

The Greek-American partnership: What next?

by **Dr George N. Tzogopoulos**

ELIAMEP Research Fellow, US Department of State IVLP alumnus

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Hellenic Foundation for European & Foreign Policy (ELIAMEP)
49, Vas. Sofias Ave, 106 76 Athens, Greece
Tel.: +30 210 7257 110 | Fax: +30 210 7257 114 | www.eliamep.gr | eliamep@eliamep.gr
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Dr George N. Tzogopoulos is ELIAMEP Research Fellow as an expert on media, international relations and Chinese affairs. He is also the Director of EU-China Programs at the Centre international de formation européenne (CIFE) and Lecturer in International Relations at the Department of Law of the Democritus University of Thrace. Furthermore, George has joined the Begin Sadat Center for Strategic Studies (BESA) as a Research Associate, where he is, inter alia, organizing its online debates on several international themes. He is also the Co-convener of the recently established Israel-Hellenic Forum under the umbrella of B'nai B'rith International.

In the summer of 2017 George was selected as 'young leader' by China's Diplomatic Academy and in spring 2019 he was an International Visitor Leadership Program (IVLP) Fellow of the US Department of State. He is the author of three books: *US Foreign Policy in the European Media: Framing the Rise and Fall of Neoconservatism* (IB TAURIS), *The Greek Crisis in the Media: Stereotyping in the International Press* (Ashgate) and *Understanding China* (Sideris, forthcoming, in Greek). He is a regular columnist in *Global Times*, *china.org.cn*, *Jerusalem Post* and *TA NEA*. His work appears in numerous international media.

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SUMMARY: *This essay outlines the course of Greek-American relations from 2015 onwards. It argues that Athens and Washington DC have entered a period of strong cooperation that can be further consolidated in 2020, following the scheduled meeting on 7 January 2020 between President Donald Trump and Prime Minister Kyriakos Mitsotakis. Defense, energy and trade are main focal points. The agenda includes the need to create a new security environment in the Mediterranean – with Greece playing a key role.*

- *The excellent status of Greek-American relations creates new opportunities for closer bilateral cooperation on defense, energy and trade.*
- *The region of Northern Greece becomes of gradually higher significance for the US*
- *US foreign policy towards Greece reflects its interest in restraining Russian influence*
- *While anti-Americanism in Greece is declining, there is widespread concern in the domestic public debate on whether the US will support Greece in the case of a crisis with Turkey in the Eastern Mediterranean*
- *US support to the trilateral cooperation of Greece-Israel-Cyprus will be boosted by the Eastern Mediterranean Security and Energy Partnership Act*
- *The US-Greece Strategic Dialogue and NATO Mediterranean Dialogue are useful instruments for strengthening Greece's role in the South, contributing towards a new security architecture*

IN THE FINAL overseas visit of his administration in November 2016, Barack Obama came to Greece. It was the first visit of a US president to Greece after Bill Clinton in 1999. Having defended Greece's participation in the Eurozone and actively advocating for public debt relief in line with IMF recommendations, Obama was warmly welcomed. In a remarkable speech at the Stavros Niarchos Foundation he talked about the 'legendary hospitality of Greek people', his desire to see the Acropolis and the Parthenon and his appreciation for what 'Greece has given to humanity through the ages'.¹ During his meeting with then Greek Prime Minister Alexis Tsipras, he focused on the status of the economy, the implementation of reforms and some security issues including collaboration under the NATO umbrella and intelligence sharing.²

The state visit of President Obama to Greece cemented a strong bilateral partnership. The path had been turbulent during the beginning of the leftist SYRIZA administration. The attempt of Athens to approach Moscow in the first months of 2015 did not go unnoticed in Washington.³ Speculation about Greece vetoing EU sanctions against Russia⁴ and discussions between PM Tsipras and President Vladimir Putin on Greece's potential participation in the Turkish Stream pipeline⁵ alarmed US policy-makers. In March 2015 Assistant Secretary Victoria Nuland visited Athens and said that the US and the EU 'had to impose sanctions on Russia because of the increasing rounds of aggression in eastern Ukraine'.⁶ When Secretary of State John Kerry met his Greek counterpart Nikos Kotzias one month later in Washington DC, he concentrated on the 'need to be able to encourage Russia in every way possible to live up to the Minsk agreement and [...] to work together on longer-term challenges like energy, energy supplies, and diversification for the region'.⁷ A similar message was sent to Athens in May, when the State Department's special envoy on energy affairs, Amos Hochstein, visited.⁸

