

Conference "Regional aspects of Polish Go China strategy" European Parliament, Brussels, 6 March 2013

On 6th of March 2013 a conference "Regional aspects of the Polish Go China strategy" was held in the European Parliament in Brussels. The event was organised by Vice-President of the European Parliament Jacek Protasiewicz, Members of the European Parliament's Delegation for relations with the People's Republic of China: Danuta Jazłowiecka, Elżbieta Łukacijewska, Wojciech Olejniczak and Czesław Siekierski in cooperation with Polish regions: Łódzkie, Mazowieckie, Podkarpackie and Świętokrzyskie. The conference's aim was to present the investment potential of Polish regions and to deepen the direct economic relationship with Chinese business partners.

High-ranking representatives of diplomatic and European institutions as well as regional authorities and entrepreneurs from China and Poland discussed the possibilities of deepening bilateral cooperation, particularly on the regional level. The list of guests of honour included: H.E. Artur Harazim - Ambassador of the Republic of Poland, H.E. Zhang Lirong - Chargé d'affaires at the Mission of the People's Republic of China to the EU and Professor Jerzy Buzek - former President of the European Parliament.



In his opening address, MEP Wojciech Olejniczak made a point of a remarkable pace of modern China's economic development. He noted that in order to make full use of business opportunities between Poland, Europe and China, it is necessary to establish right political foundations, including those involving the regions. Among areas requiring increased attention from both sides Olejniczak mentioned food exports and youth exchange.



Key-note speech by the former European Parliament President and Polish Prime Minister Jerzy Buzek featured a topic of breaking mutual stereotypes between Poland and China. On one side, he pictured Poland as a country of successful system transformation which manages to play a role of China's strategic partner, despite its comparatively smaller size. On the other hand, China tends to be more often perceived as a key player on the international scene while its economic presence in Europe becomes highly appreciated. Former EP President presented a vision of cooperation between Poland, Europe and China in overcoming the challenges of reindustrialisation, new sources of energy, environmental protection or youth exchange. He remarked that traditional characteristics of people born in the Year of the Snake, namely patience, courage and determination are exactly those characteristics necessary to shape a developing Poland-China relationship.

This relationship itself was characterised by Poland's Ambassador in Belgium Mr Artur Harazim as unprecedented in the overall level of its development. Poland-China strategic partnership, dating back to 2011, has led to institutionalisation of bilateral dialogue in the form of regular biannual consultations on the level of prime ministers and annual ministerial committees. This has laid foundations under comprehensive relationship in areas of business cooperation, academic exchange, cooperation between local and regional authorities and social dialogue. Ambassador presented Poland as a country of young, smart and ambitious people and stressed that the programme of Polish business promotion in China enjoys an active support of the entire Polish public administration.



Chargé d'Affaires of the Chinese Mission to the EU, Zhang Lirong, expressed his appreciation of an idea of the conference stating that even the slogan "Go China" is an expression of utmost importance that the EU and Poland attach to China, as well as confidence in the stability of economic development of the PRC. Chinese diplomat, referring to the constantly accelerating growth of economic exchanges between Europe and China, drew a colorful metaphor for EU-China relations, according to which the EU is a large fleet of 27 ships, which thanks to a strong wind in its sails blowing with the strength of the strategic partnership, are likely to reach waters they would have never reached on their own. The Mission's Representative also mentioned the tradition of relationship between Poland and the People's Republic of China dating back many decades as well as an incredible enthusiasm Chinese people have towards enhancing the ties with Poland. According to him, both the slogan "Go China" and "Go Poland" are proper strategic answers to the economic crisis.



