



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

GREECE AT A GLANCE



HELLENIC FOREIGN POLICY, DEFENSE & SECURITY DIRECTORATE

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

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

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

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

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POLITICS

Poll puts conservatives ahead of ruling SYRIZA by 9.5 points

Greece's conservative opposition maintains a strong lead over the ruling leftist party, according to a new opinion poll.

The survey by Pulse for Skai TV showed that New Democracy would get 28.5 percent of the vote if elections were held now, versus 19 for Prime Minister Alexis Tsipras's SYRIZA party.

Far right Golden Dawn and the newly-formed center-left alliance Movement for Change were battling for third place, garnering 7 percent respectively. The same poll put support for the Greek Communist Party (KKE) at 5.5 percent and the Independent Greeks (ANEL) at 1.5 percent, which means that the right-wing coalition partner would not enter Parliament.

The survey found that conservative chief Kyriakos Mitsotakis is considered the most suitable candidate for prime minister by 32 percent of respondents against 22 who endorsed Tsipras.

Asked when they think the next general election will take place, 34 percent said they believe it will be held in 2018, while 53 percent said it will be called the following year.

Meanwhile, 56 percent said New Democracy will garner the most votes in the next polls.

(www.skai.gr)

Sakellariou steps down as Council of State president

Nikos Sakellariou announced he was stepping down as president of Greece's highest administrative court, in the first such resignation in the court's history.

In a 3-page public statement, Sakellariou said his decision was in protest at recent leaks of classified information on Council of State sessions deliberating the legitimacy of the so-called Katrougalos law which introduced a recalculation of pensions.

The top judge said he had been unable to control this "unthinkable and unacceptable" breach of confidentiality, adding that it had seriously undermined the image of the court.

"It does not allow me to perform my judicial duties with the due calm and sobriety," he said, adding he was resigning with a clear conscience.

Sakellariou said he had from early on pointed out that several aspects of Greece's bailout agreement were "not compatible" with the Constitution and that economic exigencies had taken a toll on the country's institutions, undermining the rule of law and the welfare state.

Asked whether he had been pressured by the government or others over his work he replied negatively, adding "I am not one of those who are pressured."

He said he has confidence in the court's judges to “rise to the occasion, responding to the historic tradition of the Court.”

The government will have to appoint a new president by the end of June.

(www.ekathimerini.com)

ND slams government for snubbing proposal on vote for Greeks abroad

Greece’s main conservative opposition has slammed the leftist-led government for snubbing a proposal to give diaspora Greeks the right to vote in Greek elections.

According to New Democracy’s proposal, people who are already registered in any of Greece’s electoral districts would be allowed to vote for candidates on a single nationwide ticket. Polling would take place at embassies and consulates.

ND chief Kyriakos Mitsotakis called on Prime Minister Alexis Tsipras to back the proposal in Parliament. A two-thirds majority would mean the measure would apply in the next national election.

Meanwhile, the conservatives insist they will only agree to government plans to break up Athens’s second electoral district into smaller divisions if the former adopts its diaspora vote proposal.

In a statement, ND urged the government to support both proposals in a parliamentary vote.

“This is the only just [thing] that the government has implemented,” the party said in a sarcastic reference to a SYRIZA campaign slogan.

(www.ekathimerini.com)

Greece passes asylum bill to ease overcrowding in island camps

Greece’s parliament passed a bill on Tuesday aimed at making asylum procedures simpler and faster and to ease overcrowding on its island refugee camps.

Addressing lawmakers before the vote, Migration Minister Dimitris Vitsas acknowledged that the bill “will not magically solve the refugee and migration issue” but said the government wanted to reduce the wait for thousands of asylum seekers.

“What are we seeking to do with this bill? To carry out a speedy processing of asylum claims while respecting the rights of those seeking international protection,” he said. The government also planned to hire more staff, including on the islands, he said.

The bill also allows for the imposition of a ban on asylum-seekers traveling beyond the islands until their claims are processed, which had been lifted by Greece’s top administrative court last month.

(www.reuters.com)

Pensions under 1,000 euros will also be cut in 2019, says minister

The planned pension cuts for people who have already retired and which will be implemented as of January 2019 will also affect pensions under 1,000 euros, Deputy Minister for Social Security Tasos Petropoulos admitted.

