



Weekly Briefing

Greece External Relations briefing:
Sino-Greek relations flourish within and beyond 16+1
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Sino-Greek relations flourish within and beyond 16+1

Greece and China are enjoying excellent relations. Greece attended the recent Sofia 16+1 Summit as an observer and was represented by Alternate Minister of Infrastructure Christos Spirtzis. Although the country has not yet joined the 16+1 scheme, it will possibly do so in the future, if the name issue with FYROM is settled on the basis of the Prespes Agreement. In the meanwhile, Greece actively participates in business discussions and closely cooperates with China about existing and future interconnectivity projects to be implemented in the Balkans and Central and Eastern Europe. However, despite the excellent momentum in Sino-Greek relations, the month of July saw Greek-Russian relations enter a serious diplomatic crisis. As opposed to Beijing, Moscow is not satisfied with the Prespes Agreement.

Greece is attending 16+1 summits having the status of an observer. The recognition of FYROM with its constitutional name by China has – until now – prevented Greece's full participation in the initiative. This also happened at the recent Sofia summit where the country was invited as an observer indeed and was represented by Alternate Minister of Infrastructure Christos Spirtzis. Although Greece is not part of the 16+1 scheme, it is particularly interested in all Chinese activities in the Balkans and Central and Eastern Europe. China is largely seen as a potential investor which can finance new infrastructure projects and bring win-win results for its state-owned enterprises and local societies. So, Athens actively participates in relevant business discussions and closely cooperates with Beijing.

The investment of COSCO in the Piraeus port is the flagship project. The Chinese company has transformed the port into a transshipment hub in the Mediterranean. Trade is being strengthened because the turnover in the Piraeus

port has been increased while the Chinese maritime company is able to handle numerous TEU. As this port is the last stop of the maritime silk route in Europe, China is proposing plans in order for the maritime route to be better connected to the land route. In particular, the potential development of a high speed train line connecting Piraeus with Budapest will contribute to a fast transportation of commodities from the Mediterranean – via the Balkans – to Central and Eastern Europe. The Greek track of this proposed train service will be realized under the management of the Italian company Ferrovie dello Stato. This means that the project will not be Chinese per se but one where companies from different countries will collaborate.

Sino-Greek bilateral collaboration is gradually acquiring a regional character. Greece is an old EU member-state and is widely regarded as a pillar of stability in Southeastern Europe. Therefore, its relevance to the 16+1 scheme is unquestionable. On the same days of the Sofia summit, a significant business development took place in Athens. Specifically, the largest energy producer in the world, China Energy Investment, and one of the largest investment groups in Greece, Copelouzos Group, decided to join efforts in the green energy sector and the environmental upgrading of energy generating units. The two companies are expected to express joint interest for lignite units of the Public Power Corporation in Greece this will mark the beginning of their cooperation also in conventional power plants. Their collaboration – both in the green energy sector and the environmental upgrading energy generating units – aims to expanding in the Balkans as well as in other European countries. Beyond the important regional scope, future green energy projects can offer a satisfactory answer to Brussel's concern about the environmental impact of Chinese investments in Europe.

Greece, the Balkans and the 16+1

Greece is endeavoring to play a leading role in South-Eastern Europe. It supports the European orientation of Balkan countries and generally explores

new cooperation opportunities with both EU and non-EU member-states. In so doing, Greece participates in significant multilateral meetings such as the quadrilateral one with the participation of Bulgaria, Romania and Serbia. Their fourth meeting took place in Thessaloniki on 4 July and was hosted by Greek Prime Minister Alexis Tsipras and was attended by his Bulgarian and Romanian counterparts, Boiko Borissov and Viorica Dancila, as well as Serbian president Alexander Vucic. The four leaders were, inter alia, keen on better coordinating their policies ahead of the Sofia summit.

Generally speaking, Greece and other Balkan countries (beyond the quadrilateral meeting format) are discussing the potential implementation of future connectivity projects, possibly with Chinese funds. The establishment of a vertical link between the Danube and the Aegean coast constitutes an example. This will enable a navigable route via the Morava and Vardar/Axios rivers and China's state-owned Gezhouba Group has already expressed an interest in exploring the viability of some sections of the canal, mainly in Serbia. Another project is the construction of a railway line connecting three Greek ports, Thessaloniki, Kavala, Alexandroupolis, with three Bulgarian ports, Burgas and Varna on the Black Sea and Ruse on the Danube. This was also discussed during the Thessaloniki quadrilateral meeting and Tsipras referred to it in his public remarks. A few days later the Borissov raised this issue in his meeting with his Chinese counterpart Li Keqiang in Sofia.

