



Weekly Briefing

**Poland external relations briefing:
The state and prospect of Polish-Chinese relations
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The state and prospect of Polish-Chinese relations

Summary

Polish-Chinese relations in recent times have been conditioned by events related to the war waged by Russia against Ukraine. Russian policy is considered by Poland as the greatest threat to its security. Russia's close relations with China therefore influence, and condition, Poland's approach to the Middle Kingdom. The traditionally close Polish-American relations also play a large role, which also influence the approach of Poland's political class and business to cooperation with China. Despite these obstacles and geopolitical constraints, Polish-Chinese economic cooperation is developing steadily, and trade between the countries has been growing in recent years. The challenge for Poland, however, is the ever-growing trade deficit with China. Relations with China are not at the center of Polish public debate. The Polish government, despite its decidedly pro-American policy, is pursuing a less confrontational policy toward China, different from the extreme stances displayed by Hungary on the one hand and Lithuania on the other. The change of the Polish government in December 2023 should not significantly affect Poland's relations with China. One can anticipate a greater rapprochement and coordination of the Polish position toward China with respect to the European Commission and Germany.

Introduction

Poland is currently Europe's largest signatory to China's Belt and Road initiative and a member of the Asian Infrastructure Investment Bank. However, Poland's relations with China have cooled since President Donald Trump came to power in 2017 and started a trade war with China. This has been influenced by the intensifying Sino-U.S. rivalry, which was exacerbated by the pandemic. A key event affecting Polish-Chinese relations in recent years was the outbreak of war in Ukraine. China's posture of neutrality and rhetorical support for Russia in the Ukrainian conflict in Poland is largely perceived as pro-Russian and anti-Western. Relations with China are viewed in Poland primarily in terms of Polish-Russian relations and Poland's key relationship with the US.

A decline in confidence in China in Poland

The outbreak of war in Ukraine has had the effect of increasing negative perceptions of and trust in Chinese policy in Poland. In 2023, the prestigious Pew Research Centre survey found 67 percent of Poles had negative views of China. Poland also had the biggest jump in negative perceptions among European countries, up 12 percentage points from 2022 to 2023. By contrast, in 2019 only 34 percent of Pew's Polish respondents had negative opinions of China. This rapid shift is most likely due to Beijing's stance on Russia's war in neighboring Ukraine.ⁱ Most official Polish-Chinese contacts recently have focused on the topic of China's role in the Ukrainian conflict. Despite the waspish political atmosphere, economic exchanges between the countries are growing, and Chinese companies are investing in Poland.

Chinese envoy for Eurasia in Poland

In May 2023, an initiative of the Chinese side, Deputy Minister Wojciech Gerwel met with the Chinese government's Special Envoy for Ambassador Li Hui. The purpose of the Chinese diplomat's visit was to consult on the Chinese position towards Russian aggression against Ukraine.ⁱⁱ During the meeting, according to the Polish Ministry of Foreign Affairs (MFA), Deputy Minister V. Gerwel made a positive reference to the dialogue Beijing has undertaken with Kiev, as reflected in the telephone conversation between the leaders of China and Ukraine and the visit of the Chinese envoy. He stressed that Russia's aggression against Ukraine poses a key challenge to regional and global stability and security, and that in this war the rations are not equally distributed, and any attempt to equate the status of Russia, the aggressor, and Ukraine, the victim, in this conflict is unacceptable. - The end of the conflict and the restoration of peace must absolutely be based on the principles of international law, including the UN Charter. We support President Zelensky's peace plan, which provides a good basis for resolving the conflict. The withdrawal of Russian troops and the return of lands illegally taken by Russia are the only acceptable solution for achieving a just peace," Deputy Minister Gerwel said. - Poland welcomes with concern Beijing's declarations that it seeks to strengthen bilateral relations with Russia, the aggressor state, he stressed.

