POLAND AND PAKISTAN'S FOREIGN POLICIES IN LIGHT OF THEIR ECONOMIC PROSPECTS

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Abstract:

The EU has presented a new vision for the whole world, one in which integrated economy, commerce, interconnection, and interdependence will bring about peace and prosperity.

Even though Poland and Pakistan are separated by thousands of kilometers, we have a long history of friendship. In the European Middle Ages, the first Polish explorers arrived on modern-day Pakistani territory. Since we signed our first trade pact with Poland in July 1949, our relations have remained positive. Despite having a positive relationship, we haven't fully developed it in terms of our economic ties. It is crucial to research the various industries and their possibilities for expansion before designing our relationships.

Prioritizing agricultural goods that may be exported to Poland and other adjacent European markets is crucial for this agrarian nation. Based on historical and recent events about the two countries foreign affairs in general and their economic interdependence in particular, this research paper is a case study of Pakistan-Poland relations. We used a simple research methodology for this project that comprised both primary and secondary materials, including, to name a few, academic writings, research articles, reports, case studies, and dissertations. The *quantitative and qualitative data provided by other researchers and organizations are used in the secondary analysis process.*

Key words: Pakistan, Poland, Economy, trade, interconnectedness

The Objective of the Study:

Since both Poland and Pakistan experienced unstable and insecure conditions, it is crucial for Pakistan to learn from Poland's experience how to use foreign policy to strengthen its economy. As well as to investigate multiple industries especially the Textile Industry in which we can broaden the market share of Pakistani products.

History of Pak – Poland Relations at a Glance

Pakistan and the Russian Federation established diplomatic ties in 1948. Relations between the two nations improved under President Ayub Khan, but Soviet arms shipments to India during and after the 1971 Indo-Pak conflict harmed bilateral ties. With a trip to Moscow in 1974 and significant Soviet investments in steel factories and oil exploration, President Zulfiqar Ali Bhutto once more made significant progress towards enhancing bilateral relations. The status quo, however, was worsened by the ideological conflict between the two countries after General Zia-ul-Haq succeeded Bhutto. There was a great deal of tension as a result of the Soviet invasion of Afghanistan and Pakistan's subsequent logistical and economic support of the Mujahideen rebel organization. Relations did defrost when the Soviet forces left.be (Anna Teresa Pietraszek, 2018) The continents on which Pakistan and Poland are located are distinct. On August 14, 1947, Pakistan declared its independence from Great Britain, becoming a sovereign nation. Poland, on the other hand, adopted democracy following the 1989 revolution. Pakistan is a distinctive nation due to its extreme linguistic, tribal, gastronomic, and cultural variety. Given the cultural differences between the two nations, there has been peaceful coexistence that predates their creation as distinct entities. On December 17, 1962, Pakistan became one of the first Muslim countries to establish diplomatic relations with Poland. Since then, there has been a steady and progressive strengthening of bilateral ties in the political, cultural, and economic spheres. A turning point in our relations occurred with the visit of the Pakistani President to Poland in April 2007. It was the first high-level visit from either side. This visit served as a powerful catalyst for improving bilateral ties and rekindled enthusiasm between the two nations in deepening their connection in the areas of education and culture.

Pakistan and Poland have been allies since World War II. With the help of Nazi Germany, the Soviet Union led by Joseph Stalin conquered Eastern Poland in September 1939, displacing many Poles and starting the Second World War with its Allies, notably the British Empire. Over 30,000 Polish refugees were relocated from the USSR via the "Persian Corridor" in Iran between August 24, 1942, and December 31, 1944. They were housed in refugee camps and placed in Karachi (then a part of British India), which was the closest significant port. Some of them stayed in Karachi and in 1947 became citizens of the newly formed State of Pakistan. Around 30,000 Polish refugees were housed at Karachi, the main port in the region that would become Pakistan, during World War II. (PPI, 2005)

