



Advancing Energy Security with Greek Minister of Energy Stavros Papastavrou

December 5, 2025

Featuring Minister Stavros Papastavrou

Moderated by Richard Goldberg

This transcript has been edited for clarity.

GOLDBERG: Good morning, and welcome to the Foundation for Defense of Democracies, FDD. I'm Richard Goldberg, director of FDD's Energy and National Security Program. Today is Friday, December 5th, and joining me on stage today, Greece's Minister of Environment and Energy Stavros Papastavrou.

And before we get started, a few words about FDD. For almost 25 years, FDD has operated as a fiercely independent, nonpartisan research institute exclusively focused on national security and foreign policy. At FDD, we conduct actionable research with the aim of strengthening U.S. national security and reducing or eliminating threats posed by adversaries and enemies of the United States and other free nations. As a point of pride and principle, FDD does not accept foreign government funding.

Now, please join me in welcoming Greece's minister of energy and environment. Before his current tenure as minister of energy, Minister Papastavrou served as minister of state, as head of the Prime Minister's Office of European Affairs International Relations, and as Greek's chief negotiator with European partners and the IMF minister.

It is great to have you here at FDD today. Thank you so much for being here.

PAPASTAVROU: Thank you. I'm very happy to be here. I follow what FDD is doing, and I'm really supportive, especially the bipartisan dimension of it.

GOLDBERG: What brings the energy minister of Greece to Washington on a snowy Friday in Washington?

PAPASTAVROU: That's a very good question. Actually, we had a very exciting meeting one month ago on the 6th of November. The Partnership of Transatlantic Cooperation in Energy (sic), a DOE [Department of Energy] initiative, met in Athens at Zappeion. And there, we had the opportunity with our partners from the other European countries to sign some seminal energy agreements which have to do with – not only with energy, but to quote an FDD approach, “with the security of the region.”

Actually, the Vertical Corridor has been formed, which is a corridor for natural gas, U.S. LNG, reaching Ukraine. A corridor of peace and prosperity which goes through Greece, Bulgaria, Romania, Moldova, Ukraine, and which would address the need to totally phase out Russian gas.

The European Union, as you know, in the frame of the REPowerEU has decided to totally disconnect from Russian gas. Actually, the regulation speaks about the end of 2027, but we're having now negotiations between the Commission and the European Parliament which may lead to an earlier cutoff date, the September of 2027.

So, in order for this to happen, the more dependent to the Russian gas area of Europe currently is the Vertical Corridor countries. We're having approximately 1,450 BCM [billion cubic meters] entering Southeast Europe, mainly from TurkStream, from Russian gas. And this Russian gas has, in a way, been weaponized or used for political pressure by Russia in a number of these countries. I remind you that two – the two – the 2022 winter, when Russia cut off the gas from Bulgaria.

So, I think the European Union and the U.S. see eye-to-eye on this in realizing the importance of creating an alternative to this energy dependence to Russia; hence, the Vertical Corridor agreements. And I will be – I'm happy to – to inform the FDD, and to the participants of this morning's discussion, that not only this was agreed in Athens on the 6th of November, but the Vertical Corridor – because usually, you do (sic) to these conferences and you have a lot of people and a lot of smiles and a lot of declarations, but nothing really comes out. This was an – a meeting that an agreement did come out, but this agreement has been already implemented.

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So, President Zelenskyy came in Athens three weeks ago and Naftogaz had made an agreement with the Greek – Greek companies that by an act or – and approximately 0.3 to – 0.3 BCM of natural gas is going to reach, through the Vertical Corridor, Ukraine in December, January, February, March.

So, this is the beginning of creating an alternative. There is a long road to go. Why? Because we need to make clear – certain that there's not going to be a circumvention of the Russian gas with trying to find its way into Europe through different ways. Actually, the REPowerEU regulation has a provision of an opt-out clause stating that gas coming from TurkStream would be considered a priori as Russian gas originated unless proven otherwise, and that – the reason for that is that it's difficult to identify the origin of the natural gas because, from Turkey, we don't have real-time – as in other countries, real-time movement of the gas.

In two weeks, we're having a EU ministers of environment and energy meeting in Brussels, and we're going to be discussing how the REPowerEU will be implemented. One of the suggestions that Greece has made is perhaps to use a pre-authorization form. So, try to identify the origin.

And the reason why this is important is not only because no circumvention is good when you have a rule but because in order to replace the Russian gas in 2027 – this is a colossal exercise. It needs enhanced infrastructure. Enhanced infrastructure needs long contracts – long-term contracts and serious amount of investment. And for these projects to be bankable, there needs to be certainty that they will be – that there will be no circumvention. Otherwise, that would be a mute exercise. So, they all link together.

So, I'm here. We met with Secretary Chris Wright and Secretary Doug Burgum and the National Energy Dominance Council team. They are doing an amazing job and they're working together with our Ambassador Nassika, and the U.S. Ambassador in Greece, Mrs. Guilfoyle, who is also playing a major role.

