

the Chinese Communist Party's management practices, such as lianghui ("Two Sessions" – the biggest annual political event in China), have already been postponed. The country's international image will also suffer because of the epidemic, as many international cultural and sport events have been either cancelled or delayed. As one can see, the domestic epidemiological crisis has already turned into a source of broader tensions, which will have an impact on China and its international position in the coming months.

China blocks again poultry imports from Poland again

Lukasz Sarek

In January, the Chinese customs authorities officially banned Polish poultry and poultry products from the Chinese market due to the detection of avian influenza outbreaks in several locations in Poland (Lublin region in eastern Poland and Greater Poland region in western Poland). The actual opening of the Chinese market to Polish poultry at the end of 2018 resulted in a dynamic increase in the value of exports to China of live chicks and chicken, frozen chicken meat, chilled offal and turkey meat. Although at that time the Chinese market was opened to Polish market with great difficulty and after long efforts, now it has been closed again. The timeline for potential reopening is hard to predict as of now.

The Chinese demand for animal proteins has been increasing in the recent years and it seems that the upward trend will continue in the long term. The fall in domestic production that we witnessed in recent months, coupled with the current high prices of pork and the authorities' announcement of supporting imports all together increase the attractiveness of PRC as a market for foreign exporters.

The increase in demand for poultry imports coincides with growing competition between the largest poultry exporters. Poultry exports to China are currently dominated by Brazil, but Argentina and Thailand are rapidly increasing their export volume and market share. Since November last year, China has also opened its market to the US, the world's largest poultry producer.

The increasing imports should not overshadow the fact that food self-sufficiency is one of the fundamentals of CCP's food-related policies. In the current situation, Chinese

authorities are forced to facilitate bigger imports to secure that the supplies volume matches the growing demand. However, they also make continuous efforts to boost domestic production and to help local companies successfully compete with their foreign counterparts. On the one hand, it should be taken into account that Beijing will strive to limit the imports' market share and increase the competition between different players to decrease the risk of supplies failure and to strengthen the bargaining power of Chinese importers. On the other hand, however, Chinese authorities will be very careful in opening or reopening the market to the suppliers from countries with a record of poultry diseases and other health or sanitary issues.

The cessation of imports from Poland takes place at a very unfortunate time, when the leading exporters to China are increasing their export volumes and new players are rapidly enlarging their market share. When it comes to export diversification and long-term opportunities, China is an attractive market for the Polish poultry industry. However, due to political and economic reasons, its stability is much lower than that of the current key European markets. EU countries account for over 70% of Polish poultry exports. In a short and mid-term perspective, the EU will remain the key market for Polish producers for a number of reasons, such as the recognition of the rule of regionalisation, relatively cheap and easy transportation as well as generally free flow of goods. Therefore, Polish enterprises should eschew excessive exposure to China and reasonably deploy resources required to enter the Chinese market in order to avoid the risk of diminishing their current customer base in case of spending too much resources on entering China.

In order to achieve the reopening of the Chinese market as soon as possible, the dialogue with relevant state administration bodies in the PRC should be intensified. Chinese government should be informed about the bird flu developments in Poland and the undertaken countermeasures. The conditions and possible date of the reintroduction of Polish poultry into China should also be discussed and the negotiations with the Chinese counterparts should be based on substantive and technical considerations. The key element that would be extremely helpful in stabilising the business environment and boosting Polish exports would be the recognition of the principle of regionalization by Beijing. Polish authorities should urge China to adopt this rule. Due to various political, economic and cultural reasons, the sheer size of the Chinese market does not simply translate into actual

opportunities for Polish companies, however. Moreover, obtaining approval for market opening should not be associated with concessions on important political and economic issues.

The continuing fight for Idlib – its significance and possible outcomes

Łukasz Przybyszewski

The 2018 Sochi agreement between Turkey and Russia assumed the creation of a demilitarised buffer zone in the area around Syrian Idlib. However, as the rebels did not lay down their arms, in May 2019 the Syrian Arab Army (SAA), supported by Russian forces, launched a series of briefly interrupted offensives. The current offensive is the third and strongest carried out so far. As a result of the SAA actions, the area separating Idlib from Assad's forces was recaptured, but the operation also claimed the lives of Turkish soldiers. The Turkish retaliation for the losses, in turn, forced both sides to continue the vendetta. It is yet to be seen how long Turkey and Syria will be able to stay on this course. Therefore, a scenario in which Turkey decides to make more use of the rebels located in Idlib is still possible.

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As a result of the SAA actions, the area separating Idlib from Assad's forces was recaptured, but the operation also claimed the lives of Turkish soldiers. The Turkish retaliation for the losses, in turn, forced both sides to continue the vendetta. It is yet to be seen how long Turkey and Syria will be able to stay on this course. A scenario in which Turkey decides to make more use of the rebels located in Idlib is therefore still possible. The death of pro-Iranian fighters and the escalation of the conflict over Idlib forced the Iranian diplomacy to act as well. However, Turkey and Iran still have too much in common to allow their relations to deteriorate because of the Idlib conflict. Although Ankara blames Damascus and Moscow for its losses, the Turkish authorities had to work out some kind of agreement with Russia.