen now is that Greece will enter a fish bowl until 2022,” the former European Commissioner said, adding that Athens has got the cash cushion of 22 billion euros because its creditors do not trust Greece’s ability to tap the markets.

He did concede that the extension of the bailout loans is important, but the major problem was not so much the debt itself but the confidence of markets in the Greek economy – or lack thereof.

At the same time New Democracy deputy Makis Voridis told Skai TV that instead of getting its debt slashed it got a stricter monitoring, that is unprecedented for a country emerging from a bailout program. He stressed that the promised measures will only be implemented gradually and under conditions.

*(www.ekathimerini.com)*

### **Greek Prime Minister expects Eurogroup to reach solution on Greek debt**

Prime Minister Alexis Tsipras said on Wednesday June 20<sup>th</sup> he expects Thursday's Eurogroup to produce a solution for Greece's debt pile that will herald the end of the country's eight-year economic crisis.

“We expect tomorrow a decision on Greek debt that will mark the end of Greece's eight-year turmoil and the end of austerity,” he said at the start of a meeting with the Co-President of the Stavros Niarchos Foundation (SNF), Andreas Dracopoulos, at Maximos Mansion.

“We are very close to the time when we will reap the fruits of a difficult multiannual effort on the side of the Greek people,” he added.

*(www.ekathimerini.com)*

### **Kammenos says will call on PM to seek supermajority for name deal**

The head of Greece's junior coalition partner and Defense Minister Panos Kammenos said on Wednesday June 20<sup>th</sup> he will ask Prime Minister Alexis Tsipras to seek a supermajority of 180 MPs in the country's 300-seat House for the ratification of the name deal with the FYROM, instead of a regular majority of 151, given the importance of the issue.

In comments following a meeting of the parliamentary group and executive secretariat of his

party, Independent Greeks (ANEL), Kammenos reiterated that the nationalist party will never back the agreement reached between the leftist-led government and Skopje for North Macedonia, adding that he considers it unlikely it will be approved by referendum in the neighboring country either.

Kammenos went on to say that members of his party have come under attack after the government survived a no-confidence vote in Parliament on Saturday night following a motion by the main New Democracy opposition over the FYROM name deal.

The nationalist leader claimed that he has evidence showing that the conservatives are behind the threats to members of his tiny party in a campaign to coerce ANEL lawmakers to join its ranks.

The no-confidence motion filed by ND, Kammenos argued, was not about the name agreement.

“It was aimed at Independent Greeks in order to halt the government's policies so that we would not reach tomorrow, the day of the Eurogroup meeting and the country's exit from the memorandum period,” Kammenos claimed, suggesting that the no-confidence motion was a ruse to topple the government.

*(www.ekathimerini.com)*

### **Tzanakopoulos: Government will call vote of confidence if coalition partner opposes Macedonia deal**

In comments to reporters on Wednesday June 20<sup>th</sup>, government spokesman Dimitris Tzanakopoulos said that a vote of confidence would be held in the event that the junior partner in the coalition, the right-wing Independent Greeks (ANEL), votes against the Macedonia name deal in Greece's Parliament.

Asked about comments by the ANEL MP Panagiotis Sgouridis, according to which Athens made concessions on the name deal in order to secure a deal to lighten its debt at Thursday's Eurogroup meeting, Tzanakopoulos dismissed them as rumors.

"Many have rushed to spread rumors about a so-called exchange by the government on the Macedonia issue to secure a solution on the debt," he said. "Those rumors reveal an ignorance about the way institutions and governments work in Europe."

Tzanakopoulos also hit out at conservative New Democracy leader Kyriakos Mitsotakis, calling him "exclusively responsible for the extreme right shift of ND," adding that he had adopted the rhetoric of the far-right opposition in Skopje.

*(www.ekathimerini.com)*

### **Ousted far-right MP to appear before examining magistrate over coup remarks**

The ousted Golden Dawn MP Constantinos Barbarousis, who is accused of treason, will appear before an examining magistrate on Wednesday to explain his remarks during a parliamentary debate last Friday, when he called for a military coup.