And we're trying to put on track the Vertical Corridor. It's – we're having the first agreements. And because of the necessity to – of the seven countries to work together – and mind you that these seven countries do not have a history of cooperation. They've been divided by wars, by geography, by language, by spheres of influence.

So, it is important that we make sure that this momentum is irreversible. And we decided yesterday that we're going to formulate a working group of these seven countries, and the first meeting will take place on the – by video – by Zoom on the 10th.

It's very important to keep the momentum going. So that's why I'm here.

GOLDBERG: Well, it's an amazing...

PAPASTAVROU: Short answer.

(CROSSTALK)

(LAUGHTER)

GOLDBERG: ... the short version, yeah.

It's amazing to – breathtaking, really, in a decade, of the shift of Greece's position in Europe overall and the global economy. You know, I'm thinking back to my early days in Washington, thinking of a devastated Greek economy, bankrupt in Europe, and now sitting at the crossroads of the global energy economy. And to your point, this is obviously accelerated right now because of the foreign policy issues, the security issues vis-a-vis Russia.

How do you see sustaining this five, 10 years from now? What steps are taken now – uncertainty in America of, what will our policy be on LNG in a new administration? We had a very different policy one year ago, and it's unbelievable to think

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about that and what now is being unlocked by unlocking LNG exports. Europe, various environmental regulations that continue to float around that could impact American gas exports. If there is a ceasefire and maybe some European countries want to go back to Russian gas. Do you see uncertainty there? Are there things that we can do now to lock this in in a multilateral way, bipartisan way in America, et cetera?

PAPASTAVROU: First of all, thank you for recognizing the tremendous turnaround story that Greece has because that's a recognition to the Greek people. Clearly, the governments play a role, but the sacrifices are made by the people.

And if you were to consider that Greece in 10 years – the Greek people suffered a 25 percent GDP loss. 25 percent GDP loss; this is unprecedented in any OECD country on peacetime. And the fact that these kept – the social cohesion was kept, tremendous outside pressure. I think – and now, Greece is outpacing the EU average on growth. It's unbelievable.

I didn't see the rates yesterday, but I believe on Wednesday, the five-year government bond was, from Greece, 2.6; and for the U.S., 3.6. Greece was borrowing less expensive than France, than Italy. The 10-year bond two days ago was, for Greece, I believe, 3.4; for the U.S., 4.1. Greece has a primary surplus of 4.7 in 2024 and 4.22 – I mean, it's a robust economy, and this was made through the sacrifice of the Greek people. And it's very important to be recognized because it sends a message of recognition and sends a message that when you go through the reforms and you keep together and you continue the work, that there is light in the end of the tunnel, and that's a very important message.

Now, to your question, that's a very good question. And actually, to be intellectually honest, even last year, when in May we came here and we met with Secretary Burgum, it wasn't clear what would be the U.S. position. And this volatility is the new rule of the game. And, I mean, we could read articles in the front pages of the *Financial Times* that perhaps there is a discussion of reviving Nord Stream 2 and having some cooperation between U.S. companies and Russia for co-managing the Russian gas. In – may be a good, intended goal to have Russia away from China and closer to the U.S. – but his was less than 12 months ago.

So, for us, it's very important that the direction we're heading is irreversible. And I think on this front, both the U.S. and the EU must stand firm. Clearly, at some point, Russia should be reintegrated into the architecture, but I would hope that energy would be the last part of this reintegration because it is a dimension of the economy that has been used as a weapon, as a political pressure, and I think we should take this out of the table.

When it comes to Europe, I think even the discussion of moving December 27th to September shows the commitment of the European countries. And I think buying Russian gas, and in a way, funding a war of aggression at the same time, helping Ukraine to sustain this aggression, made no sense. In the end of the day, the message should be clear that the fighting should stop.

So, I mean, we are doing the best we can to cope in this volatility. As far as Greece is concerned, I think the message is no one should rely only to its partners, it should rely to its own resources.

So, Greece, with the help of the Exxon Mobil and Chevron, is actively pursuing the development of its hydrocarbon industry. There was a – this was a second important agreement of Zappeion. There was a farming agreement of Exxon Mobil with Energean and HelleniQ Energy. That would mean that in 18 months from now – not in two years, in 18 months – we'll have the first exploratory-exploration in Greece after 40 years, which sends, I think, a very strong message. And Chevron, together with HelleniQ Energy, is proceeding with hopefully seismic and geophysics surveys in 2026.

So, we are committed to the irreversible phasing out of the Russian gas. We are developing our infrastructure and leveraging our geographical position to facilitate that, but at the same time, we're making what it takes to develop our own hydrocarbon industry. So, to have the security of our own. And in general, we're trying to develop, much like in the U.S., we're trying to develop our domestic resources. Not only the hydrocarbons, but in any possible way.