The Greek Media and the Sofia Summit

The Sofia summit did not receive particular media coverage in Greece. The main reason is that Greece participates as an observer and therefore only the Greek Alternate Minister of Infrastructure but not the prime minister travelled to the capital of Bulgaria. On the whole, the interest of the Greek media in China and China-related activities remains low as foreign editors heavily rely on Western news agencies. When they report themselves on China, the coverage is principally synthesized around Chinese investments in Greece and not beyond.

Xinhua has signed an institutional cooperation agreement with the Greek public broadcaster (ERT) but this has not yet significantly altered media practices. So, the Sofia Guidelines for Cooperation between China and Central and Eastern European Countries were not discussed in the Greek media agenda.

Another reason why the Sofia summit did not attract the attention of Greek journalists is that it took place in a period during which another theme was dominating the agenda. This is the Prespes Agreement reached between Greece and FYROM that will possibly pave the way for the latter to enter both the EU and NATO in the future. The Sofia summit was organized only a few days before the Brussels NATO summit in which FYROM received an official invitation to start membership negotiations (should it meets all necessary criteria and changes its constitution). If the name issue between Greece and FYROM is settled at last, Greece will be perhaps interested to join the 16+1 scheme as Minister Spirtzis said in a media interview. But even this was absent from the Greek media agenda.

The Sino-Greek initiative on cultural cooperation

In parallel with the 16+1 another Sino-Greek initiative deserving attention is related to culture. Approximately 15 months after Greek Foreign Minister Nikos Kotzias and his Chinese counterpart Wang Yi co-organized the first Ancient Civilizations Forum in Athens, the second one took place in La Paz, Bolivia, on 13 July 2018. Kotzias attended the La Paz meeting while the Chinese side was represented by Yu Qun, member of the leadership of the Ministry of Culture and Tourism. Other participants represented countries such as Peru, Egypt, Iraq and Italy. The Sino-Greek ambition to create a permanent platform for dialogue – inspired by the respect for civilizations with an uninterrupted presence of thousands of years and continuous contribution to the world development – is yielding results. Among other things, Greece and China believe in the Olympic Ideal and the idea of Olympic Truce. Taking into account that following the 2018 Winter Olympics in Pyeongchang two consecutive

Olympiads will take place in Asia – the 2020 Summer Olympics in Tokyo and the 2022 Winter Olympics in Beijing – this message has a powerful resonance for world politics and especially the preservation of stability in the Korean Peninsula.

A setback in Greek-Russian relations

On a different note and in spite of the warm nature of Sino-Greek relations within and beyond 16+1 July 2018, this month was negative for the Greek-Russian relationship. Although Greece is generally skeptical concerning the EU policy of sanctions against Russia and considers it as part of the solution and not the problem, it decided on 11 July to expel two Russian diplomats and ban the entry into the country of two more. Athens is accusing the Russian diplomats of efforts to extract and circulate information and to bribe Greek state operatives, which have failed. This action contradicts the moderate stance of the Greek government after the Skripal poisoning. At that time, it had refrained from expelling Russian diplomats and did not embrace the stance of most EU member-states.

Greece seeks to maintain friendly relations with Russia but this cannot be any longer taken for granted. The Russian Foreign Minister Sergei Lavrov is not any longer expected to visit Athens this September. According to the Russian Foreign Ministry, ‘a mirror response will follow as per established practice for such cases’. In the view of Kotzias, Moscow shows ‘disrespect for a third country’ and this ‘must stop’. On the whole, Russia is not satisfied with the Prespes Agreement as this will possibly pave the way for FYROM to join the EU and mainly NATO. And it had allegedly interfered in Greek domestic politics in the first months of 2018 to mobilize public reaction against a potential accord. As opposed to Russian motivations, China sees this accord as an opportunity for the name issue obstacle to be removed and for Greece to join 16+1 in the future.