



11th Europe-Ukraine Forum

Rzeszów, Poland, 13-14 March, **2018**



Marek Kuchcinski, Speaker of the Sejm of Poland, Altai Efendiev, Secretary General of the GUAM Organization for Democracy and Economic Development, Jean-Pierre Froehly, Senior Political Adviser/Head of Director's Office of OSCE, Mykola Kniazhytskyi, Head of EU-Ukraine Parliamentary Association Committee, Wladyslaw Ortyl, Marshal of the Subcarpathian Region

Association with the European Union and What Next?

The Europe-Ukraine Forum is one of the key events organised by the Institute for Eastern Studies. Modernization, development of Ukraine's potential, direction and pace of reforms were the leading themes of the 11th edition. It brought together nearly 500 participants from Poland, Ukraine, EU, its neighbour states, Canada and the US, including government members, politicians, businessmen, regional officials, representatives of international organizations and think tanks.

The previous editions took place in different locations, i.e. Kiev, Wroclaw, Lodz and Krynica. Since 2017, the Europe-Ukraine Forum has been held in Rzeszów and co-organised by the Podkarpackie Region Marshal's Office.

A two-day conference was filled with debates, meetings and discussion panels focusing on economic, political and social issues. The offer was completed by presentations of reports, as well as the ones devoted to potential of Ukrainian regions. It has also opened a chance for our eastern neighbour to point-out the main achievements of selected sectors of its economy. Like it happens every year, panel discussions were focused on events related to business and economy, European integration and reforms in Ukraine, international politics and changes taking place in society. Panel discussions gave an opportunity to present opinions of experts who have been well aware of challenges facing both, Ukraine and EU countries.

What may Ukraine expect in next few years? What has already been done and what change is needed to make an entry into EU structures a fact? These were the main questions that the guests of the 11th edition of the Europe-Ukraine Forum faced. It took place on 13-14 March 2018

in G2A Arena in Rzeszów - Jasionka and its leitmotiv were the issues of modernization and development of Ukraine's potential as well as the direction and pace of necessary reforms. The meeting was coorganized by the Polish-Ukrainian Chamber of Commerce.

During the meeting, there were organized 2 plenary sessions, 45 discussion panels and various presentations (devoted to Ukrainian regions, thematic ones, etc.). Forum was accompanied by two StartUp Sessions, exhibition "Prisoners of the Kremlin. Unknown Victims of Undeclared War", as well as the presentation of the report "Ukraine 2017-2018 - New Realities, Old Problems", prepared in cooperation Razumkov Centre for Economic & Political Studies in Kiev.

Over 1,000 representatives of politics, business and the media took part in the conference. Among them, 300 were the panellists who were trying to define Ukrainian contribution to the process of a common European economy building and influence of immigration on Polish and European labour market.



Jadwiga Emilewicz, Minister of Entrepreneurship and Technology of Poland



Gorgana Čomić, Deputy Speaker of the National Assembly of Serbia, Ryszard Terlecki, Deputy Speaker of the Sejm of Poland, Bogusław Chrobot, Editor-in-Chief of „Rzeczpospolita”

What's the importance of the "New Silk Road" concept for the development of the region? How to put Ukraine on the business path from China to Europe? These and much more important questions had to be answered by panelists. Among them were Speaker of the Sejm of the Republic of Poland **Marek Kuchciński**, Minister of Entrepreneurship and Technology **Jadwiga Emilewicz**, Minister of Investment and Economic Development **Jerzy Kwieciński**, Minister of Infrastructure **Andrzej Adamczyk**, and representatives of the Polish state administration. There was also a large representation of Ukrainian authorities, economic and social circles and experts, including numerous representatives of regions.

