

ISSN: 2939-5933

Vol. 69, No. 4 (SI)

January 2024

Weekly Briefing

Slovenia external relations briefing: Recent Developments, Policies, and Prospects of Slovenian Relations with China Gašper Pirc













china-cee.eu

Recent Developments, Policies, and Prospects of Slovenian Relations with China

Summary

Since its independence in 1991, Slovenia generally strived to conduct just and transparent relations with most global powers, though it has been limited in its diplomatic autonomy due to its membership in the European Union and NATO.

Despite the obstacles due to the general mistrust of the Western world toward Chinese technological giants, and the difference in the attitude toward Russia between the European Union (and, by extent, Slovenia) and China, the cooperation between Slovenia and China remains strong and is improving, especially in economic sense; however, the positive attitude of openness toward Chinese culture also seems to have been relevant for the optimism regarding the future relations between the two countries.

Background: the recent history of the Slovenia-China relations

Less than two years ago, on May 12, 2022, we acknowledged 30 years of official ties between the Slovenian and Chinese political representations. Since then, there have been a lot of changes regarding both states as Slovenia, a former socialist federal state within Yugoslavia, became a respected member of the EU community and NATO while China experienced tremendous economic and technological progress, becoming the world's second-largest economy in the process.¹

While Slovenia is generally regarded as a country with traditionally relatively moderate views on global politics and rarely disagrees with the general geopolitical agenda of the European Union, that has not always been the case regarding the (complexity of) Slovenia-China relations. As I will expand upon, Slovenia was in the past known to be vocal in the European community about the need for the European Union to decide upon the manners of future relationship with China and look for the ways for sensible cooperation between the EU (and, by extent, Slovenia) and China whenever possible and prudent.²

¹ Source: Alenka Suhadolnik, "Slovenia and China: 30 years of diplomatic relations," *CGTN*, May 12, 2022, https://news.cgtn.com/news/2022-05-12/Slovenia-and-China-30-years-of-diplomatic-relations-19X4MyJE9TW/index.html.

² See e.g. "Drugi strateški svet za zunanjo politiko namenjen razpravi o Kitajski," Portal GOV.SI, accessed February 12, 2024, https://www.gov.si/novice/2022-11-16-drugi-strateski-svet-za-zunanjo-politiko-namenjen-razpravi-o-kitajski/.

It seems that while never openly figuring as allies in the face of possible backlash from the Slovenian leading partners, the relations between Slovenia and China have been cautiously cooperative (especially in economic sense) and diplomatically fruitful for some time now. For many years, there have biannually political consultations as part of regular Slovenia-China dialogue where high-ranking Slovenian and Chinese officials discussed the possibilities of future cooperation between the countries.³

In the recent past, there have been several collaborative efforts between the Slovenian and Chinese companies and economic agents. In November 2019, 16 recognized Slovenian winemakers under the purview of the Slovenian Ministry of Agriculture, Forestry and Food, successfully presented themselves at the ProWine Fair in Shanghai, one of the most important wine-related trade fairs in Asia. The presentation was even more important for Slovenia as winemaking has a long tradition in Slovenia.⁴ It is considered that China is one of the most important export destinations for Slovenian winemakers as it placed fifth in the recent list of the main destination of wine exports from Slovenia.⁵

In 2018 and 2019, the Slovenian Public Agency for Entrepreneurship, Internationalization, Foreign Investments and Technology (SPIRIT) proactively advocated for the participation of Slovenian companies and political representatives at the China International Import Expo (CIIE). As a result, six companies from Slovenia attended the first fair in 2018,6 while the second edition in 2019 was attended by as many as 18 high-level Slovenian companies. After that, Slovenian companies ceased their participation in this specific fair, which could be attributed to many factors including the fulfilled goals alongside the small domestic market, the COVID-19 pandemic and the limitations that came with it, the economic instabilities after the pandemic, and the attempt to diversify export orientation and seek additional alternatives at presentation. Nevertheless, Slovenian companies presented their products at the important 2021 China International Industry Fair in Shanghai in September 2021

³ Such events happened, for example, in 2017 and 2019. See "State Secretary Leskovar in China for political consultations," Portal GOV.SI, accessed February 12, 2024, https://www.gov.si/en/news/2019-11-28-state-secretary-leskovar-in-china-for-political-consultations/.

