



<https://asce-uok.edu.pk/journal>
DOI: <https://doi.org/10.56384/jes.v39i2.312>

Pakistan-Poland Economic Relations and Regional Connectivity: Challenges and Opportunities

Manzoor Afridi*
Naveed Anjum**

Abstract

Pak-Poland relations have pre-partition history when in 1944, Nazi Germany attacked the USSR, and almost thirty thousand Polish refugees were settled in Karachi. In 1947, after the Independence of Pakistan, Poland helped Pakistan establish its air force and space program. Its officers participated in Indo-Pakistan war of 1965. The trade relations between the countries flourished during this era but our relations reached a new height when Poland became a democratic republic in 1989, joined NATO in 1999, and became a member of the European Union in 2004. Polish support for Pakistan to get GSP Plus status in the EU and President Musharraf's first-ever visit as a head of state propelled their bilateral trade to €500 million in 2018. Both countries have the potential to increase trade in the fields of oil & gas, maritime, energy, technology, infrastructure and tourism, but both should increase regional connectivity. The strategic location of both countries can provide them with a unique opportunity to increase regional connectivity. However, initially, both have to ensure the availability of direct air connectivity, people-to-people contacts, accessibility of easy visas, and smooth immigration policies. The future of their bilateral relations depends upon how both countries will find the solution to the prevailing issues and what actions will both take to facilitate greater trade and connectivity.

Keywords: Pakistan, Poland, Regional Connectivity, international Regime, Neo-Liberalism, Interdependence

* Dr. Manzoor Afridi is an Associate Professor at the Department of Politics & International Relations, International Islamic University, Islamabad. Email: manzoor.afridi@iiu.edu.pk.

** Mr. Naveed Anjum is a PhD Scholar of International Relations at the Department of Politics and International Relations, International Islamic University, Islamabad. Email: naveed.phdir42@iiu.edu.pk.

Introduction

Diplomatic relations between Pakistan and Poland were established in 1962 but both have a history of relations even before Pakistan's Independence in 1947. In 1939, British India hosted displaced Poles, when the Soviet Union (USSR) annexed Eastern Poland with the cooperation of Germany. In 1942, Great Britain and the USSR agreed to start efforts to improve the conditions of displaced Poles. They evacuated Polish refugees from the USSR through the "Persian Corridor" from 1942 to 1944. Almost 30,000 evacuated refugees were settled in camps in Karachi because Karachi port was the nearest port to the USSR. Later on, some of them became permanent citizens of Pakistan when the country gained independence in 1947.

In 1948, when British pilots and technicians were leaving Pakistan after its independence, the Pakistan High Commission in London asked British Air Force to point out most trusted and experienced pilots who would be able to assist in the formation of the air force in Pakistan.¹ British professionals recommended Polish pilots and technicians who had gained fame in the Battle of Britain (1940). After the war, they were unable to return to their home so there was no place for them in the Royal Air Force. At this time, Prime Minister Liaqat Ali Khan was also holding portfolio of defense minister. He did not hesitate in accepting British recommended pilots and technicians. Pakistan needed pilots and technicians for the air force so Wladyslaw Turowicz came to Pakistan with thirty of his countrymen on a three-year contract. Among thirty Poles, 17 were pilots and 13 were technicians. He was initially based in Technical Training Section in Karachi and his wife, Zofia Turowicz, served as a civilian gliding instructor for Shaheen Air Cadets.²

After World War II, the USSR installed a Communist government in Poland and ignored the Polish government in exile based in London, although, Stalin during war assured Britain and the USA that he would respect Polish sovereignty and would allow democratic institutions. Thus, it officially became the Polish People's Republic in 1952. In 1962, Pakistan was among

¹ S. M. Hali, "Polish Contributions to PAF and its Air Transport Command", *The News*, 4 October 2021. Visit at <https://www.thenews.com.pk/print/897513-polish-contribution-to-paf-and-its-air-transport-command>.

² Natalia Laskowska and S. M. Hali, "Pakistan's Polish Patriot", *Dawn*, 2 October 2016.

the first Muslim countries that established relations with communist Poland.³

The Poles played a vital role in defending the Pakistan airspace in the Indo-Pakistan Wars of 1948 and 1965.⁴ Many of the Poles were given honorary citizenships for their sincerity and bravery that they displayed. Still, with the completion of their contracts, most of the Poles left Pakistan. Turowicz and his wife, on the other hand, settled permanently in Pakistan and got citizenship in 1961.