Andrzej Szewczyk, Director of Poland-China Cooperation Centre in Poland Information and Foreign Investment Agency (PAIiZ) together with Yu Yang, PAIiZ Board's Plenipotentiary for Asia, focused on "Go China" strategy itself. According to PAIiZ, Poland and China are right in a process of rediscovering each other, with the result that China is no longer perceived as "factory of the world" but is rather increasingly

associated with global R&D center. Poland, in turn, is regarded in China as a "winner" in the global economic crisis, having very much to offer. 90 Chinese business delegation that visited PAIiZ in 2012 alone make for a strong evidence in this case. Growing number of sectors chosen by Chinese companies in Poland, together with the presence of Bank of China and Industrial and Commercial Bank of China branches in Warsaw as well as the opening of a special credit line or numerous B2B conferences have all a chance to further accelerate bilateral business cooperation. In this process it still remains crucial to create the proper image of the two countries

in each other's eyes. The Polish side is working hard to build relationships between Polish and Chinese companies through coordinating the activities of all relevant public institutions, facilitating the activities of Polish enterprises by providing information and advice, as well as work on a compatible "Go Poland" project, addressed to Chinese entrepreneurs.

The subsequent part of the conference referred to a successful Chinese investment in Poland. Hou Yubo – vice-president of LiuGong Machinery Poland - the company which acquired heavy equipment manufacture and Dressta subsidiary from Huta Stalowa Wola steelworks, was first to take the floor. According to Mr Hou, LiuGong is a world producer of high quality construction machines. In Poland, it mainly manufactures bulldozers and loaders. In the future the company envisages not only to establish European centre for research and development but also to participate in shale gas excavation in Poland – by providing shale gas excavation equipment and transportation machinery. At the end of his presentation, Mr Hou complimented Polish citizens on their friendship and openness, praised Polish system of education that creates skilled and professional manpower, stressed that GDP is always stable and the currency quite strong.



The negotiations between LiuGong and Huta Stalowa Wola steel works as well as a very arduous process of privatization were described by CEO of HSW Krzysztof Trofiniak and Bartosz Kopyto – plenipotentiary of the board. According to what they said, for the past 75 years Huta Stalowa Wola steel works has been manufacturing military equipment for Polish army and heavy construction machines including

caterpillar bulldozers adapted for use in extreme weather conditions, such as those in Siberia. In order to ensure funding for company's manufacture and development, a public tendering procedure was launched for privatisation of HSW's construction equipment component. In 2010 they started negotiations with LiuGong Machinery Poland, whose strong features were: long presence on the European market, dynamic development, and extensive business offer. The negotiations turned out to be difficult, time-consuming and extremely exhausting. They were often stalled due to existence of stereotypes or different points of view concerning the social package and employment guarantee. Finally, in January 2012 the binding agreements to sell the heavy construction equipment component were signed. At present, the remaining

Huta Stalowa Wola steel works specializes exclusively in manufacturing military equipment – which enjoys good results despite the ongoing recession.

Łódzkie Region



Opening the presentation of the Łódzkie Region, Marshal Witold Stępień emphasized the outstanding investment attractiveness of the region resulting from its location in the center of both Poland and Europe, at the crossroads of the main road and rail routes, which constitutes a remarkable potential for deepening economic cooperation with the Chinese partners. Well-developed

transportation and business infrastructure - including the airport, roads and railway lines with one of the largest shipment terminals and logistics centers in Central Europe - offer new opportunities for investment and increase in the competitiveness of companies operating in the region. Apart from transport and logistics it should be noticed that Information and Communications Technologies are another key, fast-growing sectors in the Łódzkie region.

President of Łódź Regional Development Agency Przemysław Andrzejak pointed out to the agency's activities aiming at supporting entrepreneurs operating in the region and the involvement of institutions such as the Łódź Regional Science and Technology Park in projects related to innovative and modern technologies. Stanisław Witaszczyk, Vice President of Łódź Special Economic Zone shared his experiences in attracting Chinese investments. Łódź Special Economic Zone has a wide investment portfolio including both A-class office space perfect for BPO and IT activities as well as greenfield sites perfect for the construction of manufacturing plants. In a Digital Marketing Awards 2012 ranking, published by a prestigious fDi Magazine belonging to Financial Times Group – Lodz Special Economic Zone was evaluated as 1st in Europe and 4th worldwide regarding the marketing strategies and online innovations used to attract potential investors.