One of the Polish pilots who joined the Royal Air Force (RAF) and fought for Britain in the Second World War was Wadysaw Józef Marian Turowicz. Some of the pilots settled in Pakistan and helped to become one of the most admired air forces in the world at the time after the Allies no longer needed them after the war and found them undesirable in their newly communist nation.
Turowicz was Air Commodore in Pakistan Airforce, he was awarded Tamgha-e-Pakistan, Sitara-e-Pakistan and Sitara-e-Quaid-e-Azam. After retirement from PAF in 1967 and was later appointed Executive Director Pakistan Space and Upper Atmosphere Research Commission where he served till 1970. Whenever the history of Pakistan Air Force and Pakistan's expertise in rocket and missile technology will be written, the services rendered by honorable Turowicz will never be forgotten. It was revealed that Turowicz was asked several times during his life by the Polish secret agency SB to spy for Poland in Pakistan, especially while he was working on space and missile technology at SUPARCO. Turowicz always brushed off any such offers by saying: "Now Pakistan is my homeland" (Natalia Laskowska, 2016) Turowicz's services are fondly remembered by Pakistan. Honors awarded to him by the Government of Pakistan include the Sitara-e-Pakistan and Tamgha-e-Pakistan (Military), Sitara-e-Kidmat, Sitara-e-Quaid-e-Azam, Sitara-e-Imtiaz (Military), and Abdul Salam Award.

The Pakistani government honored his widow, who passed away in 2012, with the Sitara-e-Imtiaz and Pride of Performance awards for her selfless contribution to Pakistan. In a similar vein, Turowicz was honored by the Pakistan Air Force in 2005, and a memorial was built at the Air Force Museum in Karachi.

Turowicz and a number of other Polish fighters received promotions to Wing Commander in 1952. When he was appointed Air Force Commander of Chaklala Airbase of the Pakistan Air Force, he was also promoted to the rank of Lieutenant Commander. Several times promoted together with another Polish Air Force officer, he took leadership of the Pakistan Air Force Training Department as an Air Commodore and Deputy Chief of Air Staff.

Turowicz contributed to creating the appearance of what is known as modern Pakistan. His service boosted the pride of the young nation and probably gave the Polish military and scientific professionals he educated over the years a stronger feeling of Polish statesmanship. Turowicz and other Polish pilots gained notoriety and recognition for successfully protecting Pakistan and Lahore during the Indo-Pakistani War of 1965. The Sitara-e-Pakistan was given to Turowicz, Squadron Leader Anotnii Zbigniew Jedryszek, and other Polish pilots. Turowicz and a few other Polish pilots received honorary Pakistani citizenship from Pakistani President Ayub Khan.

Poland and Pakistan have very warm and friendly ties. In 1962, both nations' diplomatic ties were established. Since that time, bilateral ties in the political, cultural, and economic areas have been steadily and gradually strengthened. The first-ever high-level visit from either side, General President Pervaiz Musharraf's trip to Poland in April 2007 marked the high point in our ties. This visit served as a powerful catalyst for improving bilateral ties and rekindled interest among the two nations in deepening their cooperation in the areas of education and culture.

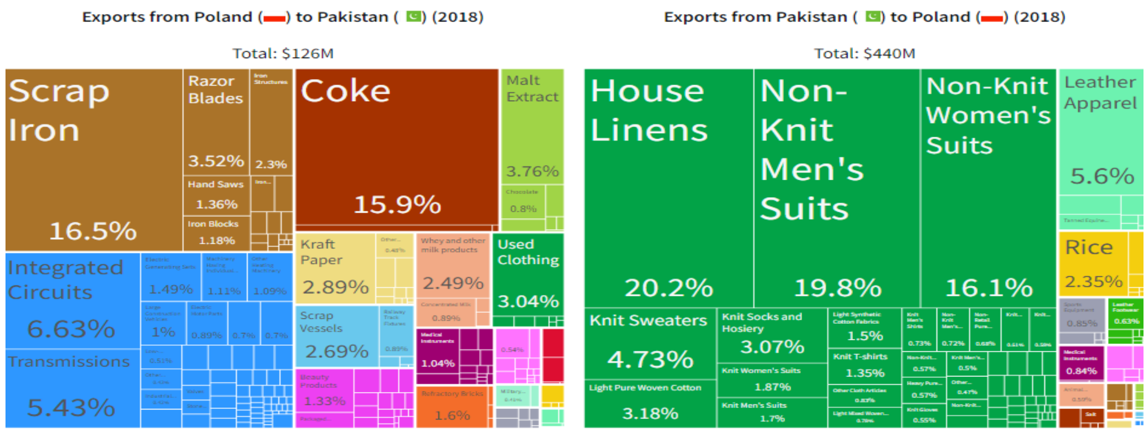
Poland, which is the sixth-largest nation in the EU and is situated in the center of Europe, has had GDP growth of 5.6% on average over the last three years. Even now, compared to other EU countries, it has fared better during the current financial crisis. Poland has a rich cultural history and a very advanced undergraduate, graduate, and postgraduate educational system. It is still a developing nation that is quickly catching up to the more developed nations of Europe.