In 1967, he retired from Pakistan Air Force with the rank of Air Commodore and was awarded Tamgha-i-Pakistan, Sitara-i-Quaid-i-Azam, and Sitara-i-Pakistan.⁵ Later on, he was appointed as Executive Director of the Space and Upper Atmosphere Research Commission (SUPARCO) by President Ayub Khan. He is also known as the godfather of Pakistan's space and missile program.⁶ He and his wife received many other awards too for their contribution.⁷

On 1st November 1970, a Polish Deputy Foreign Minister, Zygfryd Wolnaik, and three Pakistanis were killed at Karachi International Airport by an airline van driver and anti-communist fanatic Mohammad Feroze Abdullah. The mishap occurred on an occasion when a reception line was formed to welcome the Polish President, Marshal Marian Spychalski, for his final stop in a 5-day state visit to Pakistan.⁸ While under interrogation, Feroze accepted

³ Saba Gul, "What do Pakistan and Poland Share", Erasmus blog. Visit at <https://erasmusu.com/en/erasmus-pakistan/erasmus-blog/what-do-pakistan-and-poland-share-586124>.

⁴ INP, "Poland Helped Pakistan in Building Missile Programme: Envoy", *The Nation*, 22 October 2017. Visit at <https://www.nation.com.pk/22-Oct-2017/poland-helped-pakistan-in-building-missile-programme-envoy>.

⁵ "Karachi: Cemetery Renovated", *Dawn*, 09 November 2005. Visit at <https://www.dawn.com/news/164695/karachi-cemetery-renovated>.

⁶ Z. Khalid, "The Polish Godfather of Pakistan's Space and Missile Program", *Pakistan Insider*, 26 November 2015. <https://insider.pk/national/defence/the-polish-godssile-programs/>.

⁷ N. Laskowska, "Pakistani Polish Patriot", *Dawn*, 02 October 2016. Visit at <https://www.dawn.com/news/1287122>

⁸ "Key Polish Official is Killed by Truck at Karachi Airport", *New York Times*, 02 November 1970. Visit at <https://www.nytimes.com/1970/11/02/archives/key-polish-official-is-killed-by-truck-at-karachi-airport-high.html>.

that he wanted to kill socialists, as their ideology was against Islam.⁹ This was a major incident, nevertheless, the level of trust between both countries was so high that the tragedy failed to create any rift in the ties.

The relationship reached another level when Poland became a democratic republic following anti-communist uprising in 1989. It became a member of the North Atlantic Treaty Organization (NATO) in 1999 and a full member of the European Union (EU) in May 2004. Pak-Poland relations improved immensely under the framework of the EU after 9/11 when Pakistan supported the US-led coalition in Afghanistan under president General Pervez Musharraf.¹⁰

In 2005, when Pakistan witnessed an earthquake in Pakistani-administered Kashmir, Polish government sent a team of 22 rescuers and physicians as well as sniffer dogs to aid relief, search and rescue operations.

In April 2007, president Musharraf paid three-day official visit to Poland. This was the first ever visit by any head of the state of Pakistan to Poland. Pakistan had been playing a crucial role in the “War on Terror”, and, therefore, the EU provided Pakistan with economic aid and support.¹¹ During this visit, president Musharraf and Polish president Lech Kaczynski signed various Memoranda of Understanding (MoUs) that included a cooperation agreement on international affairs, cooperation in the field of science, culture and education, cooperation between chamber of commerce and industry, and development of small and medium enterprises of both the states.

Theoretical framework

At the international political front, when states interact, they create pattern, rules and procedure on certain issue under the umbrella of regimes. In this spectrum, states have some duties and obligations about any specific issue.

⁹ R. Naeem, “50 Years On: A Tragic Warning from Pakistan’s Past”, *The Wire*, 01 November 2020. Visit at <https://thewire.in/history/pakistan-polish-official-killed-karachi-airport-islam-socialism>.

¹⁰ A. B. Peiro, “EU-Pakistan Relationship: Looking beyond the Trading Relationship”, Real Instituto Elcano, 14 May 2014. Visit at <https://www.realinstitutoelcano.org/en/analyses/the-eu-pakistan-relationship-looking-beyond-the-trading-partnership/>.

¹¹ “State visit of President of the Islamic Republic of Pakistan in Poland”, President.PL, 23 April 2007. Visit at <https://www.president.pl/archive/news-archive-2000-2010/news-2007/state-visit-of-the-president-of-the-islamic-republic-of-pakistan-in-poland,37545>.

If any state violates these regulations, it would have to face the consequences. The main purpose of the regime is to provide and facilitate the procedure of finding solutions to any problem through treaties.

The main scholar of international regime theory is Stephan Krasner. He explains international regime as "explicit or implicit principles, norms or rules and decision-making procedures around which actor expectations converge in a given area of international relations".¹²

There are two approaches to the international regime. One is the liberal approach and the other is the realist approach. According to the liberal approach, cooperation in anarchy is possible without a hegemon. The regime enables cooperation by establishing standards of behaviour that signal other members that they are cooperating. When all states expect cooperation from others then the possibility of sustaining cooperation will increase. In this system, cooperation can be increased within states by providing more information about the behaviour of others. According to liberals, it is a win-win game, not a zero-sum game.