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GOLDBERG: We have in some parts of Europe today, certainly still a divergence from current U.S. policy when it comes to oil and gas, wind and solar, very different views, different regulatory regimes at the moment. Do you see this divergence as a threat to this cooperation? Obviously, you're Greece leaning into, into oil and gas sector, not abandoning the renewables, but leaning in there. Is that a tension within Europe? Do you see the politics of hydrocarbons changing amidst the security environment?

PAPASTAVROU: I think they're rhetoric, and the narrative, it reflects a divergence. But there are areas in energy that both EU and the Trump administration, see eye to eye. Number one, the total phasing out of the Russian gas, huge issue. And in the P-TEC [Partnership for Transatlantic Energy Cooperation] meetings and the Vertical Corridor, what I've found to be extremely reassuring was that in the meeting we had on the one side was Chris Wright and on the other one was Ditte Juul Jorgensen, the general director.

So, you know, there are things that we can work together. Now if we go on the coin terms, green energy, green transition, yes, that's not – that doesn't go well here in the U.S. But I think the discussion and the dialogue between the EU and the U.S. produces a convergence. And I think Europe is starts speaking a lot more about sustainable transition or moving ahead with reliable, affordable energy. So maybe not a full agreement on everything but clearly coming closer together.

And let me remind you that part of the 15 percent tariff agreement, the Scotland agreement between President Trump and VDL [Ursula von der Leyen], has as one pillar the commitment of the EU for 200 – for 250 billion purchasing electricity in 2026, '27, '28. So, when the major pillar of the bilateral agreement is energy, I think that that's a safe ground for creating convergence because we need – they need to speak the same language. And you have also the five percent NATO members commitment where 3.5 [percent] is military, and 1.5 [percent] can be security infrastructure or security projects with energy security.

So, there are so many areas where Europe and the U.S. are working together or have agreed to work together where I see convergence happening in this divergent rhetoric.

Now where Greece sets itself, I think Prime Minister Mitsotakis has summarized in an article in *Financial Times* one month ago. Green transition cannot be an end in itself. We need to take into account – we need to be technologically neutral. We need to have the cost efficiency in our mind. We need to really have as a first priority, having affordable energy prices for the households and for the competitors of the economy. It's pointless to have an end of itself and create such an isolation of the societies, which in the end will turn around. So, I think Greece is following a very pragmatic approach to this.

In the IMO [International Maritime Organization], we and Cyprus differentiated from the European Union; this was not an easy decision. The European Union basis is that we act together. So, this was a very serious departure from Greece, but it was made because we strongly believe that this would not be good for Europe. Finding – identifying shipping as the first industry to impose this tariff, this tax would not be good for Europe, would not be good for the consumers because it will create in inflationary consequences. It will not be good for the shipping industry, for which is one of the industries where Europe and Greek ship owners are championing.

So, I think the pragmatic approach is winning ground. There are many countries that follow this approach. Last – in the last minister's meeting in the EU, seven countries raised to the Commission, the need to simplify the methane regulation. Again, if you have agreed that you're going to have 250 billion purchases of energy in order to get the 15 percent tariff, the methane regulation as it is doesn't help towards this direction.

So, I think this – these elements of the 5 percent in NATO, the 250 on the framework agreement, the total seeing eye-to-eye with the Russian gas phasing out, this create an environment of convergence and gradually we're getting there.



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GOLDBERG: The five percent piece on NATO is really interesting because you think of the regasification infrastructure investments that are needed throughout much of Europe, still. I mean, that's a very interesting piece there. Very interesting.

PAPASTAVROU: I mean, Prime Minister Meloni has advocated that that the cost for the bridge in order to be able to move military resources, EU should count for this. So, the definition for the 1.5 [percent] is really a broad definition where energy infrastructure should play a key role in it.

GOLDBERG: We've talked a lot of the North-South Central Road, the Vertical Corridor that Greece is playing. There's also an East-West corridor that has opened up again, Greece, sitting at the crossroads. Alongside P-TEC, you had the first meeting in years...

PAPASTAVROU: Yes.

GOLDBERG: ... at a high level of the 3+1.

PAPASTAVROU: Yes.

GOLDBERG: Greece, Cyprus, Israel, United States, all of the energy principles there at the table.

Tell us a little bit. We saw the readout, but you don't get the color from the readout as much. What was it like having that meeting in Athens? Where do you see the 3+1 as a forum going? And maybe even more broadly now, as you see IMEC [India-Middle East-Europe Economic Corridor] taking over even a more broader East-West corridor again adding in the Gulf States, adding in India, how do you see the East-West picture?

PAPASTAVROU: I think this was a very – another important meeting in Zappeion. I think George [Papanastasiou], Eli [Cohen], Chris [Wright], and myself we had a very interesting discussion. I think there is a new architecture which is built now in this time. We are having the four countries that they're committed in working together and having energy as a pillar of our corporation, realizing the challenges ahead, especially the AI revolution. And this is an area where the U.S. I think, is helping. A lot of you realize how important the AI is.