Poland has established itself as one of Central and Eastern Europe's biggest and most reliable economies. Poland is a reputable member of the EU, NATO, and OECD as well as a consistent and appealing partner for the global business community. Therefore, there is great potential for improving relationships in all areas. With the initiative of the private sector in both nations, this potential can be utilized to the mutual benefit of our two countries, whether it be in trade, education, agricultural research, or cultural exchanges.

Pakistan's Economic Relations with Poland

Trade between Poland and Pakistan on a bilateral basis has increased since Poland joined the EU. Bilateral trade increased by 60.57% between 2007 and 2008, from 104.88 million to 206.42 million dollars. Growth on both sides is unmistakably a sign that businesses in both nations are putting more of an emphasis on creating partnerships that will benefit both nations' economies.

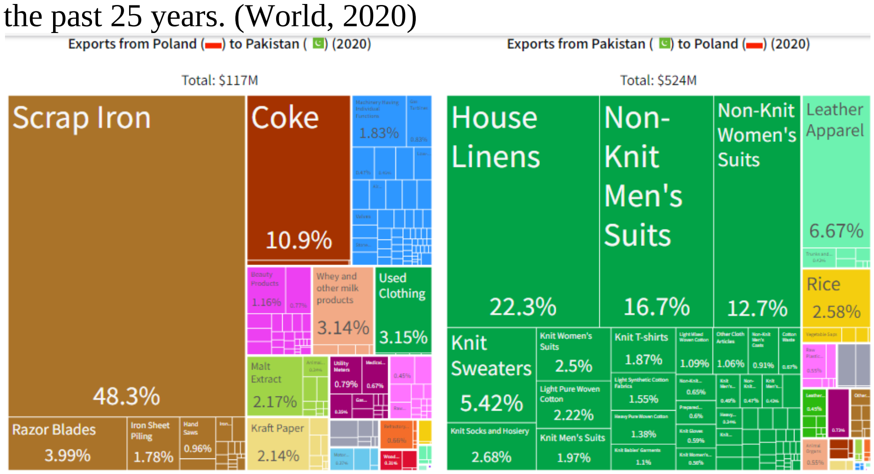
Polish and Pakistani economic cooperation is advancing. Our trade turnover passed the €500 million mark in 2018, and it is currently still growing. Particularly noteworthy are the energy and resource exploration sectors, where Polish firms affiliated with the Polish Oil & Gas Company (PGNiG) group had also been engaged in Pakistan for more than 20 years. Additionally, Poland has been a strong advocate for Pakistan's inclusion in the GSP+ program, a special incentive scheme for sustainable development and good governance that eliminates tariffs on more than 66% of EU tariff lines. Pakistan currently benefits from this inclusion as exports to Europe have grown especially quickly since being granted GSP+, increasing by 50% to €6.7 billion in 2013–19, of which €5 billion was spent on textiles. (gov.pl, 2021)



Source: https://oec.world/en/profile/bilateral-country/pol/partner

On September 22, 2020, in Warsaw, the Pakistani Embassy organized a webinar titled "Let's do Business Together: Opportunities and Prospects of Business with Pakistan" in association with the Polish National Chamber of Commerce and Industries (KiG). More than 40 Polish businesses from a variety of industries, including textile, sports, food processing, etc., attended the event. Participants included representatives from the Polish Ministry of Economy, the Board of Investment of Pakistan, and TDAP. (Pakistan, 2020)

Pakistan exported $524 million to Poland in 2020. House linens ($117M), non-knit men's and women's suits ($87.8M), and non-knit shoes ($66.9M) were Pakistan's top exports to Poland. From $6.59M in 1995 to $524M in 2020, Pakistan's exports to Poland have grown at an annualized rate of 19.1% over the past 25 years. (World, 2020)



Source: http://www.cepii.fr/CEPII/en/bdd_modele/bdd_modele_item.asp?id=37

In a recent interview with APP Mr. Maciej Pisarski, the Polish ambassador to Pakistan, said that the Polish oil and gas exploration companies have spent millions of dollars in Pakistan over the past 25 years. It is an important part of Poland's economic cooperation that the gas explored by the Polish companies was sold to local consumers in Pakistan. (APP, 2022)

