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Tough 2013 before recovery next year

Greece faces another difficult year in 2013 but is gradually exiting from its crisis, with confidence building and deposits returning, Bank of Greece Governor George Provopoulos said.

In a speech at the central bank's annual shareholder meeting on Monday, Provopoulos warned that Greece will be tested by another year of recession in 2013, after seeing the economy shrink by 20 percent since 2008, and by rising unemployment, which averaged at 24.5 percent last year. The central bank chief also noted the number of Greeks living in poverty had risen by 43.1 percent last year. The proportion of Greek children under 15 living in poverty is up to 23.3 percent from 19.3 percent in 2005.

However, he said that the recovery should begin in 2014. "There is no doubt that 2013 will be a difficult year, chiefly because of the continuing recession and high unemployment," Provopoulos said, while insisting that Greece had to continue implementing its fiscal adjustment program «without deviations or delays. The continued implementation of Greece's program is a precondition for the country's recovery."

The country needs to broaden the tax base by cracking down on tax avoidance and lighten the burden on those who do pay tax, Provopoulos said. It also needs to achieve a new export-oriented growth model for its economy. "The danger of a collapse has been avoided, the prospect of a euro exit distanced and confidence

gradually restored," Provopoulos said. "These encouraging developments don't leave any room for complacency though."

The Bank of Greece chief said the crisis presented Greece with two key opportunities: to shift economic production towards high value-added sectors and to overhaul the country's public administration. Provopoulos said «social consensus» for the policies that would bring this transformation about had to be strengthened.

«We have already come most of the way on a long and difficult road at tremendous cost to Greek citizens and businesses,» he said. «Now that the end of this difficult road is finally in sight, we need to intensify our efforts and quicken our pace in order to cover whatever distance remains and ensure that the citizens' sacrifices will not be in vain and that, better yet, a promising future lies ahead.»

The Bank of Greece forecasts that Greeks' gross nominal wages will fall by an average of 7.7 percent this year, with unit labor costs falling by 7.3 percent. Between 2010 and 2012, unit labor costs in Greece fell by 10.3 percent, according to the central bank.

Greece has received two bailouts from the euro area and International Monetary Fund worth 240 billion euros and conducted the world's biggest sovereign debt restructuring since it triggered the region's debt crisis in 2009. The aid has been tied to measures to cut the country's deficit and reform its economy.



Satirist Tzimis Panousis under fire over poster

Greece's Jewish community has filed a complaint with Greek authorities over a controversial poster advertising a show by stand-up artist Tzimis Panousis that depicts the Star of David intertwined with a Nazi swastika.

"The design depicted on the poster fiercely insults our very religion as well as the memory of the six million Jews, victims of the Holocaust," the Central Board of Jewish Communities in Greece said in a letter that was sent to the country's Justice and Education ministries. The board has asked for the "insulting" posters to be taken down.

The 59-year-old satirist is no stranger to controversy. In 2000 he was charged with offending a national symbol after he used a poster depicting the Greek national flag featuring a hammer and sickle instead of a cross, to advertise one of his shows.

Spike in resignations at Greek armed forces amid pay, pension concerns

About 10 members of the Greek armed forces are submitting their resignations every day amid concerns about declining pay and pensions, Kathimerini understands.

According to figures, 480 soldiers had asked to be relieved of their duties between the start of this year and February 19.

In comparison, 1,100 members of the armed forces resigned during the whole of 2012.

Many of the resignations appear to be from officers seeking early retirement.

Samaras wants peaceful solution to dispute with Turkey over Aegean oil and gas

Prime Minister Antonis Samaras insisted on Monday that Greece wants to settle its differences with Turkey in the Aegean peacefully but accused Ankara of calling on international law to defend its rights without having committed to it.

Samaras was speaking at the Athens Energy Forum, organized by Kathimerini and the International Herald Tribune, for the first time since Athens contacted the United Nations to complain that Turkey had been issuing permits for hydrocarbon exploration in areas that also covered the Greek continental shelf.

"We want to settle peacefully and on

friendly terms and based on the Law of the Sea our differences with Turkey over the possible discovery of hydrocarbons in the Aegean," said Samaras.

The Greek Foreign Ministry sent last Thursday a note verbal, a diplomatic message, to the UN to "safeguard Greece's stance in defense of our country's sovereign rights, in accordance with customary and conventional Law of the Sea, and specifically the UN Convention on the Law of the Sea (1982)" in relation to Turkey issuing permits for exploration in the Aegean.

A day later, the Turkish Foreign Ministry

defended Ankara's actions. "The permits issued by Turkey from 2007 until now to [the state-owned oil company] TRAO concern [territories] within boundaries of the Turkish continental shelf in the Eastern Mediterranean," a statement said, adding that Turkey has a sovereign right to carry out drilling in the area.

Samaras pointed out that Turkey was calling on sovereign rights when it had not ratified the Law of the Sea.

"As a country, we are referring to international law, which we have signed, but Turkey refers to it without having signed," he said.

