
Possibilities for India's Trade and Economic Co-operation with Poland

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Abstract

Poland is India's fourth largest trade partner in Central Europe and 57th largest trade partner globally. Both countries have taken positive steps to boost the bilateral relations including trade exchanges. India and Poland signed a new Economic Agreement in May 2006. Following the agreement, the first meeting of the Joint Commission was held in India in May 2008, the second session in Poland in May 2011 and the third session in October 2013 in New Delhi. India and Poland set an ambitious trade target of USD 5 billion at the fourth session of the bilateral Joint Commission on Economic Cooperation, held in Warsaw on June 15. The commission, co-chaired by Mr Amitabh Kant, Secretary, Department of Industrial Policy and Promotion and Mr Jerzy Pietriewicz, Secretary of State, Ministry of Economy, drew a blueprint for stepping up investments and identified a series of actions to raise trade from the 2014 level of USD 2.3 billion, to USD 5 billion by the year 2018.

Speaking at the plenary session, Secretary of State Pietriewicz noted that the economic partnership between the two countries was significantly boosted by the visit to India of Mr Piechociński, Deputy Prime Minister and Minister of Economy of Poland in January 2015 and his meeting with Indian Prime Minister Mr Narendra Modi. Mr Amitabh Kant described the dynamism of the Indian economy and invited Polish investors to look at various new programmes like Make in India and Smart Cities, and to take advantage of the significantly improved investment climate.

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Poland's Deputy Prime Minister and Economy Minister Janusz Piechociński said "India is a country where there are infinite possibilities for Polish exporters and investors, a country which is looking for new trade partners, and which is open to doing business with Poland."

Historical background

During the 16th-century (Renaissance), a small number of Polish nobility, statesmen, merchants and writers visited India and fostered the abiding interest of the Polish people in the civilization, philosophy, spiritual traditions, art and culture of India. One of the first travellers to make Polish contact with India was the Polish nobleman and statesman Pawel Palczowski of Palczowic from the distinguished senior Silesian Polish nobility House of Saszowski family, Erzm Kretowski and the Polish merchant Gaspar da Gama from Poznań, as well as Krzysztof Pawlowski who provided the first description of India in Polish, recorded in a letter dated 1569, a consequence of these voyages soon provided Indian echoes in Polish literature.

During World War II, the then Jam Sahib, K.S. Digvijay sinh ji of Jamnagar had extended hospitality to some 5,000 Polish orphans deported from Siberia. These children, who lived in camps in a number of places in western India, including Balachandi (near Jamnagar), Valivade (near Kolhapur) and Panchgani. Mahatma Gandhi and Jawaharlal Nehru were known to be vocal supporters of Polish struggle against Occupation of Poland by Nazi Germany. The Warsaw school I SLO im Jam Saheb Digvijaysinhji has been named after the Jam Sahib.

Diplomatic relations

The two countries established diplomatic relations in 1954 and the Indian Embassy in Warsaw was opened in 1957. During the Cold War, both Warsaw and New Delhi had close ties with the Soviet Union and this made them natural friends. On 25 January 1977 an agreement on operation of air services between two countries was signed in New Delhi.

Economic Ties

The bilateral trade between two countries has grown about eleven times from 1992 to 2008. Bilateral trade, which totaled US\$675.73 million (approximately 3,825 crores) and US\$861.78 million (approximately 4,873 crores) in 2006 and 2007 respectively, crossed US\$1 billion (approximately 5,700 crores) in 2008 with US\$1274.77 million (approximately 7,000 crores) During 2005, major Indian companies signed several agreements on investments that are expected to create more than 3,500 new jobs in Poland. India's major exports to Poland include Tea, Coffee, Spices, Textiles, Pharmaceuticals, machinery and instruments, auto parts and surgical items. India's imports from Poland include Machinery except electric and electronic appliances, artificial resins, plastic material, non-ferrous metals and machine tools.^[8] Confederation of Indian Industry (CII) has sent several delegations to Poland to explore economic opportunities in various sectors. Indian companies such as Tata Consultancy Services, Wipro Technologies, ZenSar and Videocon have already set up their bases in Poland. 'Indo-Polish Chamber of Commerce and Industry'(IPCCI) was formed in 2008 to protect and represent the interests within the range of economic activity and to promote economic relations between India and Poland. Poland has also shown interest to establish direct flights between the two countries by 2009. India's trade with Poland from 2010 to 2015 and estimated target in 2018 as given below:

Table 1: India's trade with Poland (In US\$ Million)

<i>Year</i>	<i>India's Export</i>	<i>India's Import</i>	<i>Total</i>
2010	1035	357	1392
2011	1350	523	1873
2012	1240	665	1905
2013	1470	491	1961
2014	1711	550	2261
2015	1771	462	2233
2018Estimated	-	-	USD 5 billion

Source: Central Statistical Organization, Poland

Table 2: Top 10 items of Export to India (USD)

