

Post-CMEA Economic Relations of Former Soviet Bloc Countries and Russia: Continuity and Change

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ABSTRACTS

Dieser Artikel analysiert, wie sich die Wirtschafts- und Handelsbeziehungen der Tschechischen Republik, Ungarns und der Slowakei mit Russland in den zwanzig Jahren seit der Auflösung des RGW entwickelt haben. Die wichtigsten Ergebnisse sind: Erstens lassen sich zwei unterschiedliche Phasen im Handelsmuster identifizieren. Nach einer langen Periode der Stagnation vor dem EU-Beitritt ist Russland inzwischen wieder ein wichtiger Exportmarkt für alle drei Staaten. Zweitens war aus ökonomischer Perspektive in allen drei ostmitteleuropäischen Staaten der Aufbau von Exportkapazitäten während der Vorbereitung des Beitritts wichtiger als die Erlangung der Mitgliedschaft selbst. Drittens prägt die im Rahmen des RGW entstandene Energieabhängigkeit bis heute die Wirtschaftsbeziehungen zwischen Tschechien, Ungarn und der Slowakei einerseits sowie Russland andererseits. Viertens war die zunehmende Bedeutung bilateralen zwischenstaatlicher Instrumente, die der Förderung der handelswirtschaftlichen Zusammenarbeit zwischen Russland und den drei Ländern dienten, ein wesentliches Merkmal der Zeit nach 2004. Fünftens existierten bei den wichtigsten politischen Parteien in jedem der drei Länder jeweils unterschiedliche Positionen zu den Wirtschaftsbeziehungen mit Russland. Dennoch hatten Regierungswechsel sowohl in Bezug auf die wirtschaftlichen Beziehungen zu Russland als auch auf das Ausmaß der Handels- und Wirtschaftskooperation, insbesondere in der Zeit nach 2004, offenbar nur marginale Effekte.

This article reflects on how the economic and trade relations of the Czech Republic, Hungary and Slovakia with Russia have developed in the twenty years since the abolition of the CMEA. The article's main findings are as follows. First, there have been two distinct phases in post-CMEA trade patterns. After a long period of stagnation prior to EU accession, Russia has since become a significant export market for all three states. For the three, the build-up of export

capacity during EU pre-accession was arguably more important than EU entry per se. Second, energy dependency, a key CMEA-era interconnection, has remained a significant feature of economic relations between Russia and the three throughout the post-CMEA era. Third, the growing importance of bilateral intergovernmental instruments charged with promoting trade and economic cooperation between Russia and the three has been a notable feature of the post-2004 period. Fourth, the main political parties in each of the three tended to take different positions on economic relations with Russia. Yet changes of government seem to have been rather marginal in terms of both the conduct of economic relations with Russia and levels of trade and economic cooperation, especially in the post-2004 period.

1. Introduction

In the late 1970s and early 1980s, the Council for Mutual Economic Assistance (CMEA) was gripped by an intense policy debate stimulated by overall economic stagnation and particularly acute crises in the member states that had borrowed heavily to finance imports from the West. While the Soviet preference was for a renewed emphasis on regional autarky and a future strategy of “turning inwards”, radical voices in Hungary were calling for stronger engagement with the world economy, which would entail a fundamental overhaul of domestic foreign trade systems and a shift from plan coordination to full blown market integration in the CMEA. In 1985, Hungarian economist András Köves wrote that “a decline in East-West trade would not only lower living standards but also increase present economic tensions, slow down growth even further, stagnate productivity and thus widen the present technological gap between the West and the socialist countries”.¹ In addition, CMEA cooperation would also be seriously harmed:

*To restrict relations with the developed capitalist countries would not result in any acceleration of integration processes within the CMEA, nor in the increasing role of cooperation in the solution of economic tasks with which member-countries are faced.*²

This chapter reflects on how economic and trade relations between the three “small” Visegrad Group (VG) states – the Czech Republic, Hungary, and Slovakia – and Russia have developed in the 20 years since the abolition of the CMEA and the eventual switch to the kind of trade and integration arrangements advocated by Hungarian economists and other like-minded radical economists elsewhere in the CMEA. It begins with some brief remarks on the impact the collapse of the CMEA had on the trade of Czechoslovakia and Hungary with the Union of Soviet Socialist Republics (USSR). The second section focuses on the long period of transition in relations between Russia and the three states from 1993–2003. It covers developments in exports to and imports from Russia, highlighting some key determinants of the trade patterns that characterized this period.

1 A. Köves, *The CMEA Countries in the World Economy: Turning Inwards or Turning Outwards?*, Budapest 1985, p. 144.

2 Ibid.

The role of post-CMEA regional integration processes (specifically the Central European Free Trade Agreement (CEFTA)) is also discussed. Finally, it considers the impact of political perspectives on Russia on the development of economic relations. The main political parties in each of the three states tend towards different rhetoric on the question of relations with Russia, raising the question of how changing governments have affected both the conduct of economic relations with Russia as well as the outcomes in terms of levels of trade and economic cooperation. The third, and most substantive, section covers the period 2004–2010 and therefore incorporates the consequences of European Union (EU) membership on economic relations with Russia. It highlights post-2004 trade trends and considers the main factors that have been influencing the dramatic growth of the three states' exports to Russia. Furthermore, it focuses on key energy sector partnerships that are the most visible remnant of the CMEA-era integration and which remain a dominant element of economic relations between Russia and the three states. Additionally, it notes the reinvigoration of broad-based intergovernmental instruments charged with promoting trade and economic cooperation with Russia and asks whether this is another example of certain CMEA "traditions" that have survived. Finally, this chapter revisits the relationship between domestic politics within the three states and foreign trade strategies towards Russia during the post-2004 era.

2. Collapse of the CMEA and the "End" of the Soviet Market

The period between the end of communism and EU accession was essentially a long and rather protracted period of transition in Czech, Hungarian, and Slovak overall relations with the USSR and subsequently with Russia. During the CMEA-era there were of course no direct economic relations with Russia, therefore the main reference point is economic relations with the USSR. Though the USSR remained the states' dominant trade partner throughout the socialist period, the percentage share of total trade accounted for by the USSR diminished throughout the lifetime of the CMEA. By 1989, Czechoslovakia's exports to the USSR were some 30.5 per cent of its total exports, while Hungary's were somewhat less at 25.1 per cent. Exports to the OECD countries made up 31.2 per cent of Czechoslovakia's exports and 43.1 per cent of Hungary's.³ By the time the CMEA collapsed both countries, but especially Hungary, had already experienced considerable westward trade re-orientation. It seems safe to assume that a substantial decline in the relative importance of the Russian Soviet Federative Socialist Republic (RSFSR) as a trade partner occurred over the lifetime of the CMEA, even if its strategic position as an energy supplier remained stable.

