



## India-Poland Relations

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### Why in News

Recently, **Poland** has invited India's Prime Minister while he will be visiting **Portugal** for the **European Union-India summit (May 2021)**, and **Cornwall, United Kingdom** to attend the **G7 grouping where India is a special invitee (June 2021)**.

Poland is also negotiating with India for a **travel bubble arrangement** to resume direct flights suspended due to **Covid-19 pandemic**.

- Creating a travel bubble **involves reconnecting countries or states which have shown a good level of success in containing the Covid-19 pandemic** domestically.
- Such a bubble would **allow the members of the group to restart trade ties** with each other and open travel and tourism.



## Key Points

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- **Background:**

- India and Poland **diplomatic relations** were **established in 1954**, leading to the opening of the **Indian Embassy in Warsaw in 1957**.
- The two countries shared common ideological perceptions, based on their opposition to colonialism, imperialism and racism.
- During the **Communist era of Poland (1944 to 1989)**, **bilateral relations were close and cordial**, with regular high level visits, coupled with planned trade and economic interactions by state trading organizations, underpinned by the rupee clearing arrangements.
- The **relationship continued to remain close after Poland chose the democratic path in 1989**.
- A cordial political relationship has emerged in the current century, particularly after Poland joined the **European Union** in 2004, and became one of India's key economic partners in Central Europe.

- **Economic & Commercial Relations:**

- **Export:**

- Poland is **India's largest trade partner and export destination in the Central European region**, with bilateral trade growing almost seven-fold over the last ten years.
- As per Indian statistics, the overall value of **bilateral trade in 2019 was USD 2.36 billion**.
  - India's export to Poland contributed to 0.48% of overall India's export. Only 0.15% of India's import was covered by Poland in 2019.
  - As per the statistics, the increase of bilateral trade by 2.5% was visible in 2019 in comparison with previous years.

- **Investment:**

- Indian investments in Poland are valued at over **USD 3 billion**.
- Total Polish investment in India is estimated at **USD 672 million**.

- **Foreign Direct Investment (FDI):**

From April 2000 to March 2019, India recorded over **USD 672 million of FDI from Poland**, 0.16% of its total FDI inflows in that period.

- **Sectoral Collaboration:**
  - **Agro and Food processing sectors:**
    - Poland possesses world class food processing including preservation/storage technologies while India is one of the largest producers for many fruits, dairy and agro products.
    - An MoU on agriculture for technical and institutional cooperation was signed between both countries in April 2017.
  - **Information Technology (IT) Sector:**

Around **thirteen Indian IT companies, employing more than 10,000 professionals, are currently active in Poland** and are also operating their Europe operation from here.
  - **Textile Sector:**
    - India has presently a share of only **3.73% overall in the Polish Textile and Apparel Imports (valued at USD 400 million)**.
    - There is of course, much potential for increase in its exports, provided conducive circumstances are created for Indian Exporters.
    - Presently, about 30-40% of goods exported by India to Poland are re-exported to other EU Countries.
  - **Mining/Energy Sector:**
    - Poland possesses reputed **clean coal technologies** and Polish public sector companies have played a substantial role in development of mining and power sectors in India.
    - India and Poland signed a **Memorandum of Understanding (MoU)** in 2019 to enhance **bilateral cooperation in the coal and mining sector**.
  - **Pharmaceutical and Chemicals Sector:**

Given Poland's strategic location, shortages in healthcare personnel and 25% growth in the pharma market in the last 5 years, there are **good opportunities for Indian exporters and investors**.
- **Cultural and Educational Relations:**
  - There is a strong tradition of Indology studies in **Poland, with Polish scholars having translated Sanskrit into Polish as early as in the 19<sup>th</sup> Century**.
  - Polish Mission organised the **150<sup>th</sup> anniversary of Mahatma Gandhi** in 2019.
    - Polish Post (Poczta Polska) **issued a Commemorative Stamp on the 150<sup>th</sup> Birth Anniversary of Mahatma Gandhi** which was released on the occasion.
  - On the occasion of 550<sup>th</sup> Prakash Purab of **Guru Nanak Dev ji**, Mission and Gurudwara Sahib of Poland **jointly organised functions at Gurudwara Sahib, Poland**.
  - The first **International Day of Yoga** was organized in 21 cities in Poland on June 21, 2015. An estimated 11000 people participated in public events.

- **Indian Community:**

Estimated at approximately **10,000**, **the Indian community in Poland consists of traders (textiles, garments and electronics)** who came after the collapse of communism, and professionals with multinational or Indian companies and software/IT experts, including a rising number of Indian students.

**Source:TH**