On the other hand, according to the realist, a regime merely reflects the distribution of power in the international system and the cooperation that occurred under the regime will have occurred anyway. Powerful states create a regime to serve their interests.

The article deals with liberal approach used in global politics and international systems towards cooperation, integration, interdependence and peace. Its theme revolves around the neo-liberalism theory.

In neo-liberalism, states are unitary actor which is rational and always work to maximize their utility. The state always take decision after cost and benefit analysis, to promote self-interest and after keeping in view the reaction and outcome of the decision. According to neo-liberalism, mutual benefits can be attained through better application of human reasoning.

Interdependence is a main feature of neo-liberalism which claims mutual connectedness and dependency of state and non-state actors. It is the concept of liberalism and focuses on the globalized world. Interdependence

¹² Henrik Bliddal, Casper Sylvest and Peter Wilson, *Classics of International Relations* (London: Routledge, 2013), 148.

does not consider states as not the only actor in the international system but there are a lot of other actors present in the international system which is non-state actors like Multinational Corporations (MNCs), Non-governmental Organizations (NGOs), and international institutions. In the international system, not only do states interact with each other rather non-state actors also interact with other states, non-state actors through multiple channels. When states and non-actors interact through those channels then it creates a system of the interconnected relationship of the actors and as a result, state borders are permeable.¹³ The relationship between state and non-state actors is not symmetrical because some actors and non-state actors are more dependent on others than anyone else. Some might be more vulnerable to the breakage of these networks and others might not. The interaction of state and non-state actors is growing with every passing day which brings positive change to the international system. In this system, every state and non-state actor is benefiting from closer ties so ultimately world becomes very peaceful and prosperous.

In the case of Pakistan-Poland relations, both countries adopted a liberal regime where both started cooperation and worked on win-win approach. In their relations, the state and non-state actors are playing their part to increase interdependence, and relations of both countries are improving. The regime both had created is attracting other countries of their region as well.

Both can benefit a lot from this cooperation and interdependence. Poland being member of the European Union (EU) is providing Pakistan an opportunity to increase its trade with other countries of the EU.

Cooperation in the field of Oil and Gas

Poland is a pioneer of petroleum exploration in Europe. It has the potential to fulfill Pakistan's the need for oil and gas. It can be considered as the jewel in the crown of the Pakistan-Poland relationship.¹⁴ Polish Oil and Gas Company (POGC) is operating in Pakistan since 1997 as a branch office of PGNIG group Poland, in which the Polish government has majority of the

¹³ Siegfried Schieder and Manuela Spindler, *Theories of International Relations* (Berlin : Routledge, 2014), 77.

¹⁴ "Polish Company Expresses Commitment towards Pakistan's Energy Security," *Associated Press of Pakistan*, 19 July 2022. Visit at <https://www.app.com.pk/business/polish-company-expresses-commitment-towards-pakistans-energy-security/>.

shares. The company was operating and carrying out exploration in four concessions namely Mekhtar, Sabzal, Khanpur West, and Sabzal West, and it, recently, started Kirthar concessions. It has held a 40% Working Interest in exploration in Nawabshah, Sindh. It also acquired Kirthar Block in the Dadu district of Sindh. The company made the discovery of the Rehman-1 well in 2009 which started production in 2013. It became the first "Tight Gas" producer in Pakistan. In 2015, the appraisal phase of the field was concluded and the commerciality of the field was declared. In 2017, the Government of Pakistan awarded Development and Production Lease (D&PL) over the field for 25 years.

In 2015, the company discovered the second "Tight Gas" well Rizq-1 in Kirthar Block and the same year approval of the Rehman Production Facility (RPF) was constructed to process the produced gas from Rizq and Rehman field. In 2016, the company increased its production from Kirthar Block with the addition of the Rizq field. The appraisal programme of the Rizq field was completed in 2018 and then the declaration of commerciality and D&PL were awarded for 25 years. Till this time, PGNIG has drilled 11 wells in Kirthar Block comprising 3 appraisals, 3 exploratory and 5 development wells. The company is contributing a lot to work with Pakistan in the energy sector and Pakistan can get experience from Poland's expertise in the oil and gas sector.¹⁵ The company had the aim to take production to Rs 100 billion per year. According to the President of the company Piotr Wozniak, the company will drill 14 more oil and gas wells in hydrocarbon potential areas and play an important role in the energy needs of Pakistan. He also said that till 2017, the company had invested \$125 million in Pakistan and daily production from the Rehman field was 24 MMS CFD from 4 producing wells. It would be increased to 90 MMS CFD.¹⁶ Three Polish companies like Oil and Gas Exploration Company Krakow Ltd, Polish State Gas and Oil, and Geofizyka Krakow Ltd has offered gas and oil exploration services to Pakistan.