Following the agreement on the third economic adjustment program of July 2015 that secured Greece's European and Euro-Atlantic vocation, Greek-American relations entered what was perhaps their best period in recent memory. While in government SYRIZA employed a pro-US policy and abandoned the traditional anti-American and anti-Israeli rhetoric of the Left, Tsipras counted on Washington's support not only as a counterbalance to German-sponsored austerity policies but also as a potential facilitator of new investments. Repeated interventions by the Obama administration had been crucial in supporting the continuation of Greece's euro participation at critical moments when the threat of Grexit was imminent. Such policies, combined with the appeal of the Obama personality, had led to an improvement of the US

¹ Remarks by President Obama to the People of Greece, available at:

https://www.sfn.org/media/7646014/170109_Remarks-President-Barack-Obama.pdf, 16 November 2016.

² Remarks by President Obama and Prime Minister Alexis Tsipras of Greece in Joint Press Conference, available at: <https://obamawhitehouse.archives.gov/the-press-office/2016/11/15/remarks-president-obama-and-prime-minister-alexis-tsipras-greece-joint> 15 November 2016.

³ George N. Tzogopoulos, 'View from Athens: Walking the Line between Greece and Russia', ECFR commentary, available at: https://www.ecfr.eu/article/commentary_view_from_athens_walking_the_line_between_europe_and_russia31161 6 April 2015.

⁴ Foreign Minister Kotzias's Interview with the German Television Networks ARD and ZDF, available at: <https://www.mfa.gr/en/current-affairs/statements-speeches/foreign-minister-kotzias-interview-with-the-german-television-networks-ard-and-zdf-riga-march-2015.html> 7 March 2015.

⁵ Press Statement and Replies to Journalists' Questions after Meeting with Prime Minister of Greece Alexis Tsipras, available at: <http://en.kremlin.ru/events/president/news/49220>, 8 April 2015.

⁶ 'US Assistant Secretary Nuland: We Want to See Prosperity and Growth in Greece', available at: <https://gr.usembassy.gov/u-s-assistant-secretary-nuland-want-see-prosperity-growth-greece/> 17 March 2015.

⁷ Remarks with Greek Foreign Minister Nikos Kotzias, available at: <https://2009-2017.state.gov/secretary/remarks/2015/04/240873.htm> 20 April 2015.

⁸ 'US Encouraging Greece to Diversify on Energy Sources, Stick to non-Russia Pipeline Project', available at: <https://www.foxnews.com/world/us-encouraging-greece-to-diversify-on-energy-sources-stick-to-non-russia-pipeline-project> 8 May 2015.

image in Greece after decades of rampant anti-Americanism. According to a 2016 Public Issue survey 71% of Greeks held a positive view of Obama, though the majority (63%) was skeptical about Donald Trump.⁹ Another poll conducted by Kapa Research in 2017 demonstrated that 55% of Tsipras's voters supported closer bilateral ties with the US followed by 48% who chose France as Greece's best partner. The relevant percentages for the supporters of New Democracy leader Kyriakos Mitsotakis were 75% and 44.5% respectively. Further to this, Mitsotakis' supporters highly valued the importance of Germany (57.5%) as opposed to those of Tsipras (23.5%).¹⁰

Trump's victory in the presidential election of November 2016 generated tensions in the transatlantic alliance. But Greek-American relations were not affected at the bilateral level. President Trump hosted Tsipras at the White House in October 2017. Defense, security, energy, and trade were the main agenda items. Trump referred to the potential sale to Greece worth up to \$2.4 billion, to upgrade the F-16 aircraft; he expressed appreciation for Greece paying 2% of its GDP on defense as well as for the role of the Souda Bay in hosting US naval forces. He commended Greek contribution to European energy security through its support to the Trans Adriatic Pipeline (TAP), the Greece-Bulgaria Interconnector (IGB) and liquefied natural gas facilities.¹¹ At that time, Greece's regional importance was rising, being viewed as a pillar of newfound stability and reliability in a rough neighborhood next to an unpredictable Erdogan Turkey.