⁴ See "Successful presentation of Slovenian winemakers in Shanghai," Portal GOV.SI, accessed February 12, 2024, https://www.gov.si/en/news/2019-11-14-successful-presentation-of-slovenian-winemakers-in-shanghai/.

⁵ Source: "Wine in Slovenia," OEC, accessed February 12, 2024, https://oec.world/en/profile/bilateral-product/wine/reporter/svn.

⁶ Source: Helena Motoh, "Slovenia External Relations briefing: Slovenian participation on the China International Import Expo," *China-CEE Institute Weekly Briefing* 12, no. 4 (November 2018): 2, https://china-cee.eu/wp-content/uploads/2018/12/2018er1148-%EF%BC%887%EF%BC%88-Slovenia.pdf.

⁷ Consult "Slovenia's High-Tech Future is Here," izvoznookno.si, accessed February 12, 2024, https://www.izvoznookno.si/Dokumenti/Publikacije/CIIE-2020.pdf.

and the company Blickle is set to present its products at the IAS Industrial Automation Show Shanghai in December 2021. Among other ventures, Slovenia also participated at the important 2021 Summit of China and Central and Eastern European Countries in February 2021 which was at the top of the agenda in regard to Slovenian business relations with China in post-pandemic times.⁸

Apart from presentations at foreign trade fairs, Slovenia and China economically collaborated in a more complex and overt manner as well. The leading Slovenian white goods and general technical appliances manufacturer Gorenje – traditionally recognized as one of the most important Slovenian brands – recently gained new owners in the Chinese Hisense Group which allowed it to enter China's high-end consumer market under a new brand name, Gu Luo Ni. 9

Generally, Slovenia has appeared to be more welcoming to Chinese products and companies than some other member states of the European Union. As per recent full data from 2021, China was already the third most important import partner of Slovenia with exports to China, as indicated by the winemaking statistics, also appearing to be increasing.¹⁰

It is also worth noting that according to the latest partial data, in 2023 the imports from China grew the most, with China likely already coming second behind only Switzerland in the import partners list of Slovenian trade relationships.¹¹

Thus, despite the fact that the European Union has so far failed to devise a tight plan for how to conduct its relationship with China in the future, Slovenia retains strong connections with China, especially in an economic sense; however, there have been attempts to also increase cultural knowledge of China that may lead to even easier acceptance of representatives of Chinese diplomatic and economic interests in Slovenia.

⁸ See, among others, Gašper Pirc, "Slovenia's (lack of official participation) at the 4th China International Import Expo (CIIE)," *China-CEE Institute Weekly Briefing* 45, no. 2 (November 2021), https://china-cee.eu/2021/12/01/slovenia-economy-briefing-thematic-briefing-slovenias-lack-of-official-participation-at-the-4th-china-international-import-expo-ciie/.

⁹ Source: Iskra Pavlova, "Gorenje enters China's high-end market with new brand name," SeeNews, July 23, 2020, https://seenews.com/news/gorenje-enters-chinas-high-end-market-with-new-brand-name-707331.

¹⁰ See "Slovenia," OEC, accessed February 12, 2024, https://oec.world/en/profile/country/svn.

¹¹ Source: "The value of external trade in goods in December lower, in 2023 higher than a year before," Statistical Office of the Republic of Slovenia, accessed February 12, 2024, https://www.stat.si/StatWeb/en/News/Index/11671.

The political and diplomatic relations between Slovenia and China, and relevant discussions in recent years

When Slovenia held the presidency of the Council of the European Union in 2008, there was quite some talk regarding the relationship of the European Union with China and the continued political cooperation between the two sides. Slovenia, by most accounts, advocated the clarification of general relations and economic cooperation with China.