As is well known, the end of communism precipitated a huge adjustment in the external trade of all the ex-CMEA countries that entailed a dramatic reduction in their mutual trade. For all the Central and Eastern European (CEE) CMEA states this trade collapse

3 M. Dangerfield, *Subregional Economic Cooperation in Central and Eastern Europe*, Cheltenham 2000, p. 32.

centred mainly on the USSR and began in 1990, even before the key “switchover” to the use of world market prices and settlement in convertible currency. In 1990 the USSR cut oil deliveries to the CEE by 30 per cent and the CEE states responded with equivalent cuts in their own exports to the USSR. The disruption accelerated spectacularly in early 1991. The USSR’s imports from and exports to the CEE fell by around 60 per cent and 50 per cent respectively during the first quarter of 1991 compared with the same period in 1990.⁴ A further complication was the question of what would happen to the transferable rouble balances that existed at the point of the switchover and how the debts/surpluses would be resolved.

Thus relations with the USSR from 1990/91 were essentially a “divorce process” that involved a drastic adjustment of bilateral economic and political ties according to the new post-Cold War reality. However, as many commentators pointed out at the time, the CEE states did not look to deliberately shrink trade with the USSR drastically, mindful of the potential recessionary consequences and of the need to pay their energy bills under the new, post-CMEA trading conditions. Similarly, it was not the Soviet intention to consciously slash imports from the other CMEA countries due to the tremendous harm this could (and did) bring to many sectors of the Soviet economy. Trade collapsed regardless, however, in the main due to deepening economic and political chaos in the USSR as the planning system crumbled and a deeply damaging phase of non-system ensued. Thus the USSR’s cuts in imports from the five states were not “because they had found other sources on more favourable terms but simply because they had no choice.”⁵ The CEE states learnt from this damaging forced retreat from the increasingly chaotic and unpredictable Soviet market that a strategic trade reorientation was not only politically justified but a practical economic necessity as well.

3. Economic Relations with Russia during the EU Pre-accession Years

3.1. Key Challenges: Structural Deficits and Stagnant Exports

Once the USSR and all the attendant ideological and “imperial” baggage had gone, Hungary and the newly independent Czech and Slovak republics had to develop their relations with Russia – also a newly independent state – in conditions that were fundamentally different from – but nevertheless involved a substantial legacy of – the Soviet era. As far as economic relations with Russia were concerned, the three states faced some common key challenges during the 1990s and early 2000s. These included the need to ensure stable energy supplies in the context of total supply dependency on Russia; the need to put in place a large number of bilateral agreements covering a whole variety of issues; the need to tackle large trade imbalances that quickly emerged as an established feature of their residual trade with Russia and which mainly reflected the energy import

⁴ Ibid., p. 17.

⁵ Köves, *The CMEA Countries*, pp. 72-73.

bill; the urge to raise the level of exports to Russia and make trade relations less asymmetrical (for economic reasons and because of feelings of vulnerability); and the need to resolve the abovementioned Soviet-era transferable rouble debts that Russia inherited, which needed agreement on how they would be paid, what the convertible currency value would be, and how costs of Russian troop withdrawal would be offset. The amounts of transferable rouble debts were USD 1.6 billion owed to Slovakia, USD 1.7 billion to Hungary, and USD 3.7 billion to the Czech Republic.⁶

Trade relations with Russia settled down into the same broad pattern for all three countries and remained more or less stable over the 1993–2003 period. With Russia having inherited the Soviet role of the monopoly supplier of gas and oil, imports were largely consisting of fossil fuels, delivered via the pipeline infrastructures constructed during the CMEA-era.⁷ Energy trade was the core determinant of the structural trade deficit with Russia. Another key similarity was the inability to correct this imbalance with export growth. With some modest fluctuations along the way, the USD values of Czech and Slovak exports to Russia were the same in 2003 as in 1993 meaning a substantial fall in real terms. Hungary's situation was even less favourable, showing a huge fall in the nominal value of exports to Russia with the 2003 USD value only 58 per cent of the 1992 total. Steadily increasing import bills meant that all three countries' deficits increased greatly, with a 255 per cent increase in the case of the Czech Republic, 218 per cent for Slovakia (1993–2003), and 408 per cent for Hungary (1992–2003). Table 1 (see Appendix) contains the data on the three states' trade with Russia between 1992 and 2003.

Numerous factors, well documented at the time, accounted for these post-CMEA trade patterns between Russia and the three states. Clearly one important reason had to do with the nature of the CMEA exchanges which included large scale exchange of CEE "soft" goods for Soviet "hard" goods (essentially energy and other raw materials). Thus a considerable portion of CEE exports to the USSR were not viable after 1990. Second, general chaos and weak demand in the Soviet, and subsequently in the Russian, market coupled with Russia's own strategic westward orientation during the Yeltsin period were also important. As Votapek noted, for the Czech Republic at least a basic problem was

*the undercapitalisation of Czech exporters and consequently a higher sensitivity to risks that trading with Russia poses: the failure of Russian counterparts to fulfil contracts and difficulties in retrieving receivables.*⁸

The third factor was the large-scale reorientation of trade to the West, encouraged by economic necessity as well as foreign and security policy imperatives. Table 2 illustrates

6 A. Duleba, Slovakia's Policy towards Russia, the Ukraine and Belarus, in: K. Pelczyńska-Nalęcz et al. (eds.), *Eastern Policy of the Enlarged European Union*, Bratislava 2003, pp. 143–180.

7 By the end of the 1990s the Czech Republic had taken advantage of its opportunity to diversification its gas supply to some extent, though not enough to make it substantially different from Hungary and Slovakia in terms of the basic structure and asymmetry in trade with Russia.

8 V. Votápek, Policy of the Czech Republic towards Russia, the Ukraine and Belarus, in: K. Pelczyńska-Nalęcz et al. (eds.), *Eastern Policy of the Enlarged European Union*, Bratislava 2003, pp. 89–108.

the degree of trade reorientation that had occurred by the mid-1990s. The signing of Europe Agreements with rapid moves towards free trade with the EU obviously stimulated further growth of trade with Western Europe and consolidated the strategic reorientation that was in fact already underway in 1990. Lavigne pointed out that a Soviet-Hungarian bilateral agreement was reached in March 1990 after

*Hungary had suspended, in January 1990, the export licences granted to the Hungarian enterprises to sell to the USSR, then renewed them on a case-by-case basis, so as to divert as few goods as possible to the CMEA market and prevent the export to the USSR of goods saleable to the West.*⁹