Guests from abroad represented various countries and organizations. In addition to Poles and Ukrainians, the presence of representatives of the Visegrad Group countries, the Baltic and Balkan countries, Georgia, Moldova and Belarus was particularly noticeable. Representatives of: the European Union, the Organization for Security and Cooperation in Europe (OSCE), GUAM, the regional organization operating in the Black Sea area and the Caucasus, also took part in discussions.

The Speaker of the Sejm of the Republic of Poland assumed the honorary patronage of the 11th Europe-Ukraine Forum. "The ten-year tradition of meetings confirms how necessary this initiative is," emphasized Kuchciński.

Debates of the 11th Europe-Ukraine Forum focused on the most important questions related to the development of Ukraine and its relations with other European countries. During the discussion panel "From the Association to Customs Union?", participants discussed about searching for a realistic model of European integration and defined the balance of positive and negative issues resulting from the association. **Peter Wagner**, Head of the Support Group for

Ukraine in the European Commission, emphasized that the association agreement is being implemented very dynamically, but there is still much to do. There has been a structural improvement and the overall picture of Ukraine - compared to the starting point from three years ago - is very satisfactory. Wagner noticed that instead of building relationships on numerous promises, we should focus on joint action and what we can achieve together.

The participants of the panel "Thresholds and Barriers in Trade and Investment International Cooperation" discussed the challenges awaiting European entrepreneurs on the Ukrainian market, and Ukrainian businessmen in the EU countries. The panellists tried to answer the questions such as: Whether it is possible to achieve the symmetry of mutual benefits? Which sectors of the economy are facing new challenges and what are the chances for accelerated development? **Jerzy Kwieciński**, Minister of Investments and Development, noticed positive symptoms in the field



Andrzej Adamczyk, Minister of Infrastructure of Poland



Jacek Kluczowski, Ambassador of Poland to Ukraine (2005-2010), **Jerzy Kwieciński**, Minister of Investment and Economic Development of Poland, **Vasyl Bodnar**, Deputy Minister of Foreign Affairs of Ukraine, **Bartosz Cichocki**, Undersecretary of State of Ministry of Foreign Affairs of Poland, **Gordana Čomić**, Deputy Speaker of the National Assembly of Serbia

of commercial cooperation between Poland and Ukraine. Exports of goods from Poland to Ukraine increased by 24%, while imports from Ukraine to Poland - by 27%. According to minister Kwieciński, the government relations between Warsaw and Kiev are not perfect. However, an economic cooperation could impact them with a positive impulse.

The trade agreement between the European Union and Ukraine has a positive impact on the improvement of mutual economic relations. The implementation of this agreement proves that Kiev has chosen the path, which Poland followed in the 1990s. According to minister Kwieciński, the development of Ukraine is in the interest of Poland, whereas **Anatoliy Kinakh**, Ukraine's former Prime Minister and President of the Ukrainian Union of Industrialists and Entrepreneurs, observed that the irreversibility of Ukraine's integration with the European Union is a fact. Ukrainians look at this cooperation with great respect, he added. **Jacek Piechota**, President of the Polish-Ukrainian Chamber of Commerce, argued that Poles support Ukraine's trans-

formation. He also noted that the reactivation of the trade and investment working group was a very good step forward. The participants of the Forum also discussed important issues regarding cooperation in specific sectors of the economy, especially in the context of the implementation of the free trade agreement.

The Ukrainian Institute for Social and Economic Studies co-hosted the panel "The Peripheral Development Syndrome. How to Build an Innovative Economy?". The discussion was preceded by the presentation of the book "Taxes and trust: the transition from coercion to harmonization in Poland, Russia and Ukraine" by **Marc Berenson**, from the King's College in London. A special guest of the panel was **Jadwiga Emilewicz**, Minister of Entrepreneurship and Technology. "The perception of institutions as weak and not trustworthy is one of the elements of peripherality," Emilewicz reminded. According to the minister, the problem of peripherality in Poland is primarily the lack of uniformity in the distribution of wealth or simply social stratification despite good economic indicators. "Unfortunately, only 5% of Polish exports are innovative," she claimed, adding that all these indicators are the starting point for introducing reforms that drive the economy to new paths. An important element for the Polish government is supporting economic patriotism. "The next step out of peripherality is to create organized development institutions," Emilewicz summed up, stressing that the peripherality of Poland is slowly becoming history.