S.no	Commodity	Period	Amount in 2014	Amount in 2013	Percentage Growth % comparing to (Jan - Dec. 2013)	% Share in total Export
1.	Mineral fuels, mineral oil	Jan.-Dec. 2014	24089284	46808028	-48.5	4.3
2.	Cast iron and steel	Jan.- Dec. 2014	70260867	45537411	54.2	12.7
3.	Copper and articles of copper	Jan.- Dec. 2014	24542898	18847402	30.2	4.44
4.	Tools, spoons, knives, forks	Jan.- Dec. 2014	29025602	25327273	14.6	5.25
5.	Nuclear reactors, boilers, machinery	Jan.- Dec. 2014	121875521	126742628	-3.8	22
6.	Organic chemicals	Jan.- Dec. 2014	24875954	24031897	3.5	4.5
7.	Machinery and electrical devices	Jan.- Dec. 2014	78526826	30630026	156	14.22
8.	Vehicles, non-rail and parts of thereof	Jan.- Dec. 2014	12340055	13950591	-11.5	2.23
9.	Instruments and apparatus, optical, photographic,	Jan.- Dec.r 2014	15624807	11126666	40	2.82

	medical, surgical					
10	Rubber and articles of rubber	Jan.- Dec. 2014	54667324	66646857	-17.9	9.89

Source: Polish Statistical Office, GUS

Table 3: Top 10 items of Import from India (USD)

S.no	Commodity	Period	Amt. in 2014	Amt. in 2013	Percentage Growth %	% Share in total Export
1.	Tobacco	Jan.-Dec.2014	35972920	28430703	26.5	2
2.	Organic chemicals	Jan.- Dec. 2014	299730477	307798044	-2.6	16.8
3.	Pharmaceutical products	Jan.- Dec. 2014	38111278	38565192	-1.1	2.14
4.	Plastics and articles of plastic	Jan.- Dec. 2014	57007623	46956715	21.4	3.2
5.	Rubber and articles of rubber	Jan.- Dec. 2014	43945915	36391176	20.7	2.47
6.	Articles of leather, travel goods, handbags	Jan.- Dec. 2014	31288960	23268327	34.4	1.7
7.	Cotton	Jan.- Dec. 2014	47762725	50184017	-4.82	2.6
8.	Clothes knitted	Jan.- Dec. 2014	106568225	78755842	35.3	5.99
9.	Clothes non-knitted	Jan.- Dec. 2014	116632459	93831975	24.29	6.5
10.	Shoes	Jan.- Dec. 2014	94202900	58795693	60.2	5.3

Source: Polish Statistical Office, GUS

In Central and East Europe, Poland is also growing as a main economic partner of India. The positive economic development in Poland was aptly described by India's former Minister of Trade and Economy, Kamal Nath, during his visit to Warsaw in May 2006, thus: ***“now as a member of the European Union, Poland can truly act as a gateway to Europe as well as act as a supply base for penetrating markets in the CIS region and the Baltic states.”*** The general trend is that the volume of Polish-Indian trade is growing from year to year. The total amount of Indo-Polish trade in 2000 was \$394 million, and it reached \$1.05 billion in 2009. One of the major outcomes of the meeting between Donald Tusk and Dr. Manmohan Singh was that both India and Poland have decided to double the bilateral trade.

At present, Poland perceives great potential of investing in Indian sectors like mining, supply of mining machinery, power industry, heavy engineering, waste management, defence industry, pharmaceuticals, food processing, tourism, etc. For its part, India could look out for new opportunities in such areas as textiles, agriculture, food processing, information technology, infrastructure and tourism. Moreover, India especially has the potential to provide skilled labour

and white collar jobs like management, computer and English language training in Poland. Last but perhaps most important is that the Polish Prime Minister has also followed the itinerary of some of his European colleagues when he started his Indian tour from Bengaluru where he inaugurated the Polish-Indian Investment Forum. Though there is an atmosphere of enormous goodwill and a positive environment to achieve the potential, some existing problems like the liberalisation of visa regime or direct air connectivity between India and Poland require formal and organisational solutions.