3.2. Post-CMEA Integration without Russia – CEFTA

Though dwarfed by the value of the collapse of their individual trade with the USSR, the decline of the mutual trade between the five states was still significant. Yet the prospects for reviving those trade relations and putting them on sound commercial footings turned out to be much more favourable because the common goal of EU membership also gave rise to the CEFTA. Russia was, of course, outside these dual processes. Convened in the framework of the VG, CEFTA was a regional integration initiative founded exclusively by and for the CEE and was, therefore, the closest thing to a revival of sorts of the CMEA grouping. CEFTA was created under the terms of the Cracow Treaty signed in December 1992 by the governments of Czechoslovakia, Hungary, and Poland who thereby agreed to begin mutual trade liberalization. By the time it became operational (1 March 1993) there were four members. The subsequent accessions of Bulgaria (1997) and Romania (1999) completed the ex-CMEA contingent, with Slovenia having entered in 1996. The prime objective of CEFTA was to completely liberalize trade in industrial products by 2001 and substantially liberalize agricultural trade. Though initial expectations were low and the VG leaders were keen to play down its significance, encouraging a shady existence for CEFTA (in order to pre-empt any talk that this could become an alternative to EU membership), CEFTA achieved some very positive results. Between 1993 and 1998 intra-CEFTA trade grew fast: Czech exports to CEFTA increased by 365 per cent over that period. Hungarian, Polish, and Slovak exports to CEFTA grew by 442 per cent, 298 per cent, and 304 per cent respectively.¹⁰

Whilst the exact impact of the reintegration effects of CEFTA vis-à-vis economic relations with Russia was never analysed, it seems fairly safe to assert that the gravitational pull of preferential trade within CEFTA did not have a positive influence. Indeed, by 1997 the level of intra-CEFTA trade was in stark contrast to the Soviet domination of intra-CMEA trade and marginal role of trade among the rest: Czech exports to CEFTA were eight times greater than exports to Russia, Hungary's were three times greater, and

9 M. Lavigne, *International Political Economy and Socialism*, Cambridge 2001, p. 380.

10 Dangerfield, *Subregional Economic Cooperation*, pp. 152-155.

Slovakia's were sixteen times greater. As for Russia's omission from CEFTA, three factors were of particular importance. First, CEFTA's creation and early existence was against the backdrop of the so-called "CMEA syndrome" which basically meant a reluctance to participate in integration organizations with any ex-CMEA partner, but especially Russia. EU pressure, exerted during Europe Agreement negotiations, was an important driver of the VG states' mutual trade liberalization and also restricted the scope of CEFTA to those countries in line for EU associate membership. Second, as well as the absence of any agenda to include it, Russia itself showed no interest in CEFTA either in terms of membership or desire to influence it in any way, not even after Ukraine expressed membership aspirations in 1995. Third, Russia was excluded because of the specific character of CEFTA as an actual bona fide part of the EU pre-accession process. CEFTA became increasingly acknowledged as a device for future EU members to foster their mutual integration en route to the EU. Its enlargement criteria, established in Brno during the second annual summit of the prime ministers of CEFTA countries in September 1995, stipulated that prospective CEFTA members must have accomplished the following: be a member of the World Trade Organisation (WTO); have signed a Europe Agreement with the EU; and have signed bilateral free trade agreements with all existing CEFTA members. At this point the identity of CEFTA was clarified as a club for those post-communist states committed to Euro-Atlantic integration and acknowledged by the EU as future members.

3.3. Domestic Politics and Strategic Relations with Russia: Impact on Trade Dynamics

It is interesting to consider the broad influence of political relations with Russia during this long transition period. The lack of any regional framework to revive trade relations with Russia was not compensated for by any bilateral initiatives. CMEA syndrome aside, the prospects for revitalized economic links were not helped by certain political constraints that emerged in the early 1990s. Russia's opposition to NATO enlargement and constant striving to block the accession of former CMEA partners was the core problem, though frustration with Russia's failure to meet commitments in resolving the terms of and actually paying off CMEA-era debt was also a source of tension. Yet this narrative is too simplistic in itself as there were in fact some notable differences in governmental attitudes towards Russia, both within and between countries, in play during this period. The political background and ideologies of the party in power caused some volatility in political relations with Russia. There were certainly periods where economic relations with Russia did have higher priority, especially in the case of Slovakia, but these varied in levels of cordiality in political relations with Russia and were never really reflected one way or the other in actual trade levels.

After the Velvet Divorce, Czech and Slovak relations with Russia moved in opposite directions. The strong Czech preoccupation with its endeavour to gain membership in NATO and the EU coupled with the convenient geopolitical position of the Czech Re-

public – it no longer bordered any ex-Soviet states – meant that foreign policy towards Russia was characterized by disinterest and lack of engagement, thus “Russia disappeared from the cognitive map of both the Czech political elite and the population at large.”¹¹ However, a residual fear of Russia remained. Opposition to NATO entry was read as evidence of Russian ambitions to retain its strong influence in Central Europe and underscored the importance of the Czech Republic joining NATO and the EU. Otherwise, over this period, which endured until 1999, Czech interest was focused on specific economic issues, in particular the security of gas and oil supplies and striving for progress on the repayment of Russia’s debt to the Czech Republic. Trade and integration with the EU (and to some extent CEFTA) were, however, the undisputed strategic priorities. Slovakia, by contrast, became increasingly disenfranchised from Euro-Atlantic integration due to the authoritarian tendencies of the government led by Vladimír Mečiar. Therefore, Slovakia followed a distinct Eastern agenda based on notions of a special relationship with Russia centred on aspirations for close economic relations that would maintain the levels of trade that characterized the CMEA-era. Even before the split of Czechoslovakia and collapse of the USSR, Mečiar revealed his clear ambition to rescue the Slovak military industrial complex which was at the core of Slovakia’s high level of exposure to the Soviet market. In 1991 Mečiar stated that

[o]ur diagnosis is not complicated. If we manage to remain oriented on the eastern market and preserve trade with the USSR, we shall have lower unemployment [...] the Soviets have given us general approval for the export of weapons produced under their licence.¹²

Despite close political links with Russia and the signing of various bilateral agreements on economic cooperation – including some initial moves towards a Slovak-Russia free trade agreement in 1996 – Slovak ambitions to revive their economy via demand from Russia were not realized. As Table 1 shows, exports did not grow at all and the main trend was an alarming deterioration in Slovakia’s balance of trade due to fast rising oil and gas import costs.

Slovak and Czech relations with Russia converged after Mikuláš Dzurinda replaced Mečiar in September 1998. Slovakia immediately renewed its commitment to EU and NATO accession. Repercussions of the commitment did not entail an unfriendly tone in political relations with Russia. As official government announcements in October 1998 stressed, Russia remained a key economic partner especially as far as imports of strategic energy resources were concerned. The objective was “to have ‘correct’, ‘balanced’, ‘partner-like’ and ‘mutually advantageous’ relations with Russia”.¹³ Czech relations with Rus-

11 P. Kratochvíl and P. Kuchyňková, *Between the Return to Europe and the Eastern Enticement - Czech Relations to Russia*, 2009, <http://www.fakprojekt.hu/docs/05-Kratochvil-Kuchynkova.pdf> (accessed 9 December 2011), p. 63.

