

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-POLAND BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Republic of Poland is situated in Eastern Europe, bounded to the north by the Baltic Sea and an enclave of the Russian Federation, to the north-east by Lithuania, to the east by Belarus, to the south-east by Ukraine, to the west by Germany and the south by Czech Republic and Slovakia. Poland is a member of the UN, WTO, BIS, the Council of Europe, NATO, OECD, CEFTA, the Central European Initiative, Council of the Baltic Sea States, IOM, the Antarctic Treaty, and associate partner of the WEU and an associate member of the EU. Poland became a member of NATO on 12th March 1999, and an EU member in 2004. A European Commission report endorsed in December 1999 named Poland (along with Hungary) as the country from central and Eastern Europe most likely to be the first to join the EU.

2. As of 2023, Poland's economy and gross domestic product (GDP) is the sixth largest in the European Union by nominal standards and the fifth largest by purchasing power parity. It is also one of the fastest growing within the Union and reached a developed market status in 2018. The unemployment rate published by Eurostat in 2023 amounted to 2.8%, which was the second-lowest in the EU. As per available report of IMF Executive Board Concludes 2023 Article IV Consultation with the Republic of Poland June 1, 2023. The Polish economy has slowed significantly amid still-high inflation. Following a rapid recovery from the pandemic, the Polish economy grew 5.1 percent in 2022, though the economy slowed considerably later in the year. With high inflation eroding real wage growth and investment facing headwinds from energy prices and interest rates, economic growth is projected at 0.3 percent in 2023 before a projected rebound in 2024. Over the medium term, Poland's potential growth is projected to remain around 3 percent, with strong investment, supported by Next Generation EU grants, temporarily offsetting the negative effects of population aging.

A snapshot of Poland's select economic indicators is as under.

TABLE 1

Republic of Poland: Selected Economic Indicators, 2021–27								
	2021	2022	2023	2024	2025	2026	2027	
			Projections					
Activity and Prices								
GDP (change in percent) 1/	6.9	5.1	0.3	2.4	3.7	3.4	3.1	
Output gap (percent of potential GDP)	0.6	2.2	-0.6	-1.3	-0.6	-0.2	-0.1	
CPI inflation (percent)								
Average	5.1	14.4	12.4	6.2	4.2	3.5	2.9	
End of period	8.6	16.6	7.7	5.1	3.6	3.3	2.5	
Unemployment rate (average, according to LFS)	3.4	2.9	3.2	3.5	3.4	3.4	3.4	
Public Finances (percent of GDP) 2/								
General government net lending/borrowing	-1.8	-3.7	-4.5	-4.1	-4.1	-4.1	-3.9	
General government cyclically adjusted overall balance	-2.1	-4.9	-4.2	-3.4	-3.8	-4.0	-3.9	
General government primary balance	-0.7	-2.2	-2.8	-2.2	-2.1	-2.0	-1.8	

General government debt	53.6	49.1	50.2	51.5	52.4	53.7	54.4
Balance of Payments							
Current account balance, percent of GDP	-1.4	-3.0	-2.4	-2.1	-2.0	-2.0	-2.0
Total external debt, percent of GDP	53.6	53.5	50.4	47.8	45.2	43.6	42.4
<i>Memorandum item:</i>							
Nominal GDP (billion zloty)	2631.3	3078.3	3464.9	3776.2	4089.9	4384.1	4659.1
Sources: Polish authorities; and IMF staff calculations.							
1/ Real GDP according to 2015 base year.							
2/ According to ESA2010.							

Source: IMF Executive Board Concludes 2023 Article IV Consultation with the Republic of Poland June 1, 2023.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Poland are Germany, Czech Republic, France, United Kingdom and Italy. On the other hand five major import partners of Poland are Germany, China, Russian Federation, Italy and Netherlands. Major five exported goods of Poland are (i) Electric accumulators, nes, (ii) Television receivers including video monitor (iii) Cigarettes containing tobacco (iv) Transmission apparatus, for radioteleph incorpo and (v) Motor vehicle parts nes. On the other hand major five imported goods are (i) Petroleum oils and oils obtained from bituminous, (ii) Transmission apparatus, for radioteleph incorpo (iii) Parts and accessories of automatic data process. (iv) Petroleum oils, etc, (excl. crude); preparation and (v) Other medicaments of mixed or unmixed products,

4. Poland's total exports in 2019 were of the order of US\$ 251,865 million. It has scaled upto US\$ 354,667 million in 2023 with 25.05% increase recorded in 2021. During the period from 2019 to 2023. the annual average compound rate of growth of exports was 8.93%.

5. Poland's total imports in 2019 were of the order of US\$ 246,654 million and which has touched US\$ 341,407million mark in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of imports was 8.47%.

6. Poland runs an overall Balance of Trade deficit from 2020 to 2022 but in FY2023 trade surplus has scaled upto USD 13,260 million. During the period from 2018 to 2022, the annual average compound rate of growth of total volume of trade was 8.70%.

A snapshot of Poland's overall Trade Statistics is presented in Table 2 and Figure 1 below.

