



Geoeconomic Strategies of Hungary, Serbia and Italy: A Strategic Threat to the Republic of Croatia

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Abstract:

The purpose of this paper is to analyze the Budapest–Belgrade–Rome axis: Geoeconomic pincers aimed at Croatia. The energy condominium formed by Hungary and Serbia has solidified its cooperation in 2025. The objective of this partnership is the construction of a parallel energy corridor that bypasses or marginalizes Croatian influence in the Balkans. Joint investments in oil and gas pipelines, which connect Hungarian refining power with the Serbian market, strategically diminish the importance of the Croatian oil transport company JANAF as Croatia's key strategic lever. Furthermore, the strategic alliance between Italy and Hungary, underpinned by the ideological and economic alignment of the governments in Rome and Budapest, serves as a reason for increased caution in Zagreb. In 2025, Italy utilizes Hungarian support to bolster its influence in the Northern Adriatic (Trieste vs. Rijeka). The Hungarian terminal in Trieste, backed by the Italian government, directly drains cargo and investment from the Port of Rijeka. Croatia is losing this race due to a lack of response to the combined Italian-Hungarian capital. This paper demonstrates that Croatia is not a victim of mere market competition, but rather of an Asymmetric Geo-economic Encirclement, where neighboring states weaponize infrastructure to marginalize Croatian sovereignty.

Keywords: Strategic threat to the Republic of Croatia, Hungary, Italy and Serbia, Asymmetric Geo-economic Encirclement, Adria Port Trieste, JANAF, Energy Security, Western Balkans.

Review Article

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1. INTRODUCTION

Despite its membership in the EU and NATO, Croatia is becoming increasingly isolated in its own backyard. While its neighbors (Italy, Hungary, Serbia) engage in long-term strategic agreements regarding energy and transport, Croatian policy remains reactive and passive. The loss of control over key corridors (both energy and maritime) leads to the passivization and marginalization of Croatia; while it maintains formal sovereignty, its key economic decisions are being imposed from outside its borders. Croatia is exposed to a brutal Geo-economic Encirclement, specifically:

a) North (Hungary): Capital and energy.

- b) West (Italy): Maritime dominance and logistics.
- c) East (Serbia): Transit hub and regional disruptive factor.

At the beginning of 2026, Croatia finds itself sandwiched between three distinct but aligned national interests. Hungarian capital revisionism: The utilization of energy (MOL) to regain influence within the "territories" of the former monarchy. Serbian energy diversification: The planned elimination of the Croatian JANAF from the equation through the construction of an oil pipeline toward Hungary. The Italian maritime offensive: The strengthening of the ports of Trieste and Venice with Hungarian support, which

directly suffocates the development of the Port of Rijeka. In 2025, Croatia is not merely facing competition, but a coordinated geo-economic encirclement strategy. The key instruments of this threat are the Hungarian MOL and OTP, Italian logistics in Trieste, and the Serbian energy partnership with Budapest.

Hungary acts as the primary driver of the geo-economic erosion of the Republic of Croatia. The focus is on MOL's regional dominance and infrastructure investments that bypass Croatia. Serbia, acting as a Hungarian and anti-Croatian "wedge" in the Balkans, assists in the total marginalization of the Croatian oil transport giant, JANAF. Italy, acting as "maritime pressure" and spurred by highly aggressive Hungarian geo-economic and geopolitical maneuvering, aims to utilize Italian-Hungarian cooperation in the Port of Trieste to completely redirect Mediterranean cargo flows.

To understand geo-economics, we must examine the territory at a state's disposal. Geographical position dictates the existence of natural resources, territory, distance, climate, and other vital factors of economic development. In other words, geography is the decisive factor encompassing the economy. Geo-economics can also be viewed through (Šarić, M. (2018)):

- a) The study of the relationship between politics and economics, particularly in international relations;
- b) Geo-economics as a key element of state doctrine;
- c) The combination of international economics and political factors relating to the sphere of influence over a nation or state.

When discussing the geographical influence on the economy, we refer to what is beneath the ground and on the surface, including the surface area itself. Therefore, geo-economics is the study of the interrelationship between economics, geography, and politics.

