

# Poland-United States Bilateral Relations: Political and Economic Aspects

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## 10.1. Introduction

Poland is one of the key allies of the United States in Central and Eastern Europe (CEE). It has been over 100 years since the United States was one of the first countries to officially acknowledge Poland's newly regained independence on January 22, 1919. Following the Revolution of 1989 and the end of the Cold War, Poland was quick to assimilate with the Western world. Poland became a member of the Organisation for Economic Co-operation and Development (OECD) in 1996, the North Atlantic Treaty Organization (NATO) in 1999, and the European Union (EU) in 2004. For the past decades, both Poland and the United States have shared a commitment to their close relationship [www 1; www 2].

The aim of this chapter is to explore the Poland-U.S. bilateral relations with regard to political and economic aspects, with a focus on the 2009–2020 period. The chapter comprises two main parts. The first one concerns political aspects (political leadership, national security, and immigration policy) and the second one concerns economic aspects (free trade agreements, investments, and bilateral trade). The chapter combines qualitative and quantitative approaches. The main research methods employed are literature review (including government websites) and comparative analysis. While this study is conducted during the COVID-19 pandemic, the focus is primarily on the ongoing political and economic issues beyond the overbearing impact of the current pandemic-related collapse.

## 10.2. Political Aspects

Around two decades ago, Brzeziński [1997; 2001] wrote how the global order would not be determined by the United States alone; instead, the world would fall within the spheres of influence that the United States would share with Europe, China, and Russia. “*America is not only the first, as well as the only, truly global superpower, but it is also likely to be the very last*” [Brzeziński, 1997, p. 209]. Indeed, the Eurasian power equilibrium has come to the forefront of political and economic sciences.

### Political leaders

2020 is a crucial year for both countries internally and in their bilateral relations. The President of the United States (POTUS) is the most powerful person in the world, and the 2020 U.S. presidential election will have huge implications globally. This presidential race has been and will continue to be highly divisive – somehow even more than the previous one. Poland also held its presidential election this year, which might be a pivotal point for the region.

The United States is famous for its bipartisan system. The two dominant forces are the Democratic Party and the Republican Party. The former currently holds the majority in the U.S. House (lower house), while the latter holds the majority in the U.S. Senate (upper house). For over a decade, the two biggest political parties in Poland have been Law and Justice (*Prawo i Sprawiedliwość* – PiS) and Civic Platform (*Platforma Obywatelska* – PO). In the 2019 parliamentary elections, PO ran as the biggest party of the Civic Coalition (*Koalicja Obywatelska* – KO) electoral alliance. PiS currently holds the majority in the Sejm (lower house), while the PO-led opposition holds the majority in the Senate (upper house). Table 10.1 shows a brief overview of the current political climate in Poland and the United States, while Table 10.2 shows the history of political leadership in both countries since 2009. The foreign policies of both governments should be more compatible if they represent similar values. The president serves a four-year term in the United States and a five-year term in Poland. The office of the President of Poland holds substantially less power than its counterpart in the United States.

The 2016 presidential election in the United States was one of the utmost importance for global economic and political order. It was also one of the most divisive and controversial campaigns in recent history. Since the incumbent POTUS Barack Obama had reached the two-term limit, both major parties had to organize primaries. Both primaries had seen heated debates and ruthless competition. The Republican party

chose Donald Trump as its nominee while the runner-up was Ted Cruz. The Democratic party chose Hilary Clinton as its nominee while the runner-up was Bernie Sanders. The latter primary was much closer and the nomination generated some disappointment among the progressive wing of the Democratic party.

The election results were as divisive as the preceding campaigns. Donald Trump won the electoral college 304–227 and became the 45<sup>th</sup> POTUS. However, Hilary Clinton actually won the popular vote 65,853,514 to 62,984,828 (48.18% to 46.09%), with 7,830,934 votes going to 3<sup>rd</sup> party candidates. Most notably, President Trump decisively lost California (4,483,814 to 8,753,792), but won relatively close decisions in the crucially important swing states like Florida (4,617,886 to 4,504,975), Pennsylvania (2,970,733 to 2,926,441), Michigan (2,279,543 to 2,268,839), and Wisconsin (1,405,284 to 1,382,536) [FEC, 2017]. The 2016 result had once again sparked a debate about the merits of the U.S. Electoral College, which resurfaced during the 2020 campaigns.