A snapshot of India's merchandise trade statistics w.r.t. Poland is presented in Table 3 Figure 2.

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. Poland continues to be India's largest trading & investment partner in Central & Eastern Europe. Over the period 2013-2023, the total bilateral trade with Poland has witnessed an increase of 192% i.e. from US\$1.95 billion in 2013 to US\$5.72 billion in 2023. The balance of trade continues to be largely in favour of India in 2023

Poland ranked 39th as an export destination in FY 2023-24 India exports to Poland 0.56 % of it's total export value in FY2023-24. In the same financial year imports from Poland was 0.27% of India's total import

value. Poland was the 45th largest import partner of India in FY 2023-24. Almost 0.27% of India's international trade value was between India and Poland as has been recorded in FY 2023-24 as per DGCIS data base.

8. Indo- Poland total volume of bilateral trade in FY 2019-20 was of the order of US\$ 2,307.69 million. It has scaled to US\$ 3,941.13 million in FY 2023-24. The annual compound growth rate of total volume of trade during the period from 2019-20 to 2023-24 has been of the order of 14.32%.

9. It appears from the available figures that between 2019-20 and 2023-24, India has had a surplus Balance of Trade with Poland. Exports from India to Poland increased maximum 64.82% in FY2021-22. The annual average compound rate of growth of Exports was 13.70%. On the other hand, imports from Poland to India increased by 59.24% in FY 2021-22. During the period from 2018-19 to 2022-23, the annual average compound rate of growth of imports was 15.35%.

10. **Additionally, from Tables 4 & 5 presented at Annexure-II below the following are stated:**

a. Iron And Steel, Electric Machinery And Equipments RMG Cotton Incl. Accessories are occupying the top three slots in India's exports to Poland in the year 2023-24. Iron And Steel occupying the 11.31% share of export value India to Poland.

b. Coal, Coke And Briquettes , Iron And Steel and Electric Machinery And Equipments are the three major commodities in India's imports list from Poland in the year 2023-24, India's imports a significant amount Coal, Coke And Briquettes from Poland with a share of 23.57% of total imports from Poland recorded in 2023-24.

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TABLE - 2

POLAND'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE

BETWEEN 2019 TO 2023

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	251865		246654		4,98,519		5211
2020	254169	0.91	254660	3.25	5,08,829	2.07	-491
2021	317832	25.05	335451	31.73	6,53,283	28.39	-17619
2022	342845	7.87	358593	6.90	7,01,438	7.37	-15748
2023	354667	3.45	341407	-4.79	6,96,074	-0.76	13260
Annual Compound Growth Rate		8.93		8.47		8.70	

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

Figure - 1

Poland's Exports, Imports and BoT 2019-2023



TABLE - 3

INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. POLAND

FY 2019-2020 to 2023-2024

(Value in USD Million)

Year	Exports from India to Poland	Percentage	Imports from Poland to India	Percentage	Volume of Trade	Percentage	Balance of Trade
		Growth in Exports		Growth in Imports		Growth in Vol. of Trade	
2019-20	1458.11		849.58		2307.69		608.53
2020-21	1652.65	13.34	706.35	-16.86	2359.00	2.22	946.30
2021-22	2723.94	64.82	1124.79	59.24	3848.73	63.15	1599.15
2022-23	2323.11	-14.72	1366.40	21.48	3689.51	-4.14	956.71
2023-24	2436.84	4.90	1504.29	10.09	3941.13	6.82	932.55
Annual Growth Rate	Compound	13.70		15.35		14.32	