2. THE SERBIAN-HUNGARIAN THREAT TO CROATIA: THE HUNGARY-SERBIA OIL PIPELINE

The project to construct an oil pipeline between Hungary and Serbia is a pivotal energy

investment through which Serbia seeks to diversify its crude oil supply routes and reduce dependence on transit via Croatia (the JANAF system). Its strategic objective is the total isolation of any Croatian influence over Serbia's energy position (Pipeline Journal, 2025). Key technical and operational information (as of December 2025):

1. **Route and Length:** The pipeline will connect Algyő in Hungary with Novi Sad in Serbia. The total length is approximately 128 kilometers on the Serbian side, while the Hungarian section covers about 180–190 kilometers.
2. **Capacity:** The planned annual transport capacity is between 4 and 5.5 million tons of crude oil.
3. **Investment Value:** The estimated cost for the Serbian section is approximately 150–157 million EUR.
4. **Timeline:** The commencement of physical construction is slated for late 2025 or early 2026. The completion of the Hungarian section and the commissioning of the entire system are planned by the end of 2027 or during 2028 (Energypress, 2025).

As of early 2026, the current status of this new Serbian-Hungarian partnership—whose strategic plan envisions the total isolation of Croatia and Croatian interests in legal, geopolitical, and infrastructural terms—is progressing steadily (Anadolu Agency, 2025).

- a) **Legal Framework:** In March 2025, the Government of Serbia adopted the Spatial Plan for the special-purpose area for the infrastructure corridor from the Hungarian border to Novi Sad, encompassing the municipalities of Kanjiža, Senta, Ada, and Bećej.
- b) **Geopolitical Context:** The project accelerated in late 2025 due to disruptions in oil supply from the Croatian direction. In November 2025, Hungary confirmed its support for the rapid completion of the project to grant Serbia access to Russian oil via the Druzhba pipeline.
- c) **Contractor:** The state-owned company Transnafta AD Pančevo is responsible for the project's realization on the Serbian side. This pipeline will provide Serbia with a direct link to the Hungarian MOL system, creating an alternative supply route during crisis situations (Energetski Portal, 2025).

This project is not merely an "alternative" but a punitive maneuver with a distinct anti-Croatian stance. In 2025, Hungary and Serbia are penalizing Croatia for its transit tariff policies and its adherence to EU sanctions. Consequently, JANAF (Adriatic Oil Pipeline) is ceasing to be a regional monopolist and is becoming a localized service provider, leading to Croatia's loss of its status as the "Energy Gateway" to the Balkans.

3. THE ITALIAN-HUNGARIAN PACT IN TRIESTE – A RADICAL ANTI-CROATIAN MANEUVER

The Italian-Hungarian pact in the Port of Trieste represents a strategic logistical project designed to secure sovereign maritime access for Hungary. The fundamental objective of this project is the total bypass of the Port of Rijeka in the Republic of Croatia. The project is managed by the state-owned entity Adria Port.

Key characteristics and project status in 2025 (Adria Port, 2025):

- Location and Concession:** In 2019, Hungary acquired a 60-year concession for the site of the former Aquila refinery in Trieste, encompassing approximately 32–34 hectares of land.
- Construction and Timeline:** Official construction of the quay wall commenced in February 2025. The terminal is projected to become fully operational by 2028.
- Capacity and Infrastructure:** The total coastline length will be 650 meters. The project includes a multi-purpose terminal and a logistical center with direct rail and road interconnections. The planned capacity for the initial phase is approximately 278,000 TEUs.
- Investment:** The total project value is estimated at 200–209 million EUR. The Hungarian government provided an initial 31 million EUR for the land, while the Port Network Authority of the Eastern Adriatic Sea contributed 45 million EUR.
- Strategic Goal:** The project serves as a "maritime gateway" for Hungarian exports, significantly reducing dependence on ports in neighboring countries, specifically Croatia (Rijeka) and Slovenia (Koper) (PortNews, 2025).

Hungary's strategy has shifted from merely acquiring equity to the construction of parallel infrastructure. The oil pipeline toward Serbia and the terminal in Trieste represent two ends of the same rope tightening around Croatia's geopolitical position. While Hungarian influence in Romania is constrained by robust national resistance and Bucharest's strategic partnership with the United States, Hungary finds "wide-open doors" in Serbia and Italy (Šarić, 2025). Italy and Serbia have effectively become "Hungarian assistants" in eroding Croatia's regional role in the Adriatic and Danube basins. This constitutes a strategic defeat for Croatian diplomacy—a reality that remains largely unacknowledged.