The 2020 U.S. presidential election will pit POTUS Donald Trump against the Democratic nominee, former Vice President Joe Biden. As of March 2020, much like in 2016, there were two main camps in the Democratic primary: the moderate wing led by Joe Biden and the progressive wing led by Bernie Sanders. Biden campaign runs on issues similar to the 2016 Clinton platform, which could be described as the extension of the mainstream Democratic party policies. The moderates want iterative changes, that supporters might consider an extension of Obama-era policies, and critics could describe as the preservation of the status quo. The progressives led by Sanders rally around the welfare state system, which many observers misinterpret as socialism, with the most attention being given to the introduction of a single-payer healthcare system. In August 2020, Joe Biden officially became the presidential nominee during the Democratic National Convention, with Kamala Harris as his running mate.

The 2020 presidential election in Poland was initially scheduled to take place on May 10<sup>th</sup>. However, due to the COVID-19 pandemic, the election was deferred (see: [www 24]). In the run-up to the postponed election, the biggest opposition party PO, taking an unusual move, switched its candidate from Małgorzata Kidawa-Błońska to Rafał Trzaskowski. The first round of the presidential election finally took place on the 28<sup>th</sup> of June. Two leading candidates were the incumbent president Andrzej Duda (43.5%) and Rafał Trzaskowski (30.46%), both advancing to the deciding vote since no one got more than half of the votes. The second round took place on the 12<sup>th</sup> of July, with Andrzej Duda winning the election with 51.03% of the popular vote [www 25]. The results were much closer than the March or April polls suggested. The campaign itself proved to be quite contentious, at times even cutthroat. Issues raised included social policies, religion, immigration, and LGBT+ rights. At one point both leading candidates hosted two different simultaneous presidential debates [www 26;

www 27], where they were the only participant, due to unwillingness to compromise on the venue and moderators.

**Table 10.1. Dominant political parties in Poland and the United States, 2020**

Party	Country	Social	Economic	Chair
Democratic	United States	liberal	center-left	Tom Perez
Republican	United States	conservative	right	Ronna McDaniel
PiS	Poland	conservative	left	Jarosław Kaczyński
PO	Poland	moderate	center-right	Borys Budka

Source: Compiled by the author from [www 10], [www 11], [www 12], [www 13].

**Table 10.2. Selected leaders of the government in Poland and the United States, 2009–2020**

President of Poland	POTUS
Andrzej Duda (PiS) 2015–	Donald Trump (R) 2017–
Bronisław Komorowski (PO) 2010–2015	Barack Obama (D) 2009–2017
Lech Kaczyński (PiS) 2005–2010	George W. Bush (R) 2001–2009
Prime Minister of Poland	Speaker of the U.S. House
Mateusz Morawiecki (PiS) 2017–	Nancy Pelosi (D) 2019–
Beata Szydło (PiS) 2015–2017	Paul Ryan (R) 2015–2019
Ewa Kopacz (PO) 2014–2015	John Boehner (R) 2011–2015
Donald Tusk (PO) 2007–2014	Nancy Pelosi (D) 2007–2011
Marshal of the Senate of Poland	U.S. Senate Majority Leader
Tomasz Grodzki (PO) 2019–	Mitch McConnell (R) 2015–
Stanisław Karczewski (PiS) 2015–2019	Harry Reid (D) 2007–2015
Bogdan Borusewicz (PO) 2005–2015	

Source: Compiled by the author from [www 5], [www 6], [www 7], [www 8], [www 9], [www 23].

## National security and military

Poland's eastern border is the border of both NATO and the EU. Its location makes Poland a strategically important ally for the United States. On the other hand, the United States has the most powerful military in the world. Further cooperation between both countries seems like an obvious strategic move.

