



Weekly Briefing

**Poland External Relations briefing:
Foreign Policy in 2018
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The newly appointed Prime Minister Mateusz Morawiecki and Minister of Foreign Affairs Jacek Czaputowicz have tried to open the new chapter in the relations with the European Union. After two years of growing tensions from both sides, the government opened the détente period with both the European Union and the Western members of the EU mainly Germany and France. The second important event was the visit paid by the US Secretary of State Rex Tillerson in Warsaw (26th January). The official visit confirmed “strong relations between Poland and the United States”.

First, Prime Minister Mateusz Morawiecki met with the European Commission President Jean-Claude Juncker. This meeting organized on the Polish initiative was mainly devoted to the dialogue on interpreting the rule of law in Poland. The major subjects of the discussion include the energy and climate policy, mainly dedicated to the gas directive, that touched the issue of the “Nord Stream”. The conversation with Juncker also concerned the defense policy, in particular the PESCO permanent military cooperation program. As declared by the Polish Prime Minister the intentions of the future cooperation are largely convergent, and special priority was given to the issue of the digital single market. Prime Minister Morawiecki explained that it was important for Poland to further develop its economic expansion in the single European market: *Let me just remind you that 80 percent of our exports go to EU countries.* As acknowledge from the Polish side argumentation, Poland placed the real economic cooperation first, and the issue of the Polish judiciary reform should not be the priority in the relations between Warsaw and Brussels.

Moreover Minister of Foreign Affairs Jacek Czaputowicz met with Vice President Frans Timmermans and expressed the willingness to continue dialogue on the needs to reform Poland’s judiciary. As was declared by the Minister Czaputowicz Polish government will provide a comprehensive “white paper” on the reforms in Poland and the controversial issues should have been discussed by special group of experts. Vice President Timmermans was invited to Poland

for further in-depth discussion. Then the important meeting was held by Polish Minister of Foreign Affairs with its counterpart in Berlin. During the meeting with Sigmar Gabriel the future of the European Union, Brexit, negotiations on a new multi-annual EU budget, the migration crisis, eastern policy, security issues, energy and climate policy and global problems in the context of Poland's seat on the UN Security Council in 2018-19. What should be noticed, Polish government expressed hope that after the formation of the new German government, cooperation within the Weimar Triangle will be renewed. Moreover Minister Czaputowicz discussed the issue of bilateral relations on the invitations of the Koerber Foundation. Polish side met with Dietmar Woidke, the Minister-President of the German State of Brandenburg and the German government's Coordinator of German-Polish Intersocietal and Cross-Border Cooperation, as well as representatives of the German Ministry of Foreign Affairs, Ministry of Defence and the Chancellor's Office, the president of the Bundestag and former long-term Finance Minister of Germany, Wolfgang Schäuble and with the head of the Foreign Affairs Committee of the Bundestag, Norbert Röttgen.

The relations with Germany are perceived as priority not only because of the economic cooperation, but also for the historical reason and Poland quandary for post Second World War compensations. At the end of September 2017, on the initiative of the Law and Justice party, a parliamentary team for estimation of the amount of compensation from Germany for damage caused during World War II was set up. According to the opinion of the Bureau of Parliament Analyzes in Poland it is reasonable to claim that the Republic of Poland is entitled to compensation claims against the Federal Republic of Germany. Contrary to the above mentioned assumption the opinion of the team of Bundestag scientists said that Polish claims are unfounded. This issue was mentioned by Minister Czaputowicz who spoke at a joint press conference with German Foreign Minister Sigmar Gabriel. As was said by the Polish side the discussion on war reparations would be conducted at expert level. At the same

time, he assessed that at this stage "it is not a matter of a ballast in relations between governments".

The most important visit was taken place on January 26 when US Secretary of State Rex Tillerson visited Warsaw. As said by US Secretary of State spokesperson the visit was to *"discuss a range of issues in the strong U.S.-Poland bilateral relationship, including global challenges, regional security, and economic prosperity."* The visit had two dimensions: economic and political/strategic. Tillerson's visit to Poland comes at a time when the United States is boosting exports of American liquefied natural gas (LNG) to central Europe and taking on Russia's stronghold on energy supplies. As the minister Szczerki stressed, the topic of talks, President Duda and Secretary of State Tillerson was also economic cooperation, including energy cooperation. Polish side hoped to win support from Washington for a regional project of the Three Seas cooperation (Baltic, Adriatic and Black Sea). This project is mainly about building the energy security in Central Europe less dependent on Russian market.