In his address to lawmakers during a debate on a no-confidence motion brought against the government by the opposition for its handling of a name deal with the Former Yugoslav Republic of Macedonia (FYROM), Barbarousis said that the military should arrest Prime Minister Alexis Tsipras, his coalition partner Panos Kammenos and Greek President Propkopis Pavlopoulos, in order to “prevent this treason,” that is the name deal with Skopje.

He was arrested on Monday morning in northern Athens by counter terrorism officers. He was on the run since Friday after he was indicted by a prosecutor on charges of treason.

According to Greek Penal Law, anyone who publicly or through the dissemination of documents or images intentionally attempts to incite others to commit acts of high treason is punished by up to 20 years in prison.

([www.ekathimerini.com](http://www.ekathimerini.com))

### **Opposition vows to scrap law that granted leave to terrorist**

New Democracy vowed Tuesday June 19<sup>th</sup> to abolish the “despicable” “Paraskevopoulos law,” which led to the release, for a third time, of convicted November 17 hitman Dimitris Koufodinas on a two-day furlough.

Koufodinas, who is serving 11 life sentences, was released after he went on hunger strike for almost two weeks. ND said it was “inconceivable for the state to be blackmailed because an assassin went on a hunger strike.”

His release was also slammed by Kostas Bakoyannis, the regional governor of Central Greece and son of ND MP Pavlos Bakoyannis who was killed by N17 in 1989. In a Facebook post, he said that all one has to do get out of prison is to “go on hunger strike, or tell your friends to do a sit-in or raise a banner.”

The US Embassy called his release a “shameful injustice to his many victims’ families and a further incentive for his anarchist followers to commit violent and destructive acts in his name.”

([www.aman.gr](http://www.aman.gr))

### **Name deal exposes cracks in coalition partner, center-left**

The name deal between Athens and Skopje has exposed cracks in the new center-left Movement for Change (KINAL).

The agreement has also divided PASOK and To Potami, which recently came together in the KINAL alliance, with officials on both sides being said to be in favor of killing the project.

Speaking to Iefimerida website, Potami chief Stavros Theodorakis, who welcomed the name deal, said, “we are trying to see if our effort to inject fresh ideas into traditional forces is working.”

No decisions concerning the movement’s future are expected until Potami’s national congress on July 1.

*(www.ekathimerini.com)*

### **Greek government survives vote of no confidence but loses an MP**

After more than two days of vehement debate in Parliament, the government on Saturday June 16<sup>th</sup> survived a no-confidence vote brought against it by the main opposition New Democracy party, but with one less MP.

The motion garnered 127 votes with 153 against. The junior coalition partner Independent Greeks backed the government despite its opposition to the name deal with FYROM that Prime Minister Alexis Tsipras announced last week, bar one MP, Dimitris Kammenos, who backed the motion. He was subsequently expelled from the party, reducing the government’s majority to 153.

Before the vote, protesters gathered for the second day in a row outside the House to oppose the deal and riot police fired tear gas at one point to disperse demonstrators.

There was tension inside Parliament too, notably when Foreign Minister Nikos Kotzias submitted declassified ministry documents in a bid to compare the government’s negotiating tactics on the name issue to that of previous administrations.

Addressing Parliament, Prime Minister Alexis Tsipras slammed the opposition for bringing the motion of no confidence, remarking that “future historians will struggle to comprehend why, at such a positive moment for the country, ND chose to try and topple the government.”

ND leader Kyriakos Mitsotakis declared that “a vote against the motion of no confidence is a vote in favor of the Tsipras-Zaev agreement tomorrow,” referring to FYROM’s premier, Zoran Zaev. “I want all Greeks to understand the theater of hypocrisy that has been staged.”

Tsipras’s coalition partner Panos Kammenos reiterated his party’s opposition to the FYROM name deal, saying that ANEL will oppose it, when it comes to Parliament, “not just with our vote” but by any means possible. He stressed, however, that he remains allied to Tsipras for his declared fight against corruption and to get the country out of the bailout era.

The leader of centrist To Potami, Stavros Theodorakis, pointed to the positive aspects of the deal. “Helping our country doesn’t mean supporting the SYRIZA-ANEL government,” he added. The

leader of Movement for Change, Fofi Gennimata, in which Theodorakis is a partner, opposed the deal, saying she trusts the government with “nothing.”