Deputy Minister Gerwel expressed the hope that China will never recognize Russia's illegal annexation of Ukrainian lands, just as it has so far failed to recognize the 2014 annexation of Crimea. He also stressed that military aid, including possible arms deliveries from China to Russia, could have very serious consequences for Europe's relations with China. The Polish deputy minister pointed to China's special responsibility as a permanent member of

the UN Security Council, and expressed the expectation that China - an advocate of the five principles of peaceful coexistence - will condemn Russian aggression and attempt to influence Russia to renounce its aggression and return to compliance with international law. ⁱⁱⁱ

The Polish-Chinese Strategic Dialogue

On April 18, 2023, the seventh round of the Polish-Chinese Strategic Dialogue was held in Beijing, attended on the Polish side by Deputy Foreign Minister Wojciech Gerwel, and on the Chinese side by Deputy Foreign Minister Deng Li ^{iv}. In addition, the deputy head of the Polish Foreign Ministry met with State Counsellor, PRC Foreign Minister Qin Gang and Deputy Director of the Foreign Department of the Central Committee of the Communist Party of China Qian Hongshan. Topics of the talks included bilateral issues and the most relevant international issues. The deputy ministers exchanged opinions on issues of strategic importance to both countries with a particular focus on the situation in Eastern Europe and East Asia. Deputy Minister Wojciech Gerwel stressed the importance of efforts that could affect the cessation of hostilities in Ukraine, the establishment of lasting peace and the restoration of its territorial integrity. In doing so, he expressed the expectation of China's involvement as a permanent member of the UN Security Council upholding the provisions of the UN Charter. The Polish side noted the deteriorating security situation in Eastern Europe, and pointed to the stabilizing role played by NATO. Both sides stressed the importance of regular political contacts, especially at the level of heads of state.

Deputy Minister Wojciech Gerwel noted the importance for the further development of bilateral relations of working towards sustainable economic cooperation that benefits both sides. He pointed out, among other things, the need to increase access to the Chinese market for such goods as agri-food products and cosmetics. Both sides noted the potential for cooperation in the logistics area. The Polish side stressed the complementary nature of the China-Central and Eastern Europe cooperation format to bilateral relations and EU-China relations. It also noted the need to reflect on its effectiveness.

At the same time, in the 14th session of the Polish-U.S. Strategic Dialogue, also held last year, Poland and the U.S. said they were "concerned about repeated public statements by representatives of the People's Republic of China" and urged China not to reinforce the Kremlin's false narrative on Ukraine, the common statement said. ^v

A short circuit in relations - Polish-Chinese

In April 2023, the Prime Minister Mateusz Morawiecki met with representatives of the US think tank Atlantic Council in Washington. - You can't protect Ukraine today and tomorrow by saying that Taiwan is none of our business (a reference to the words of French President Emmanuel Macron - KR). Ukraine must be supported if we want Taiwan to remain independent. If Ukraine is conquered, China may attack Taiwan the next day," he said during the speech. The statement was met with outrage from China, which called the Polish prime minister "a certain Polish official".^{vi}

The Presidential minister: China can play a positive role in stabilizing the geopolitical situation

In March 2023, the head of the presidential Bureau of International Policy (BPM), Marcin Przydacz, commented on China's geopolitical role in the context of the war in Ukraine. - China can play a positive role in stabilizing the geopolitical situation. China has the ability to influence Vladimir Putin to stop the invasion of Ukraine. He should learn a lesson from the entire world interested in peace, he said in an interview on Radio Zet ^{vii} The BPM chief was asked about Chinese leader Xi Jinping's visit to Moscow in 2022 and current Sino-Russian relations. - Vladimir Putin is seeking the best possible relations with China, aware that half of the world, including the entire free, democratic and most economically developed world is very, very critical - diplomatically speaking - of Russian policy. Russia today is looking for other partners and is slowly becoming China's client, or would like to become China's client," Marcin Przydacz pointed out. - But here diplomacy is working all the time, working and encouraging China to play a positive role. China can just as well play a positive role in stabilizing this political reality; it has the ability to influence Vladimir Putin to end this brutal aggression against the sovereign Ukrainian state, the presidential minister stressed. Minister Przydacz noted that China itself speaks of the need for peace and stability. - I am very much asking: if the People's Republic of China wants to play a role in the world, well, there is an opportunity for that today - it can stop Vladimir Putin and Russia from brutal aggression, which also destabilizes Chinese interests. China cannot overlook this, that Russia does not take Chinese interests into account," the BPM chief pointed out. Here he pointed to trade interests related to the security of the New Silk Road.

