



# Weekly Briefing

**Slovenia External Relations briefing:  
Recent developments in External Relations  
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## **Short summary**

Following the March 4 nerve agent assassination attempt attack on a former Russian double agent and his daughter in Salisbury, Great Britain, a long list of EU countries and several countries outside EU joined the British initiative and took diplomatic measures against the Russian Federation. On March 26, those countries ordered expulsion of Russian diplomats. Slovenia joined the more sceptical group of countries within the EU and did not start any such diplomatic procedures. In the light of the long-term close relationship between the two countries, this standpoint was expected.

## **History and background**

After 1991 independence Russian Federation formally recognized Slovenia in 1992. The Slovenian/Yugoslav relationship with this former communist country was complex, not only due to the 1948 split but also to the dynamic political relations in post-Stalin era. Traditionally, Russia had better political ties with another former SFRY republic, Serbia, and the relationship with Slovenia only started to pick up a decade later. One of the main agents in this regard was the so-called »Society Slovenia-Russia«, an association which brings together high-profile representatives of political and economic sphere. In 2001 Slovenia hosted Bush-Putin summit and that year marked an important turning point. A temporary standstill followed in 2007, when Slovenian Prime Minister Janša unexpectedly cancelled his participation at the Sankt Petersburg Business forum, where his meeting with Vladimir Putin was also scheduled. Despite the formal diplomatic benevolence from the Russian side, this move resulted in an indirect response by Russian Foreign Minister Sergej Lavrov who cancelled his participation at a commemoration ceremony at the »Russian Chapel« in Slovenian Alps. The tiny chapel was built on the site of a catastrophic avalanche, which killed more than a hundred Russian soldiers who were building a

mountain pass there during the First World War and has in the past two decades become a symbolic site for Slovenian-Russian relations.

The larger infrastructural strategy of Russian federation was also very important for Slovenia, since it was included in the large South Stream gas pipeline project, which would transport natural gas through the Black Sea to Bulgaria and through Serbia, Hungary and Slovenia to Austria. In March 2011 an agreement was signed of Slovenian cooperation and the same month the two presidents also met in Slovenia.

### **Annexation of Crimea and its aftermath**

Crimea peninsula, a former USSR territory belonging to Ukrainian SSR since 1954 and later a part of Ukraine after its 1991, independence became a contested territory between the two countries after a parliament takeover, a referendum on Crimea independence and the following Russian military intervention in February and March 2014. The international response to these events divided the international community. USA and EU largely opposed the annexation of Crimea by the Russian Federation and started a series of counter measures against Russia. First sanctions were put in place by USA President Barack Obama in the beginning of March, including assets freeze and travel bans. Individual travel bans were issued by EU states and this was followed by an expanding scope of sanctions from April 2014 onwards. Initially most of them were directed against institutions and individuals closely connected to the case, but later they expanded to include several other economic sanctions as well. In July 2014 embargo was implemented on arms and related material and on goods and technology for possible military use, equipment for the oil industry and a restriction was made for the financial instruments as well. Slovenia, a member of EU and NATO, followed the lead. On the Russian side, the counter-measures followed, and sanctions were put in place for the other side in this dispute. Individual sanctions were directed at almost 90 political and military representatives from EU countries. Economic sanctions consisted of an embargo

on the import of foodstuffs, mostly fruits, vegetables, seafood and dairy products from the countries that implemented the embargo against the Russian Federation.

### **Economic relations and the consequences of the Crimea crisis**

Economic relations of Slovenia with Russian Federation reached their peak just before the 2014 Crimea crisis. 2013 Slovenian exports were over a billion euros and that dropped below 800 millions in 2015. Imports from Russian Federation which were nearing 500 millions in 2013, went down a half before 2015. An important change, also partly provoked by the Crimean events, was the abolishment of the South Stream project, which had already faced difficulties due to its non-compliance with the EU energy legislation and guidelines. The economic exchange reached its lowest point in 2016 and then it started growing again, to reach 838.819 in Slovenian exports and 294.106 in import from Russia in 2017.

The most important factor in the drastic downfall were the changes in exchange rates, which Russian federation undertook to stimulate the consumption of local products. This was especially damaging to the small Slovenian exporters to the Russian market, while the bigger companies were less affected. Most notably, »Riko«, company that produces prefabricated wooden houses, and »Krka«, a pharmaceutical company, were even expanding their presence in Russia. Their advantage was that they were using the local currency and were not affected by the rate shifts. Incoming Russian tourism industry also suffered all over EU, but Slovenia was not affected too badly with a drop of only 5-6% in the number of incoming Russian guests.

As of this year, the biggest Slovenian exports to Russia are pharmaceutical products (41%), electrical appliances (12%), organic chemical products (11%), paints and dyes (3%) and foodstuffs (3%). Russia mostly exports to Slovenia petrochemical products (78%), aluminium (10%), organic chemical products (2%), wood and wooden products (2%), pharmaceutical products (2%) and metal ware (1%).

## **Slovenian political position towards Russia after 2014**

As member of the EU Slovenia follows the embargo against Russian goods and the implemented travel bans for the above mentioned groups of people. It does, on the other hand, still keep strong ties with the Russian Federation, where the economic exchange plays an especially important role. In June 2016 the Slovenian Foreign Minister visited his counterpart Sergej Lavrov in Moscow and this visit served as a precursor to the third visit of Putin to Slovenia, which happened end of July the same year. The occasion was the 100th anniversary of the avalanche accident where Russian WWI soldiers were killed. In the months before the anniversary, there was a lot of insecurity on the Slovenian side whether the president will invite the Russian counterpart to the ceremony as was initially planned. The reluctance was seen in media as the result of two dividing interest factions within Slovenian political sphere, one being closer to the USA foreign policy trajectories and the other, supported by several important business elements, having closer ties with the trajectories of the Russian government. After a lot of public debate and political struggle, President Pahor finally reluctantly invited Putin to participate. The visit of the Russian President was, however, then organized as a private visit to avoid any speculations on the nature of these events. Putin was accompanied by Pahor to visit the Russian chapel ceremony and the memorial to the Russian soldiers at the main Ljubljana cemetery.

## **March 2018 events and the Slovenian foreign policy position**

The March attack with nerve agent in Salisbury where a Russian former double agent Sergei Skripal and his daughter were the targets was followed by a call for action by the British Prime Minister Theresa May. The substance used was allegedly identified as a nerve agent, the production of which the British investigators claimed to be linked to the Russian military. The PM action was followed in the severing of diplomatic ties between the two countries and

expulsion of Russian diplomats from United Kingdom. two weeks after the British government accused Russian Federation of the attack, similar measures were taken by 21 other governments, apart from EU countries also USA, Australia and Canada. Compared to the USA announced expulsion of 60 Russian diplomats and 13 in Ukraine, EU countries were less severe: Germany, France and Poland expelled 4 members of diplomatic staff each, Czech Republic and Lithuania 3, Denmark, Netherlands, Italy and Spain expelled 2 each and one diplomat was expelled in each of Estonia, Finland, Hungary, Latvia, Romania, Sweden and Croatia. Slovenia on the other hand, decided not to take any measures against Russia until the investigation reached its conclusions, as was stated by the Foreign Minister Erjavec.

### **Conclusion**

With the current political crisis, started by the Salisbury events, the close political and economic ties between Slovenia and the Russian Federation are again challenged by the majority EU position which takes measures against the Russian side. It can be expected, as was the case with the embargo from 2014 onwards, that these changed relations will not significantly affect the Slovenian-Russian relations. Due to the conflicting positions on Russian Federation among the political parties, this too might change depending on the results of the upcoming parliamentary elections.