In 2018 Greece and the US came even closer. The US was the honored country at the 83rd Thessaloniki International Fair. Several American companies participated and the US Embassy organized workshops on innovation, and technology.¹² More importantly, the Greek government and the US agreed on the importance of the Prespes Agreement that would pave the way for North Macedonia to join NATO. In the words of Ambassador Geoffrey Pyatt, such a development would be 'a key aspect of the [US] strategy to stabilize the region to deal with the problem of malign influence from Russia.'¹³ In his public remarks, Pyatt expressed concern about the ownership and origin of the companies involved in the privatization of the Thessaloniki port. In particular, he talked about a Russian bank having 'difficulty acquiring credit from a European Bank' and said that it was 'not quite clear who the partners are, in particular the German company'.¹⁴

To deepen bilateral cooperation, Greece and the US launched a strategic dialogue in the end of 2018, structured along six distinct themes: regional cooperation, defense and security, law enforcement and counterterrorism, trade and investment, energy and people-to-people ties.¹⁵ In the same month, Washington expressed clear support to the trilateral cooperation mechanism between Greece, Israel and Cyprus. The US Ambassador to Israel, David Friedman,

⁹ Public Issue Political Barometer 161, available at: <https://www.publicissue.gr/13318/varometro-nov-2016-dt/> 25 November 2016.

¹⁰ Kapa Research survey on the identity of the supporters of Alexis Tsipras and Kyriakos Mitsotakis, available at: https://kaparesearch.com/wp-content/uploads/2017/12/Kapa_13-Regions_12_2017_GR2.pdf November-December 2017.

¹¹ Remarks by President Trump and Prime Minister Tsipras of Greece in Joint Press Conference, available at: <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-prime-minister-tsipras-greece-joint-press-conference> 17 October 2017.

¹² See, for example, Ambassador Pyatt's Interview with Vassilis Nedos of *Kathimerini*, available at: <https://gr.usembassy.gov/ambassador-pyatts-interview-with-kathimerini/> 2 September 2018 and 83rd Thessaloniki International Fair Events, available at: <https://gr.usembassy.gov/83rd-thessaloniki-international-fair-events/> 4 September 2018.

¹³ Ambassador Pyatt's Interview to Athens-Macedonian News Agency, available at: <https://gr.usembassy.gov/amb-amna-interview/> 23 November 2018.

¹⁴ Ambassador Pyatt's Skai 'Istories Interview with Sia Kosioni, available at: https://gr.usembassy.gov/ambassador-geoffrey-r-pyatt-skai-istories-interview-sia-kosioni-january-24-2018/?_ga=2.169376933.501019178.1577267486-1535204788.1576236129 1 February 2018.

¹⁵ Joint Statement Regarding the Inaugural United States-Greece Strategic Dialogue

took part in the Beersheba meeting of the leaders of the three countries and pointed to this partnership as 'an anchor of stability in the Eastern Mediterranean.'¹⁶ A few months later, in March 2019, Secretary of State Mike Pompeo travelled to Jerusalem to attend the next summit of the 'democratic bloc'.¹⁷ Secretary Pompeo reiterated Washington's position that Greece, Israel and Cyprus were 'great, key partners in security and prosperity.'¹⁸

The center-right government of New Democracy under Kyriakos Mitsotakis, which came to power in summer 2019, is committed to further advancing ties with the US. Less than two weeks after the general election of 7 July 2019, Pompeo hosted his new counterpart Nikos Dendias and highlighted the strong bilateral defense and security partnership.¹⁹ Talks already taking place to amend the Mutual Defense Cooperation Agreement (MDCA) were subsequently intensified. According to the Greek Minister of Defense, Nikos Panagiotopoulos, key issues were the use of the port at Souda Bay, the use of a section of the port of Alexandroupolis, the establishment of a helicopter training base in central Greece and the use of American unmanned aerial vehicles (UAVs) by the Hellenic Armed Forces.²⁰ The new defense cooperation agreement was finally signed during Pompeo's visit to Athens in October 2019.²¹ The two foreign ministers also launched the second round of the strategic dialogue.²²