Between 2019 and 2026 Poland is expected to spend PLN 185 billion (around USD 46 billion) on the modernization of its military, with plans to allocate 2.1% GDP on military spending in 2020, and at least 2.5% GDP in 2030. In 2018 Poland purchased

the U.S. Patriot surface-to-air missile system, which is expected to become operational in 2023. The system cost Poland USD 4.75 billion and was supplemented by an offset deal worth PLN 725 million (around USD 190 million). The entire transaction is the lynchpin of Poland's air defense modernization program WISŁA. In 2020 Poland purchased 32 U.S. F-35 multirole combat aircraft for USD 4.6 billion, as part of the Polish Air Force modernization program HARPIA. Other numerous military initiatives in Poland include the cybersecurity program CYBER.MIL, assault helicopters program KRUK, short-range air defense program NAREW, and an increase in U.S. military contingent in Poland [www 15; www 16; www 17; www 18]. According to Cieślak [2020], the modernization of Poland's air defense systems is a continuous undertaking in which the immediate priority should be the upgrade of the short-range surface-to-air missile systems. The 2003 deal to purchase F-16 was motivated in big part by the large offset package [Seguin, 2008], however, for the F-35 deal, Poland opted out of the offset package to lower the price by around USD 1.1 billion [www 20].

Poland is rapidly modernizing its military, and the United States play a key role in this process. When it comes to cutting-edge military technology, it really is difficult to provide a viable alternative to the partnership with the United States. When it comes to the highly publicized and expensive purchases of multirole fighter aircraft, Poland has turned to the U.S. twice now (F-16 and F-35). Potential European alternatives included the French Rafale, the Swedish JAS 39 Gripen, and the international Typhoon, however, all of them are older than the F-35. Poland is spending a relatively large part of its budget on the military when compared with other large EU countries, fulfilling the 2% of GDP NATO guideline.

One of the turning points in Poland-U.S. relations was the 2003 military invasion of Iraq. Poland famously was one of the primary members of the U.S.-led coalition during Operation Iraqi Freedom which started the Iraq War [Czornik, 2012; Milczarek, 2008; Osica, 2004], also known as “the three trillion dollar war” [Stiglitz & Bilmes, 2008]. Crucially, Poland and the United Kingdom took the United States' side even with strong opposition from their key European allies – Germany and France [Czornik, 2012; Lubecki, 2005; Taras, 2004].

There is no denying that when it comes to national security and military, the Poland-U.S. relation has been asymmetric [Kupiecki, 2016; Zaborowski & Longhurst, 2003]. One of the principal reasons for Poland to join NATO was to provide it with an additional layer of protection from any potential military conflict with Russia [Osica, 2002]. According to Lesiński [2016], NATO alone cannot guarantee the safety of Poland if the United States itself does not have a vested interest in the region. NATO's lackluster response to the 2014 Russia-Ukraine conflict [Rotfeld, 2018] provides additional substance to this argument; while Ukraine is not an official NATO member it still has

close ties with the organization and there have been firm declarations of membership in the future [www 21]. The reignited tensions with Russia prompted NATO and the United States to relocate military personnel to the region, which lessened U.S. military presence in the Pacific [Bednarz, 2015].

Crucially, closer cooperation with the United States is one of the primary elements of the 2020 National Security Strategy of the Republic of Poland [www 28].

## Immigration policy and migration flows

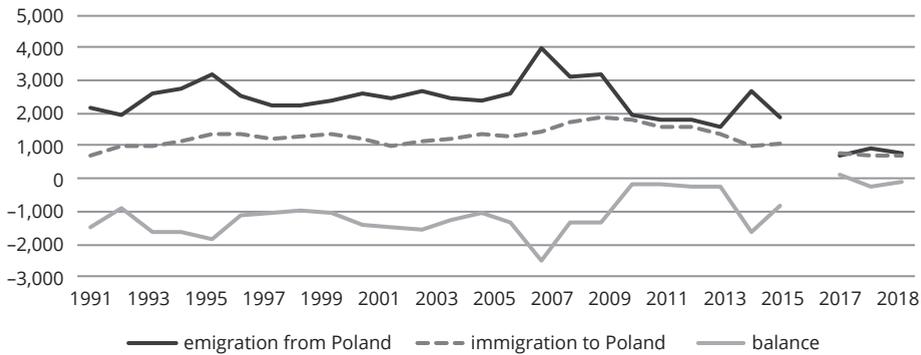
In recent years, immigration policy was a topic of heated debates in both Poland and the United States. This includes both inward migrations from developing countries and the decades-long issue of Poland's inclusion in the Visa Waiver Program (VWP). In recent years, the governments of both countries have taken a hardline on immigration. POTUS Trump has famously campaigned on the promise of building a wall on the U.S.-Mexico border. In Europe, Poland was one of the strongest opponents of refugee relocation during the EU migration crisis.