¹⁵ Z. Quraishi, "Polish Oil and Gas Committed to Contributing to Pakistan's Energy Security", *Pakistan Observer*, 20 July 2022. Visit at <https://pakobserver.net/polish-oil-gas-committed-to-contributing-to-pakistans-energy-security/>.

¹⁶ "Polish Company Poised to Take Oil, and Gas Exploration to Rs 100 bl per Year", *Associated Press of Pakistan*, 14 May 2017. Visit at <https://profit.pakistantoday.com.pk/2017/05/14/polish-company-poised-to-take-oil-gas-exploration-to-rs-100-bl-per-year/>.

Economic relations

Pakistan and Poland have very good economic relations and, according to 2018 statistics, Poland ranked 23rd in Pakistan's export destinations. Bilateral trade between both countries is \$700 million per year and both have the potential to increase in multiple areas. According to the Ambassador of the Republic of Poland Piotr A. Opzinski, "The bilateral trade stood at 538 million Euro or about \$700 million and it is in favour of Pakistan as exports of textile, surgical and other products are getting their due share".

Poland always supported Pakistan in GSP Plus and the EU providing Pakistan with an opportunity to export in the EU market which makes the EU Pakistan's largest export market. In November 2022, the Polish ambassador to Pakistan, Maciej Pisarski visited the Karachi Chamber of Commerce & Industry (KCCI). He said that bilateral trade between both countries had increased to \$722 million and Pakistan had a large share of \$600 million. He also said that both countries had more potential to increase trade, and for this, both should sit together and identify the areas where cooperation could be increased.¹⁷

Pakistan got the GSP Plus scheme on 1 January 2014 which will be effective for ten years till 2024. Poland had become Pakistan's 7th largest trading partner in the EU and their bilateral trade in the fiscal year 2021-22 is almost \$506.6 million.¹⁸ The cooperation between both countries in the economic field is increasing with every passing day. Both countries signed MoU on cooperation between the State Bank of Pakistan (SBP) and the Polish Financial Supervision Authority (PFSA) in May 2018.¹⁹ In 2018, bilateral trade between both countries was €500 million which is increasing rapidly. Both countries had formed Pakistan-Poland Bilateral Political Consultations (BPC) to discuss ways to improve their relations. The 7th round of the BPC was held

¹⁷ "Meeting at KCCI Offices: Polish Envoy Says Trade with Pakistan has Increased to \$722 Million", *Business Recorder*, 03 November 2022. Visit at <https://www.brecorder.com/news/40206954>.

¹⁸ Z. A. Niazi, "Poland, Pakistan to Boost Business Relations", *The Diplomat Insight*, 07 Oct 2022. Visit at <https://thediplomaticinsight.com/poland-pakistan-to-boost-business-relations/>.

¹⁹ S. S. Shah, "Pakistan and Poland Signed MoU for Financial Cooperation" *Geo News*, 30 May 2018. Visit at <https://www.geo.tv/latest/197422-pakistan-and-poland-sign-mou-for-financial-cooperation>.

in Warsaw on 12 December 2019.²⁰ In November 2017, Chairman Senate of the Republic of Poland Stanislaw Karczewski arrived with a delegation and met with the Speaker National Assembly Sardar Ayaz Sadiq at the Parliament house in Islamabad. It was decided that both the countries must take their existing good relations to new heights, especially, in the spheres of economics, commerce and trade.²¹ According to the Speaker National Assembly of Pakistan, Pakistan could learn from Poland in the sectors of technology and industry. Simultaneously, parliaments of both countries could play an important role in bringing the two nations closer.²² The Polish ambassador to Pakistan Maciej Pisarski in an interview with the Associated Pakistan Press (APP) said that although COVID-19 had a slowed down the exchange of business delegations, still, the volume of their bilateral trade had been increasing annually.²³

Exports

Pakistani exports to Poland as of 2021 include: textile articles, furniture, lighting signs, oil seeds, grain, fruits, plastics, medical apparatus, footwear, salt, stone, cement, leather, iron, steel, toys, sports requisite, rubber, machinery, nuclear reactors, boilers, glass, sugar, perfume, cosmetics, carpets, etc.²⁴ President of FPCCI, Engr. Daroo Khan Achakzai, said in a meeting with Poland's ambassador that Poland should start direct exports of Pakistani products like stainless steel, cutlery and utensils, surgical and sports which can increase in volume.²⁵ Pakistani exports to Poland are increasing at an annual rate of 19.1% on regular basis during the last 25

²⁰ "7th Round of Pak-Poland Bilateral Political Consultations", MoFA Pakistan, 14 December 2019. Visit at <https://mofa.gov.pk/7th-round-of-pakistan-poland-bilateral-political-consultations/>.