The scope of Greek-American relations is multifaceted and future prospects look bright. Opportunities for Northern Greece, in particular, are ample as long as emphasis is being placed on Alexandroupolis. The US Army in Europe has already invested \$2.3 million for the removal of the sunken dredger 'Olga' from the port. Washington believes the importance of the Alexandroupolis port will be high for the transit of US military goods and equipment between Greece and Central and Eastern Europe.²³ Moreover, the Greek company Gastrade, which cooperates with GasLog Ltd. and the Greek Public Gas company (DEPA), develops offshore Alexandroupolis a floating storage regasification unit (FSRU).²⁴ This will create a new natural gas gateway to the markets of Southeastern and Central Europe and is thus considered a 'European Project of Common Interest'. Additionally, Greece has already started to import LNG from the US benefiting by the expansion of the Revithoussa terminal. The

¹⁶ Statement by the US Ambassador in Israel, Mr David Friedman, during the Trilateral Summit of Israel, Greece and Cyprus, available at: <https://www.pio.gov.cy/en/press-releases-article.html?id=5391#flat> 20 December 2018.

¹⁷ George N. Tzogopoulos, 'A Democratic Bloc in the Eastern Mediterranean', available at: <https://www.ipost.com/Opinion/A-democratic-bloc-in-the-eastern-Mediterranean-556228> 12 May 2018.

¹⁸ Remarks by Secretary Pompeo with Israeli Prime Minister Netanyahu, Cyprus President Anastasiades, and Greek Prime Minister Tsipras, available at: <https://cy.usembassy.gov/remarks-by-secretary-pompeo-with-israeli-prime-minister-netanyahu-cyprus-president-anastasiades-and-greek-prime-minister-tsipras/> 20 March 2019.

¹⁹ Secretary Pompeo's Meeting With Greek Foreign Minister Nikos Dendias, available at: <https://www.state.gov/secretary-pompeos-meeting-with-greek-foreign-minister-nikos-dendias/>

²⁰ 'Working with the US Benefits our Country Greatly', available at: <http://www.ekathimerini.com/244759/article/ekathimerini/comment/working-with-the-us-benefits-our-country-greatly> 22 September 2019.

²¹ Minister of Foreign Affairs Nikos Dendias's Statement Following his Meeting with Secretary of State Michael Pompeo, available at: <https://www.mfa.gr/en/current-affairs/top-story/minister-of-foreign-affairs-nikos-dendias-statement-following-his-meeting-with-secretary-of-state-michael-pompeo-athens-october-2019.html> 5 October 2019.

²² Joint Statement Regarding the Second United States-Greece Strategic Dialogue 2019, available at: <https://www.mfa.gr/en/current-affairs/statements-speeches/joint-statement-regarding-the-second-united-states-greece-strategic-dialogue-2019.html> 7 October 2019.

²³ Ambassador Pyatt's Interview to Thraki Net, available at: <https://gr.usembassy.gov/ambassador-pyatts-interview-to-thraki-net/> 26 September 2019.

²⁴ 'GasLog to participate in the Alexandroupolis LNG Project', available at: <http://www.gastrade.gr/en/the-company/news-press-releases/gaslog-to-participate-in-the-alexandroupolis-lng-project.aspx> and 'Approval of DEPA's Participation to the Equity of GASTRADE (Alexandroupolis FSRU)', available at: <https://www.depa.gr/approval-of-depas-participation-to-the-equity-of-gastrade-alexandroupolis-fsr-athens-23-12-2019/?lang=en> 23 December 2019.

Mytilineos Group, which has overtaken DEPA as major LNG importer, bought numerous tons from the US in 2019.²⁵

Several other examples of a dynamic cooperation between Greece and the US are available. These include the investment of ONEX in the Neorion shipyard, the decision to establish R&D centers of Pfizer and Cisco in Thessaloniki, and the recent approval of the concession to ExxonMobil, Total, and Hellenic Petroleum for exploration off the coast of Crete. In 2018 total trade in goods between Greece and the US increased by 20%, reaching \$2.8 billion. Greece enjoyed a significant trade surplus, exports amounting to \$1.7 billion and imports to \$1.1 billion. US FDI stock in Greece totaled \$1.4 billion in 2018, up from \$1.2 billion in 2017.²⁶ Last but not least, new direct flights – such as by American Airlines connecting Athens to Chicago – are already contributing to an increase of US tourist arrivals to Greece.