Polish government made constant efforts to ease the travel requirements to the United States for Polish citizens. After Poland supported the 2003 Iraq War, the country could be considered the closest U.S. ally in the region. However, in 2008, it was Czechia, Slovakia, and Hungary, among others, who joined the VWP [www 22]. It was the first extension of the program in almost a decade and the second biggest one in its history. The fact that three CEE countries and three of Poland's neighbors (including Lithuania) managed to leapfrog Poland in access to this program could be considered a diplomatic faux pas for both sides. Finally, in August 2019, the H.R.4218 bill was introduced by Representative Mike Quigley and later that year Poland was included in the VWP [www 3; www 4].

According to the data of the Department of Homeland Security [DHS, 2020], for the fiscal year 2019, 4,700 persons born in Poland were granted a lawful permanent resident status in the United States; by comparison, the same figure for persons born in Germany was 4,848, Czechia 714, and Slovakia 422. The numbers for Poland are very strong considering the population of these countries. Historically, the Polish diaspora is the most numerous in the United States, even more so than in Germany or other European countries. The official data shows that currently in the United States live around 8.97 million persons declaring Polish ancestry [Census Bureau, 2019]. The United States is the fourth most common destination of Poland's emigration for permanent residence, after Germany, the United Kingdom, and the Netherlands; as well as the fourth most common source of immigration to Poland for permanent residence, after the United Kingdom, Germany, and Ukraine [Statistics Poland, 2019b]. In 2018,

765 persons officially emigrated from Poland to the United States, while 697 persons immigrated to Poland from the United States; in recent years, the numbers are much lower than in the past (Figure 10.1).

**Figure 10.1. Poland-U.S. official permanent residence migration flows (1991–2014, 2016–2018)**



Source: Statistics Poland [2019b].

According to the data of the Polish Office for Foreigners (*Urząd do Spraw Cudzoziemców*, UDSC), 2,472 U.S. citizens currently have permanent or temporary residence in Poland, of whom 903 got their permits in Masovian Voivodeship and 512 in Lesser Poland Voivodeship [UDSC, 2020]. By comparison, the official number of Poland's legal residents with Ukrainian citizenship is around 230 thousand, Belarusian citizenship is over 27 thousand, and German citizenship is almost 21 thousand.

The inclusion of Poland in the VVP should undoubtedly be considered a success of the Polish government. The immigration policy of both countries has been, ideologically, quite similar in recent years. Still, most of Poland's neighbors have been members of this program for at least a decade. The permanent Poland-U.S. migration is relatively high, but when considering every type of residence, flows between Poland and its European neighbors are dwarfing its significance.

### 10.3. Economic Challenges and Cooperation

The Great Recession has sent ripples throughout the world economy that can still be felt to this day. The response to the global financial crisis has been quite different in Western Europe and the United States. In hindsight, the fiscal stimulus under the Obama administration (American Recovery and Reinvestment Act of 2009) had proved to be effective and the U.S. has recorded much higher growth rates than Eurozone

countries. Kołodko [2014] once wrote, *“The face of the world in the 21st century will be mostly determined not so much by the outcome of the direct economic rivalry between Asia and Euro-America but rather by how these two megasystems of values, institutions and policies interpenetrate, and how they mutually filter into and enrich each other”* [p. 402]. Historically, Poland has been largely dependent on Europe for both trade and capital [Weresa, 2001], as well as a destination for its outward investment [Radlo, 2012]. For the past decade, many of the largest European economies have shown signs of economic stagnation [Tomczek, 2020], even before the pandemic decimated most industries. With the world economy still in shambles in late 2020 and the tense U.S.-China economic relations putting pressure on almost every aspect of international trade, Poland has to carefully steady the course between the United States, Asia, and its European allies.

