

## **Remarks**

**Ambassador Stephen D. Mull**

**Koźmiński University**

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Thank you very much Rector Bielecki and President Koźmiński for inviting me to visit your university and meet with your students today. It is a tremendous honor for me to be here.

Congratulations to the university administration for being named by *Rzeczpospolita* as Poland's number one private university – for the fourteenth time in a row. Since it opened twenty years ago, Kozminski University has earned a fantastic reputation for turning out leaders of Polish and international business, so I congratulate all of the students here for your choice of school.

It is a terrific time to be studying international business and economics, especially here in Poland, and I am confident that you will follow in the successful footsteps of your predecessors here.

One reason I am optimistic about the future is the amazing resiliency and strength of the Polish economy. When I first came here as a young diplomat in the mid-1980s, it was hard to imagine that Poland would become such a thriving, prosperous country in such a short time. I worked here again for several years in the mid 1990s, and I could already see that Poland was laying the foundation for a strong market economy through smart government policies and growing foreign investment --but most of all through the hard work and entrepreneurial spirit of the Polish people.

The transformation of Poland since I first worked here has been remarkable, and today Poland has one of the strongest economies in Europe. Poland was the only EU country to avoid recession in 2009 and its GDP grew by an impressive 15.8% from 2008 to 2011. Even though growth has slowed down during recent months, Poland is still doing better than nearly all other EU members, and there are already signs that the worst of the economic slowdown is over.

The second reason I am optimistic about the future is the fact that I see bright prospects for growth in the economic and commercial relationship between the United States and Poland, especially as the United States and the European Union are about to launch talks on a new Transatlantic Trade and Investment Partnership, or "TTIP."

At a time when it seems like we only hear about the growing economic importance of Asia, it is crucial to realize that the most important economic relationship in the world is still that between the United States and Europe. The Transatlantic area accounts for over half of the world's GDP, and accounts for well over half of the world's foreign direct investment. Every day roughly \$1.7 billion in goods and services crosses the Atlantic, representing about one-third of total global trade in goods and more than 40 percent of world trade in services.

Americans sell three times as much in merchandise exports to Europe than to China and 15 times more than to India. The European Union sold the United States nearly twice the goods it sold China and nearly 7 times what it sold India. Transatlantic investment flows total nearly \$3 trillion a year and the stock of

U.S. foreign direct investment in Europe is four times greater than it is in all of Asia.

Within this immense economic area, Poland is the largest partner of the United States in Central Europe. In just the first nine months of 2012, U.S. firms invested \$662 million in Poland. By one set of estimates, the stock of U.S. foreign direct investment in Poland rose from just \$1 billion in 1995 to over \$12 billion in 2011. Other estimates show the stock of U.S. investment to be as high as \$20 billion.

Around 200,000 people are now working for affiliates of U.S. companies in Poland. This figure includes at least 100,000 manufacturing jobs at facilities such as the General Motors Plant in Tychy, the CMC Steel plant in Zawiercie, and the PZL Mielec helicopter production facility near Rzeszów.

It also includes financial services jobs at places like Price Waterhouse Cooper and Citibank, as well as high-tech researchers and workers at Google, Microsoft, and Cisco systems. U.S. companies consistently rank as among the best places to work in Poland.

U.S. affiliates not only provide excellent jobs, but they also drive innovation, accounting for 25% of all business-funded research and development in Poland. They are in the forefront of many of the most important sectors in Poland, leading in energy development, infrastructure, electronics and IT. They bring to the table vast experience and cutting-edge technology.

I'm gratified to say that this foreign investment has not all been one-way. Although it is difficult to find precise figures, Polish firms have now invested between \$1 billion and \$2 billion in the U.S. market. The last time I was lucky enough to serve here, the U.S. government was providing millions of dollars to help seed new Polish companies through the Polish American Enterprise Fund. Now, only about a decade and a half later, the Polish private sector is so successful that it is expanding globally.

Another area where there is room for expansion is in trade.

Bilateral trade between Poland and the U.S. has quadrupled in the last ten years to reach \$7.8 billion, but that's still not enough.

Poland is now, by some measures the 20th largest economy in the world (IMF), but it was only the 54th largest trading partner

of the United States in 2012. U.S. trade with Poland amounts to only 1.3% of our trade with the entire European Union.