The first Slovenian presidency of the Council of the EU took place in the first half of 2008, and it is believed that among the Slovenian presidential agenda was also the refinement of the disposition of the relations between the European Union and China; the presidency pushed for dialogue on possible cooperation, especially regarding economy and trade. On April 18, 2008, the Slovenian Minister of Foreign Affairs Dimitrij Rupel thus Minister Rupel met with the Special Envoy of the Prime Minister of the People's Republic of China Guan Chengyuan, and in May 2008, there were meetings of the EU-China Human Rights Dialogue. On June 9, 2008, Rupel chaired the EU Troika¹²—China meeting at the ministerial level. The EU delegation featured several key officials of the EU, and the Chinese delegation was headed by Foreign Minister Yang Jiechi.¹³

After the end of the presidency, in October 2008, the President of the Republic of Slovenia Danilo Türk attended the EU-Sichuan Investment and Cooperation Conference where he pointed out that in the recent past, China successfully overcame several difficult challenges and China is now fully integrated into the most important global processes. Most importantly, though, Türk stated that there was no doubt that the European Union and China were strategic partners with the high-level dialogue between them established in the fields of economy and trade, noting the progress made in negotiations on the conclusion of the EU-China partnership and cooperation agreement.¹⁴

In 2021, Slovenia presided over the Council of the European Union for the second time. Again, while not a part of urgent matters due to the presence of the COVID-19 pandemic, there was a significant drive on the part of the Slovenian officials to work upon the common stance

¹² The so-called Troika consisted of the European Commission (EC), the European Central Bank (ECB), and the International Monetary Fund (IMF).

¹³ See Milan Jazbec (ed.), *Slovenia's presidency of the Council of the European Union: external relations* (Ljubljana: Ministry of Foreign Affairs, 2008), 71, 82, 83, 96.

¹⁴ Source: "President attends the EU-Sichuan investment and cooperation conference," President of the Republic of Slovenia Dr. Danilo Türk, accessed February 12, 2024, https://www.bivsi-predsednik.si/up-rs/2007-2012/turk-ang-arhiv.nsf/dokumentiweb/7A3DD65EAC4563E8C12574F20062A7CE?OpenDocument.

of the European Union on its relationship with China. Even before taking on the role of presidency of the Council of the European Union in the second half of 2021, there were expectations that Slovenia may take a more active role in promoting EU-China relations; that much was said by the Slovenian President Borut Pahor on his meeting with the senior Chinese diplomat Yang Jiechi in May 2021.¹⁵

Despite the expectations indicated otherwise, there was not a lot of dialogue conducted on the question of EU-China relations during the presidency proper. One notable exception was the informal meeting of the foreign ministers of the European Union. Here, debate arose regarding the future stance of the European Union towards China. As per the general agreement, the ministers advocated a pragmatic and realistic approach to the relations with China while admitting that recently, answering such questions and providing a clear agenda had not been easy. Among others, however, the Slovenian Minister of Foreign and European Affairs Logar appealed to the EU to form a unified approach considering China's increasing presence in numerous diplomatic and foreign policy affairs and crises and stated that the European Union should pursue relations with China based on European principles and values.¹⁶

I predicted that the question regarding the Slovenian (and by extent, the EU) relationship with China may arise after 2022 after the end of the COVID-19 pandemic. After the 15th Slovenian government started its term in June 2022,¹⁷ the question regarding Slovenia-Chinese relations slowly started to become more relevant in Slovenian politics as some visible Slovenian politicians started to advocate forging clearer, if not tighter particularly economic) relations between Slovenia and China.

In May 2022, Slovenia and China commemorated the 30th anniversary of diplomatic relations between the countries through the exchange of congratulatory letters between the President of the Republic of Slovenia Borut Pahor and President of the People's Republic of China Xi Jinping.¹⁸

In December 2022, the Slovenian Minister of Foreign and European Affairs Tanja Fajon hosted a meeting of members of the Strategic Council for Slovenian foreign policy on which

¹⁵ Source: "Slovenia willing to play active role in promoting EU-China relations," Secretariat for Cooperation between China and Central and Eastern European Countries, accessed February 12, 2024, http://www.chinacceec.org/eng/zzwl/202105/t20210531 9147462.htm.