The 1994 North American Free Trade Agreement (NAFTA) was a groundbreaking achievement and one of the prime examples of the growing globalization movement. Under Barack Obama, the United States pushed for the establishment of two extensive free trade agreements (FTAs): the Transatlantic Trade and Investment Partnership (TTIP) and the Trans-Pacific Partnership (TPP). The former between the U.S. and the EU, and the latter between the U.S. and 11 other countries, most notably Japan.

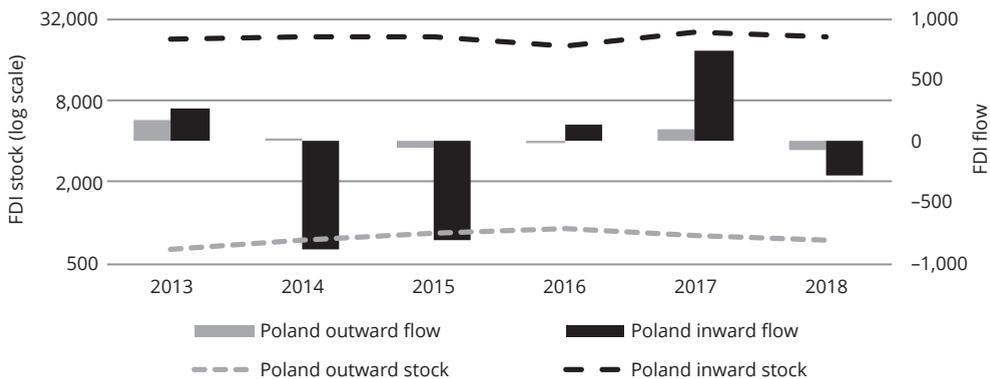
Under Donald Trump’s presidency, there has been a major policy reversal regarding FTAs and international policy in general. The U.S. pulled from the negotiations on both massive multinational FTAs, in favor of future individual bilateral FTAs. The new administration also pushed for the renegotiation of the NAFTA agreement, to be known as the United States-Mexico-Canada Agreement (USMCA). There are now 20 FTAs between the U.S. and other countries, including Australia, Canada and Mexico (NAFTA/USMCA), Israel, Singapore, and South Korea [see: [www 19](#)]. Bilateral FTA between Poland and the United States would be impossible because of Poland’s EU membership, and since TTIP negotiations were cut short, it seems unlikely that any EU-U.S. FTA will be finalized soon. It remains to be seen if the next administration would return to the multilateral-stance taken by Barrack Obama or continue the current strict bilateral policies.

As the U.S. has seemingly withdrawn as the driving force of multinational FTAs such as TTIP and TPP, the role has been assumed by China. Right now, the most likely successor to the TPP is the Regional Comprehensive Economic Partnership (RCEP), which would cover almost the entirety of the Asia-Pacific region, including the Association of Southeast Asian Nations (ASEAN). RCEP would also mean that China, Japan, and South Korea will finally have an FTA between them and that the U.S. will not be a member of the biggest FTA in the world.

## 10.4. U.S. Investment in Poland

Many U.S. based multinational enterprises are investing in Poland and CEE in general. Poland remains an attractive investment location, even if its profile has somewhat changed in the last decade. The average income in Poland has increased substantially over the years [Statistics Poland, 2019a], however, the hourly labor cost in Poland still is relatively low for European standards at EUR 10.1, compared to EUR 35.9 in France, EUR 34.6 in Germany, and EUR 27.4 in the United Kingdom [Eurostat, 2020]. As the years have gone by, the economic development of Poland has caused it to become more competitive for high-tech industries and less competitive for labor-intensive industries when compared with Eastern European countries. Surely, a developed nation cannot base its comparative advantage primarily on cheap labor.