Former conservative premier Antonis Samaras also weighed in, condemning the government for conceding too much to FYROM. In his speech to MPs, Samaras criticized the left-led administration for recognizing a Macedonian ethnicity and language, and warned that the deal will fuel “aggressive irredentism,” creating instability in the wider region. “Either the deal will not last or it will cause turmoil,” Samaras said. “I fought for the Macedonia issue, you gave it all away,” he said.

([www.ekathimerini.com](http://www.ekathimerini.com))

## **ECONOMIC**

### **Eurogroup deal for Greece clinched after marathon session**

After several hours of negotiations, Greek officials and representatives of the country's international creditors reached an agreement on securing the sustainability of the country's debt in the early hours of Friday June 22<sup>nd</sup>.

Greece is to receive a loan tranche of 15 billion euros, a 10-year extension for the repayment of its European Financial Stability Facility (EFSF) loans and an additional grace period of 10 years on interest payments.

At a press conference announcing the details of the deal, European Economic and Financial Affairs Commissioner Pierre Moscovici spoke of a “historical moment for Greece” and said a new chapter was beginning for the country. He expressed “great satisfaction” in seeing Greece emerge from eight years of financial support.

“Tonight’s Eurogroup agreement achieves what we have been calling for, a credible, upfront set of measures, which will meaningfully lighten Greece’s debt burden, allow the country to stand on its own two feet, and reassure all partners and investors,” he said.

Eurogroup President Mario Centeno struck a similar note. “This is it,” he said. “After eight long years, the Greek bailout has been completed.”

In a post on Twitter, European Commission President Jean-Claude Juncker said the deal “paves way for the successful conclusion of the program and a new chapter for the country.”

“I will always fight for Greece to be at the heart of Europe. I pay tribute to the Greek people for their resilience and European commitment. Their efforts were not in vain,” Juncker wrote.

Tsakalotos, for his part, said the government was satisfied with the Eurogroup agreement, noting that it will allow Greece to access the markets.

He added, however, that Greek people have been through a lot in recent years and must see a difference soon, in their pockets, through growth.



([www.ekathimerini.com](http://www.ekathimerini.com))

### **IMF welcomes Greek debt deal but has reservations on long-term**

The International Monetary Fund welcomed on Friday June 22<sup>nd</sup> a deal on debt relief for Greece reached by Athens' euro zone creditors saying it will improve debt sustainability in the medium term, but maintained reservations on the long term.

“The additional debt relief measures announced today will mitigate Greece medium-term financing risks and improve medium term debt prospects,” the International Monetary Fund's managing director Christine Lagarde told a news conference.

But she added that the fund will not join the expiring 86-billion-euro bailout as the time “has run out”, and maintained “reservations” on the long term sustainability of the Greek debt, which runs until 2060.

The fund will begin assessing the sustainability of the Greek debt “as early as next week”, Lagarde said, adding that the fund will remain engaged in Greece and will participate to the monitoring of the Greek economic performance and reforms after the end of the programme.

([www.reuters.com](http://www.reuters.com))

### **Centeno says he expects decisions on debt relief package for Greece**

Eurogroup President Mario Centon said on Thursday June 21<sup>st</sup> he is optimistic that eurozone's finance ministers will produce a debt relief package for Greece that will make it sustainable in the future.

“We have a very important day ahead of us. We just got the information that Greece complied with all 88 prior actions of the fourth review. This is really remarkable and it shows a great commitment by the Greek authorities to the success of the program,” he told journalists as he arrived at the annual meeting of the European Stability Mechanism's Board of Governors, in Luxembourg.

“I am optimistic we will deliver today in the Eurogroup and find a debt relief package that will promote sustainability for Greek debt in the future. Today will mark a new stage for the Greek economy,” he said.

([www.ekathimerini.com](http://www.ekathimerini.com))

### **Greece expects substantive debt relief decisions from Eurogroup**

Greece expects euro zone finance ministers to deliver on promised debt relief this week so that it can at last plan its financial future “like any ordinary country”, the government spokesman said on Wednesday June 20th.