Poland and India: Bracing for a strategic partnership

- **Make in India and Go India:** In March 2015, the Make in India campaign was formally launched in Warsaw. Speaking to a distinguished gathering at a Make in India evening, the Chief Guest, Polish Deputy Minister of Economy, Mr Jerzy Pietrewicz, applauded India's outreach programmes in Poland and underlined the Polish government's complete support. Mr Pietrewicz said that he was personally enthused by Indian Prime Minister Narendra Modi's vision for transforming India into an economic behemoth. In response to India's initiative, Poland's Deputy Prime Minister Piechocinski, announced a '**Go India**' programme in April 2015 that will facilitate and incentivise Polish companies to engage with India. The fourth Session of the India-Poland Joint Commission on Economic Cooperation (JCEC) was held in Warsaw, on June 15, 2015. The commission was co-chaired by Shri Amitabh Kant, Secretary, and Mr Jerzy Pietrewicz, Secretary of State, Ministry of Economy of Poland. The highlight of the protocol was the setting of an ambitious trade target of USD 5 billion by 2018 (2014 level: USD 2.3 billion). The Commission detailed a plan for stepping up investments and identified a series of actions to raise bilateral economic cooperation. On June 12-13, 2015, the three newly created bilateral Joint Working Groups on Coal, IT and Food Processing also met and identified specific areas of cooperation in their respective domains.
- **IT Forum in Krakow:** The first India Poland IT Forum was held in Krakow (July 2015) to highlight the growing engagement in IT sector between India and Poland and find synergies for future cooperation. Speaking at the Forum, Dr. N.R. Narayana Murthy, co-founder of Infosys, highlighted India's achievements in the software sector and its contribution to India and the world, especially in unleashing two major innovations – the 24 hour work day and the Global Delivery Model both of which have become hugely successful models for remote, large scale software development.
- **Incredible India Road Shows** – Ministry of Tourism with the support of the Embassy organised road shows in Krakow and Warsaw on July 9-10, 2015 inviting Polish tourists to enjoy the richness and diversity of a resurgent India. Around 18 tour and travel operators from India participated in the events. Shri Girish Shankar, Additional Secretary from Ministry of Tourism gave a multimedia presentation on the tourist-friendly destinations of incredible India. Polish Ambassador to India Mr.Tomasz Lukascuk also participated in the event in Warsaw and complimented the growing ties between the two friendly countries.
- **Cultural & Educational Relations:** A strong tradition of Indology studies has been sustained in Poland for centuries. The first Sanskrit chair came up in Krakow in 1893. The

Jagiellonian University has an active Indology Department with a popular 5-year post-graduate in Indology. Hindi is also taught. The Indology Department of the Oriental Institute at the University of Warsaw (established in 1932) is the biggest centre for Indian studies. ICCR funds two Indian professors, who teach Hindi and Tamil at the Warsaw University and Tamil at the Jagiellonian University. The first Indology Conference for Central and East European Countries was held in Warsaw in September 2005. The Embassy of India in Warsaw regularly organizes Indian cultural programmes in Poland with the help of ICCR. The Embassy also offers scholarships to Polish professionals under the Indian Technical and Economic Cooperation (ITEC) programme and to Polish students under ICCR and Kendriya Hindi Sansanathan, Agra, scholarship schemes. 2014 assumed special importance in the bilateral relationship as the 60th year of establishment of diplomatic relations between India and Poland. A series of outreach activities including seminars, film weeks, performing arts, business forums, cuisine festivals, exhibitions, etc. were organised in both the countries to commemorate this historic event. The International Day of Yoga was celebrated on June 21, 2015 in 21 cities in Poland.

- **Visit of delegation of All India Association of Industries (AIAI) and World Trade Centre (WTC), Mumbai to Warsaw** : Ms Rupa Naik, Director (Projects), WTC and Ms Khyati Naravane called on Ambassador Mr Ajay Bisaria at the Embassy on May 28 and apprised him about their activities in Poland. AIAI, which has a long-standing association with Poland, has also facilitated an "Investment Mission to Eastern Poland" with collaboration of PAIiZ from May 24-29. Among the other issues discussed were forthcoming 5th Global Economic Summit with the theme of "Enabling Food for all", in Mumbai and 4th Session of India-Poland Joint Commission for Economic Cooperation to be held in Warsaw. The delegation also called on Polish Deputy Minister of Agriculture & Rural Development on May 29. Also present at the meeting were Mr Sanjeev Manchanda, Head of Economic and Commercial Wing of the Mission and Mr J J Singh, President of Indo-Polish Chambers of Commerce and Industry.
- **Asia Day Conference in Sejm**: Embassy participated in Asia Day Conference organized by the Chancellery of the Sejm, the Ministry of Foreign Affairs, and Polish Institute of International century was called a 'marathon century' - era of communication and transportation. Asian countries were acknowledged as a key to globalization. Affairs in Polish Parliament (July2015).Inaugurating the event, Minister of Foreign Affairs Mr. Grzegorz Schetyna, said that the Asia and Pacific was a region of new possibilities and also of big new challenges for the whole Western world. During the conference, 21st century was called a 'marathon century'-era of communication and transportation. Asian countries were acknowledged as a key to globalization.

Conclusion

Poland was found to be India's largest trading partner within the region of Central Europe and again the sixth largest economy in the European Union. Therefore, Poland served as the main "gateway" through which India could easily access the expansive European market. In this case, there were greater incentives of the investors from Europe and also a greater opportunity and

chance to develop Poland's growth. India and Poland shared similar democratic values and numerous converging strategic interests exploiting potential economic cooperation. It is obvious that the relation between India and Poland can be deepened by the assurance and actions performed by both the entities and willingness to cooperate with each other with various fields and issues. There is a need to develop legal research and other aspects particularly in International Trade and Law in Poland and India. The two nations were also found to have serious and implicating disagreements between them.

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