Figure 10.2. Stock and flow of FDI between Poland and the United States, 2013–2018 (USD millions)



Source: OECD [2020].

Figure 10.2 shows the value of foreign direct investment between the U.S. and Poland in the 2013–2018 period. FDI stock is the more important statistic since companies might periodically withdraw their funds which causes flows to be much more volatile. In 2013, the stock of the U.S. FDI in Poland was valued at USD 23.2 billion and in 2018 it was USD 23.6 billion. The highest value was recorded in 2017 at USD 25.6 billion. In 2013 stock of Polish investment in the U.S. was valued at USD 626 million and in 2018 it was USD 747 million. It was the highest at 894 million in 2016. The stock of U.S. FDI in Poland is consistently much higher than vice versa, which comes as no surprise. The flow of U.S. FDI into Poland was highly negative in 2014 (-USD 886 million) and 2015 (-USD 809 million); it was the highest in 2017 at USD 731.5 million. For

Poland in 2013–2018, the average yearly outflow of FDI to the U.S. was valued at USD 23.4 million, while the value of the average yearly inflow of FDI from the U.S. was a negative USD 142.7 million.

According to a report by KPMG Poland [2018], the top 20 U.S. multinationals according to the revenue generated by their investments in Poland are (in descending order, 2016 data) Philip Morris International, F&P Holdings, Cargill, Whirlpool Corporation, International Paper, Ford Motor, Lear, Citigroup, IBM, Commercial Metals Company, Autoliv, Johnson Controls, Discovery, Mondelez International, PepsiCo, General Electric, Goodyear Tire and Rubber Company, Tech Data, Havi, and R.R. Donnelley. Additionally, over half of U.S. companies in Poland are located in Masovian Voivodeship. Poland has a very high comparative advantage in manufactured tobacco and a relatively low, for CEE standards, comparative advantage in car manufacturing (see: next section of this chapter).

American tech giant Microsoft has recently made a splash with its record-breaking billion-dollar digital transformation investment plan, including a new cloud datacenter region situated in the “Polish Digital Valley” [www 29; www 30]. The following is the operating revenue for the Polish divisions of some U.S. tech companies: IBM (USD 553 million, 2018), Dell (USD 481 million, 2017), Tech Data (USD 363 million, 2017), Microsoft (USD 115 million, 2018), Google (USD 101 million, 2018), Facebook (USD 14 million, 2018) [BvD, 2020]. With its strong push into CEE, Microsoft Poland is sure to increase its revenue stream while simultaneously boosting Poland’s future competitiveness. Technology transfers that accompany inward FDI are highly beneficial to the recipient economy [Kowalewski, 2008]. Still, the digital divide in Poland remains relatively high [Weresa & Kowalski, 2019], which has to be taken into consideration in the case of Big Tech investment.

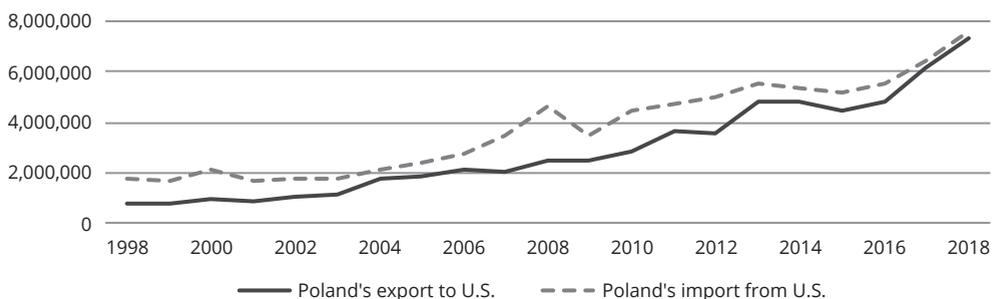
## 10.5. Bilateral Trade

Ultimately, at the core of bilateral economic relations between countries lies international trade. Due to mirror data differences, both countries reported a bilateral trade deficit for 2018. In the case of Poland, it was a deficit of USD 332 million and in the case of the United States, the deficit was much higher at USD 2,954 million [World Bank, 2020]. In this chapter, unless explicitly stated, Poland will be used as the reporter country and the United States as the partner country. For a description of data mirroring issues, see: [www 14].