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

Figure 2

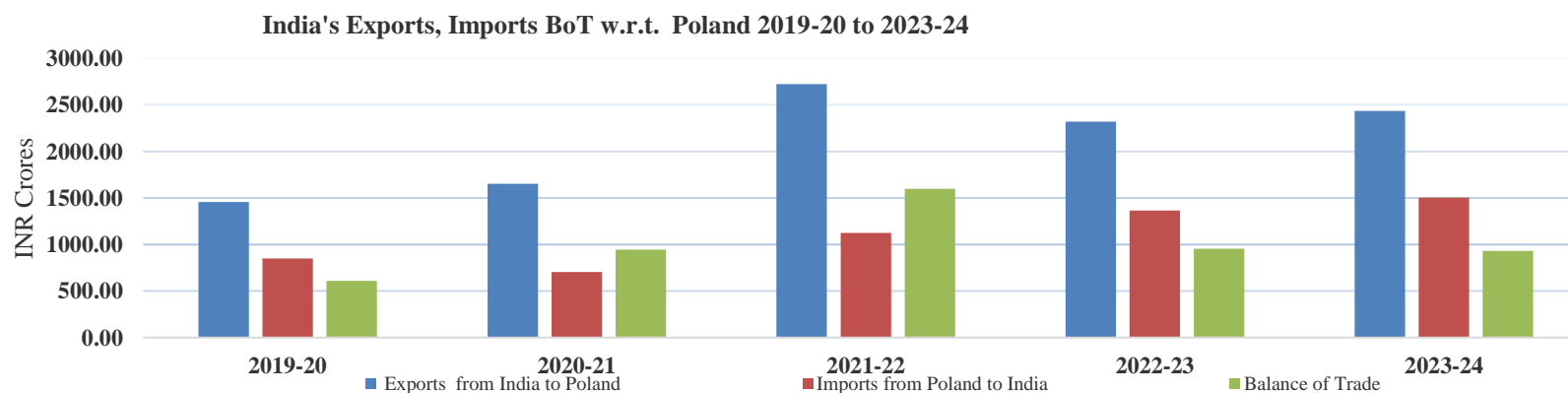


TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO POLAND
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Iron And Steel	117.77	142.49	440.41	150.81	275.61	20.99	209.08	-65.76	82.75
	Share in total export	7.61	8.62	16.17	6.49	11.31				
2	Electric Machinery And Equipments	123.97	202.50	537.53	320.54	258.72	63.35	165.45	-40.37	-19.29
	Share in total export	8.01	12.25	19.73	13.80	10.62				
3	RMG Cotton Incl. Accessories	136.72	92.62	142.50	140.39	140.07	-32.26	53.85	-1.48	-0.23
	Share in total export	8.83	5.60	5.23	6.04	5.75				
4	Drug Formulations Biologicals	37.95	54.19	70.68	100.66	118.19	42.79	30.43	42.42	17.42
	Share in total export	2.45	3.28	2.59	4.33	4.85				
5	Products Of Iron And Steel	58.02	58.62	102.65	111.44	107.15	1.03	75.11	8.56	-3.85
	Share in total export	3.75	3.55	3.77	4.80	4.40				
6	Footwear Of Leather	80.43	64.38	58.10	59.42	77.11	-19.96	-9.75	2.27	29.77
	Share in total export	5.20	3.90	2.13	2.56	3.16				
7	Incl. Machinery For Dairy Etc.	45.57	48.06	69.37	71.06	75.41	5.46	44.34	2.44	6.12
	Share in total export	2.94	2.91	2.55	3.06	3.09				
8	Ceramics And Allied Products	42.00	51.53	55.17	65.22	75.36	22.69	7.06	18.22	15.55
	Share in total export	2.71	3.12	2.03	2.81	3.09				
9	Auto Components/Parts	41.30	45.01	57.08	56.36	68.86	8.98	26.82	-1.26	22.18
	Share in total export	2.67	2.72	2.10	2.43	2.83				
10	RMG Of Other Textile Matrls.	62.64	45.20	59.11	58.15	65.67	-27.84	30.77	-1.63	12.93
	Share in total export	4.05	2.74	2.17	2.50	2.69				
	Total export to POLAND	1548.11	1652.65	2723.94	2323.11	2436.84	6.75	64.82	-14.72	4.90

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM POLAND
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Coal, Coke And Briquettes	275.08	248.82	492.50	439.13	354.56	-9.55	97.93	-10.84	-19.26
	Share in total imports	32.38	35.23	43.79	32.14	23.57				
2	Iron And Steel	40.78	36.85	35.07	165.83	260.76	-9.64	-4.83	372.85	57.25
	Share in total imports	4.80	5.22	3.12	12.14	17.33				
3	Electric Machinery And Equipments	36.06	38.37	34.53	44.88	108.16	6.41	-10.01	29.97	141.00
	Share in total imports.	4.24	5.43	3.07	3.28	7.19				
4	Aluminium, Products Of Aluminium	9.24	18.44	60.47	64.64	71.06	99.57	227.93	6.90	9.93
	Share in total import	1.09	2.61	5.38	4.73	4.72				
5	Other Misc.Engineering Items	42.00	27.83	41.09	44.46	65.70	-33.74	47.65	8.20	47.77
	Share in total import	4.94	3.94	3.65	3.25	4.37				
6	Other Rubber Prod. Except Footwear	32.86	31.13	71.03	81.39	46.04	-5.26	128.17	14.59	-43.43
	Share in total import	3.87	4.41	6.31	5.96	3.06				
7	Residual Chemicals And Allied Prods.	19.01	13.37	42.38	43.34	43.47	-29.67	216.98	2.27	0.30
	Share in total import	2.24	1.89	3.77	3.17	2.89				
8	Indl Machinery For Dairy Etc.	16.04	19.71	30.00	28.07	40.23	22.88	52.21	-6.43	43.32
	Share in total import	1.89	2.79	2.67	2.05	2.67				
9	Ship, Boat And Floating Structures	17.15	23.04	17.93	13.59	38.35	34.34	-22.18	-24.21	182.19
	Share in total import	2.02	3.26	1.59	0.99	2.55				
10	Graphite, Excpulsivs. And Accesor.	9.56	38.98	29.70	33.19	34.10	307.74	-23.81	11.75	2.74
	Share in total import	1.13	5.52	2.64	2.43	2.27				
	Total import from POLAND	849.58	706.35	1124.79	1366.40	1504.29	-16.86	59.24	21.48	10.09

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I