12 Duleba, *Slovakia’s Policy Towards Russia*, p. 146.

13 A. Duleba, *Slovakia’s Relations with Russia and Eastern Neighbours*, 2009, <http://www.fakprojekt.hu/docs/04-Duleba.pdf> (accessed 9 December 2011), p. 16.

sia seemed to ease after the final confirmation in 1997 that NATO enlargement would go along with the election of a more Russia-friendly government. Votápek noted that

*there was an ever more positive view of the mutual relations in the Czech Republic, too. In the summer of 1998, when the minority social democratic cabinet took office, it declared the development of relations with Russia as one of its foreign policy priorities.*¹⁴

Turning now to Hungary, official political attitudes towards Russia and stress on the importance of economic ties tended to oscillate during this time. Póti identifies four main phases after 1990. Following the divorce phase, “peaceful co-existence” characterized the 1992–1994 period in which – with the “ideological content” of tensions between the USSR and Hungary now gone – relations between Russia and Hungary gradually stabilized. Nonetheless, there was a surviving element of “distrust and fear of instability (on the Hungarian side) and growing opposition (on the issue of NATO enlargement) on the Russian side”.¹⁵ The subsequent 1994–1998 period of “normality” was interesting because the election of a leftist leaning government under Gyula Horn led to more emphasis on relations with Russia, including giving high priority to trade within the Russian market. Several issues caused relations to deteriorate after 1998, culminating in Russia’s decision to cancel Prime Minister Kasyanov’s official visit in early 2001.¹⁶ Government change in Hungary played a key role with the new centre-right Fidesz/MDF government led by Viktor Orbán, which, both in its rhetoric and policy choices, inclined to a far more cautious and suspicious stance on Russia. The “general attitude of the Orbán government towards Russia was characterised by the perception of a kind of cultural supremacy, a combined anti-communism / Russianism that still associated Moscow with the past, the fear of Russia’s imperial resurgence, its lack of diplomatic style and the fashionable trend of neglecting Russia”.¹⁷ This “distancing” prevailed until the Hungarian Socialist Party (MSZP), in its longstanding alliance with the Alliance of Free Democrats – Hungarian Liberal Party (SZDSZ), won the 2002 elections in Hungary. In the context of Putin’s changed approach to Central Europe noted above, the centre-left government, led by Péter Medgyessy, again reversed course and declared the need to “reset” relations with Russia, especially for trading reasons.

In sum, despite the differences in official political attitudes towards Russia and variations in the extent to which there were inclinations to cultivate closer economic relations, the results in terms of actual levels and patterns of exports to Russia were very similar. In

14 Votápek, *Policy of the Czech Republic*, p. 97.

15 L. Póti, *The Good, the Bad and the Non-existent: the Hungarian Policy towards the Ukraine, Russia and Belarus, 1991–2002*, in: K. Pelczyńska-Nałęcz et al. (eds.), *Eastern Policy of the Enlarged European Union*, Bratislava 2003, pp. 59–87, p. 80.

16 Several issues caused bilateral problems. For example, in April 1999, Hungarian border guards held up a joint Russia/Belarus convoy of humanitarian aid destined for Belgrade for many hours, alleging it breached the UN embargo on Yugoslavia. Also, the Hungarian government abruptly reversed a decision to upgrade its Mig-24 fighter planes by a joint Russian-German company in favour of a leasing deal for Swedish-British F-16s. (See, Póti, *The Good, the Bad*, pp. 83–84).

17 Póti, *The Good, the Bad*, p. 83.

fact there were no real perceptible differences in the experiences of each of the countries. The case of Slovakia in the 1994–1998 period, where the revival of CMEA-era levels of trade with Russia was the core economic (and foreign policy) strategy, provides the most notable evidence that stagnation of export trade with Russia was not so much connected to the state of political ties, but rather to underlying economic conditions on both sides. The stagnant and turmoil-ridden Russian economy was of overriding importance, along with structural limitations of the three states that affected export potential to Russia at that time, especially in Slovakia.

4. Economic Relations with Russia after EU Accession

This section looks at some aspects of economic relations between Russia and the three states since EU accession. It covers four areas: the main trade trends since EU accession and the key determinants of post-2004 trends; the three states' energy trade relationship with Russia which remains the major vestige of the socialist integration experience; bilateral intergovernmental economic cooperation between Russia and the three states; and some observations about the relationship between governments' perspectives on relations with Russia and the conduct of economic relations during the post-2004 years.

4.1. Trade with Russia after EU Accession – New Trends

As noted above, during the transition period exports of the three states to Russia lacked dynamism and were characterized instead by either stagnation or shrinkage. By contrast, since EU accession exports to Russia have shown very strong growth. Between 2004–2010 Czech exports increased by 347 per cent, Hungarian by 350 per cent, and Slovak by 713 per cent (Table 3). In 2010, Czech exports to Russia accounted for 16.7 per cent of total extra-EU exports, compared to 10.8 per cent in 2004. For Hungary 15.6 per cent in 2010 compared to 19.8 per cent and for Slovakia 25.4 per cent and 9.1 per cent respectively (Table 4). In terms of the commodity structure of trade, Czech exports to Russia are in a wide range of manufactured industrial goods, comprised mainly of machinery and transport equipment (especially cars), chemicals, food products, and construction materials. Slovakia's main export lines to Russia are machinery and transport equipment (especially cars), chemical and allied products, other industrial goods, and fabrics. Hungary's most important exports to Russia are in machinery and transport equipment, pharmaceuticals, chemical and allied products, and foodstuffs. As for imports from Russia, these are dominated by raw materials, oil, and gas, which account for around 85 per cent, 90 per cent, and 90 per cent of the imports of the Czech Republic, Slovakia, and Hungary respectively.

An obvious question concerns the influence of EU membership on trade with Russia and the extent to which factors connected to EU entry accounted for the surge in growth of exports to Russia which became apparent after 2003. It seems that there is no strong evidence that the actual EU entry per se was the key cause of the observed trade growth.

However, certain economic consequences of the longer term process of EU accession played a major role in terms of the economic development and changing capacities experienced by the three states. The large inflows of foreign direct investment built up export capacities, including in the sectors that are now most important in exports to Russia and which have experienced rapid growth in recent years (e.g. passenger cars). The changing capacities of the three states enabled them to benefit from the boom in Russian imports that took off after 2000. This in turn was on the back of high levels of economic growth in Russia and the Russian state's use of buoyant oil revenues to significantly raise household incomes (especially of state employees in major cities) as well as fuel consumer spending. Between 2005 and 2010 the value of Russia's imports more than doubled from USD 79 billion to USD 197 billion, having reached a pre-crisis peak of USD 230 billion in 2008.¹⁸ In addition to the three states, most EU states experienced strong growth in their exports to Russia, demonstrating that the growth of the three states' exports was mainly part of a wider trend. Overall EU exports to Russia more or less doubled in value between 2004–2010 (Table 3). The other ex-CMEA states followed this trend as well with Poland's exports growing by 211 per cent, those of Romania by 528 per cent, and Bulgaria's by 224 per cent.