Figure 10.3 shows the value of bilateral trade between Poland and the United States for the past two decades. Since 1998, Poland has recorded a persistent trade

deficit with the United States. The deficit was the highest in 2008 (USD 2.1 billion), 2010 (USD 1.6 billion), and 2007 (USD 1.4 billion). The deficit has grown much smaller in recent years. In 2017 (USD 318 million) it was the lowest since 1994 (USD 171) and since the value of exports was much higher in 2017 than in 1994 the situation in bilateral trade improved significantly. Poland's export-import ratio in bilateral trade with the U.S. was at 95.6 in 2018, which is a considerable jump compared to 53.8 in 2008 and 43.1 in 1998. In 2018, Poland's exports to the U.S. were valued at USD 7.3 billion and the value Poland's imports was USD 7.6 billion – which is a significant amount for Poland, but much less so for the U.S. In 2018 at HS2 level, Poland exported to the United States primarily: mechanical machinery (HS 84, USD 2.5 billion), electrical machinery (HS 85, USD 812 million), optical and precision instruments (HS 90, USD 673 million), furniture (HS 94, USD 527 million), and aircraft/spacecraft (HS 88, USD 337 million). Poland imported from the U.S. primarily: mechanical machinery (HS 84, USD 1.5 billion), aircraft/spacecraft (HS 88, USD 1.1 billion), mineral fuels (HS 27, USD 669 million), optical and precision instruments (HS 90, USD 666 million), and electrical machinery (HS 85, USD 588 million). The value of Poland's energy imports from the U.S. has jumped substantially, with petroleum oils (HS 2709) increasing from USD 76 million in 2017 to USD 430 million in 2018, and coal (HS 2701) increasing from USD 122 million in 2017 to USD 211 million in 2018 [ITC, 2020]. The data reveals a high value of intra-industry trade between Poland and the United States. The increase in energy imports is related to Poland's long-term strategy of alleviating the dependence on energy imports from Russia.

**Figure 10.3. Bilateral trade between Poland and the United States, 1998–2018 (USD thousands)**

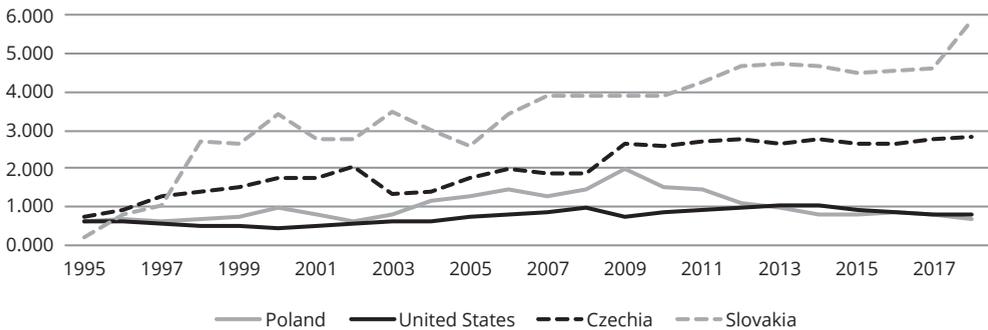


Source: World Bank [2020].

In 2018, as expected, the revealed comparative advantage index (RCA) was very different for both countries. For Poland, the value of RCA was the highest for coke of coal (SITC 325) at 17.869, dried fish (SITC 035) at 10.180, manufactured tobacco

(SITC 122) at 7.802, wood manufacture (SITC 635) at 6.169, and raw furskins (SITC 212) at 6.138. For the United States, the value of RCA is the highest for works of art (SITC 896) at 5.088, arms and ammunition (SITC 891) at 4.658, unmilled maize (SITC 044) at 4.431, cotton (SITC 263) at 4.351, and oilseeds (SITC 223) at 3.541 [UNCTAD, 2020]. Fundamentally, countries do not have to exclusively follow their comparative advantages, but it gives a useful indication of their capabilities.