Ministers in the Eurogroup will meet in Luxembourg on Thursday June 21<sup>st</sup> to consider plans for easing the debt burden.

“We are optimistic that we are on the verge of a solution with substance,” spokesman Dimitris Tzanakopoulos said, adding that this would “have a multiplying effect on the momentum of the Greek economy”.

“The accepted criteria for all sides is that this solution be convincing for markets and embed the creditworthiness of our country - the final act in restoring the credibility of Greece to be able to plan for the next day like any ordinary country,” Tzanakopoulos told a news briefing.

EU officials have repeatedly said the meeting will be crucial to seal Greece’s financial future. Greece has already received substantial debt relief during the crisis. Private creditors cut the value of their holdings of Greek government bonds by more than half in 2012.

As a result Greek debt stock was cut by about 107 billion euros. Official creditors do not accept such “haircuts” but have eased lending terms which reduced the net present value of the loans granted to Athens, resulting in further budget savings.

Athens won wide political praise last weekend for signing a deal with neighboring Macedonia that settled a decades-old dispute over the former Yugoslav republic’s name.

However, Tzanakopoulos said there was no truth in speculation that this deal was tied in any way to Greek debt relief.

*(www.reuters.com)*

### **Commission: Greece completed all prior actions of fourth program review**

Greece has completed all the pending prior actions required to conclude the fourth program review, which opens the way for the disbursement of the country's last loan tranche, the European Commission said in its compliance report on Wednesday June 20<sup>th</sup>.

“Based on the above considerations, the ESM programme is on track. This paves the way for the final disbursement to Greece for an amount necessary to cover debt servicing needs, plus an amount to help build a cash buffer,” the Commission says in its report.

The report said conditions are in place for a successful conclusion of the European Stability Mechanism's program, but called on Greek authorities to press on with reforms.

“Greece needs to build upon the progress achieved under the ESM program and strengthen the foundations for a sustainable recovery, notably by continuing and completing reforms launched under the program and ensuring that the objectives of the reforms adopted are safeguarded,” it said.

*(www.ekathimerini.com)*

### **US Ambassador: Up to Greek government to show commitment to reforms**

US Ambassador to Greece Geoffrey Pyatt reiterated his country’s support for Greece’s economic recovery, saying it all depends on the decisions of the Greek government, in comments to

journalists after a speech at the Greek Investment RoadShow 2018 in New York on Tuesday June 20<sup>th</sup>.

Pyatt said the United States recognizes that the great challenge is to help Greece maintain economic recovery, noting that “a lot of things depend on the decisions of the Greek government and the continued demonstration of its commitment to reforms.”

*(www.ekathimerini.com)*

### **Moscovici: Eurogroup “must take decisions” to complete Greece's third program**

EU Economics Commissioner Pierre Moscovici on Tuesday June 19<sup>th</sup> urged eurozone's finance ministers to take the decisions required to conclude Greece's third bailout program in their next meeting on Thursday.

“This is a vital week for Greece: Thursday's Eurogroup must take the decisions necessary to ensure a successful conclusion of the ESM program,” he said.

“In short, Greece has delivered on its commitments and I am confident that member-states will now deliver on theirs,” he added.

“We need a balanced compromise between all actors, ensuring growth and sustainable debt for the future of this country that has gone through so much.”

*(www.reuters.com)*

### **Greece to get up to 15 billion euros after third bailout, says German official**

Greece will likely get up to 15 billion euros for stabilization after its third bailout program ends in August so it does not have to borrow from the market, a senior German government official said on Tuesday June 19<sup>th</sup>.

The money will be taken from unused funds made available in Greece's bailout, the official said.

Germany did not consider a contribution of 1.6 billion euros from the International Monetary Fund (IMF) as compulsory, the official added.

Additional measures for Greece must be approved by the budget committee of Germany's Bundestag, the official said, adding that a vote on the matter by the lower house could be ruled out.

*(www.reuters.com)*

### **EU Commission says Greece needs help easing debt load**

The European Commission's vice president said Greece will need a “credible package” of measures to help deal with its oversize debt as it leaves its eight-year international bailout program in August.