4.2. EU Entry and Energy Dependence

When it comes to CMEA-era interconnections that are still present today in the economic relations between Russia and the three states, the major and most obvious case has to do with energy dependence and Russia's role – inherited from the USSR – as the main supplier of oil and gas. Deep integration of the energy sector was among the few notable successes of socialist economic integration and is not so easy to undo as other communist era linkages. The physical infrastructure for oil and gas supply and transit is still very much operational and vital today as Russia remains the principal supplier of oil and natural gas. As with the other ex-CMEA members, energy supply and security has remained a major aspect of current Czech, Hungarian, and Slovak economic and political relations with Russia throughout the post-CMEA/post-USSR era. Russia maintained the Soviet reputation as a reliable supplier after the end of the CMEA. There were no supply disruptions during the EU pre-accession period, even during testy phases in political relations and perceived instability in Russia. Slovakia and Hungary kept their traditional levels of dependency on Russian supplies and sought further integration, while the Czech Republic followed a diversification policy, its advantageous geographical location easing the logistical task of building up other supply sources. By 2001 its dependence on Russian oil and gas had dropped by around 25 per cent and 30 per cent respectively.¹⁹ As far as energy security/dependency issues since EU entry are concerned, the biggest questions are focused on gas. Dependency on Russia is high in all three cases but does

18 Data on Russian growth, consumer spending and imports from the Federal State Statistics Service of the Russian Federation, http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/en/main/ (accessed 15 October 2012).

19 Votápek, *Policy of the Czech*, p. 98.

vary. In 2009, Russia provided 83 per cent of Hungary's total gas imports and 70 per cent of total gas consumption. For Slovakia the amounts were 94.5 per cent and 100 per cent respectively. For the Czech Republic the amounts were 69 per cent and 81 per cent. Hungary and Slovakia are supplied primarily by pipelines coming through Ukraine from Russia. Around 30 per cent of Czech gas imports come from Norway via the Olbernhau border transfer station.²⁰ Supply contracts are negotiated by the main gas transmission system operators in each country – RWE Transgas Net in the Czech Republic, FGSZ Ltd in Hungary, and Slovenský plynárenský priemysel, a.s. in Slovakia – all of which have tended to work on the basis of long term deals with Gazexport. Gas supply became an increasingly hot topic after Russia's disputes with Ukraine disrupted supplies, first in 2007 and again in 2009. The 2009 crisis, which occurred at the coldest time of the year and caused public anxiety about energy security to increase considerably, shifted diversification of gas supply to the forefront of the energy policy agenda.²¹ Shortly after the 2009 crisis the Czech Republic and Slovakia both declared their official support for the Nabucco gas pipeline project backed by the EU.²² Hungary of course was already an established proponent of Nabucco. Diversification is, however, not a short term game due to infrastructure issues and because "pipeline politics" are rather complex. Commercial interests of the main energy companies play a key role, including transit fees (another remnant of CMEA-era arrangements). Also, dependency on Russian gas coming through Ukraine may (then at least) have been construed as the issue rather than dependency on Russian gas per se. Hence Hungary's concomitant support for and involvement in Russia's South Stream pipeline and former Hungarian Prime Minister Gyurcsány's 2009 statement that "Hungary is interested in having as many pipelines as possible."²³ In April 2012, MOL, a Hungarian energy and oil company, announced its withdrawal from the Nabucco project. Despite speculation that this reflected Hungary's stand-off with the EU over various controversial political reforms, Orbán stated that Hungary was switching allegiance to Russia's South Stream alternative for "very simple economic reasons".²⁴ Moreover, the Nabucco project has been flagging for some time and other major stakeholders had already expressed major doubts, including RWE of Germany.²⁵ Either way, diversification strategies are fluid, with economic and po-

20 Gas statistics are taken from the Energy Delta Institute (EDI) database. Available at: <http://www.energydelta.org/mainmenu/edi-intelligence-2/our-services/Country-gas-profiles> (accessed 10 May 2012).

21 See A. NOSKO AND P. LANG, *Lessons from Prague: How the Czech Republic Has Enhanced Its Energy Security*, in: IAGS Journal of Energy Security, 2010, JULY.

22 See Duleba, *Slovakia's Relations with Russia*, M. Topolánek, Speech at the Nabucco Summit, 2009, <http://www.eu2009.cz/en/news-and-documents/speeches-interviews/speech-by-mirek-topolaneck-at-nabucco-summit-7778/> (accessed 30 April 2012).

23 EurActive, *Russia wins Hungary's support for South Stream pipeline*, 11 March 2009, <http://www.euractiv.com/energy/russia-wins-hungary-supportsouth-stream-pipeline/article-180126> (accessed 11 May 2012).

24 G. Chazan, *MOL to drop share in Nabucco pipeline*, Financial Times, 26 April 2012, <http://www.ft.com/cms/s/0/bb333a08-8fbb-11e1-beaa-00144feab49a.html#axzz1tcZG13aw> (accessed 30 April 2012).

25 J. Hromadko, K. Hinkel, and A. Torello, *RWE may reconsider Nabucco Pipeline*, Wall Street Journal, 18 January 2012. <http://online.wsj.com/article/SB10001424052970204468004577166273792137122.html> (accessed 10 May 2012).

litical motivations not always easy to disentangle. Oil and gas dependence on Russia is clearly the most visible and significant remnant of CMEA-era integration. The question of whether EU membership has unleashed a strong dynamic for further diversification and a longer term strategy of disengagement from dependency on Russia remains rather ambiguous.

Nuclear electricity generation is another important, albeit lower profile, aspect of energy relations with Russia. As with the oil and gas supply, the nuclear energy industry is another significant leftover from the CMEA. Whereas the impact of EU membership on the sustainability of gas and oil dependency on Russia has at least been subject to discourses about possible alternative sources, the situation on nuclear energy is rather clear. The Russian role looks secure and may even become more significant. Nuclear power is a key part of the energy mix in all three countries, accounting for 33 per cent of domestic electricity supply in the Czech Republic and Hungary and over half (55 per cent) in Slovakia. This energy comes from six reactors in the Czech Republic and four each in Hungary and Slovakia.²⁶ All the reactors are from the Soviet-era, commissioned and constructed by Soviet partners and these days the Russian nuclear energy giant Rosatom is a key partner. Rosatom subsidiary, TVEL, is the exclusive supplier of nuclear fuel to the Czech Republic, Hungary, and Slovakia. In the past Russia has received spent fuel for processing on its territory. Rosatom also plays a key role in the supply of spare parts for reactors and scheduling maintenance. Additionally, Rosatom has been involved in certain crisis operations. In Hungary, for example, following a serious incident in April 2003 in which water contamination from the fuel rod cleaning system occurred, specialists from TVEL carried out the decontamination work with their Hungarian counterparts. As with pipeline systems, changes to this part of the energy infrastructure cannot be made except in the longer term and would be very expensive. In any case there seems to be strong commitment to continue with current arrangements and possibly even to expand Russian involvement. During 2011 Russia and Hungary held talks on Russian companies' involvement in the planned modernization of the Paks Nuclear Power Plant in Hungary. In 2009 Russia and Slovakia signed a long term deal in nuclear power engineering that involved, amongst other things, Slovakia's "support for the participation of Russian companies in modernizing Slovakia's reactors".²⁷ Nuclear energy is also an official field of bilateral economic, scientific, and technological cooperation between Russia and Slovakia. As for the Czech Republic, in 2010 TVEL replaced Westinghouse as the supplier of fuel for the Czech Temelín plant until 2020. Furthermore, the Rosatom subsidiary Atomstroyexport was in one of the consortia that bid and was in strong contention to win the (now suspended) tender to build two new reactors at the Temelín plant