During the Forum were also raised important issues regarding the role of the Ukrainian diaspora in building the European economy. In recent years, many specialists and workers from Ukraine have emigrated to the European Union in search of a job. The Ukrainian diaspora is an organized, hard-working and conscientious community. It constitutes a significant part of employee capital in Poland and other EU countries. According to a Polish MP **Józef Lassota**, over 2 million Ukrainians work in Poland.



Anatoliy Kinakh, former Prime Minister, President of the Ukrainian League of Industrialists and Entrepreneurs

In his opinion, the Ukrainians do not take jobs away from Poles, but they complement the staff shortages that occur in some industries. Such support is needed for the Polish economy, he highlighted. The participants of the discussion panel agreed that before joining the European Union Poland faced similar emigration problems. Polish labour emigrants quickly adapted to the situation on foreign labour markets and even began to promote to managerial positions. Therefore, with the example of Polish economic emigration, in the case of Ukrainians you cannot rely solely on the argument of cheap labour.

The issues related to the impact of geopolitical initiatives on the economy have not been omitted. The topic of cooperation in the field of transport as part of the New Silk Road initiative was very popular. It involves building a connection network between the rapidly developing western part of China and Europe. The southern variant, interesting for Poland and its neighbours, runs through the countries of Central Asia and the South Caucasus. The guests of the Forum, including Polish Minister of Infrastructure **Andrzej Adamczyk**, discussed the ways in which this project can be optimally used for the development of the countries of Central and Eastern Europe. During the Forum, the topic of cooperation between countries within the framework of the Three Seas Initiative was also taken up. Ukraine, although not a member, is also interested in cooperation on transport and energy issues. Panellists also discussed what actions should be taken to include Ukraine in the development strategy of infrastructure and energy projects.

In most panel discussions, there were not only politicians and experts, but also business representatives, mainly from Poland and Ukraine, who brought to the debate practical aspects resulting from everyday economic cooperation in the region. Presentations were also hosted by businesses, economic experts and local government officials as well as stories of successes achieved by companies, institutions and regions.



Jan Krzysztof Bielecki, former Prime Minister of Poland, Chairman of the Partners Board of EY



Jerzy Hoffman, Film Director, Zodiak Jerzy Hoffman Film Production

A novelty in the program of this year's Forum was the gala, during which special distinctions were granted to people who influence the culture on both banks of the Bug River. The prize was the original statuettes of the "The Carpathian Europe of Common Values Award" and cash cheques. Two personalities of Polish and Ukrainian cinema received them. On the Polish side of the border, the statuette went to **Jerzy Hoffman**, an outstanding Polish film director who made such important films for Polish cinematography as: "Mr. Wolodyjowski", "The Deluge", "With Fire and Sword", "The Quack" or "Battle of Warsaw 1920". In 2008, he created a documentary "Ukraine, the Birth of a Nation", which was very warmly welcomed in our eastern neighbourhood. The second statuette went to **Oleg Sentsov**, a rising star of Ukrainian cinematography who was arrested in 2014 and sentenced by a Russian court to 20 years in a labour camp for alleged activity against the Russia in Crimea.