Doug Burgum – and I've told him that I'm going to steal his...

GOLDBERG: I'm stolen plenty.

(LAUGHTER)

PAPASTAVROU: I – yeah.

GOLDBERG: Don't worry, yeah, yeah, yeah.

PAPASTAVROU: So, he's using two expressions that I find that they communicate the message, that we used to say that knowledge is power, and now, that power creates knowledge. And the second is – and that was when I first heard it, he said it in Gastech, back in September in Milan. He said that in the opening meeting of Gastech that the AI revolution resembles a lot to the arms race revolu- – the arms race of the '80s. And when I heard it, I said, "Maybe that's too much." But then, I understood what he meant. Whichever, whoever wins over the chips and the technology will have a serious control on the global affairs. And for the AI revolution and therefore, AI race, energy, energy affordability, energy abundance is key.

So, this, I think, is understood in this time. And the four countries are committed to work together and create a new architecture which, as you point out, if you see the map, the 3+1 is the end – is the last part of the IMEC, of the India-Middle East-Europe Corridor, and it can go up into Ukraine. So, for the first time, you have a configuration from – a potential configuration – from India to Central Europe with countries that they want peace and stability. They want to work

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together. They understand the rules of the game. They are willing to respect the rules of the game. They don't find confrontation as the means to resolve them, but cooperation and synergies. And that is, I think, gives a tremendous new momentum.

You remember we're discussing a few years ago about the East Med, which was, in essence, bringing energy from Egypt or Israel, from Israel to Europe. The market in East Med is somehow being – happening in a different way. You have natural gas from Israel going to Egypt, and you have liquefaction there, and then, you have – Egypt makes the LNG, and then you may have vessels of Greek origin taking ownership, taking them to the Vertical Corridor. It's happening. And you have, I hope – we are working for the GSI [Great Sea Interconnector], which may go from Cyprus to Israel, and you may have electricity.

So, the market finds ways to create this interconnectivity. And for me, when I see that Cyprus would be producing natural gas and Israel is producing natural gas, and that that will go to Egypt and will become LNG, and from there, it will go to the Vertical Corridor. That is the way to go: energy becoming a connecting element, creating peace and prosperity in the region.

And for IMEC, I think this is something that for those of us that understand the geopolitical developments, and the way China has successfully gathered a significant part of the raw materials, because the raw materials race is very important, as well. I think having India strongly into the West family and having the service, the products moving towards Europe – and Greece being one, because we need to be aware that this is not a Greece-versus-Italy or -France. I mean, the whole idea would be IMEC to bring India into the Middle East-European Corridor. And in essence, from India, from New Delhi to Kyiv, it will be a corridor of peace and prosperity. For us, that's the new architecture that we should be working.

We have agreed to have a new – the next meeting here in D.C., probably in April.

GOLDBERG: This is for the 3+1?

PAPASTAVROU: The 3+1.

GOLDBERG: OK.

PAPASTAVROU: I think we all understand how energy plays a key role right now in the economy, in the geopolitics, and we're ready to work together.

GOLDBERG: So much there to unpack and follow up on. That's a lot. It's exciting.

You know, five years ago, we still were thinking about this EMED [East Mediterranean] pipeline idea and then sort of died. Is it still there in the background? Is there – is it unnecessary, based on how the infrastructure, the flows, as you've just described them, have evolved? Or is that actually something you still see as helpful?

PAPASTAVROU: Listen, to be honest, there was not economic momentum there, and I think the previous administration was not very supportive of it. But I don't, I'm not saying that the previous administration was the reason for this all happening; I'm just saying that the momentum was not there.

Greece, we are open. I mean, if there is momentum there, all I'm saying is that if you have the Israeli natural gas and the Cypriot natural gas becoming LNG in Egypt and traveling to the Vertical Corridor or to Italy or to – and if you do have the GSI, then in essence, you will have electricity and natural gas from East Med reaching Europe.

So, in a way, you can say that the East Med has – the underlying logic of the East Med is happening. But who knows? Maybe because of the findings, maybe because of the reserves, that may be some economic logic to it. I think the economic logic is of paramount importance.



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GOLDBERG: The region's integrated whether or not the pipeline goes this way or that way...

PAPASTAVROU: Exactly, yeah, yeah.

GOLDBERG: ... or zigzags. It's happening.

PAPASTAVROU: The importance is that the region is interconnected, integrated, and this in a frame of cooperation and a common understanding and respect of the rules.

GOLDBERG: And GSI, for those who may not know that acronym, Great Sea Interconnector.

PAPASTAVROU: Correct.

GOLDBERG: This is this very bold idea that's sort of been on a shelf for a few years now, of a grid interconnect that's going from Crete to Cyprus, on to Israel.

PAPASTAVROU: Yes.