²¹ Tariq Ali, "Parliamentary, Economic Cooperation to Strengthen Pak-Poland Relations: Ayaz Sadiq", *Khyber News*, 07 November 2017. Visit at <https://khybernews.tv/parliamentary-economic-cooperation-strengthen-pak-poland-relations-ayaz-sadiq/>.

²² Fawad Masood, "Parliamentary, economic cooperation to strengthen Pak-Poland relations: Ayaz Sadiq", *Business Recorder*, 07 November 2017. Visit at <https://www.brecorder.com/news/379778>.

²³ H. Zakir, "Polish Calls for Cooperation between Poland, Pakistan in Science and Tech", *Tech Juice*, 10 January 2022. Visit at <https://www.techjuice.pk/polish-envoy-calls-for-cooperation-between-poland-pakistan-in-science-and-tech/>

²⁴ Pakistan exports to Poland during 2021 over US \$330.3 million. See details at www.tradingeconomics.com/pakistan/exports/poland.

²⁵ S. U. Rehman, "Poland will Continue GSP Plus Status Support for Pakistan: Ambassador", *Business Recorder*, 11 February 2019. Visit at <https://www.brecorder.com/news/amp/473059>.

years. In 1995, Pakistan's exports were \$6.59 million which reached \$21.5 million in 2000. It reached \$524 million in 2020.

Most interestingly, Pakistan did not export any service to Poland in 2020.²⁶ In 2020, Pakistan exported goods worth \$265 million. 31% of these comprised of apparel (not knitted), 30% textile articles, 10% cotton, 9% articles of leather, and 8% knitted products.²⁷

Textile exports of Pakistan to Poland

The textile industry of Pakistan dominates its exports to Poland. According to the ambassador of Poland to Pakistan Piotr Opalinski, Pakistan's textile exports to Poland are €237.6 million out of a total of €277.5 million, which is 90% of all its exports. In the textile sector, Pakistan mainly exports cotton fabric, clothes, cotton yarn, towels, and bedding. Poland is keen to invest in this sector. The president of the Islamabad Chamber of Commerce and Industry (ICCI), Muhammad Ahmad Waheed, invited Poland businessmen to start a joint venture in the field so that Pakistan could realize the actual value of its exports.²⁸ According to the statistics, Pakistan's exports to the EU have increased to \$6.64 billion in 2021 from \$3.56 billion in 2013, which is an 86% increase but Pakistan's exports to Poland have increased 100%.²⁹ According to the Pakistan Bureau of Statistics, during the same period, Pakistan earned \$4.583 billion from apparel and textile exports as compared to \$4.420 billion in July-September 2021.³⁰

Poland's exports to Pakistan

According to the 2020 data, Poland exported \$117 million worth of products to Pakistan. The main products were Scrap Iron (\$56.4 M), Coke (\$12.7 M), and Razor Blades (\$4.66 M). During the last 25 years, Poland's exports

²⁶ "Pakistan and Poland Trade," OEC. Visit at <https://oec.world/en/profile/bilateral-country/pak/partner/pol>.

²⁷ "Pakistan-Poland trade relationship", Trade Development Authority of Pakistan. Visit at <https://tdap.gov.pk/wp-content/uploads/2022/03/Pak-Poland-Wrap.pdf>.

²⁸ "Pakistan Eyes Trade and Exports with Poland", *GTV Network*, 05 March 2020. Visit at <https://en.gtvnetwork.tv/2020/03/05/pakistan-eyes-trade-and-exports-with-poland/>.

²⁹ "Pakistan to Launch BWP for Textile, and Apparel Sector", *Mettis Link News*, 17 March 2022. Visit at <https://mettisglobal.news/pakistan-to-launch-bwp-for-textile-apparel-sector/>.