On 7th October 2022, Maciej Pisarski, the ambassador for Poland, had a fruitful discussion with Naveed Qamar, the commerce minister of Pakistan. The main topic of discussion was how to improve economic cooperation. As they commemorate the 60th anniversary of diplomatic relations, both nations have a lot to offer one another. The growing interest has led to a diversification of trade; in the case of Pakistani exports, this is characterized by an increase in exports with value-added products like textile garments, home textiles, leather garments, etc., while Polish exports to Pakistan are increasingly dominated by paper products, dairy products, iron and steel, specialized machinery, and basic raw materials like metallurgical coke.

However it is evident from the above graph that there is a huge potential of increasing the market share. It is crucial to concentrate on the industries whose raw materials are available in Pakistan as an agrarian nation, such as the textile industry. Poland focused more on the industries whose necessary raw materials are easily accessible throughout the state, and this is the key to their development. Both non-renewable and renewable resources have been generously bestowed upon Poland by nature. The use of the latter, such as wind and solar energy, is rising as a result of significant technological advancements. Poland has an abundance of minerals. It is one of the world's top producers of hard and brown coal, copper, zinc, lead, and construction minerals as well as rock salt. The following chart makes it clear that the primary emphasis is on producing industrial heavy machinery and equipment that can be made of Copper, Zinc or lead.

Success Story of Poland's Economic Growth

Poland, the seventh-largest nation in the Western Hemisphere was a hub of cultural and religious diversified societies before WW2. Despite the fact that the Second World War brought about great destruction for the entire world, only a small number of nations experienced a complete transformation of their political, cultural, strategic, and economic systems. Poland has become one of those nations. Poland lost a significant amount of territory during the Second World War.

The country's demography, geography, and politics underwent significant upheavals and shifts, and there was extensive material destruction during WW11. In terms of its overall population and national wealth, Poland experienced the greatest number of human and material losses during World War II. It is challenging to locate a case of such a meticulous and massive crime that went unpunished in the history of modern Europe. The War claimed the lives of about estimated between 5.2 million and more than 6 million Polish citizens, including 3 million Polish Jews. Five million of the 24 million Poles who lived through the War were exiled. The other half were dispersed. The other half resided in eastern Poland, which the Soviet Union and prewar Russia annexed. In the immediate postwar years, the majority of the prewar Polish citizens who were living under Soviet rule at the end of the war were repatriated, mostly to the former German Recovered Territories. (Redlich, 2011)

Type of loss	Value in million PLN of 2021	%
Demographic losses	4,786,965	76.95
Material losses	797,398	12.82
Losses of cultural and artistic heritage	19,310	0.31
Losses in banking	89,321	1.44
Losses in insurance	34,804	0.56
Losses to the Polish treasury from the operation of the German *Emissionsbank in Polen*	492,811	7.92
Total	6,220,609	100.00

Source: chapters 3-7. Own calculation

When all the individual values are summed up, Poland's total losses amount to

PLN 6,220,609 million

i.e. six trillion, two hundred twenty billion, six hundred nine million PLN (€1,352,483 million, US $1,532,170 million)

Source: (Mularczyk, 2022) https://www.gov.pl/web/canada-en/report-on-the-losses-suffered-by-poland-as-a-result-of-the-german-aggression-and-occupation-during-world-war-ii-in-the-years-1939-1945.