Polish-Chinese trade relations

In Polish-Chinese economic relations, it is important to highlight the growing level of trade, but Poland has one of the world's largest trade deficits with the Middle Kingdom, and is coping much worse than most countries. ^{viii} Only the UK and the Netherlands have a larger deficit in Europe than Poland, and many countries even show trade surpluses. The Polish Investment and Trade Agency (PAIH) explains this by the "low brand recognition of Poland" on the Chinese market and the many administrative difficulties in China for Polish entrepreneurs. **To China, Poland in 2023 from January to May sent 0.8 percent of its exports worth more than €1 billion, Polish imports amounted to nearly €17 billion and accounted for as much as 13.6 percent of total Polish imports, according to data from Poland's Central Statistical Office (CSO). Poland's trade deficit with China amounted to \$13.5 billion in the first five months of 2023, according to the Chinese customs office.** Poland imported goods worth \$15.6 billion and exported for \$2.1 billion. Only nine countries in the world, led by the US (a deficit of \$127 billion), had a worse deficit in nominal terms, including only two European countries: the UK and the Netherlands. In 2022, Poland's trade deficit with the PRC was more than €50 billion (in 2021 it was more than €40 billion).^{ix}

Poland mainly sends copper to China, which accounted for 21 percent of our Chinese exports in the first five months of the year. Machinery and equipment accounts for 33 percent, including mainly electrical machinery (14 percent) and turbojet, turboprop and gas turbine engines (4.3 percent). Food is only 5.6 percent. As for imports, on the other hand, Poland imports machinery and equipment (51.6 percent of imports from China), mainly electrical machinery (34.2 percent) led by telephone apparatus (7.2 percent) and batteries (3.1 percent). More than 8 percent of imports from China were textile materials and articles, and nearly 8 percent were imports of chemicals, led by inorganic chemicals (3.3 percent). There was also a high share of imports of furniture and mattresses (3.5 percent) and toys (3.3 percent).

The Polish authorities point out that the imbalance in trade between our countries is due to, among other things, high regulatory barriers hindering the expansion of Polish products into the Chinese market, but they also stress that a large part of imports from China is used by Polish companies in the production process, which is then exported to other countries, particularly Germany. According to the PAIH, the biggest challenges for Polish entrepreneurs entering the Chinese market focus on: the complexity and ambiguity of the laws enacted in China, the lack

of recognition of foreign standards, the procedure for allowing goods to enter the market, the preference for domestic companies in public procurement and the protection of intellectual property, discretion in allowing specific companies to export. ^x

As for Poland and China's economic relations with Ukraine, according to the Rzeczpospolita daily, in 2023 Poland was the largest importer of Ukrainian goods, while China exports the most to Kiev.^{xi}

Chinese investments

Chinese FDI into Poland is low: only EUR 200 million was invested there between 2020 and 2022, according to Rhodium Group data. Negative views of China have also changed Poland's stance on foreign investments. ^{xii} Despite, the worsening atmosphere regarding Chinese investments and companies in strategic sectors of the Polish state, allowing Huawei to build Poland's 5G network remains a viable scenario. In September 2023, Mateusz Morawiecki's government once again withdrew from the Sejm the amendment to the law on the National Cyber Security System, without which a 5G auction cannot be held. Work on this legal document has already dragged on for three years, and it is still unclear what companies will eventually be included in the list of high-risk providers, and thus whether Chinese telecom company Huawei will be allowed to compete for the Polish 5G market. Despite the fact that Huawei has been described in the past, both by Polish Prime Minister Morawiecki and the head of the Ministry of Internal Affairs and Administration, Mariusz Kaminski, as an almost existential threat to national security, Polish authorities have been keying in on introducing legislation that would limit the Chinese company's field of operation ^{xiii}

However, the new Minister of Digitization Krzysztof Gawkowski has announced that he is speeding up work on the National Security System Act. He wants the amendment to the Act to reach the Sejm later this year. - It will limit what could be dangerous to critical infrastructure on the Polish market. - Gawkowski said in an interview with RMF FM radio.^{xiv} Krzysztof Gawkowski acknowledged that there are companies responsible for critical infrastructure about which security concerns can be raised. He did not point directly to Huawei, but the suggestion in this case seems obvious. - There are companies on the market that raise doubts from the point of view of the state's IT infrastructure. It is necessary to do everything so that infrastructure

does not appear in Poland, and there is such an infrastructure that is not fully controlled, through which Poland could be attacked by network. We must do everything to ensure that such situations do not happen. - the minister added. As for TikTok, Gawkowski recalled that there are applications that are not recommended for installation on company phones and computers, precisely because of doubts about what happens to the data they acquire.

Despite the controversy over Huawei and TikTok, the Polish side is providing China with a stable and open environment for business. This is evidenced by successive contracts for the modernization of Polish road and rail infrastructure awarded to large Chinese state-owned companies. At the end of August 2023, a consortium of Poland's Intercor and China's Stecol won a major PKP PLK contract for the expansion of the main railroad line through Katowice, which is expected to cost around €800 million. Plans to undertake extensive cooperation with the Chinese partner have also been signaled by Piotr Zaremba, president of ElectroMobility Poland - a company with a majority stake held by the State Treasury, set up to create Poland's first electric car, the Izera.^{xv} However, this project, related to the production of Geely electric cars, is under question, its profitability being analyzed by the new government of Donald Tusk.