GOLDBERG: And so, you can see, as part of IMEC, you know, full integration. It could go from Israel then, whether it's to Jordan, to Saudi Arabia, obviously, from Crete up to mainland Europe. Really interesting integration.

PAPASTAVROU: Yeah.

GOLDBERG: Is it back?

PAPASTAVROU: It's alive and kicking.

GOLDBERG: It's alive, OK, OK. It's kicking, too.

(LAUGHTER)

What is the timeline? How do we – you know, where do – how do you see this moving?

PAPASTAVROU: Listen, the Great Sea Interconnector is an important project because it ends the isolation of Cyprus; Cyprus completely isolated from the European grid. And it connects subsequently Europe with Israel. And you know, there's a discussion with Saudi Arabia and Greece for interconnection with Saudi Arabia and Greece. But who knows? If the IMEC takes a moment too, maybe one can see how this can be linked together. I mean, as long as we're moving towards the same direction, I think energy interconnection can have many different forms.

The project is an important project, but a difficult technological project. The European Union has decided to fund it with 650 million, which is the largest funding project of interconnection. And we are in discussions of having new partners entering the project, maybe from the U.S., maybe from Middle East. There is some interest also from private funds participating. I think broadening the base is giving – it would be giving momentum and strength into the project.

Right now, because there were – have been a number of technical and economical surveys, we are trying to update the numbers, so – update the deck, so you can have more partners. Some of the U.S. have expressed interest. Some of the – of Israel and Middle East have expressed interest – so to see how we can enlarge the stakeholders.

GOLDBERG: Obviously, you talked a little bit about Cyprus' isolation, and the sort of elephant in the room in that remark is Turkey, and its role in the past in the EMED, some of these projects being slowed down or a fear of even beginning because you don't know what the Turks will do. This integration has happened in spite of that in the background – in the backdrop these many years.

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And I'm also struck at how much the United States today is doing for Turkey for Turkey's benefit, including in the energy realm the Iraq-Turkey pipeline now coming back online, with a lot of U.S. diplomatic effort to get that to happen, a warmer relationship right now.

Does it have to be a zero-sum game? Do you see a world evolving where Turkey is no longer just looking to interrupt or disrupt, that we can have this integration in the context of IMEC, in the context of global security, regional security? What – how do you see Turkey's – from your perspective, in Greece's role right now, and how it's evolving?

PAPASTAVROU: I think you said it cannot be a zero-sum game. I mean, at the end of the day, aggression is not a road to influence, is a road to isolation, and that's the reality. So, it's up to Turkey to decide if they will be willing to work in the direction of creating peace and stability, which means abandoning threats, abandoning – Turkey has a *casus belli* lingering over Greece, a threat of war – abandoning constant provocations or this zero-sum approach.

I mean, Turkey needs to decide if they're going to follow this *lex mercatoria*, play by the rules, understanding that it's not might that moves you ahead but it's your sincere willingness to work together under rules and under a framework of cooperation.

We'll see. I think with the Russian gas also, it's very important because, you know, Turkey has been working with the U.S. and Europe, and at the same time being a destination for Russian gas. And maybe some would think that this is clever because you are playing both sides of the fence, but in the end of the day, there is a time that you need to decide.

And Greece has been from day one steadfast supporter of Ukraine. We couldn't not oppose to the invasion of Ukraine by Russia. Turkey has invaded Cyprus. There's an illegal occupation now for so many decades.

So, Greece stance has been perceived as given and maybe as not negotiational-wise, clever, while some are playing both sides – was considered to be more effective. But you see with the Vertical Corridor, the agreements with 3+1, with Chevron, and Exxon Mobil, which, make no mistake, has to do with the political and economic stability of the country, with the fact that you have a prime minister that is promoting investment and who holds from the – day one clear where he stands with Ukraine and Russia.

So, it's up to Turkey to decide which way it's going to go. As I said, with aggression, you do not gain influence, you gain isolation.

GOLDBERG: Two other elements of IMEC. You mentioned Saudi Arabia-Greek relations. We also mentioned India and its integration here. I'm curious where you see the bilateral relationship between Greece, Saudi Arabia; also, Greece and India? We saw Modi visit Cyprus infrastructure development. What's the vision there on...

PAPASTAVROU: Modi actually visited Greece as well, yeah, in December – November/December 2023; and actually, Prime Minister Mitsotakis visited him in March or February '24 because the Prime Minister identified this strategic opportunity.

And India, I think, realizes that it needs an entry point into Europe, and this should not be one versus the other, it can be multiple. Greece is trying hard to be one of these destinations. The Vertical Corridor, I think, helps in this direction because the Vertical Corridor, and actually the extended Vertical Corridor because you can have North Macedonia, you could have Croatia, Serbia. This is an area of 100 million people.