³⁰ "Pakistan's Textile & Apparel exports up 3.68% in July-September 2022", *Fiber 2 Fashion*, 23 October 2022. <https://www.fibre2fashion.com/news/textile-news/pakistan-s-textile-apparel-exports-up-3-68-in-july-september-2022--283704-newsdetails.htm>.

increased at an annual rate of 5.39%; from \$31.4 million in 1995 to \$117 million in 2020.³¹ According to the 2021 data, the worth of Poland's exports to Pakistan was \$148.11 million. Iron and steel are the top exported commodities. Poland can provide electric equipment including diesel generators, agriculture machinery, railway equipment, spare parts, marine and diesel engine, heavy vehicle, chemicals, cast iron and steel, wood pulp, cardboard, newsprint, fertilizer, rolling bearing, milk powder and oil seeds. The cosmetic products of Poland are very popular in Pakistan, and in 2021, Poland exported \$209.26 million worth of essential oil, cosmetics and perfumes.³²

Poland to join CPEC

In 2019, Poland's ambassador to Pakistan, Piotr Opalinski, met with the president and member of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) and agreed to support the idea of direct exports of Pakistani products to Poland. In this meeting, FPCCI President Engr. Daroo Khan Achakzai said that relations between both countries were improving but we should take trade relations to their optimum level. In the meeting, the FPCCI President invited Poland to join the CPEC club. The ambassador said that "CPEC is a game changer for Pakistan and had influenced Polish companies to invest in the project".³³ He also said that "his government desire to join the project at a later stage".³⁴ In 2017, during a lecture at Preston University in Pakistan, he said that Polish companies were very keen to take part in the CPEC project.³⁵ In 2018, Ambassador Piotr Opalinski met with president FPCCI Ghazanfar Bilour and chairman coordination of FPCCI Malik Sohail. He said that Poland was looking forward

³¹ "Pakistan-Poland Trade", OEC. Visit at <https://oec.world/en/profile/bilateral-country/pak/partner/pol>.

³² "Pakistan Imports from Poland Essential Oil, Perfume, Cosmetics and Toiletries", Trading Economics. Visit at <https://tradingeconomics.com/pakistan/imports/poland/essential-oils-perfumes-cosmetics-toiletries>.

³³ M. Ali, "Polish Firms Looking Forward to Invest in Pakistan Telecom", Siasat.pk, 29 November 2019. Visit at <https://blog.siasat.pk/polish-firms-looking-forward-to-invest-in-pakistans-telecom-sector/>.

³⁴ "Envoy Says Poland will Join CPEC in Future", *The Nation*, 11 October 2017. Visit at <https://www.nation.com.pk/11-Oct-2017/envoy-says-poland-will-join-cpec-in-future>.

³⁵ "Poland Keen to Take Part in CPEC Project: Envoy", *Pakistan Today*, 28 February 2017. Visit at <https://archive.pakistantoday.com.pk/2017/02/28/poland-keen-to-take-part-in-cpec-projects-envoy/>.

to join CPEC.³⁶ In Pakistan, the business environment is improving under CPEC so Polish businessmen can take advantage by investing in the “Special Economic Zones” established under CPEC.

Poland, GSP Plus, and Pakistan

Poland is a member of the EU. It has always supported Pakistan in Islamabad’s pursuit of the GSP Plus scheme. Also, it is one of the countries with which Pakistan enjoys a trade surplus. In 2013, Pakistan received this scheme in which the EU granted duty-free access to 96% of Pakistani export products to the EU market. Under the scheme, a specific incentive arrangement (GSP+) offers deep tariff cuts for vulnerable countries that ratified and implemented 27 international conventions relating to human and labour rights, environment and good governance. In order to qualify for the GSP+, the countries had to maintain ratification of the conventions and accept regular monitoring and reviewing of the implementation.³⁷ The EU monitoring mission has conducted three successful biennial reviews in 2016, 2018, and 2020.³⁸ The current GSP+ scheme will end in 2023 and Pakistan will have to apply again for the scheme of 2024-34, and according to the EU, now it will have to implement 32 conventions instead of 27.³⁹ Under the scheme, 78% of Pakistani products enter the EU at preferential rates.⁴⁰ In first two years of GSP+, Pakistani garment exports to the EU grew at 11% per year as compared to the rest of the world which was just 1.5%.⁴¹ Poland has given great importance to Pakistani products and supported Pakistani

³⁶ “Poland Wants to Join CPEC: Diplomat Tells Business Community”, *Global Village Space*, 6 September 2018. Visit at <https://www.globalvillagespace.com/poland-wants-to-join-cpec-diplomat-tells-business-community/>.

³⁷ “Status of GSP+: Its implications and benefits for Pakistani industries” Visit at <https://www.lcci.com.pk/pdfs/Benefit%20of%20GSP%20Plus.pdf>.

³⁸ “Benefits of GSP Plus Status Given to Pakistan by the European Union”, *Dispatch News Desk*, 05 June 2020. Visit at <https://dnd.com.pk/benefits-of-gsp-plus-status-given-to-pakistan-by-european-union/190773>.

³⁹ U. Hanif, “Pakistan Yet to Take Full Advantage of GSP Plus”, *The Express Tribune*, 10 May 2022. Visit at <https://tribune.com.pk/story/2355832/pakistan-yet-to-take-full-advantage-of-gsp>.