The end of World War II brought about political and economic changes in Poland. The tensions between the two world powers after World War 11 affected the entire world, so Poland was cut off by the Iron Curtain. Poland was never in a position to plant the seeds of the great economic boom that swept the West up until the 1970s because of the controlled and hegemonic policies of the USSR. The new communist regime attempted to restructure the economy using the state socialism model that Joseph Stalin had established in the Soviet Union, despite the fact that the nation was governed by communists. The introduction of heavy industry and the emergence of large corporations caused the journey to becoming more stable. As every aspect of the production was governed by a top-heavy, centralized bureaucracy. It is crucial to remember that the ideological and cultural foundations of Western capitalist systems, like worker job satisfaction and consumer demand, were ignored. *Privately owned farms were the primary aspect of agricultural life in Poland.* The socialist government's efforts to impose the fiscal state system and the collective farming system led to further farm division. The Polish agricultural policy's unsolvable conundrum was how to increase agricultural productivity while preserving food exports, a significant source of foreign currency, and how to ensure food security for the nation's rapidly expanding population, all while preventing the economic growth of the private sector in agriculture. The result was the orthodox framework of the agricultural system. An adjustable reform was prescribed in relation to the peasant economy as a result of strategies that were implemented over time to eliminate or reduce private land ownership. As a result, in the socialist command-and-quota economy, farmers did not exhibit any market-oriented initiative and instead relied on government assistance. (Grochowska, 2018). The government working under a socialist manifesto required not only the industrial sector but also the agricultural sector to operate under their control which resulted in the isolation of the Polish economy from the global economy following the postwar nationalization of foreign trade.

The socialist 1950 Six-Year Plan formally establishes Poland's transition to a real Soviet-style economy in terms of industrial development. The plan requires for accelerated industrial growth, especially in mining and manufacturing, at the expense of consumer goods and services, agriculture, and other economic sectors. Nearly all commercial enterprises and farms with a size greater than 125 acres are taken over by the state. In the private sector, only family-owned businesses remained. (POLAND, n.d.)

Zajda. Z provided the following as the model of the socialist model of industrialization applied in Poland.

"Industrialization became the key component of the economic development strategy. It aimed to end the socio-political, cultural, and economic backwardness these objectives had to be met as soon as possible, which led to a high percentage of accumulation in national income and the prioritization of industry in the distribution of investments, and -iron metallurgy and the machine-building sector make up its heavy industry. The guiding idea was to ensure a faster rate of development in the production of capital goods than in the production of consumer goods. And particularly in the production of capital goods than industrial consumer goods and more specifically in industrial capital goods. The notion behind "accelerated industrialization," or industrialization in which the highest rate was attained by focusing the means on specific sectors and branches of the economy. Growth was slower in other fields. Due to the extensive exploitation of the economic infrastructure, particularly in the transportation sector, The closed economy was primarily used to implement the industrialization policy. The issue of the global division of labor was not addressed under capitalist conditions.

The goal of industry development was to transform the nation into a self-sufficient economic entity. With the exception of the early years of the process, when investment equipment was imported and short-term credits were used, industrialization was financed by domestic sources.
The European socialist countries began implementing their plans in accordance with this industrialization scheme after the post-war reconstruction had been completed. This industrialization scheme was developed in the USSR under similar conditions. (Zajda, 1970) Due to USSR intervention and the socialist regimes' tightly controlled economic policy. The postwar nationalization of foreign trade cut off the Polish economy from the global economy. However, after the reforms in the 1970s and 1980s and a change in governmental policies, many of the state planning mechanisms were bypassed and individual businesses were given more direct control over their foreign trade activities. But up until 1990, Poland's trade policy was severely constrained by its ties to the Soviet Union-dominated Council for Mutual Economic Assistance (Comecon). Although price supports improved Poland's internal trade balance, they also promoted wasteful, subpar production that hampered its ability to trade with the rest of the world.

World history's defining moment was the fall of communism in Eastern Europe in 1989 and the Soviet Union in 1991. The plight of the economy also changes with the regime change. Poland now has a more liberal and open economic system. Leszek Balcerowica, the deputy prime minister and new economic head of Poland's 1st post-Communist administration, implemented a radical plan for the country's quick transition to a market economy in August 1989. As a result, this tactic has earned a perhaps misleading moniker of "shock therapy." Since its introduction in Poland on January 1st, 1990, the strategy has been hotly contested. Much of the rest of Eastern Europe and the former Soviet Union, including Russia after 1991, have adopted it in modified form. (Sachs, 1994)

Shock therapy was a method to reform the economy and implement rapid, comprehensive, and extensive programs to implement "normal" capitalism. Both the general public and politicians had a clear understanding that shock therapy encompasses all of the actions that distinctly identify Poland as a member of Western Europe. This includes more than just economic reforms. In the society, there was already a general, if unspoken, understanding that whatever would help these nations reintegrate with Western Europe the quickest should be used. Poland's decision to use shock therapy was primarily motivated by the desire to improve its economy by keeping in touch with other nations in the area. In order to achieve this, the government placed a strong emphasis on creating new industries and opportunities for investors as well as maximizing the use of their current economic and production infrastructure. The main goal was to establish institutions similar to those that are already successful in Western Europe.