Conclusions

Polish-Chinese relations in recent times have been conditioned primarily by China's approach to the war in Ukraine and close relations with Russia. A large role is also played by the tightening US-Chinese relations, which cause, a decrease in confidence in China in Poland and a reduction in the willingness to carry out strategic investment projects that can be seen as having an impact on Polish security. Despite these restrictions, Polish-Chinese trade turnover is growing. However, it is a highly asymmetrical cooperation, due to the weak presence of Polish exports on the Chinese market. Increasing China's openness to Polish products is an issue constantly raised by the Polish side in its contacts with China. The economic presence of Chinese companies in the energy, railroad or e-commerce sectors in the large Polish market of almost 40 million people is also becoming more and more visible in Poland. No significant changes in Polish-Chinese relations should be expected in the near future, even taking into account the change of government in Poland. These relations will be determined mainly by US-Chinese relations, the policies of the European Commission, China's approach to the war in Ukraine and the closeness of its relations with Russia.

Source¹



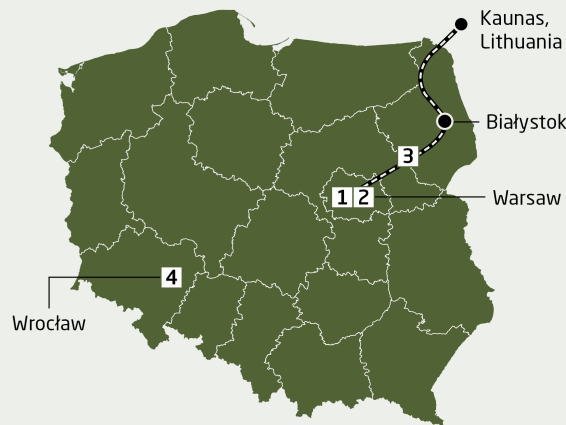
¹ <https://merics.org/en/country-profile-poland>

COUNTRY PROFILE

POLAND



MOST SIGNIFICANT CHINESE INVESTMENTS



- 1 Three Gorges (2015)**
EUR 340 million
Stake in EDP's wind power portfolio
- 2 GLP (2020)**
EUR 740 million
Acquires Goodman Group's Eastern Europe logistics portfolio
- 3 PowerChina (2020)**
Over EUR 670 million
Subsidiaries join a consortium constructing E75 route of Rail Baltica railway
- 4 Tencent (2023)**
EUR 1.35 billion
Majority stake in gaming company Techland

FORMAL LEVEL OF PARTNERSHIP WITH CHINA

Comprehensive Strategic Partnership
(全面战略伙伴关系)

Signed BRI MoU AIB membership

Yes | **Yes**

NATIONAL INVESTMENT SCREENING MECHANISM

Yes

CHINESE SHARE OF INSTALLED 5G NETWORKS (2022)

38%

VALUE OF IMPORTS AND EXPORTS OF GOODS (2022)

Imports	Exports
EUR 37.60 billion	EUR 2.96 billion
<p>Main imported goods:</p> <ul style="list-style-type: none"> • Cellphones and other communications and electrical equipment • Static converters • Monitors and screens • Batteries • Solar panels 	<p>Main exported goods:</p> <ul style="list-style-type: none"> • Copper cathodes • Electronic components • Static converters • Aircraft engine components • Drying machines • Milk

CHINESE INVESTMENTS, CUMULATIVE VOLUME (2000-2022)

EUR
2.4 billion

NUMBER OF CALLS AND VISITS (2022)

Calls: **2** | Meetings: **3**

Sources: Eurostat, China's Ministry of Foreign Affairs, Polish Ministry of Foreign Affairs, Strand Consult, Rhodium Group, MERICS