The reason why Greece is with the 3+1 in this epicenter of this new architecture is – and you mentioned it – the fact that it has good relations with the East Med countries. It has a good relationship with Saudi Arabia, a strong relationship with Israel, honest relation with the Arab world. So that plays also a very important role. And Saudi Arabia, I think, is becoming a lot more active in the international work. And the MOU that we have signed for creating an interconnection, I think, is an expression of their interest to connect with Europe.

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So, the geographic location of Greece being in the crossroads of the three continents, together with the political and economic stability, and the good historic relations with the countries in the area, I think, is the reason for this, for these developments we're discussing now.

GOLDBERG: And you briefly mentioned Egypt as well in the context of Israeli sales from Leviathan, to Mardin down to Egypt. Do you see more direct infrastructure, Greece to Egypt, potentially in the future?

PAPASTAVROU: There's a very ambitious and interesting project, which – one or two years was considered to be ambitious. Now it's considered to be a must-have, which is GREGY [Greece-Egypt Interconnector], which is connecting Egypt with Greece, and this is prioritizing even from the EU because everybody realizes for the mega AI factories, where the hyperscalers from the U.S. are doing in Greece with PPC [Public Power Corporation] in the Western Macedonia, you need sustainable and affordable energy. And that – and there, Egypt can play a major role.

So, there's a major project called GREGY, which is happening – which, again, brings Egypt closer to Europe, which is very important. So, energy, in a way, becomes now the stabilizing element, the element for prosperity and connectivity, far more than as an asset class but as a geopolitical dimension.

GOLDBERG: You know, it's a reflection, as I'm hearing – you don't have to comment; you're welcome to – it's an observation that I'm having in real-time, which is as you discuss this dynamic and that role that Egypt plays there in this triangle of Israel and Greece and all of these different interplays, I'm struck at the missed opportunity of the Israelis right now in not moving forward quickly on the increased export license for Chevron to Egypt, because now that really completes the picture. It's not about Egypt, the geopolitics – it's about this regional integration and what that would mean for more gas coming down there.

I know our audience definitely has questions and we want to be able to get to them. So, I will pause here and allow our moderator to come around and have questions. If you have a question just raise your hand and we have a microphone floating in the room. And we'll be sure to get you in. Don't be shy.

PAPASTAVROU: Oh, we covered all issues.

GOLDBERG: Oh, there we go. I have plenty more in the bank. Don't worry.

BARKEY: Hi, I have a question about the kind of surprise announcement by the Libyan – the other Libyan and the Haftar government to recognize the deal that was made between Turkey and Libya. So now you have both sides with the Libyan – both governments in Libya – who recognize the agreement between Turkey and Libya. What are the implications...

PAPASTAVROU: The “so-called” agreement.

BARKEY: Well, that's for you to answer, but – so I mean, what are the implications? I mean, what does it mean for you? Does it actually have serious implications? Does it – is it a problem in the future? Just, I'm curious.

PAPASTAVROU: That's a very interesting comment and I think it exemplifies what we said earlier about abandoning the zero-sum approach and realizing that this is *lex mercatoria* rule-based, international rule-based going forward.

In the recognition and the MOU that Libya signed in the summer with the Turkish Petroleum Company, which created a lot of discussion that somehow it challenges or it negates the areas south of Crete that Chevron was at that time thinking of bidding. Now we have made the agreement, and the agreement is going to the court of auditors and we'll go to Parliament.

So even in this MOU, which was supposed to be the attempt to destabilize, the annex to the MOU which has not been, I think, very much publicized, but the annex of the MOU, which had the Libya parts that the Turkish Petroleum Company was given the permission to head work, you could see that they followed the median line. And why is that? This is

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happening because Libya has, I don't know if it's 80 or 85, but at least that type of, number of proceeds for their budget, from the hydrocarbon industry. And Libya was – the Libyan companies – the Libya Petroleum Company was in the beginning of March in Houston.

So, if you want to be part of the global petroleum industry, guess what? You need to play by the rules. You don't play by the rules. You are not part of the industry. So even in the, let's say, the most provocative document where it was attempted to create a destabilization, the annex respected the median line. And I think that's the message, that we need to respect the lines, respect the rules, respect and create synergies.

And there – you know, if Libya is willing – so Libya, although rhetorically, wanted to contest the areas that Chevron was thinking of bidding in the actual maps. Even if you go now, if you Google now the maps, you will see that they respect the median line. Because if you don't respect the median line and you go and do whatever you want, guess what? Exxon, and Chevron, and NE, and BP would go elsewhere. They have the option to go anywhere they want.

So, so taking part in this very expensive industry, the ExxonMobil – John Ardell was telling us that if the exploratory is successful and we go into production, that may mean 5 billion. If you want a company, if you want a manager of a listed company to invest 5 billion in your country, guess what? You cannot play games. If you play games, you don't have that.

So, I think that's – even this example, which was an attempt to create a destabilization internally, shows the way, shows the direction, which is the international law dictates if you don't have a delineation agreement, you follow the median line. That's the rule. You want to play in the *lex mercatoria* global affairs, you play by the rules. You don't play by the rules, you cannot be part of it. You get isolated.