The best statement was made in 1989 by Leszek Balcerowicz[1], who said, "We are too poor to experiment. If the rich countries want to experiment, let them. For us, it is better to take proven models." (Sachs, 1994) Poland experienced severe inflation in 1989 at the time of the Communist collapse, which would soon erupt into full hyperinflation by October 1989. Additionally, because of Communist-era price controls, massive printing of worthless paper currency, and large budget deficits, hyperinflation was accompanied by severe shortages in the marketplace and the growth of black markets.

After years of state monopoly, the Polish economy was liberated, with the introduction of market-based competition and the privatization of industries. With the aid of nations that were regarded as modern, industrialized, and adhering to capitalist models, modern Poland's founding fathers placed a priority on implementing the trialed and tested economic model for this purpose their more liberal regime contacted and formed a good relationship with the more advance countries to fulfill this dream. Significant foreign direct investment was attracted by wage moderation and a comparatively stable business environment. Since the start of the post-socialist transition in 1989, its GDP per capita has more than doubled. It has been steadily growing since 1992. Polish GDP and living standards started to rise significantly within a few years as the nation started on a growth

[1] Leszek Balcerowicz is considered the architect of Poland's economic reforms initiated in 1989. He designed and executed the radical stabilization and transformation of the Polish economy since the fall of communism in Poland. In September 1989, Leszek Balcerowicz was appointed Deputy Prime Minister of Poland and Minister of Finance in the first non-communist government in Poland after the Second World War. He retained his positions in the government until December 1991.

path that hasn't stopped. When Poland joined the EU in 2004, it was a sign that its efforts had been successful and that the country was on the right path to achieving the status of one of Europe's most developed economies. In 2009, Poland was the only EU economy to avoid a recession. Poland is a shining example of the "convergence machine" in Europe working successfully. Poland is the growth leader in Europe now. The purchasing parity-adjusted income level in 2014 exceeded $24,000 and amounted to nearly 65% of the income level in the Eurozone. (Piatkowski, 5 steps for Poland to boost its innovation, 2015) With an income increase from roughly $10,300 in 1990 to nearly $27,000 PPP in 2017, Poland achieved historically unprecedented success, becoming the world's and Europe's most prosperous economy amongst its contemporaries.

Poland's extraordinary economic success can be attributed to its robust democracy, superior foreign policy, and low debt leverage. Poland was the only democratic country in the post-Soviet camp where everyone's income climbed more swiftly than in the West since its prosperity was also inclusive (Piatkowski, 2018) Poland's infrastructure, as well as its human and productive capital, was improved with the help of numerous billions of euros in EU structural funds.

Poland's Foreign Policy to Accelerate Economic Growth:

Because of the positive legacy of communism, a historically unprecedented social consensus to "return to Europe," Westernized and growth-oriented elites, and the emergence of a robust middle class, Poland has built good institutions. It was also crucial that Western Europe was prepared to accept Eastern Europe (Piatkowski, Poland's Transition Success Story, 2018). Poland's foreign policy does not aim to isolate Russia. It is in favor of keeping open lines of communication with Russia on a regular basis. Polish security policy is heavily influenced by collaboration with neighbors who share Poland's perspective on challenges in Eastern Europe. The Visegrad Group nations, Romania, and the Baltic States are Poland's closest NATO neighbors and work together with it on this front. Poland also aims to strengthen ties with Eastern European nations as well as Scandinavian nations, particularly Sweden and Finland: Ukraine, and Georgia. Poland will therefore look to the international community for assistance in implementing the Plan for Responsible Development and the Strategy for Responsible Development through 2020 (with prospects through 2030), complete with its five pillars: reindustrialization, development of innovative companies, ensuring capital for development, foreign expansion, and social and regional growth. Therefore, it is evident that Poland's successful economic growth is a result of the country's continued economic growth, successful foreign policy, and regional interconnectedness. One of the strategic goals of Polish foreign policy is to support Poland's economic development by influencing EU economic policy. This primarily relates to discussions surrounding the EU Multiannual Financial Framework for 2021–2027 as well as Poland's requirements for the Cohesion Policy and Common Agricultural Policy. The European Structural and Investment Funds' stabilizes the EU single market. It raises living standards and encourages structural adjustments. However, it does not imply that richer nations are making a sacrifice for less developed nations. Indeed, evaluation studies have demonstrated that the Cohesion Policy projects carried out in less wealthy Member States economically benefit net contributors to the EU budget.