26 Nuclear Energy Agency, Country Profile: Czech Republic, 2010, <http://www.oecd-neo.org/general/profiles/czech.html> (accessed 10 June 2011), Nuclear Energy Agency, Country Profile: Hungary, 2010, <http://www.oecd-neo.org/general/profiles/hungary.html> (accessed 10 June 2011), Nuclear Energy Agency, Country Profile: Slovak Republic, 2010, http://www.oecd-neo.org/general/profiles/slovak_republic.html (accessed 10 June 2011).

27 See Russia, Slovakia sign long-term nuclear power deal, [www.http://en.rian.ru/russia/20091117/156872704.html](http://en.rian.ru/russia/20091117/156872704.html) (accessed 10 June 2011).

in the Czech Republic. It remains to be seen how the fear of significant Russian presence within strategic sectors will affect the future developments of nuclear power capacity. Yet it is also the case that the involvement of Russian companies has strong internal support. For now, the nuclear energy partnership is an important, stable, and trouble-free (i.e. has not suffered from any equivalent of the gas crises) dimension of bilateral relations with Russia.

4.3. Intergovernmental Cooperation on Trade and Economic Relations

Bilateral intergovernmental commissions for the promotion of trade and economic cooperation were set up in the aftermath of the collapse of the CMEA and subsequently of the USSR in an attempt to salvage the viable parts of mutual trade and handle various practical aspects of post-CMEA/post-USSR economic relations. Established in the early 1990s in the framework of the need to establish a whole range of bilateral agreements with the newly independent Russian Federation, the commissions played useful initial roles in negotiating bilateral trade arrangements and resolving transferable rouble debts. They gradually faded from view, however, and seemed to have fulfilled their purpose by the time of EU accession. Duleba observed that the abolition of the Slovak commission, by the Dzurinda government in 2002, was an “example of the narrowing of the bilateral tools of Slovak foreign policy in relations with East European countries in the field of foreign trade”.²⁸ The bilateral commissions have undergone somewhat of a revival in the post-2004 period as governments of the three states have sought to more actively promote exports to Russia and further develop the business/economic partnership. Not long after EU accession, these bodies were revived, reinvigorated, invested with new purpose, and given much higher priority. Perhaps more a case of suggestions of echoes of CMEA-era practices rather than direct descendants of socialist economic integration, the bilateral intergovernmental bodies are now firmly entrusted with the task of promoting trade and various aspects of economic cooperation between Russia and each of the three states. The Czech, Hungarian, and Slovak bilateral intergovernmental commissions with Russia bring together leading politicians, civil servants, regional actors, and industrialists for extended meetings that can cover specific contracts and map out medium- and long-term economic cooperation.²⁹ In addition to sectoral cooperation and promotion of business links, the commissions are currently working with political authorities in

28 A. Duleba, *Slovakia's Relations with Russia and eastern Neighbours*, <http://www.fakprojekt.hu/docs/04-Duleba.pdf> Accessed 9 December 2011, p. 2. The Slovak-Russia bilateral commission was re-established in 2005.

29 The legacy of Czechoslovakia means that there are strong enduring ties between Czech and Slovak companies and business associations that also cooperate, both with each other and with the Russian ones, in order to promote their mutual commercial interests in Russia. For example a business fair to promote Czech and Slovak companies in Russia was held in October 2009 in Moscow. The list of participants in the 'Days of Czech and Slovak Businesses' included "Business Council for Cooperation with the Czech Republic, the Business Council for Cooperation with Slovakia, the Business Council of entrepreneurs of the Czech Republic for Cooperation with Russia, and the Slovakia-Russia Business Council. The Russian Chamber of Commerce and Industry was actively involved in the event organization." See Government of the Russian Federation (2009) 'Press Conference', 10 November premier.gov.ru/eng/events/pressconferences/8257 (accessed 11 May 2012).

regions outside the main centres of Moscow and St. Petersburg. To give an example from Slovak-Russian bilateral relations, the current cooperation agreement between the regions of Zlín in Slovakia and Yaroslavl Oblast in Russia envisages cooperation in the following fields: tourism, spa business, agriculture, industry, and job creation.

Though an assessment of the precise impact of these intergovernmental commissions is not within the scope of this paper (and it may be too early to gauge their effectiveness) some observations can be made. First, they illustrate that contrary to CEE states initial assumptions, EU entry did not in fact mean that all competence in economic and trade relations with Russia was now gone (to the Brussels level). Many possible avenues for productive bilateral cooperation on trade and economic relations in fact remained open. Second, official statements seem to affirm that these bilateral bodies are regarded positively and can be good vehicles for trade development and other forms of economic cooperation. They can certainly be regarded as useful channels for intergovernmental communication and dialogue even during times when relations at the diplomatic level may be going through a tense phase. They even seem to be vehicles for shielding official economic relations from negative fallout of difficulties that may be occurring at the diplomatic level. This observation is supported by the following examples of positive rhetoric about these bodies. The meeting of the Hungarian-Russian Intergovernmental Committee for Economic Cooperation that took place in Moscow during March 2011 discussed “cooperation opportunities in the field of energy, agriculture, finances and transport” and signed a “joint declaration of modernisation and partnership” that “outlines the long-term cooperation opportunities for business organisations, and creates a framework for cooperation between the two governments in modernisation, research and development”.³⁰ The October 2010 Moscow meeting of Czech-Russian Intergovernmental Commission for Economic, Industrial and Scientific Cooperation involved two days of bilateral talks and expressed “support for important Czech-Russian projects or the utilisation of the possibilities offered by the EU-RF initiative Partnership for Modernisation and Cooperation”.³¹ In a press statement during his 2009 visit to Bratislava, Vladimir Putin remarked that the Slovak-Russian Intergovernmental Commission on Cooperation in the Economy, Science and Technology had an important role in “expanding business connections, investment partnerships, and cooperation in high-technology industries”.³² Third, the extent to which these intergovernmental commissions actually represent some kind of continuity with CMEA-type relations would be more pertinent if these bodies were exclusive to ex-CMEA states but they are not as

30 See Hungarian-Russian Negotiations Concluded by Signature of Modernisation Declaration, <http://www.kormany.hu/en/ministry-of-national-development/news/hungarian-russian-negotiations-concluded-by-signature-of-modernisation-declaration> (accessed 20 June 2011).