¹⁶ See ap, STA, "#foto Zunanji ministri EU na Brdu o Afganistanu, odnosu s Kitajsko in za krepitev vezi z Indijo," September 3, 2021, https://www.dnevnik.si/1042972281.

¹⁷ Source: "Slovenija dobila 15. vlado," STA, accessed February 12, 2024, https://www.sta.si/v-srediscu/vlada2022.

¹⁸ Consult "Exchange of congratulatory letters between presidents Pahor and Xi to mark 30 years of diplomatic relations," Portal GOV.SI, accessed February 12, 2024, https://www.gov.si/en/news/2022-05-12-exchange-of-congratulatory-letters-between-presidents-pahor-and-xi-to-mark-30-years-of-diplomatic-relations/.

the role of China in the changing political and social order of the world was discussed; there was also a discussion about the future of relations between Slovenia, EU, and China. While it is not believed that specific proposals regarding the future cooperation between Slovenia and China were given, the organization of the visible meeting was a clear indication that the current Slovenian government might work on the crystallization of relations and perhaps even actively start to support cautious, but cooperative relations between the countries. This took place only five days after the then-Slovenian State Secretary Žbogar received China's Special Representative for Central and Eastern Europe—China Cooperation Ambassador Jiang Yu., discussing with him the challenges and the future of the CEEC-China 14+1 Initiative, bilateral economic cooperation, and EU-China relations, as well as various global and security issues such as Russia's aggression against Ukraine and security in the Asia-Pacific region. Security in the Asia-Pacific region.

In 2023, the political and diplomatic relations between Slovenia and China do not appear to have progressed significantly compared to the previous year, but they remain cautiously positive and hopeful concerning fruitful future cooperation, especially in an economic sense.

On June 30, 2023, the Slovenian Prime Minister Robert Golob attended the European Council meeting in Brussels where the relation with China was among the key topics of this summit. The Slovenian representative supported stable and productive relations of the European Union with China, stating that "China is so important, also as an economic superpower, that we need to have an active dialogue with it. Slovenia will make every effort to strengthen this dialogue, both bilaterally and multilaterally, and to ensure that Europe also tries to find its position within this dialogue with China and that it tries to act as independently as possible." The statement is believed to be the official position of the 15th Slovenian government toward the question of future relations with China.

Finally, in October 2023, the 14th session (and the first after 2018) of the Slovenian-Chinese Joint Commission for Economic Cooperation was hosted by the Slovenian Directorate for Economic and Public Diplomacy and accessed the current economic situation in Slovenia

-

¹⁹ Source: "Drugi strateški svet za zunanjo politiko namenjen razpravi o Kitajski," Portal GOV.SI, accessed February 12, 2024, https://www.gov.si/novice/2022-11-16-drugi-strateski-svet-za-zunanjo-politiko-namenjen-razpravi-o-kitajski/.

²⁰ Source: "State Secretary Žbogar receives China's Special Representative for Central and Eastern Europe—China Cooperation," Portal GOV.SI, accessed February 12, 2024, https://www.gov.si/en/news/2022-11-11-state-secretary-zbogar-receives-chinas-special-representative-for-central-and-eastern-europechina-cooperation/.

²¹ Source: "Prime Minister Robert Golob at the European Council meeting," Portal GOV.SI, accessed February 12, 2024, https://www.gov.si/en/news/2023-06-30-prime-minister-robert-golob-at-the-european-council-meeting/.

and China, the state of economic cooperation between the two countries to date and attempted to identify opportunities for further collaborations between the countries.²²

While the latter meeting was of an economic nature, it also forms a part of political and diplomatic relations between Slovenia and China; those will likely be further questions on the state of those relations in 2024 when Slovenia became a member of the Security Council of the United Nations.