“In October we will see the exact cuts in pensions [...] and will improve them,” he told broadcaster Skai. “We have seven months ahead.”

Petropoulos said the 18 percent cut in pensions includes benefits, and estimated that about 25-30 percent of pensioners will be affected by the new reductions.

He also pledged to pay all pending main pensions by August, “except in some particular cases.”

(www.ekathimerini.com)

ECONOMIC

IMF calls for an agreement on Greece’s debt

The IMF needs to reach an agreement with Greece and its European creditors to ensure that the fund has enough time to give money to the embattled nation.

Greece has been seeking debt relief - a relaxation of the terms for paying back its debts - since 2015, but the issue has dragged on due to opposition from several EU member states. Certain European countries, some of which are the largest lenders to Greece, are against significant debt forgiveness as they don't want to be seen by their citizens as ongoing contributors to what they see as economic malpractices in their southern European neighbor.

Speaking to CNBC, Poul Thomsen, the IMF director for Europe, said that there needs to be an agreement at a meeting late next week. “We really need an agreement at the Eurogroup,” Thomsen said.

“Time is running out,” he said, “but if there is an agreement in the Eurogroup meeting in May, then there will be enough time for us to activate the program and for it to coincide with the remainder of the ESM program.”

(www.cnbc.com)

Greece to be closely monitored in post-bailout era

Greece’s creditors are reportedly examining a scenario whereby the country will be placed under “enhanced supervision” that will be linked to debt relief measures after its bailout ends in August, according to European Union sources.

Under the plan, any divergence – fiscal or other – will entail losses for Greece with regard to debt relief measures.

In a letter to eurozone finance ministers, Eurogroup chief Mario Centeno said the supervisory “tool” will entail three to four visits per year by representatives of the institutions to Athens, where a team from the European Commission will be permanently based.

Accordingly, Greece will not be allowed to reverse the reforms it has already approved, while it will still have to push through the prior actions that are not implemented before the bailout program ends in the summer.

The concept of “enhanced supervision” was outlined in an Commission regulation in 2013 but the team headed by the EC’s mission chief for Greece, Declan Costello, has reportedly undertaken to tailor it – in collaboration with the other institutions – to Greece’s needs.

The list of post-bailout commitments is currently being drafted, ahead of the planned review.

(www.ekathimerini.com)

Greece to cut 2018 economic growth forecast to 2.0-2.1 percent

Greece will slash its projected economic growth rate this year to 2.0-2.1 percent from a previous 2.5 percent forecast, a senior finance ministry official said.

“We will lower our (GDP) growth projection to 2.0 to 2.1 percent,” said the official on the sidelines of talks with inspectors representing the country’s official lenders. “This does not mean that growth cannot turn out higher but we must be conservative.”

(www.reuters.com)

DEFENSE & SECURITY

Greek parliament speaker visits Greek soldiers detained in Turkey

Greek Parliament Speaker, Nikos Voutsis visited two Greek soldiers who have been detained in Turkey since March.

Voutsis visited the soldiers at the F-type prison in the northwestern province in Edirne, for a visit that lasted for around one hour. He declined to respond to questions from reporters as he left the prison.

The court in Edirne on April 25 ordered the continued detention of the Greek soldiers.

The court based its decision on digital materials found on the soldiers, their lack of a permanent residence in Turkey, and “concrete evidence” suggesting they would flee.

(www.hurriyetdailynews.com)

Greek armed forces chief calls on Turkish counterpart to free jailed soldiers

Hellenic Armed Forces General Staff (GEETHA) Chief Admiral Evangelos Apostolakis called for the release of the two Greek servicemen who are being held in a Turkish prison since early March, during a meeting with Turkish counterpart Hulusi Akar, on the sidelines of a NATO Military Committee meeting in Brussels on Wednesday.

According to a statement from GEETHA, Admiral Apostolakis also told Akar “it is necessary to initiate procedures” to free the soldiers and stressed the need to end “the unlawful conduct” of the Turkish Armed Forces in the Aegean.

(www.ekathimerini.com)

Opposition leader urges Turkey to end “illegal detention” of Greek soldiers

Greece’s conservative opposition leader Kyriakos Mitsotakis urged Turkey to end the “illegal detention” of two Greek servicemen arrested in early May for straying into Turkish territory during a border patrol.