The cooperation in energy sector, however, should be understood not only in the contrary to the cooperation with Russia, but rather as the bargain tip in the future negotiations with Moscow. The gas from the United States will not be significantly cheaper. The needs for condensing, transporting and restoring will have an impact of the price. But taking into account the diversification of supplies, it would probably be a good move. American gas is cheap on the domestic market, where it costs about 161 dollars for 1000 cubic meters. Due to the cost of delivery, the raw material offered in Europe is more expensive. As a result, the price of American gas can amount to about 180 dollars for 1000 cubic meters. At the moment the Russian gas is about 185 USD for 1000 cubic meters. In November 2017 PGNiG - Polish Petroleum and Gas Mining (state own company) signs a medium-term five-year contract with Centrica LNG for LNG gas supplies from the United States

What should be mentioned is that the contract with Gazprom will expire in 2022. All taken actions by the Polish government like LNG installations in

Poland, any announcement of gas imports from the US, Qatar or other directions, even through the construction of interconnectors, is a potential element of negotiations with the Russians in the future. In this case Poland follows the Lithuania case study: the LNG gas terminal in Klaipeda played a crucial role in negotiating new contract with Gazprom and finally the Lithuanians managed to negotiate with Russian company about 20% reduction in gas supply prices.

From the political angle the American side declares that would not ask and talk about the state of democracy in Poland. The US State Department declared that: *“Democracy is alive and well there. We leave questions of internal policy to the Poles and trust that any reforms that they’re looking at are consistent with their constitution and the will of their people.”* In this context having the economic interests in Poland American side placed the non-interference principle first. Poland and the United States together are against Nord Stream 2, *which undermines the overall security and energy stability of Europe, providing Russia with another tool for politicizing the energy sector* - said US Secretary of State Rex Tillerson.

The strategic, military cooperation was also the issue of bilateral talks. As said by the American sources the United States is counting on the role of Poland as a stabilizer of the region, a stabilizer of international relations, a stabilizer in security within NATO and in various sensitive parts of the world. This assumption was supported by the Presidential Minister Krzysztof Szczerski who named Poland as American responsible partner, and stabilizer of the situation in the region. Military cooperation concerns not only the purchase of armaments, but also the strengthening of Poland's security with American support. There is a possibility of increasing the presence of US troops in Poland. During the meetings the issue of the Patriot system was discussed. The proposed

sale from American company Raytheon included 208 Patriot Advanced Capability-3 (PAC-3) Missile Segment Enhancement missiles, 16 M903 launching stations, four AN/MPQ-65 radars, four control stations, spares, software and associated equipment. As agreed by the American Congress the price for the whole system is app. USD 10.5 billion. Contrary to this Poland was planning to spend around \$7.6 billion on the whole project, and the proposed price is unacceptable.

Conclusions

Many Poles believed that the appeal of Beata Szydło was caused by diplomacy and world affairs of Morawiecki. It was he who was to fix the deteriorating relations between Poland and the countries of Western Europe. On the one hand, the need for détente is based on the controversies raised from Poland judiciary reforms and the state of the rule of law in Poland. On the other hand, the newly opened détente period is mainly based on the assumption that after two years of antagonising the Western Europe, Poland failed to gain support from the Central European partner especially Hungary in its Eastern policy e.g. towards Ukraine. The very visible sign of different interests between Warsaw and Budapest was the fact that Hungary will not facilitate the holding of a Ukraine-NATO summit at defence minister level. Hungarian side will rather support the Society of Hungarian culture in Zakarpattia (a region in south-western Ukraine), and narrow the possible platform of integration Ukraine with the West.

The relations with the United States will strengthen Poland position vis a vis Russia, not only the strategic military sense, but also from the economic sense. In the future playing the energy sources diversification card might have better condition from Gazprom in post 2022 period. But being at the “front line” of conflict with Russia Poland needs to have more sophisticated foreign policy, not only based on “lying on one side” – the United States. This brought the relations with China in the context of triangle politics between Russia, China

and the United States. The further questions arise: to what extent the close relations with the United States impact on the relations with China in both bilateral and multilateral 16+1 format, how does Poland approach relations with China in the context of Sino-American rivalry, and finally what might be the role of détente between Poland and German influence relations with China?