Helping Greece manage its debt is one of the crucial elements being discussed as part of an agreement on its bailout exit it hopes to hammer out with international creditors at a meeting of eurozone finance ministers on June 21.

Valdis Dombrovskis said Friday June 15<sup>th</sup> that “we need debt measures which alleviate the burden in the first post-program years to ensure that Greece can return to the markets in a gradual way.”

*(www.ap.com)*

### **China, Greece to increase cooperation**

China's top legislator Li Zhanshu met with Speaker of the Greek parliament Nikolaos Voutsis on Tuesday June 19<sup>th</sup> in Beijing.

Li said China's NPC is willing to cooperate more with the Greek parliament to create a better legal and social environment for building the Belt and Road and promote the China-Greece comprehensive strategic partnership.

Voutsis appreciated China's rapid development and said Greece is willing to actively participate in the Belt and Road Initiative and would like to promote cooperation between Europe and China, and he hopes both sides will have more legislative exchanges to promote friendly exchanges and pragmatic cooperation between the two countries.

Chinese Vice President Wang Qishan also met with Voutsis on Tuesday in Beijing.

"China and Greece are traditionally friendly countries," Wang said, noting that both sides understand and respect each other's core interests and major concerns, and are working to consolidate their strategic trust.

Wang said China attaches great importance to its ties with Greece and is willing to make joint efforts with Greece to strengthen exchanges of various levels, expand pragmatic cooperation under the framework of the Belt and Road Initiative, and enhance people-to-people exchanges to benefit the two countries and two peoples.

Voutsis expressed satisfaction with the high level of bilateral relations and said Greece respects China's core interests and is willing to cooperate more with China.

Greece is willing to promote joint efforts between China and the EU to play a more important role in global and regional security and stability, as well as economic globalization.

*(www.xinhuanet.com)*

## **DEFENSE & SECURITY**

### **Ministers condemn Turkey's continued detention of two Greek soldiers**

The continued detention by Turkey of two Greek soldiers who accidentally crossed the land border in early March is "barbaric," Deputy Defense Minister Fotis Kouvelis said on Wednesday June 20<sup>th</sup>.

His comments to Sto Kokkino FM came a day after a Turkish court rejected a fourth request for the two Greek soldiers to be released.

Kouvelis said that Greek authorities were doing everything possible to press for the soldiers' release but deemed that Ankara would continue to ratchet up tensions even after Turkish elections scheduled for Sunday.

Earlier in the day, in comments to 104.9 FM, Justice Minister Stavros Kontonis struck a similar tone, describing the ongoing detention of the two Greek soldiers without charge as "unacceptable" and not worthy of a "civilized state."

*(www.ekathimerini.com)*

## **DIPLOMACY**

### **FYROM's parliament ratifies name agreement with Greece**

FYROM's parliament formally ratified a landmark name agreement with Greece on Wednesday June 20<sup>th</sup>, paving the way for Skopje's admission to NATO and the opening of accession talks with the European Union.

In a vote boycotted by 51 opposition deputies, the ruling coalition in FYROM's 120-seat parliament, led by the Social Democrats of Prime Minister Zoran Zaev, approved the agreement.

"With this solution, we have not only gained another friend and strategic partner ... we have (also) opened the gates to NATO and the EU," Zaev said

Foreign Minister Nikola Dimitrov, who signed the agreement, said the deal protected the identity of FYROM's nation.

FYROM President Gjorge Ivanov also opposes the accord. Under the constitution Ivanov can return it to parliament for reconsideration but not veto it indefinitely.

*(www.reuters.com)*

### **Greece, FYROM sign deal to change neighbor's name**

Against the scenic backdrop of the Prespes Lake district in northern Greece, Foreign Minister Nikos Kotzias and his counterpart from the FYROM, Nikola Dimitrov, on Sunday June 17<sup>th</sup> signed a landmark agreement to change the Balkan country's name in the presence of their prime ministers and foreign officials.

In a joint appearance with FYROM premier Zoran Zaev, Greek Prime Minister Alexis Tsipras described the agreement as “patriotic and mutually beneficial,” and stressed the importance of safeguarding it.