“[Turkey] must end the illegal detention of our two officers here and now,” Mitsotakis said during a visit to the northern Greek city of Alexandroupoli.

“[Turkey] must respect the rules of international law and the principles of good neighborliness. It must reflect on its responsibilities toward Greece as well as the European Union,” he added.

(www.ekathimerini.com)

DIPLMACY

Greece and FYROM inch closer to name accord, but not quite there yet

Greece and FYROM said they had made progress in talks to settle a decades-old name dispute, though Athens cautioned it was early to talk of a deal.

“I believe we have covered a great part of the distance, but we have more to cover,” Greek Prime Minister, Alexis Tsipras told journalists. He said progress had been substantive but that negotiations were complex and ‘multi-layered’. “We are not yet in a position to speak about a deal.”

Tsipras spoke after meeting his FYROM counterpart Zoran Zaev in Sofia, where they attended a summit of EU and Western Balkan leaders.

“We have discussed one (specific) solution to the name dispute that could be acceptable for both sides, but we need to have further discussions in our countries,” Zaev said.

Tsipras said he hoped for a meeting with Zaev next month, before an EU summit which is scheduled for late June. Athens, Tsipras said, wanted a comprehensive deal that would “stand the test of time.”

Zaev said the two sides would continue talking “even if we miss the June deadline”. “We are solving the dispute in order to strengthen the dignity and identity of the citizens in both countries,” he added.

(www.reuters.com)

Juncker calls for greater solidarity for Greece in refugee crisis

European Commission President Jean-Claude Juncker praised Greece and Italy for bearing brunt of the bloc's migration crisis and hit out at member states that have failed to show solidarity to countries on the frontline of the migration influx.

During a speech in Florence, Juncker acknowledged that building solidarity takes time but stressed that crises such the refugee influx undermine the EU and lead to a rise in populism and nationalism.

Solidarity should not only apply to the refugee crisis but also to the economy, Juncker said.

(www.ekathimerini.com)

Visegrad-Western Balkans meeting in Athens a “smart call,” says US Ambassador

The US Ambassador to Greece, Geoffrey Pyatt welcomed an initiative by Foreign Minister Nikos Kotzias to organise a meeting of his counterparts from the so-called Visegrad Group countries – the Czech Republic, Hungary, Poland and Slovakia – and the Western Balkans, describing it as a “smart call.”

Pyatt said the move underlines Greece’s role “as a builder of bridges across the region.”

The summit, held in Sounio, east of Athens, focused on energy, the future of the European Union and the bloc's expansion ahead of an EU summit next week in Bulgaria.

(www.ekathimerini.com)

ENERGY

Greece extends Hellenic Petroleum deadline to May 30

Greece extended a deadline for expressions of interest in a majority stake in oil refiner Hellenic Petroleum to May 30 from May 18.

Major shareholders Paneuropean Oil and Industrial Holding and the Greek government agreed last month to divest at least 50.1 percent of Hellenic, Europe’s third largest oil refiner based on its market value of 2.4 billion euros.

The exact size of the stakes to be sold in an all-cash transaction will not be disclosed until short-listed investors are invited to submit binding offers.

The extension followed a request by interested investors, a source close to matter said.

(www.reuters.com)

PPC is not a viable company, McKinsey report shows

Greece's Public Power Corporation (PPC) is not viable and will need to take specific steps to restore its position, the McKinsey consulting group warned in a report to the company detailing the state of the company's finances.

McKinsey's five-year plan, revealed by Kathimerini, proposes that PPC improves its operational profits by 500 million euros over the five-year period, for which it will have to adopt a voluntary retirement plan for 2,000 employees and an increase in pricing, starting with the gradual reduction of PPC's current discounts and the imposition of increases on specific customer categories.

(www.ekathimerini.com)

ASSESSMENT

The tug of war between the International Monetary Fund and Berlin over the Greek debt issue is threatening Greece's successful bailout program exit in August.

Germany insists on granting Greece gradual debt relief under the condition that it will be approved every year by the Bundestag.

For its part, the IMF disagrees with Berlin's insistence on reviewing the measures every year and is threatening to leave the Greek program.

The "the clean exit" that the Greek Prime Minister promised in August doesn't seem as certain as before...

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