Hungary is not attempting a territorial conquest of Croatia; rather, it aims to render it irrelevant. This represents a more severe and dangerous form of geo-economic warfare that leaves no room for negotiation. Once the pipelines are laid and the Trieste terminal opens, Croatia will lose the market competition by default. The Trieste terminal is essentially a "modern Rijeka" being built by Budapest outside Croatian borders, arising from an inability or unwillingness to reach a strategic consensus with Croatian elites. This is exacerbated by a historical pattern of underestimating Croatian national interests—ranging from the MOL-INA dispute to historical precedents like the "Rijeka patch" (Riječka krpica) and the historical administrative appropriation of Rijeka. The start of the quay wall construction in February 2025 and the 2028 operational target imply that the Port of Rijeka has a mere three-year window to react before being relegated to a secondary, regional port. Trieste, under Italian-Hungarian management, is not merely a logistical facility; it is a direct negation of Rijeka, designed to eliminate any necessity for strategic compromise with official Zagreb.

4. DISCUSSION: THE STRATEGIC ATROPHY OF THE REPUBLIC OF CROATIA

Hungary, Italy, and Serbia are no longer negotiating with Croatia—they have effectively imposed an infrastructural veto upon it. While official Zagreb maintains the illusion that JANAf is "irreplaceable," predatory Hungarian maneuvers, specifically the pipeline toward Serbia, are stripping Croatia of its strategic leverage. Infrastructure has become the primary instrument for eliminating Croatian political influence without resorting to open conflict. Croatia has failed to learn from the historical trajectory of the strategic Croat-Hungarian energy conflict. MOL and the Hungarian state are not strategic partners to the Croatian people, despite their public branding; they are financial investors driven solely by their own interests and a predatory doctrine (Šarić, 2023). Hungary is positioning itself as a regional energy broker. In this scenario, Croatia is reduced to a "bystander," observing how power is distributed across its neighborhood—but increasingly bypassing its own territory. INA, once a powerful national oil company, has been relegated to the status of a mere subsidiary of MOL.

Trieste is not simply "another port." Under the influence of Hungarian capital, Trieste has become a direct negation of the Port of Rijeka. By 2025, Hungary concluded that it is more cost-effective and secure to construct its own terminal in Italy than to contend with Croatian bureaucracy and the non-strategic management of the Port of Rijeka. In 2025, Serbia is not merely seeking oil; it is providing Hungary with a platform to circumvent European Union regulations. The Algyő–Novi Sad pipeline serves as an umbilical cord connecting Budapest to Russian energy sources via Serbia, leaving Croatia—which adheres to EU sanctions—at a significant economic disadvantage.

Croatian elites are suffering from "strategic atrophy." They treat 2025 as if it were 2005, failing to comprehend that the

world has entered an era of harsh geo-economic realism. Croatia has become a "geo-economic vacuum" that its neighbors are actively filling with their own interests. Croatia urgently requires an institutional response. The state cannot react effectively if there is no specialized body to analyze capital flows. There is a profound need for a research center (Institute) capable of detecting such "encirclements" before they are finalized. A Croatian Geo-economic Institute must be a fundamental component of Croatia's state-building strategy. Croatia cannot and must not limit itself to mere defense; it must articulate its position loudly and strategically.

5. CONCLUSION

The only way for Croatia to resist asymmetric geo-economic encirclement is to abandon reactive policies and establish specialized bodies. While the Croatian elite in 2025 operates in a vacuum, neighboring actors are executing a coordinated infrastructural siege. This geo-economic warfare against a dormant Croatia is manifested through three key strategic pillars:

1. **Italy (under the Meloni administration)** is redefining the Adriatic as its "Mare Nostrum"—not through military force this time, but via logistics and port concessions.
2. **Hungary (under the Orbán administration)** utilizes MOL and OTP as outposts of state power to acquire strategic assets.
3. **Serbia (under the Vučić administration)** serves as a "continental wedge," enabling Hungarian energy to penetrate southward while bypassing Croatian terminals.

Croatia formally possesses its geography but is rapidly losing control over its economic function. If the trend of asymmetric encirclement continues, the sovereignty of the Republic of Croatia will become a mere shell, while real power over its resources and corridors will be permanently displaced to Rome, Budapest, and Belgrade. The urgent establishment of an independent Geo-

economic Institute is the only path toward a scientific and strategic defense of the state.

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