“We have a historic responsibility to ensure this agreement is not left up in the air,” Tsipras said.

The deal, under which FYROM would be renamed North Macedonia, must pass a referendum in FYROM and approval in both countries’ parliaments before it can be enforced.

Zaev also hailed the deal, saying it “put an end to the longstanding problems which aggravated our bilateral ties.”

“Our two countries must leave behind the past and look to the future,” he said. “We were bold enough to take a step forward.”

The United Nations official who has mediated in the name dispute for some 25 years, Matthew Nimetz, congratulated Greek and FYROM officials on the deal, which he described as “honorable” and an example of “how neighbors can solve a problem if they really work at it.”

Noting that it was his birthday, he said his “big gift” was the signing of the landmark deal.

The event was also attended by Europe’s foreign policy chief, Federica Mogherini, and European Enlargement Commissioner Johannes Hahn.

“It is a very good day for both countries, it is a very good day for the EU, for Europe and of course for the Balkans,” Mogherini said.

While foreign officials hailed the deal in the placid lakeside ceremony, protesters expressed their objection to it in the nearby village of Pisoderi. A crowd raised a banner saying “Macedonia is Greek” and tried to break a police cordon. They were pushed back by officers who fired tear gas.

The protests followed a larger demonstration in Athens on Saturday night, when Tsipras survived a vote of no confidence against his government.

([www.ekathimerini.com](http://www.ekathimerini.com))

### **Seven in 10 Greeks opposed to North Macedonia, poll shows**

Almost seven in 10 respondents in a poll published on Saturday are opposed to the name North Macedonia for FYROM. The poll, conducted by Marc for the Proto Thema newspaper, found that 68.3 percent of Greeks are opposed to the agreement reached between Athens and Skopje to settle the decades-old name dispute.

More specifically, 73.2 percent of respondents said they disagree with the use of the term “Macedonia” in the new name and 68.3 percent said they are opposed to the deal as presented by Prime Minister Alexis Tsipras last week.

Moreover, 49 percent of respondents who claimed they had voted for ruling SYRIZA said they were also opposed to the accord, which is supposed to be signed by the two sides on Sunday.

The poll also saw opposition New Democracy party increasing its lead over SYRIZA to 14.4 percent, with the leftist party polling in the single digits in parts of northern Greece, where the Macedonia name issue is particularly sensitive.

According to the poll, if elections were to be held today, 30.6 percent of respondents would vote for New Democracy, 16.2 percent for SYRIZA, 7.5 percent for the center-left Movement for Change, 7.3 percent for far-right Golden Dawn and 6.3 percent for the Greek Communist Party (KKE). The Union of Centrists and the junior coalition partner in the left-led government, nationalist Independent Greeks, would not garner the votes needed to enter Parliament.

*(www.protothema.gr)*

### **Greece is a key US ally in a volatile region, says US envoy**

Greece is an important ally of the United States and a pillar of stability in a turbulent region, the US Ambassador to Greece Geoffrey Pyatt said on Friday June 15<sup>th</sup>, speaking at an Economist Conference in Athens.

“We see Greece as a key ally in a volatile region; a pillar of stability that we are investing in as part of the US strategy to anchor the western alliance,” he said.

Greece's strategic location and strong commitment to spending at least 2 percent of GDP on defense has a key role to play in a US strategy for Europe that seeks to stabilize the south eastern frontier, he added.

*(www.ekathimerini.com)*

## **ENERGY**

### **EBRD buying into Greek energy exchange**

The European Bank for Reconstruction and Development announced on Thursday June 21<sup>st</sup> the signing of agreements to obtain a 20 percent stake in the Hellenic Energy Exchange.

The bank is investing 1 million euros that will be used to finance the establishment of the first energy exchange in the country, whose objective is to organize and operate Greece's recently liberalized electricity, natural gas and environmental markets by providing access to new energy markets and introducing new products to the domestic market.

The Hellenic Energy Exchange was founded and will be owned by the state-owned electricity market operator LAGIE, the Athens Exchange Group, the Independent Power Transmission Operator (ADMIE), the EBRD and the Hellenic Gas Transmission System Operator (DESFA).