31 P. Vlček, Czech Republic and Russia to support the expansion of cooperation in high priority industrial sectors, Press Release of the Czech Ministry for Industry and Trade, 19 October 2010, <http://www.mpo.cz/dokument80139.html> (accessed 18 January 2011).

32 Government of the Russian Federation, “Following bilateral talks, Prime Minister Vladimir Putin and Slovak Prime Minister Robert Fico delivered their statements to the press”, 16 November 2009, http://www.pchrb.ru/en/press_center/news/index.php/index.php?id4=429 (accessed 18 January 2011).

many states (EU, non-EU, and non-European) actually have similarly named intergovernmental cooperation bodies with Russia.³³ The question, again not within the scope of this contribution, would be whether there is anything distinct about the commissions of the ex-CMEA states.

4.4. Alternative Perspectives on Russia and Economic and Business Relations

This section provides some comments about government attitudes towards Russia in the three states and the conduct of economic relations with Russia. First, the main political parties of the three states (at least of the 2004–2010 period) have been polarized on the question of relations with Russia. In each country centre-right parties tend to be Russia-cautious or even Russia-hostile, at least when it comes to their rhetoric, while left-leaning parties represent the Russia-friendly wing of the political spectrum.³⁴ The revival and reinvigoration of the intergovernmental commissions after EU accession has been associated with left-leaning governments. After two years out of office, the current Direction – Social Democracy (SMER) party-run government in Slovakia, for example, has made the Slovak-Russian Intergovernmental Commission on Cooperation in the Economy, Science and Technology a high priority and is currently investing quite heavily in increasing its role and effectiveness. Secondly, the tendency of the left-leaning parties to prioritize economic relations with Russia reflects the significance of CMEA / socialist era networks of government officials and the natural ability of their (USSR-educated) leaders to be comfortable in Moscow and enjoy close and friendly relations with their Russian counterparts. The third point is that the significance of the left-right divide on relations with Russia is far less significant these days than it was in the pre-accession period and has been undergoing definite refinement as the post-accession period has progressed. Regardless of parties' political rhetoric about Russia it is clear that the growing significance of economic relations with Russia contributes to the current situation where pragmatism outweighs, or at least is not too compromised by, ideological or values-based foreign policy stances on Russia. In the case of the Czech Republic, the political tensions of recent years – including the ramifications of the proposal to locate part of the United States' ballistic missile defence system in the Czech Republic and Poland and various criticisms of the Russian state (over its democracy, human rights records, actions in Georgia, etc.) that came from the Ministry of Foreign Affairs – did not prevent a largely "business as usual" approach in the economic and business sphere. An important role in this was played by the Czech Ministry of Industry and Trade whose influence on Czech relations with Russia has grown, as Kratochvil informs us,

33 Intergovernmental Cooperation bodies exist between Russia and Japan, India, Canada, UK, South Africa, Brazil etc. For example for Japan see <http://www.russia-emb.jp/english/embassy/economic.html> and for the UK see <http://rustrade.org.uk/eng/?cat=23>.

34 It should be mentioned that in Slovakia the party divisions over Russia have traditionally been milder than in the Czech Republic and Hungary.

*in direct proportion with the increasing importance of Czech-Russian trade relations. Contrasting with the problematic political relations (especially during 2007 and 2008), the representatives of the Ministry of Industry and Trade strived to separate the political and the economic dimension of the mutual relations.*³⁵

It is fair to assume that the Slovak Ministry of Economy and Hungarian Ministry of Economy and Transport are also important actors in relations with Russia. Finally, the case of Hungary over the last two years has shown that even parties prone to particularly strong anti-Russia rhetoric, upon gaining power, can rapidly learn the need to be pragmatic. When entering office the current government of Viktor Orbán seemed to rapidly jettison its anti-Russia credentials. After that election in April 2010, various meetings of important bilateral economic cooperation committees were cancelled by the Russian side and Orbán's first meeting with Putin in November 2010 was unproductive with a very negative impact on the talks caused by "the Kremlin's mistrust and Hungary's lack of interesting assets".³⁶ Rácz noted that the Orbán government refrained from any criticism of the 2011 Russian parliamentary elections, no doubt mindful of the serious effects provocative rhetoric can have on Russia's willingness to do business.³⁷ Also, the current Hungarian enthusiasm for participation in the South Stream gas pipeline is somewhat at odds with comments made by Orbán in 2008 when he accused Gyurcsány of "treason" for signing the agreement on Hungary's participation.

5. Conclusions

The post-1991 economic relations of Russia with former CMEA members is a rather neglected topic. The changing fortunes of their exports to Russia after the 2004 EU enlargement have not been the subject of any detailed analysis. Though this is only a preliminary investigation and provides some details for only three of the ex-CMEA contingent of current EU members, it seems clear enough that actual EU membership per se was not the key factor that ignited rapid growth in Visegrad countries' exports to Russia. Rather, changing capacities in export-oriented industries based on inward investment during and after the EU pre-accession period eventually fed into trade relations with Russia. This has been in the context of a surge in Russia's economic growth and the accompanying import boom and emergence of an increasingly financially empowered consumer society in Russia.

As far as the longer term impact of socialist economic integration on contemporary economic relations is concerned, the most obvious enduring legacy of the CMEA is

35 P. Kratochvíl, Russia in the Czech Foreign Policy'in: M. Kořan (ed.), Czech Foreign Policy in 2007–2009: An Analysis, Prague 2010, pp. 196–212, p.206.

36 M. Ugrosdy, Money Alone Won't Buy Putin, Centre for Strategic and International Studies, January 2011, <http://csis.org/blog/money-alone-wont-buy-putin> (accessed 10 May 2012).

37 A. Rácz, Hungary, in: A. Lobjakas and M. Mölder, (eds), EU-Russia Watch 2012, Tartu 2012, pp. 63–70.

energy dependence, with Russia having maintained its traditional role as natural gas and oil supplier. There is no strong evidence that EU membership will inevitably lead the three Visegrad countries to follow a deliberate strategy of eroding the energy relationship with Russia, though diversification narratives did strengthen after the 2009 natural gas supply crisis. This is in contrast with the other Visegrad partner, Poland, which is relying on shale gas and the development of a nuclear energy program (it has no nuclear power stations at present) precisely to reduce its dependence on Russian gas.³⁸

For the three states, nuclear power is actually another, but much lower profile, strand of the CMEA-era energy relationship and appears to be a stable and maybe even developing aspect of the energy partnership with Russia.