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<https://merics.org/en/country-profile-poland>

ii [The Ministry of Foreign Affairs https://www.gov.pl/web/dyplomacja/wiceminister-wojciech-gerwel-przyjal-specjalnego-wyslannika-rzadu-chin-ds-eurazji](https://www.gov.pl/web/dyplomacja/wiceminister-wojciech-gerwel-przyjal-specjalnego-wyslannika-rzadu-chin-ds-eurazji)

iii [Ibidem](#)

iv [The Ministry of Foreign Affairs https://www.gov.pl/web/chiny/wiceminister-wojciech-gerwel-wzial-udzial-w-vii-rundzie-polsko-chinskiego-dialogu-strategicznego](https://www.gov.pl/web/chiny/wiceminister-wojciech-gerwel-wzial-udzial-w-vii-rundzie-polsko-chinskiego-dialogu-strategicznego)

v [The Ministry of Foreign Affairs https://www.gov.pl/web/dyplomacja/wspolne-oswiadczenie-po-14-polsko-amerykanskim-dialogu-strategicznym](https://www.gov.pl/web/dyplomacja/wspolne-oswiadczenie-po-14-polsko-amerykanskim-dialogu-strategicznym)

vi [The weekly Do Rzeczy https://dorzeczy.pl/swiat/427921/ambasada-chin-odpowiada-na-slowa-morawieckiego-chodzi-o-tajwan.html](https://dorzeczy.pl/swiat/427921/ambasada-chin-odpowiada-na-slowa-morawieckiego-chodzi-o-tajwan.html)

vii [The official website of the President of the Republic of Poland https://www.prezydent.pl/aktualnosci/biuro-polityki-miedzynarodowej/wywiady-szefa-bpm/min-przydacz-chiny-moga-odegrac-pozytywna-role-w-stabilizowaniu-sytuacji-geopolitycznej,66100](https://www.prezydent.pl/aktualnosci/biuro-polityki-miedzynarodowej/wywiady-szefa-bpm/min-przydacz-chiny-moga-odegrac-pozytywna-role-w-stabilizowaniu-sytuacji-geopolitycznej,66100)

viii [The Economic portal BusinessInsider.com.pl https://businessinsider.com.pl/gospodarka/gigantyczny-deficyt-handlowy-z-chinami-gorszych-od-polski-jest-tylko-kilka-krajow/916t2ps](https://businessinsider.com.pl/gospodarka/gigantyczny-deficyt-handlowy-z-chinami-gorszych-od-polski-jest-tylko-kilka-krajow/916t2ps)

ix [The Polish Institute of International Affairs https://www.pism.pl/publikacje/koniec-zludzen-w-relacjach-chrl-i-panstw-europy-srodkowej](https://www.pism.pl/publikacje/koniec-zludzen-w-relacjach-chrl-i-panstw-europy-srodkowej)

x [The Economic portal BusinessInsider.com.pl https://businessinsider.com.pl/gospodarka/gigantyczny-deficyt-handlowy-z-chinami-gorszych-od-polski-jest-tylko-kilka-krajow/916t2ps](https://businessinsider.com.pl/gospodarka/gigantyczny-deficyt-handlowy-z-chinami-gorszych-od-polski-jest-tylko-kilka-krajow/916t2ps)

xi [The Economic portal Money.pl https://www.money.pl/gospodarka/polska-i-chiny-liderami-w-handlu-z-ukraina-obroty-handlowe-jednak-spadaja-6889134416931424a.html](https://www.money.pl/gospodarka/polska-i-chiny-liderami-w-handlu-z-ukraina-obroty-handlowe-jednak-spadaja-6889134416931424a.html)

xii [Think tank Merics https://merics.org/en/country-profile-poland](https://merics.org/en/country-profile-poland)

xiii [The Portal on international politics Obserwtormiedzynarodowy.pl https://obserwatormiedzynarodowy.pl/2023/10/07/dr-bartosz-kowalski-czy-polske-czeka-odwilz-w-relacjach-z-chinami-komentarz/](https://obserwatormiedzynarodowy.pl/2023/10/07/dr-bartosz-kowalski-czy-polske-czeka-odwilz-w-relacjach-z-chinami-komentarz/)

xiv [Tech portal Telepolis.pl https://www.telepolis.pl/wiadomosci/prawo-finanse-statystyki/huawei-tiktok-zakaz-polska-minister-cyfryzacji](https://www.telepolis.pl/wiadomosci/prawo-finanse-statystyki/huawei-tiktok-zakaz-polska-minister-cyfryzacji)

xv [The Portal on international politics Obserwtormiedzynarodowy.pl https://obserwatormiedzynarodowy.pl/2023/10/07/dr-bartosz-kowalski-czy-polske-czeka-odwilz-w-relacjach-z-chinami-komentarz/](https://obserwatormiedzynarodowy.pl/2023/10/07/dr-bartosz-kowalski-czy-polske-czeka-odwilz-w-relacjach-z-chinami-komentarz/)