GOLDBERG: While we wait for the next question to come around. I have one, I'm going to kind of play moderator in between as we move around, but please raise your hand for questions.

The Greece-Israel relationship has always been an interesting one, continuing to deepen over many years. In the context of increasing hostility from Europe, many parts of Europe, especially post-war in Gaza, October 7, all that's ensued. And we've seen sanctions, we've seen isolation moves, boycott movements, Spain, Ireland, UK, France, others. And yet sort of the climax, the peak of all of that, Athens is hosting the 3+1 and you very openly talk about the incredible relationship with Israel. How do you see Israel right now for Greece, for Europe, and going forward?

PAPASTAVROU: Greece has a historic and strong relationship with Israel. Actually, it is the Nea Demokratia government. The father of the current prime minister, Konstantinos Mitsotakis, who was, when elected in 1991, his first act was the official recognition of Israel because, believe it or not, until 1991, Greece only recognized *de facto* Israel, not *de lege*. So, I think that symbolizes we have a very strong and close relationship. But strong and close relationship, as every relationship is based on trust and honesty.

So having a close relationship does not mean that we are not voicing our concerns when things are happening that we believe that they are challengeable, but there is an enormous cooperation in the area of defense, very strong cooperation on the economic sphere and I think both countries realize that they have mutual beneficial – it's mutually beneficial for both of them to work together, and this is, to be, honest one of the areas that has been in the previous governments a bipartisan support with the Syriza era and the Pasok era. So, I think Greece determination to work with Israel with being honest when things that they're not. We believe that we should be open about it. I think this enjoys broader support.

GOLDBERG: We saw a question over here. Raise your hand if you have a question. I have another one for you. Oh, we have one. OK. Yes, there we go. Got to raise it very high for me.

LIVANOS: Yeah, thanks for coming. My name is Dionysius. I wanted to ask: Greece is sort of positioning itself lately as a role model in the energy sector. And you mentioned that we might seem diplomatically to be focusing too much on the oil

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and gas sector. But we have one of the first, if not the first CCS [carbon capture and storage] project being developed in the Prinos Field. I wanted to ask, it's a twofold question. First, what can Greece do better to become even better than what the country is doing now in the energy sector? And what can the rest of the, I guess, increasingly integrated European countries learn from Greece as an example? Thank you.

PAPASTAVROU: Well, that's – thank you for reminding me. Actually, as we speak now in the Greek Parliament in the Committee of Energy, they are discussing the carbon capture bill, which is going to be, which puts Greece into the forefront in Europe. I know carbon capture projects exist in Canada and the U.S. for many decades, but in Europe there are very few countries. Denmark, Sweden, and now will be Greece that we're doing it. So, that's a very good question.

As I said earlier, Greece is determined to provide affordable prices in households and doing that through developing its domestic resources. And Greece has sun and wind, and we are using them. And 20 years ago, Greece had more than 60 percent of its electricity coming from lignite. Now this is down to nine percent and more than 50 percent of its electricity needs are covered by renewable energy. And I know the critique about not being constant and being intermittent.

And therefore, this is an area, to answer your question Dionysus, where we need to do a lot more, which is storage. We haven't done a lot of work on storage and this is a priority. But for me Greece should end up into few years from now into being have developed its hydrocarbon, having its renewable energy, being actually a hub for being a net exporter of electricity. Greece in 2004 was for the first year, after 20 years, net exporter. So having from the east to the north gas and electricity, being a true hub interconnecting with the rest of Europe.

What Europe should be doing, and I think it is doing, which is another point of the first question we said whether Europe and the U.S. seeing eye to eye. Europe is taking note what's going on, maybe not in the rhetoric. So, in the multiannual financial framework, the so-called MFF, which is the budget for the EU, you would be – it's interesting to note that the cost the budget allocated for infrastructure work in energy from six billion is going to go up to 29 billion, so five times more.

So, Europe understands that they need to invest in the grid. It needs to invest in the interconnection. Actually, right now Europe does not have a common energy market because you don't have the interconnectors. So, countries see no reason why they should invest money in order to be able to send more energy to the southeastern European when this is needed. So right now, we have a division between Southeast Europe and Central Europe. Europe realizes that it needs to create a single energy market.

In order to create a single energy market, you need to realize where you need to enhance the interconnections because Austria, for example, would not pay to increase its interconnection with Hungary, although this is needed.

So, Europe is understanding, and I think they are moving ahead with this direction, and I'm very optimistic that this will be happening in an efficient way.

ARGIRI: Thank you. Maybe a question to both, maybe. Do Greece's neighbors express concern about, you know, the new geostrategic role that Greece has with your help, guys? Because there is information that they're pressuring you guys for similar agreements.

GOLDBERG: No one is pressuring me, I will assure you. I have not been pressured by anyone.