What Pakistan can learn from Poland?

From the discussion above, it is clear that Poland's success is truly due to the persistence of economic reforms, the avoidance of local and global conflicts, and the dedication and stability of the government's preferences. It is clear that Poland's foreign policy is actually designed to promote economic aspects. The policy was designed and implemented by sincere and dedicated professionals and experts in their fields. Not to promote any certain industry or a group of elites nor it is based to promote the interests of a certain superpower. Comparatively speaking, it has been clear from the start that power elites have a significant influence on Pakistan's economy and foreign policy. However, we have not established or developed relationships based on our economic interests. Despite the fact that Poland was driven into war, devastated by its neighbors, and subjected to USSR economic, political, and social exploitation, the country's foreign policy was built on the principles of forgiving one another and moving on. Poland has no ongoing major disputes with any other countries. In order to maintain a global environment that is supportive of dynamic social and economic growth, to consolidate and restore the European Union's high global standing, and finally to ensure the stability of Poland's immediate neighborhood, Poland's foreign policy was created to guarantee Poland's security in light of the growing uncertainty and unpredictability of its international environment. (Poland, 2017) We must keep in mind that in the current global environment, states use the term "geo economy" as a means of achieving geopolitical objectives; this relationship between global economics, geopolitics, and strategy is referred to as geo-economics. In actuality, it is the use of economic tools to advance and protect national interests as well as to produce favorable geopolitical results. Pakistan's foreign policy faces numerous difficulties. This region is regarded as the most dangerous in the entire world as the three states are actually atomic powers. Hence it is immensely important to normalize our relationship first and foremost with the neighboring countries and also with other countries. Now the more strong country is the one whose economy is strong otherwise the weak states with atomic weapons are more dangerous to the outside world. Therefore, foreign policy has benefits and drawbacks. The openness and connectivity of Pakistan's economy make it susceptible to outside threats. Economic security has consequently moved to the top of the list of priorities.

A Case Study of the Textile Industry

The textile and garment sector in Pakistan is essential to the country's economy. The textile and clothing industry in Pakistan accounts for more than 61% of all exports and directly employs roughly 40% of the country's industrial labor force.

According to data released by the Pakistan Bureau of Statistics, the country exported textile products worth $19.33 billion during the fiscal year 2021/2022, representing an increase of 25.53 percent when compared to $15.4 billion in the prior fiscal year (PBS). Knitwear exports increased by 34.23 percent in value during the fiscal year 2021–2022, from $3.81 billion to $5.12 billion, compared to the previous fiscal years. Similarly to this, bed wear exports increased by 18.8% to $3.29 billion in the fiscal year 2021/2022 from $2.77 billion in the fiscal year prior. In the meantime, foreign buyers spent $2.44 billion on Pakistani cotton clothing during the fiscal year under review, compared to $1.92 billion the year before, a 27% increase. The country's primary concern continues to be a cotton shortage as the demand for textiles rises, but cotton production has fallen significantly over the past ten years, primarily as a result of a decline in cultivation area and a lower yield brought on by a lack of water and irregular rainfall. Cotton production for the fiscal year 2021–2022 was 8.3 million bales, 2.2 million bales less than the desired production. However, production is up 1.3 million bales from the previous year. If we use more of our cotton, can increase the yield per hectare, and can export more finished goods rather than just raw cotton, Pakistan can increase its textile production. Pakistan's Exports of cotton were US$3.4 Billion in 2021, according to the United Nations COMTRADE database on international trade. Pakistan Exports of cotton - data, historical chart, and statistics - were last updated in December of 2022. (Economics, 2022) (Shah, 2022) The information below shows that Pakistan exports both finished and unfinished textile products to Poland, though their value is not particularly high.