Expectations for the evolution of Greek-American relations in 2020 are high. The meeting of President Trump with Prime Minister Mitsotakis on 7 January 2020 in Washington DC is setting the way forward. Greece functions as a pillar of stability in the Eastern Mediterranean and South East Europe, while facing Turkey's challenges to its sovereign rights. Same is the case for Cyprus as Turkish drilling ships regularly violate its Exclusive Economic Zone. In that regard, US support should be a *sine qua non*.²⁷

However, criticism flourishes in the Greek public debate. In a significant article published in June 2019, former Prime Minister Costas Simitis expressed his concern about the role the US would play in the case of a Greek-Turkish crisis in the Eastern Mediterranean, which he considered likely after the Greek national election. He subsequently referred to public comments made by Ambassador Pyatt 'on mutually beneficial agreements for parties involved' connoting 'initiatives which would perhaps not be placed in the interest of Greece'.²⁸ The US Embassy in Greece responded that Ambassador Pyatt had never talked about 'mutually beneficial agreements', and that some of his relevant sentences had been taken out of context by the Greek media.²⁹

As tensions in the Eastern Mediterranean escalate, Athens has welcomed the Eastern Mediterranean Security and Energy Partnership Act.³⁰ This enables the US to support the trilateral partnership of Greece, Israel and Cyprus through energy and defense cooperation initiatives. Greece also closely monitors US legislation on issues relevant to Turkish foreign policy. The National Defense Authorization Act for 2020, for instance, has not delighted Ankara.³¹ The dialogue between Greece and the US has to further develop in 2020 without taboos. The

²⁵ Paul Tugwell, 'Greece's Rising Natural Gas Role Has Players Vying for Top Spot', available at: <https://www.bloomberg.com/news/articles/2019-06-03/greece-s-rising-natural-gas-role-has-players-vying-for-top-spot> 3 June 2019 (registration required).

²⁶ Remarks by US Commerce Secretary Wilbur L. Ross at American Chamber of Commerce (AmCham) in Athens, Greece, available at: <https://www.commerce.gov/news/speeches/2019/09/remarks-us-commerce-secretary-wilbur-l-ross-american-chamber-commerce-amcham> 5 September 2019.

²⁷ US Ambassador Geoffrey Pyatt considers the MoU signed between Ankara and Tripoli on the delimitation of their Exclusive Economic Zones 'unhelpful' and 'provocative'. See his interview with CNN Greece, available at: https://gr.usembassy.gov/ambassador-pyatts-interview-with-cnn-gr/?_ga=2.174570662.501019178.1577267486-1535204788.1576236129 3 December 2019.

²⁸ Costas Simitis, 'Territorial Waters – Exclusive Economic Zone – Continental Shelf: Attention Now', available at: <https://www.kathimerini.gr/1028367/article/epikairothta/politikh/aigialitida-zwnh--aaz--yfalokrhpidaprosoxh-twra> 9 June 2019 (in Greek).

²⁹ Bill Murad, 'What the US Ambassador Actually Said about East Med Drilling', available at: <http://www.ekathimerini.com/241472/article/ekathimerini/comment/what-the-us-ambassador-actually-said-about-east-med-drilling> 12 June 2019.

³⁰ See this Act in: H.R.1865 - Further Consolidated Appropriations Act, 2020 116th Congress (2019-2020).

³¹ Press Release Regarding the Draft National Defense Authorization Act for 2020 Adopted in the US Congress, available at: http://www.mfa.gov.tr/no_365_-abd-kongresi-nde-kabul-edilen-ulusal-savunma-yetki-taslagi-hk.en.mfa 17 December 2019.

concrete participation of US companies in the construction of the East Med pipeline and the creation of a new security architecture in the Eastern Mediterranean under the dialogue scheme of NATO, possibly leading to new defense cooperation agreements with Greece playing a key role, will further enrich the strong bilateral partnership.