⁴⁰ “EU to Decide on Pakistan’s GSP+ Status 2023 after Reviewing; NGOs, Academics Critical of Compliance”, *ANI*, 13 April 2022. Visit at <https://www.aninews.in/news/world/asia/eu-to-decide-on-pakistans-gsp-status-beyond-2023-after-review-ngos-academics-critical-of-compliances20220413213030>.

⁴¹ Z. Salman, “Has GSP+ Status Improved Pakistan’s Garment Exports?”, International Growth Centre, 23 January 2017. Visit at <https://www.theigc.org/blog/gsp-plus-status-improved-pakistans-garments-export/>.

companies to export more products into the Polish market. In 2012, Poland's ambassador to Pakistan, Dr Andrzej Ananciz, visited Peshawar Press Club (PPC) and said that both countries made a joint strategy to enhance trade. He showed his commitment to provide access to Pakistani products to the EU market. He said that Poland would provide zero duties on 27 Pakistani exporting products while accessing to the EU market.⁴² In wake of the 2010 flood in Pakistan, the EU urged foreign ministers to 'link together' policies in which we could support Pakistan to increase trade so that Pakistan could come out of the adverse impacts of the devastating flood. Under the discussion, the EU charted a proposal to lift the trade barrier on 13 types of textile products worth €25 million. In this discussion, the Polish foreign minister said that he would be "arguing to help Pakistan," a 'key country' in all foreign policy matters.⁴³

Pakistani concessions to Poland

Poland has expertise in oil and gas Exploration and Production; therefore, Pakistan is providing concessions to the oil and gas companies of Poland. Senior Vice President of Pakistan Business Forum (PBF) Touseef Ahmed said that "concessions should give to the Polish companies interested in conducting E&P of shale oil and gas as, at present, energy is Pakistan's biggest challenge".⁴⁴ On 20 July 2022, Poland's ambassador to Pakistan Maciej Pisarski along with the delegation of POGC met with the Minister of State for Petroleum, Dr Musadik Malik, at Petroleum Division. In the meeting, the state minister said that the "government is committed to offering all appropriate help and facilitation to Polish Companies to ensure continued Polish investment".⁴⁵

Geo-economic advantages of Poland to Pakistan

Poland is located in heart of Europe which can provide Pakistan with an opportunity to export its products to the EU and East-Central European

⁴² "Trade Linkages between Pakistan, and Poland to Enhance", *Business Recorder*, 18 January 2012. Visit at <https://www.brecorder.com/news/3948064/trade-linkages-between-pakistan-poland-to-enhance-201201181143899>.

⁴³ "EU Move to Grant Trade Exemptions to Pakistan", *Dawn*, 11 September 2010. Visit at <https://www.dawn.com/news/562076/eu-evom-to-grant-trade-snoitpmexe-to-pakistan>.

⁴⁴ U. Hanif, "Polish Seeks Concessions", *Express Tribune*, 04 November 2022. Visit at <https://tribune.com.pk/story/2384557/polish-company-seeks-concessions>.

⁴⁵ U. Ilyas, "Poland to Contribute towards Pakistan's Energy Security", *The Diplomatic Insight*, 20 July 2022. Visit at <https://thediplomaticinsight.com/poland-to-contribute-towards-pakistans-energy-security/>.

countries through Poland. It is an important gateway to the European continent. Pakistani businessmen can use Poland's location to enhance their business in Europe and to access European markets and have the capacity to become a hub for Pakistani exports to the EU if Pakistani companies use it properly. Poland has trade links with Germany, the best-connected country in the world. It is a very attractive country for FDI with 40 million people and also because of its strategic location and political stability. It can, therefore, act as a springboard for Pakistani businessmen to start a business in Poland and Europe.

Geo-economic Advantages of Pakistan to Poland

Pakistan is strategically located country at the confluence of three vital regions, namely Central Asia, South Asia, and West Asia. It provides access to the sea, land-locked Central Asia and Western China. Pakistan is a neighbor of Afghanistan which is facing multiple economic and social problems, and Poland can help it to come out of the situation. Pakistan's location can help Poland to start cooperation with all these three regions in the sectors of transport, energy, tourism and trade. Poland's products can travel through these regions via Pakistan.

Regional Connectivity

Poland is a key country for China in its trade with Europe. A train runs between China and Europe which is called China Railway Express (CRE). There are three main routes of this train from China to Europe, which are eastern, central and western.⁴⁶ The eastern route starts from the coastal areas of China and reaches Europe by passing through Inner Mongolia, Russia, Belarus, and Poland.⁴⁷ The central route starts from central China and enter Europe by passing through Mongolia and Russia. The western route starts from western China like Xinjiang and reaches Europe by passing through Kazakhstan.⁴⁸ Pakistan, being member of CPEC, has road connectivity with China in the shape of the Karakoram Highway. In this case,

⁴⁶ J. Sijq, "What is the China-Europe Railway Express, and how much pressure is it under from the Ukraine crisis"? *China Macro Economy*, 06 March 2022. Visit at <https://www.scmp.com/economy/global-economy/article/3169239/what-china-europe-railway-express-and-how-much-pressure-it>.