The Slovenian-Chinese cooperation in the fields of economy and culture: the positive signs for the future

The main type of (constructive) relations between Slovenia and China that have and likely will continue to prevail in occurrence are economic relations. As stated before, China has become one of the most important Slovenian import partners, rising to second place among import trade partners in 2023 just behind Switzerland.²³

Recently, Chinese business corporations started to access the Slovenian market more assertively. The leading Slovenian white goods and household appliances manufacturer became a part of the Chinese Hisense Group and entered the Chinese market in 2019. It is believed that the Chinese ownership of Gorenje may procure an opportunity for the deepening of Slovenian-Chinese economic cooperation; to that end, the Slovenian ambassador in China Alenka Suhadolnik participated at the Gorenje brand promotion conference in Qingdao, China, where actions were undertaken to increase Gorenje brand presence in China.²⁴

²² See "14th session of the Slovenian-Chinese Joint Commission for Economic Cooperation," Portal GOV.SI, accessed February 12, 2024, https://www.gov.si/en/news/2023-10-23-14th-session-of-the-slovenian-chinese-joint-commission-for-economic-cooperation/.

²³ See "The value of external trade in goods in December lower, in 2023 higher than a year before," Statistical Office of the Republic of Slovenia, accessed February 12, 2024, https://www.stat.si/StatWeb/en/News/Index/11671.

²⁴ "Gorenje brand promotion in Qingdao," Portal GOV.SI, accessed February 12, 2024, https://www.gov.si/en/news/2023-03-02-gorenje-brand-promotion-in-qingdao-119754/.

As the import of Chinese goods to Slovenia is on the rise, more and more Chinese companies recently gained greater presence in Slovenia, for example, the pharmaceutical company Porton Pharma Solutions LTD,²⁵ Huawei,²⁶ and MG.²⁷

Chinese owners also bought visible Slovenian companies Outfit7 and Fotona while several Slovenian companies recently obtained investments in the Chinese market, including investments from several Slovenian companies, including Alpina, Cablex, Cosylab, Dewesoft, Domel, Donit Tesnit, Gostol TST, Pipistrel, EKWB, Hidria, Krka, Le-Tehnika, TT Okroglica, Unior, and Vip Virant.²⁸

While the Chinese economic and trade present is not as obvious in Slovenia as in some other countries of the Western Balkans that are not members of the European Union,²⁹ it has gained more ground recently, despite the Slovenian assent to the common EU policy (or the lack of) toward China. However, as in the case of the potential ban on Huawei, Slovenia has been slower to react to the changing geopolitical conditions than most of the rest of the EU and seemed more welcoming toward Chinese technological solutions than most.³⁰

Recently, the economic cooperation between Slovenia and China is more and more often conjoined with mutual cultural recognition and cooperation. For some time, Confucius Institute Ljubljana, Slovenia, has organized regular events that promote and teach Chinese language and culture and encourage business opportunities in China while acting as a bridge between the Slovenian and Chinese business environments.³¹

²⁵ See Aljoša Črnko, Andreja Lončar, "V Mengeš prihaja kitajski dobavitelj: obetajo se delovna mesta in milijoni," *N1*, January 10, 2023, https://n1info.si/gospodarstvo/v-menges-prihaja-lekov-kitajski-dobavitelj-obetajo-se-milijoni-in-delovna-mesta/.

²⁶ Consult e.g. "Huawei podaril tablice slovenskim učencem in dijakom," Svet24, accessed February 12, 2024, https://novice.svet24.si/clanek/novice/slovenija/5ea325d45ec83/huawei-podaril-tablice-slovenskim-ucencem-in-dijakom#google_vignette.

²⁷ Consider Gregor Prebil, "MG bo pri nas odprl 11 salonov," Zurnal24, June 15, 2022, https://www.zurnal24.si/avto/kitajski-mg-v-sloveniji-11-novih-avtomobilskih-salonov-387998.

²⁸ Source: "Kitajska v regiji Adria – kje in koliko vlaga?," Bloomberg Adria, accessed February 12, 2024, https://si.bloombergadria.com/businessweek-adria/glavna-tema/41623/kitajska-v-regiji-adria-kje-in-koliko-vlaga/news.