The Hellenic Energy Exchange will provide access to new liquid energy markets and products that will, among others, support greater domestic competition, reduce barriers to entry for new

energy market participants and allow the effective participation of renewable energy producers in the electricity markets.

It will also support regional integration by facilitating market coupling with neighboring countries such as Italy and Bulgaria.

*(www.ekathimerini.com)*

### **Greece to start gas company sale in November**

Greece will launch a tender in November to sell a majority stake in gas company DEPA's commercial operations, the country's privatisation agency (HRADF) said on Monday June 18<sup>th</sup>.

Greece has agreed with its foreign creditors on DEPA's privatisation plan, which involves splitting DEPA into two entities, one covering its wholesale and retail gas supply business and the other its distribution network and international activities.

Greece, which holds a 65 percent stake in DEPA, will look to sell 50 percent plus one share in DEPA's commercial activities, according to an updated privatisation plan published on HRADF's website.

Greece will start the sale of a 14 percent stake in DEPA's distribution networks once it divests the company's commercial activities, according to the revised plan.

*(www.reuters.com)*

### **PPC plants attract interest from Greece, Asia**

Three domestic energy groups, one local industrial group and two Asian companies are expected on Thursday June 21<sup>st</sup> to respond to the invitation of interest in the lignite-powered plants of Public Power Corporation in Florina and Megalopoli.

The tender, at this non-binding stage, will see the participation of Mytilineos, GEK Terna and the Copelouzos Group in cooperation with China's Shenhua. Also taking part will be the Viohalco group via ElvalHalcor.

Besides Shenhua, interest will come from abroad by way of a major power utility of India, whose representatives are said to have escorted the Indian president on a visit to Athens on Monday. Sources say the Indian company has also contacted local energy groups for a possible cooperation in the next stage of the tender, with the expression of binding interest.

*(www.ekathimerini.com)*



## ASSESSMENT

Greece is at a very crucial point in its history as the changes that are being made could lead to a happy ending or on the contrary to a very difficult and delicate situation to deal with. Although European leaders are marking the country's apparent success, new problems are lurking elsewhere in the region, putting pressure on Greece's still fragile economy.

The last couple of months Greek Prime Minister, Alexis Tsipras has laid out a plan for growth, and is refusing the offer of a precautionary credit line, a financial safety net that would come with new austerity terms after years of belt-tightening.

Many analysts remain very cautious because even if Athens will no longer officially depend on other people's money, it faces an uphill battle to revive credibility in financial markets and restore growth. An expert group of economists has argued that none of the measures favored up to now, even if stretched to the limit, would get Greece's debts on a credible and sustainable downward path. The Eurogroup on Thursday is also an important day for market players who are seeking clarity over the Greek debt profile in order to decide whether or not to invest in the country.

Moreover, Athens has to deal with the public opposition to the deal which appears to remain strong even though the size of demonstrations has dwindled since a large rally against a compromise was held in the capital in February. People seem to be less and less convinced from the promises of a better tomorrow that Tsipras has given the few past months. On one hand Greeks are promised a better future after August by the government and on the other the information they receive from Brussels tell a very different and less optimistic story. Torn between two possible outcomes people in Greece are starting to wonder if all these years of sacrifices, reforms and a lowered quality of life were all in vain.

To add fuel to the fire that is slowly burning in the Greek society the deal with FYROM is seen as nothing less than high treason. Many are convinced that the deal was made as leverage to use during Thursday's Eurogroup concerning the Greek debt.

But even in this case events are taking a difficult turn for Tsipras' administration since the agreement has sparked intense debates, not only in Athens and Skopje, but also in other countries of the European Union. France is reportedly among the countries who is resisting an enlargement package the European Council will be called to ratify, despite efforts by the European Commission to disconnect the candidacies of Albania and FYROM. The country is joined by the Netherlands and Denmark in expressing reservations, but a possible shift in France's position would be crucial on the issue. If in the end all the reasons, put forward to justify the deal, are not validated then the government will be indeed in perhaps the worse situation it has been since it came to power in 2015. The opposition will have to keep its promises if it wins the next elections and will have to take measures against all those who were the architects of the deal. Many are even talking about trials.

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