As the economies of both Poland and the United States continue to grow, while some of our other trading partners are lagging, it makes sense that we should look to each other for markets. The U.S. and Polish governments work together in a variety of ways to expand our bilateral trade and increase investment:

- Each year we hold an economic and commercial dialogue to enhance our economic cooperation -- the most recent session was just at the end of April.
- Our Embassy assists the Polish government in implementing its TOP 500 innovators program which sends Polish scientists and researchers to Stanford to learn how to turn ideas into products.

- Our Commercial service at the Embassy handles inquiries from about 50 companies a week looking to do business in Poland, and hosts dozens of trade promotion events each year.

Perhaps our closest economic cooperation with Poland comes in the energy field. We consult with the Polish government and its companies to help develop unconventional gas, renewables, and nuclear energy. During the last few years, we have signed three important bilateral agreements relating to these energy sources, helping to advance U.S.-Polish energy cooperation.

We support diversity in Poland's energy mix not just because of the commercial opportunities it might present, but more importantly because we agree with the Polish government that reducing dependence on imported natural gas will enhance Poland's – and the region's – energy security.

U.S. firms are already deeply engaged in the renewable and shale gas sectors in Poland and hope to bring their state-of-the-art technology and experience in nuclear energy here as well.

Although there are geological, economic, and legal uncertainties that make it hard to predict exactly what Poland's energy mix will be in the future, prospects seem good that Poland will develop diverse sources of supply, and that U.S. companies will play an important role.

As I mentioned earlier, it is a particularly appropriate time for us to talk about the future of our economic relations as we are about to begin negotiating the Transatlantic Trade and Investment Partnership or "TTIP." This is an enormously ambitious undertaking. Although we are still early in the process and the scope of the negotiations is not yet fixed, the

US-EU High Level Working Group (HWLG) on Growth and Jobs set out a long list of topics for the agreement to address: tariffs; services; investment reforms and protection; government procurement; WTO-plus rules on sanitary and phytosanitary issues (SPS); intellectual property rights; trade facilitation; competition policy; labor and environment.

The significance of successful TTIP negotiations will go beyond just increasing trade, investment, and economic growth. As we did after World War Two in setting up the multilateral trading and monetary system that led to decades of unprecedented and widespread prosperity, the United States and Europe will again endeavor to expand and shape the global trading system in response to a changing world.

The TTIP negotiations will likely become the central theme in the transatlantic dialogue in coming months. But this attention will not come at the expense of our bilateral economic agenda or the other key elements that make up the foundation of the U.S.-Polish relationship: our partnership in security and defense matters and our shared commitment to promoting democracy.

As we adapt to new global strategic challenges, Poland is becoming an increasingly important component of our collective security in NATO. In fact, our security relationship has never been closer. For over six months, a permanent detachment of U.S. military has been stationed on Polish soil at the air base in Łask. Right now that Aviation Detachment is hosting a deployment of F-16s who have come all the way from the United States to participate in training and exercises here.

Poland remains a crucial partner in NATO's plans to enhance

our ability to defend us against missiles launched from the Middle East. Poland's influence in NATO is growing thanks to its contribution to the alliance's mission in Afghanistan, as well as its commitment to military modernization and maintaining defense spending.

Poland is also a key partner to the United States in supporting those in other countries who seek to exercise the democratic rights and the universal values that our own people believe in and have fought to defend. Based on its own inspiring example, Poland has become an undisputed leader in helping other countries -- not only in Europe's Eastern Neighborhood, but from North Africa to Burma-- to undergo the difficult transition to democracy. In countless joint projects and multilateral fora, the United States and Poland work closely together to help spread freedom, prosperity, and democracy.

The future therefore promises an increasingly close U.S.-Polish relationship, as we adapt to challenges that are complex and global in scale. The transatlantic relationship is meeting challenges head on--adjusting its security strategy, promoting democracy in far corners of the earth, and, perhaps most importantly for business students here at Kozminski University, aggressively seeking new opportunities to expand trade and investment to ensure our future prosperity. I am confident that you will all be able to take advantage of these opportunities as you move on to successful careers in business, government, or whatever field you choose. Good luck to each and every one of you!

Questions?