(LAUGHTER)

Do you have a thought on just your neighbors and is everyone getting jealous of the bilateral relationship with the United States?

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PAPASTAVROU: I think it's clear that there is a striking difference between this new model of working together, this new pattern, and the more zero-sum – let's put it politely, a zero-sum versus creating peace and stability under – respecting rules and creating synergies. So, I think this is a dilemma.

I believe that the provision for limiting TurkStream bringing Russian gas into Europe is creating a concern for Turkey, naturally. And I think the whole development, I would expect – have the policymakers re-thinking how to approach the new reality, hopefully by abandoning this zero-sum approach.

GOLDBERG: Yeah, my perspective is – at least my analysis of the administration is – the United States is going to do what's best for the United States as well and obviously our close partners, but if a country like Greece wants to come forward and say “we're building the infrastructure. We want American LNG. We want to be a Vertical Corridor for the United States” – great. If the Prime Minister of Italy comes forward and says “wait, wait, wait, we want Italy to be a stop on IMEC” and another, you know, great. It sounds great for American LNG producers and exporters.

So, we – and if the Turks wanted to try to say, “No, you can't do this with Greece,” we'd say, “Come on, get out of here,” you know? “Look what we've – look what we're doing with you in various bilateral and multilateral ways.” So, I agree. I don't see this as zero-sum; I see this as a – certainly benefiting U.S. exporters while also strengthening key U.S. partners.

Yep? The mic...come over...

AMBASSADOR POPOV: Thank you. Thank you, dear Minister. Maybe a few words, what's your take on the Vertical Corridor, or “Corridor X” as we call it, as a potential route for exports of U.S. LNG and gas from Greece to Western Europe as well in the years to come?

PAPASTAVROU: I want to say something about the Vertical Corridor. For us, in our strategic plan, the Vertical Corridor and – with gas – should be just the beginning. So, I like to use this term, that the pipelines are arteries, arteries of growth and prosperity.

This region never self-considered itself as one polity. It's very interesting. When we had the ministerial meeting, Chris Wright said, “So how do you call it yourself, these countries? Well, how do you call this part of Europe?” And every answer was missing something. If you said Balkans, you didn't have this – if you said Central Europe, you didn't have the Southeast Europe. So, there was no one conceptual polity.

The whole idea is, through gas and through transfer of goods and railways and roads, that this region will be transformed in an irreversible way, that you can go from Thessaloniki to Sofia without a train in a few hours; not in 10 hours, as now; that you can move goods if India – IMEC is what you can move goods from Thessaloniki, Alexandroupoli, up through Kyiv or to Bucharest in a few hours.

That's the whole idea, to completely reform this region through – and I read two days ago that the European Commission actually was – it is a Greek Commissioner – Mr. Tzitzikostas announced a funding from the EU in Bulgaria and Romania to accelerate the railway. This region can be a region of prosperity and move not only the commodities. It's not only commodity. This is really bringing stability and prosperity in the region. That's how we should see it. It's at the beginning for this artery to revive the whole – this central part of Europe.

So that's why it has a strategic importance for the region and for its member state.

GOLDBERG: Last question? Yeah?

CHRISTOPOULOU: Hi. This is Niovi Christopoulou. Bringing you back to the AI arms race, what should the strategy be for Greece, optimizing its new positioning as a very trusted and close partner with the U.S. in terms of energy policy and



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business, and at the same time as an alternative producer, in order to secure a place in the AI arms race in Europe and for Europe, for the EU, in terms of hosting data centers, becoming a hub interconnectivity?

And also, within the framework of the introduced Bill 3307, on strengthening energy security and cooperation in the East Med, meaning, like, I see that the rails are there already, right? With Bill 3307, with Bill 2510, both introduced but not moving yet. With all of the political and the business movement, how should this be optimized for Greece and its allies in the most updated conversation of AI arms race? And do you have any thoughts on that? Thank you.

PAPASTAVROU: Well, creating energy abundance, that's the quick answer for us. And I – both the need to push forward with storage is towards this direction. I think GREGY is towards this direction. I mean, realizing how energy-heavy is the AI and creating the conditions to have affordable energy in the immediate near future.

And there's a very big project in the Western Macedonia taking place from PPC, with Microsoft being involved. And the whole (inaudible) for having the necessary abundant energy is at the core of it.

So, the Prime Minister is very, very interested and aware of the AI that I mentioned, and we – that's why we're pushing forward with a GREGY as well, which would provide affordable energy for the AI development in Greece.

GOLDBERG: Thank you so much to Minister Papastavrou for a great conversation...

PAPASTAVROU: Thank you.

GOLDBERG: ... and stopping here at FDD on this important trip to Washington. Thank you all for joining us here today in person. Those gathered online as well, thank you for tuning in.

For more information on FDD, you're welcome to visit our website, FDD.org, and we hope to see you again at our programming in the future. Thank you.

PAPASTAVROU: Thank you.

(APPLAUSE)

END