The last presentation was dedicated to the Hatrans company, the Polish operator of the first direct freight train from Poland to China (Lodz-Chengdu), whose services are used by Dell, Gillette, P&G and Hutchinson. Thanks to Hatrans, shipping time from Europe to China shrank by 50% (14 days) compared to the sea route. It is also about 20% cheaper than air transport while at the same time contributing to a 95% reduction in CO₂ emissions.

Mazovia Region

Mazovia region has presented a project of development of Warsaw-Modlin airport based on planned special economic zone as well as a historic Modlin Fortress Citadel, both located in the proximity of the airport. The entire project is now in search of its strategic investor. Due to its growing network of international connections, Warsaw-

Modlin airport (WMI) has a chance to supplement Warsaw-Okęcie airport (WAW) and become a hub for entrepreneurs willing to set up an innovative business based on easily accessible air transport as well as comprehensive road and railway infrastructure, now being intensively developed as part of wider European transportation corridors. Tax exemptions and other business facilities joined with expanded passenger and cargo capabilities of the airport, soon to be connected with Warsaw city centre by means of Maglev railway will constitute a strong incentive for economic development of the entire Mazovia region.



Podkarpackie Region



The Podkarpackie's part consisted of three separate presentations. The first one - prepared by Sławomir Miklicz - Member of the Board of Podkarpackie Region outlined the values of this well located, dynamically developing region: modern international airport Rzeszów-Jasionka, 16 universities, European highest number of students enrolled in higher education per 1 000 residents and the only school in Poland offering training and education for civil pilots. He also described the cooperation between Podkarpackie Region and the Guangxi region and mentioned that in Podkarpackie's kindergartens children have an opportunity to learn Chinese. Mr Miklicz completed his presentation by enumerating several important industrial centres in Podkarpackie Region: aviation industry, electromechanical industry, chemical industry, food industry and IT; and by presenting other areas that are worth investing in: tourism, extreme sports, paragliding, active forms of recreation.

According to the second speaker - Andrzej Rybka - Aviation Valley's Director, Podkarpackie region is one of six European regions highly specialised in aviation. Mr Rybka stressed that Aviation Valley brings together 102 companies, closely cooperates with academic institutions, trains best specialists in aviation as well as participates in biggest investments in the aviation sector. Asked by the chair about the exporting proposals, Mr Rybka enumerated: general aviation airplanes, ultra light and light airplanes, close relationship and cooperation with other Chinese regions as far as the aviation



industry is concerned, sales of planes not only to private clients but also to governments or such institutions as fire brigades.

Podkarpackie Country was presented by the last speaker - Rafał Darecki. This cluster brings together entrepreneurship with nature, tourism and clean environment promotion. According to Mr Darecki - the cluster carries out its activities in Life Quality sector, which consists of: tourism, medical tourism, religious tourism, agro-tourism, sport, wellness, healthcare, and organic food.

Świętokrzyskie Region

Świętokrzyskie Region, its economic potential and main advantages of the regions, capacity of the construction companies, raw material resources, metallurgical and machine industry, trade fairs and congress industry as well as medical and spa facilities were presented by the region's representatives: Kazimierz Kotowski, Member of the Board of Świętokrzyskie Region; Grzegorz Orawiec, Director of the Department of Regional Policy in Marshall's Office and



Kamila Kępczyńska-Kaleta from Kielce Fairs.



The conference ended with a summary by Danuta Jazłowiecka, MEP, who drew attention to the huge importance of signing the declaration on strategic partnership back in 2011. The MEP mentioned a number of aspects which link the Polish and the Chinese, such as respect for work and reliable performance. She also pointed out that Poland could become China's most important business partner in the

European Union, due to its high investment potential. As one of the main issues important for the future of Polish-Chinese relationship she mentioned development of youth exchange programmes between the two countries, which can help build social capital for decades to come. Summing up her speech, Danuta Jazłowiecka referred to a Chinese proverb "a 1000-mile journey begins with the first step". The conference proved that a few such steps have already been made.

Many officials from the European Commission and the European External Action Service also attended the conference. Viorel Isticioaia Budura, EEAS Managing Director for Asia, sent his best wishes to all participants.