²⁹ See e.g. "China's strategic interests in the Western Balkans," European Parliament – Think Tank, accessed February 12, 2024, https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2022)733558.

³⁰ See e.g. the announced lawsuit of the Slovenian government by Huawei representatives after the late – later than in most of the rest of the EU –changes to the decision on the security of the 5G network in Slovenia: G. C., "Huawei zaradi spremembe sklepa o varnosti omrežja 5G v Sloveniji želi 170 milijonov evrov odškodnine," *MMC Radiotelevizije Slovenija*, December 5, 2023, https://www.rtvslo.si/gospodarstvo/huawei-zaradi-spremembe-sklepa-o-varnosti-omrezja-5g-v-sloveniji-zeli-170-milijonov-evrov-odskodnine/690639.

³¹ See "About the Confucius Institute Ljubljana," Confucius Institute Ljubljana, accessed February 12, 2024, https://ki.ef.uni-lj.si/en.

Among others, between January 24 and February 12, 2023, the exhibition of Slovenian-Chinese art and photography titled "United in creativity" was presented to the open public. The exhibition was a part of the celebrations of the 30th anniversary of diplomatic relations between the Republic of Slovenia and the People's Republic of China on behalf Slovenian capital Ljubljana, the twinning of Ljubljana with the third largest Chinese city Chengdu, and the Chinese New Year. It was said that the project "United in creativity" has been designed primarily to honor "the friendship between Slovenia and China, strengthen the ties between Ljubljana and Chengdu, and foster the idea that getting to know and coexist with other cultures enriches and brings people together."³²

Even before that, the Slovenian and Chinese cooperation in culture, science, and arts was present. For example, in February 2020, the Slovenian students of the Faculty of Architecture prepared the "Between the Sky and the Earth" exhibition along with Tsinghua University, China, as an example of a joint project of urban planning.³³

There has also been relevant cooperation between Slovenian and Chinese academics and scientists; for example, many Slovenian members of the academia spent years teaching or working in China.³⁴

The frequent collaboration between the Slovenian and Chinese artists, scientists, educators, and culture workers showcases that despite the obstacle to cooperation – e.g. Western and the EU's mistrust toward Chinese technological giants – there exists openness to Chinese culture in Slovenia indicates the possibility of further improvement of the cultural, economic, and diplomatic relations between Slovenia and China.

_

³² Source "Združeni v ustvarjalnosti," Mestna občina Ljubljana, accessed February 12, 2024, https://www.ljubljana.si/sl/moja-ljubljana/kultura-v-ljubljani/razstave-v-razstavnih-prostorih-mol/aktualne-razstave/zdruzeni-v-ustvarjalnosti/.

³³ See "Between the Sky and the Earth' - exhibition opening," Portal GOV.SI, accessed February 12, 2024, https://www.gov.si/en/news/2020-02-06-between-the-sky-and-the-earth-exhibition-opening/.

³⁴ Among others, see e.g. the career of esteemed philosopher Aleš Erjavec who was for years a professor of aesthetics at the Shanghai Jiao Tong University and Zhejiang University in Hangzhou, China ("Prof. dr. Aleš Erjavec," ZRC SAZU – Filozofski inštitut, accessed February 12, 2024, https://fi2.zrc-sazu.si/sl/sodelavci/aleserjavec-sl).

Conclusion

Slovenia has been traditionally regarded as a forward-looking country that has generally strived to nurture fair and constructive relations with most key global political entities while remaining a dependable member of the European Union.

For the most part, Slovenia assented to the geopolitical view of the European Union. In the case of China, however, Slovenia may have been among the most active members of the EU concerning the implementation of a sound strategy that could lead to productive and politically savvy relations with China. That may be especially important in the times when global tensions appear to be increasing; and given Slovenia's new status of a temporary member of the Security Council of the United Nations, it may have more say in how world diplomacy may unfold than in most recent years.