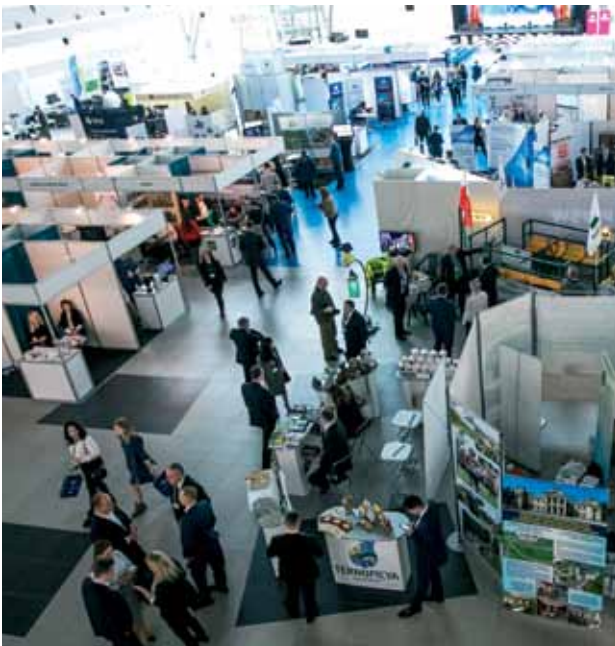
In 2018, as in the previous year, the **Eastern Trade Fair** was an important part of the Forum. They are an op-



Władysław Ortyl, Marshal of the Subcarpathian Region

portunity to establish business and partner relationships for companies that operate on both sides of the Polish-Ukrainian border as well as the region of Central and Eastern Europe. This year, the Forum hosted over 90 exhibitors. The Trade Fair was not only an opportunity to present flagship products and projects that could influence the strengthening of the market position, but also a great opportunity to establish business contacts and exchange experiences. The Ministry of Entrepreneurship and Technology has announced its help and wants to attract to Poland over 60 new technology companies - including those from Ukraine.

Entrepreneurs also had their five minutes in the main program of the Europe - Ukraine Forum. The awards were given in the competition **"The Most Attractive Stand of the 2nd Eastern Trade Fair"**. The aim of this competition was to choose the best exhibition arranged in terms of aesthetics and functionality. What is important - the juries' assessment was subject only to the way of presentation of the trade offer at the Trade Fair, not the offer itself. The competition jury awarded three companies that prepared the most interesting stands. The main prize is the opportunity to present the exhibitor at the Economic Forum in Krynica. The first place in the competition **"The Most Attractive Stand of the 2nd Eastern Trade Fair"** was taken by **Hotel Arłamów S.A.** The second position belonged to **the Association for the Development and Promotion of the Carpathian Region "Pro Carpathia"**. **Representatives of the Ternopil Regional State Administration** from Ukraine stood at the lowest stage of the podium.



Targi Wschodnie as part of the 11th Europe-Ukraine Forum



Jerzy Kwieciński, Minister of Investment and Economic Development of Poland

The Europe-Ukraine Forum in Rzeszów also proved that Poland is currently strongly committed to innovation. In the last few years startups have become one of the hottest economic topics. Founding one's own business by young entrepreneurs is not only about the trend, but above all about the possibility of real influence on the development of the company and the realization of one's passions, talents and skills.

Startup Session, organized as the new initiative of the Institute for Eastern Studies - **Economic Accelerator**, provides an opportunity for entrepreneurs to present their ideas in front of conference guests and fight for the award of the Expert Committee and the public - a performance during the Economic Forum in Krynica as part of Startup Session Elite.

The public award for the best startup presented during Startup Session went to **ASPAE**. The company produces small size wind turbines which, unlike standard solutions, do not produce electricity but compressed air. The idea is to allow everyone to accumulate wind energy in a "battery" on their roof in the future. When needed, it will use it for its own needs, instead of conventional energy sources. The award was presented to the winner by the Minister of Investment and Development, **Jerzy Kwieciński**. "We want Poland to be a country of startups," he said. The winner of the Expert Committee award for the best startup was **WiseGlass**. The company offers mirrors to advertisers with an in-built intelligent system, which thanks to sensors recognizes gender and indicates the advertisement that should be seen by the person viewing it. The award ceremony was held by the Marshal of Podkarpackie Province, **Władysław Ortyl**.

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