Pakistan Exports to Poland	Value	Year
Other made textile articles, sets, worn clothing	$99.06M	2021
Articles of apparel, not knit or crocheted	$86.84M	2021
Articles of apparel, knit or crocheted	$39.42M	2021
Articles of leather, animal gut, harness, travel good	$25.59M	2021
Cotton	$24.38M	2021
Cereals	$11.48M	2021
Furniture, lighting signs, prefabricated buildings	$7.47M	2021
Oil seed, oleagic fruits, grain, seed, fruits	$7.07M	2021
Plastics	$4.56M	2021
Manmade staple fibers	$4.20M	2021

Source: https://tradingeconomics.com/pakistan/exports/poland

It is clear that Pakistan is also exporting raw cotton to Poland. However, we know that the price of value-added goods is higher than the price of unfinished goods, so it is crucial to capture the market for finished and value-added products. Poland is importing textile products from other competing markets, as shown in the chart below:

Poland Textiles and Clothing Imports by country in US$ Thousand 2020

Partner Name	Import (US$ Thousand)	Import Product Share (%)
China	4,315,052.76	11.73
Bangladesh	2,107,741.38	92.75
Germany	2,063,772.17	3.70
Turkey	1,125,898.41	25.03
India	498,930.78	23.84
Italy	434,701.06	3.41
Pakistan	426,816.27	83.02
Netherlands	337,167.83	3.36
Cambodia	314,595.74	75.42
Vietnam	313,945.36	9.55
Myanmar	299,946.17	83.77
Morocco	266,994.98	43.25

Source: https://wits.worldbank.org/CountryProfile/en/Country/POL/Year/LTST/TradeFlow/Import/Partner/by-country/Product/

Not only raw cotton but Pakistan is also continue to export yarn rather than finished goods to its own competitors.

Top exporting countries from Pakistan in 2021 for "Cotton yarn (other than sewing thread), containing 85% or more by weight of cotton, not put up for retail sale"((HS), 2022):
China has a 64% share (751 million US dollars).
Bangladesh has a 10.6% market share (122 million US dollars).
Portugal's share was 3.97% (45 million US dollars).
Turkey contributed with 2.69% (31 million US dollars).
Italy had a stake of $30 million US (2.61%).
With a stake of 2.51% (29 million US dollars), Japan
With a stake of 2.51% (29 million US dollars), Japan
With a stake of 2.15% (24 million US dollars), Korea
Germany - 10.8 million US$
Honduras - 8.76 million US$

This is the dilemma that we are exporting our cotton yarn and are importing yarn from different countries and are paying huge amount of foreign exchange

Leading trading partners for Pakistan in 2021 in terms of the import of "Cotton yarn (other than sewing thread), containing 85% or more by weight of cotton, not put up for retail sale": ((HS), Pakistan | Imports and Exports, 2022)

- China held a 72% share (74 million US dollars)
- With a share of 8.83% and $9.13 million USD, Uzbekistan
- With a share of 4.33%, Vietnam (4.47 million US$)
- With a share of 4.03% (4.17 million US dollars), Indonesia
- Oman, with a stake worth 2.73 million US dollars (2.64%)
- Turkey's share was 1.7% (1.76 million US dollars).

- Egypt's part was 1.66% (1.71 million US dollars).
- Thailand's share 1.48% (1.53 million US dollars).
- Turkmenistan - 808 thousand US$
- Tajikistan - 774 thousand US$

Shujaat Alavi Director MEA for Agriculture and Industrial Bio solutions at Novozymes commented on this situation "We as a country continue to have this dilemma of whether to do more value addition or not as.to be fair …it is a bittersweet situation. Value addition means a lot more complex value chain which means larger number of possible weak spots that can cause crashes. So for example selling t-shirts is much more profitable but if your button supplier screws up then your entire shipment can be jeopardized. But if it works you create a lot of more jobs, earn more foreign exchange, etc. Additionally, unless you are like Bangladesh where you have preferential status in most countries, then your finished goods will face dumping duties… in order to support the local industries. So, it is easier and more reliable to sell yarn as a raw material to larger textile producers rather than to make value-added garments. Now home textile is a different discussion and therefore our home textile industry is good".

Conclusion:

It is clear from the study above that Poland's foreign policy was created with the nation's economic interests in mind. It is obvious that resources were used in every era to increase its economy. The foreign ministry's main tool is non-interventionist policy. Since we live in a region where we cannot survive without having a strong deterrence, Pakistan's main failing is that its foreign policy has always been centred on maintaining its security. It is now crucial to find solutions to these problems and create a foreign policy that will strengthen and support the nation's economy. The economy of Pakistan can only grow when we learn to use our resources as efficiently as possible without being influenced by its elite.

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