⁴⁷ G. Zhang, "The Iron Belt: China Railway Express", *Upply*, 05 September 2019. Visit at <https://market-insights.upply.com/en/the-iron-belt-china-railway-express>.

⁴⁸ C. Jun, "China-Europe Railway Express Promoting Trade", *China Today*, 01 September 2021. Visit at http://www.chinatoday.com.cn/ctenglish/2018/In/202109/t20210901_800257111.html.

Pakistan and Poland can use these two platforms to increase connectivity as China has friendly relations with both Pakistan and Poland. Poland can export their products first using CRE and then through Karakoram Highway to Pakistan and other countries of the region. Pakistan, South Asia, West Asia, and Central Asia can also utilize this opportunity to increase connectivity with Poland and Europe. This connectivity can increase interdependence among Pakistan, Poland, South Asia, West Asia, and Central Asia. With increased interdependence and trade, poverty and unemployment will decrease and living standards will improve.

Another connectivity opportunity between Pakistan and Poland is through Istanbul-Tehran-Islamabad (ITI) railroad. The roots of this projects can be found from 2009 when ITI Container Train Service was launched under the Economic Cooperation Organization (ECO).⁴⁹ It is a 10-member intergovernmental organization founded in 1985 by Iran, Turkey, and Pakistan. The journey from Istanbul to Islamabad has squeezed to ten days from 21 (which was by sea).⁵⁰ Turkey is neighbor to Europe so Poland and European countries can use the train service to deliver their products in South Asia and vice versa.

Challenges to Pak-Poland economic relations

1. The first challenge relates to security. Naturally, it prevents entrepreneurs and investors from undertaking big commercial ventures.
2. The second challenge to investment in Pakistan is the unclear nature of local regulations.⁵¹
3. Pakistani businesses and students find difficulty in getting Polish visas which should be solved quickly. According to the Ambassador of Poland to Pakistan, Maciej Pisarski, Poland is part of the EU. It has some rules which it has to follow and visa process is a tricky issue because one needs

⁴⁹ "Second Istanbul-Tehran-Islamabad Train on its Way: The Service Might have a Future", Rail Freight, 04 January 2022. Visit at <https://www.railfreight.com/corridors/2022/01/04/second-istanbul-tehran-islamabad-train-on-its-way-the-service-might-have-a-future/?gdpr=deny>.

⁵⁰ A. Mehmood, "The Islamabad-Tehran-Istanbul Railway Begins Freight Service", *The Media Line*, 28 December 2021. Visit at <https://themedialine.org/top-stories/the-islamabad-tehran-istanbul-railway-begins-freight-service/>.

⁵¹ "Interview with Piotr Opalinski, Ambassador of Republic of Poland in Pakistan", *Evolve Business Insight*. Visit at <http://www.evolvebusiness.com.pk/piotr-opalinski-ambassador-republic-poland-pakistan/>.

to create a balance between security and wish of people to travel to Poland, therefore, diplomat always tries to create a balance.⁵²

4. Illegal migration
5. Non-availability of a direct airline between both countries.⁵³
6. Imports tariff is also one of the major challenges
7. Custom regulations
8. Labelling and marketing regulations
9. Special certificates & Non-Tariff Barriers (NTBs)

Conclusion

Both countries have attained a very high level of interdependence in a very short period. They regularly provide a more peaceful environment to their companies to increase their bilateral trade. The growing interdependence and location of both countries can not only create humongous benefits for both countries but also create a platform which can benefit other countries in different regions like South Asia, the Middle East, the EU and Central Asia. Both countries can learn a lot from each other and help each other to find solutions to their problems. Pakistan should promote a business-friendly environment which will increase employment opportunities and, ultimately, will help the country solve its many complex issues. There are some challenges in their relations but both have the capability to overcome these obstacles.

⁵² "Poland keen to enhance trade with Pakistan in IT, Agri sectors: Ambassador", *Associated Press of Pakistan*, 08 January 2022. Visit at <https://www.urdupoint.com/en/business/poland-keen-to-enhance-trade-with-pakistan-in-1443889.html>.

⁵³ "Seminar on Pakistan Poland Relations: Pursuing a Collaborative Future", Muslim Institute, 12 February 2020. Visit at <https://www.muslim-institute.org/newsletter-seminar-pak-poland-relationship.html>.