Figure 10.4. RCA of the automotive industry (SITC 781) for selected countries, 1995–2018



Source: UNCTAD [2020].

Figure 10.4 shows the evolution of comparative advantage in motor vehicle manufacturing for Poland, the United States, Czechia, and Slovakia. Since 2009, Poland's comparative advantage (0.698) has declined to the point where it is now lower than in the United States (0.770). Comparative advantage in other CEE countries like Slovakia (5.862) and Czechia (2.805) is now much higher than in Poland.

Table 10.3 shows the most important trade partners of Poland and the U.S. for 2018. It should come as no surprise that the United States' economy is more important for the economy of Poland than vice versa. As predicted by a basic gravity model of international trade, both countries trade primarily with their neighbors, big economies, and several usual outliers (like the Netherlands). For Poland, the importance of Germany is overwhelming, as it accounts for 28.2% of total exports and 22.4% of total imports. Other important countries for Polish imports are China (11.6%) and Russia (7.3%). The U.S. is the eighth most important partner for export and import – in both cases, it accounts for 2.8% of Poland's trade. For the United States, its most important export destinations are Canada (18%) and Mexico (15.9%). Poland places at a distant 43<sup>rd</sup> with 0.3% of total U.S. exports. When it comes to importing, the U.S., unsurprisingly, imports the most from China (21.6%), Mexico (13.4%), and Canada (12.5%). Poland takes 37<sup>th</sup> place, with 0.3% of total U.S. imports.

**Table 10.3. Most important trade partners of Poland and the United States, 2018**

Rank	Partner	Export share (%)	Rank	Partner	Import share (%)
Poland (reporter)					
1	Germany	28.2	1	Germany	22.4
2	Czech Republic	6.4	2	China	11.6
3	United Kingdom	6.2	3	Russia	7.3
4	France	5.6	4	Italy	5.0
5	Italy	4.6	5	France	3.7
6	Netherlands	4.5	6	Netherlands	3.6
7	Russia	3.1	7	Czech Republic	3.4
8	United States	2.8	8	United States	2.8
9	Sweden	2.8	9	Belgium	2.5
10	Hungary	2.7	10	United Kingdom	2.4
United States (reporter)					
1	Canada	18.0	1	China	21.6
2	Mexico	15.9	2	Mexico	13.4
3	China	7.2	3	Canada	12.5
4	Japan	4.5	4	Japan	5.6
5	United Kingdom	4.0	5	Germany	4.9
6	Germany	3.4	6	South Korea	2.9
7	South Korea	3.4	7	United Kingdom	2.4
8	Netherlands	2.9	8	Ireland	2.2
9	Brazil	2.4	9	India	2.2
10	France	2.3	10	Italy	2.2
43	Poland	0.3	37	Poland	0.3

Source: World Bank [2020].

## 10.6. Conclusions

From a purely economic perspective, the United States is a key partner of Poland. Still, in bilateral trade, Poland is of marginal importance to the U.S. – but the same can be said of most countries around the world. Poland has a substantial comparative advantage (RCA) for coke of coal, dried fish, manufactured tobacco, wood manufacture, and raw furskins; its comparative advantage in car manufacturing is relatively low compared to leading CEE countries. With that being said, the value of Poland-U.S. bilateral trade has increased over the last decades. Furthermore, American corporations and capital play an increasingly important role in Poland. The digital transformation is

in full force, accelerated by the COVID-19 pandemic, and the recent push by Microsoft into Poland is a promising sign for the future of the strong tech sector in this country and its competitiveness.

The Poland-U.S. bilateral relations extend beyond a simple economic analysis. Politically, the United States is one of the closest allies of Poland. Both countries share membership in key international organizations and a vested interest in the future of CEE. Constant declarations of commitment to furthering this relationship from both sides leave little doubt about the future direction of Poland's international policy. Undoubtedly, Poland is staking much of its national security on the military aid of the United States. In the last two decades, the alliance between the two countries has grown stronger. However, there remains a degree of inequality in both capabilities and commitments.

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