Bilateral cooperation with Russia in trade has been given new impetus since EU accessions, with the resurrection of intergovernmental commissions initially set up in the immediate post-CMEA period. As Russia has such arrangements with many countries they should not be seen as some kind of legacy of the CMEA, but further research may show that the experience of the socialist era may be relevant to the particular scope and operation of bilateral cooperation between Russia and ex-CMEA countries. However, when it comes to political perspectives on economic relations with Russia, the legacy of the socialist period is clear. Present-day left-leaning politicians who were once “reform communists” are clearly strong supporters of close economic ties with Russia, which have been important parts of the economic and trade policy agendas during their terms in government. Yet the growth of export trade to Russia has grown so spectacularly in recent years that even though centre-right parties have sought to use anti-Russia rhetoric for electoral purposes, once in office they adjust their positions for reasons of sheer pragmatism. Furthermore, the impact of differing party attitudes to Russia has been even more diluted because of the increasingly important roles played by the economy/trade ministries.

Though it did not become evident until the post-accession period, the sentiments of the ultra-radical Hungarian economists of the 1980s, referred to in the introduction, have proved largely accurate. Nevertheless, this transformation remains somewhat one-sided. Internal reform deficiencies and lack of major economic restructuring have shown that Russia has not managed to shake off its Soviet inheritance and remains primarily an exporter of energy. The three states, on the other hand, have steadily grown and diversified their exports to Russia on the back of major foreign direct investment led industrial restructuring. Though beyond the scope and purpose of this paper it should nevertheless be mentioned that the nature and significance of economic relations with Russia, not only for the three states but for all EU members, had become particularly resonant by mid-2014 due to the application of economic sanctions on Russia. Nevertheless, there have been quiet attempts by individual member states to minimize the impact on their own trade with Russia. Indeed, for the three states, their Intergovernmental Trade and

38 See World Nuclear Association, Nuclear Power in Poland, http://www.world-nuclear.org/info/inf132_poland.html (accessed 30 April 2012).

Economy Commissions have become important instruments for this very purpose. In an eerie echo of the CMEA-era, CEE states' current struggle over how far to try to avoid economically damaging reductions in exports to Russia is certainly not a strategic dilemma they would ever have expected to once more be confronted with.³⁹

Appendix. Statistical Tables

Table 1.

Czech, Hungarian, and Slovak Trade with Russia, 1992–2003 (USD, millions)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Czech Exports	N/A	593	548	630	694	767	650	379	385	490	517	584
Czech Imports	N/A	1280	1264	1876	2004	1851	1579	1388	2074	2001	1844	2339
Czech balance	N/A	(687)	(715)	(1246)	(1310)	(1084)	(929)	(1009)	(1689)	(1511)	(1327)	(1755)
Hung. Exports	1133	945	807	822	776	968	661	356	455	472	455	653
Hung. Imports	1674	2399	1746	1840	2021	1963	1666	1631	2589	2369	2284	2859
Hung. balance	(540.6)	(1454)	(939)	(1018)	(1245)	(995)	(1005)	(1275)	(2134)	(1897)	(1829)	(2206)
Slovak Exports	N/A	256	278	331	308	333	203	103	106	130	143	267
Slovak Imports	N/A	1236	1199	1456	1934	1619	1357	1347	2156	2171	2803	2409
Slovak balance	N/A	(980)	(921)	(1125)	(1626)	(1286)	(1154)	(1244)	(2050)	(2041)	(1940)	(2141)

Sources: National Statistical Office of Hungary; National Statistical Office of Slovakia; National Statistical Office of the Czech Republic.

39 For an analysis of ex-CMEA states relations with Russia in the context of the Ukrainian crisis, see M. Dangerfield, 'New Member States' Economic Relations with Russia: 'Europeanisation' or Bilateral Preferences?' in: M. Mannin and P. Flény (eds.), *The European Union and its Eastern neighbourhood. Europeanisation and its 21st century contradictions*, Manchester, forthcoming.

Table 2.

Reorientation of CEE-6 trade: Exports, 1989–1995 (per cent)

CEE-6 exports to:	1989	1995
Former CMEA	47	23
EU-15	35	63
USA	2	2
Japan	1	1
Rest of the World	15	11

Source: Reproduced from Grabbe, H. and Hughes, K., *Enlarging the EU Eastwards*, London 1998, p. 13.

Table 3.

Czech, Hungarian, and Slovak Trade with Russia 2004–2010 (EUR, millions)

	2004	2005	2006	2007	2008	2009	2010	Index 2010/2004
Czech Exports	770	1132	1504	2081	2911	1877	2672	347
Czech Imports	2184	3392	4224	3930	5987	3721	4885	224
Czech Balance	(1414)	(2260)	(2720)	(1849)	(3076)	(1844)	(2213)	
Hungary Exports	738	943	1617	2229	2666	2124	2583	350
Hungary Imports	2875	3962	5118	4793	6651	4091	5196	180
Hungary Balance	(2137)	(3019)	(3501)	(2564)	(3985)	(1967)	(2613)	
Slovakia Exports	271	398	549	959	1811	1416	1933	713
Slovakia Imports	2207	2980	4029	4017	5258	3473	4679	212
Slovakia Balance	(1936)	(2582)	(3480)	(3058)	(3447)	(2057)	(2746)	
EU 27 Exports	83954	112611	140961	144948	178294	118122	160709	191

Source: Eurostat, Eurostat. Statistics in focus, 69/2011, European Commission, Brussels 2011.

Table 4.

Czech, Hungarian, and Slovak Trade with Russia as per cent of total extra-EU trade, 2004–2010

Exports	2004	2005	2006	2007	2008	2009	2010
Czech Republic	10.8	12.5	13.9	15.8	19.4	15.2	16.7
Hungary	9.8	9.8	13.0	15.2	16.6	16.8	15.6
Slovakia	9.1	12.1	12.5	17.0	25.6	24.9	25.4
EU27	4.8	5.4	6.2	7.2	7.9	6.0	6.3
Imports	2004	2005	2006	2007	2008	2009	2010
Czech Republic	19.7	29.7	29.2	22.9	26.8	22.5	20.4
Hungary	18.8	24.7	27.6	22.5	28.2	23.4	24.2
Slovakia	43.5	48.2	45.2	35.8	38.9	34.6	34.0
EU27	8.2	9.5	10.3	10.0	11.3	9.6	10.5

Source: Eurostat

Table 5.

Energy Security – Dependence On Russian Natural Gas: Imports from Russia as per cent of total gas imports of new EU member states in 2009

Czech Republic	69
Hungary	83
Slovakia	94
Poland	82
Bulgaria	92
Romania	27
Slovenia	52
Estonia	100
Latvia	100
Lithuania	100

Source: I. Samson (ed.), *Visegrad Countries, the EU and Russia. Challenges and Opportunities for a Common Security Identity*. Slovak Foreign Policy Association, Bratislava 2010.

Table 6.

Nuclear Electricity Generation in the Czech Republic, Hungary, and Slovakia

	No. of Soviet-built reactors	Percentage of nuclear power in total domestic electricity generation
Czech Republic	6	33
Hungary	4	33
Slovakia	4	55

Source: M. Dangerfield, The Czech Republic, Hungary and Slovakia, in: M. David, J. Gowe and H. Haukkala (eds.), *National Perspectives on Russia: European Foreign Policy in the Making*, London 2013.