

September 24, 2020
KL/450/322/AM/2020

Ms
Luisa Santos
Deputy Director General
BusinessEurope

Dear Ms Santos,

With reference to your e-mail concerning US restrictions against certain Chinese companies, please find enclosed Polish Confederation Lewiatan comments on the matter.

Yours sincerely,



Maciej Witucki
President
Polish Confederation Lewiatan

Annex:

Polish Confederation Lewiatan comments on US restrictions against certain Chinese companies.

member of 



Konfederacja Lewiatan
ul. Zbyszka Cybulskiego 3
00-727 Warszawa
tel.(+48) 22 55 99 900
fax (+48) 22 55 99 910
lewiatan@konfederacjalewiatan.pl
www.konfederacjalewiatan.pl

Polish Confederation
Lewiatan
Brussels Office
Avenue de Cortenbergh 168
tel.(+32) 2 73 21 306

NIP 5262353400
KRS 0000053779
Sąd Rejonowy dla
m.st. Warszawy w Warszawie
XIII Wydział Gospodarczy KRS



Polish Confederation Lewiatan comments on US restrictions against certain Chinese companies

*** Have you received similar requests from the US authorities either in your facilities here in Europe or in other markets including the US?**

The overall answer is yes. We have seen quite a few cases where an order placed in one way or another involves signing additional statements not to transfer US technology to Huawei Group companies.

Examples of this are Dolby, TiVO, but also companies with which our member companies do not cooperate directly, i.e. companies, which supply silicon for processors, terminate Huawei's contracts, which generally destabilizes the global market (Huawei orders huge quantities of materials from other companies before the contract is terminated, in order to secure the next years deliveries, and before it builds a new supply chain, which leads to huge shortages in applications).

In general, this process is visible from software suppliers to active electronic components.

*** How much could this situation impact your business operations?**

*** Is there any specific action that you think BusinessEurope should take?**

From our perspective, China is a key supplier of many very cheap components that are not supplied by anyone else in the world. It seems essential, above all, to take an appropriate position on the whole situation.

From the point of view of Poland's strategic position, this brings enormous opportunities for production cooperation with China, which, burdened with huge duties, will be looking for opportunities to deliver its solutions to the USA, showing that they are produced outside Asia.

On the other hand, if there is a strategic desire to become independent of Chinese producers (and we have the impression that this trend is becoming increasingly visible), the European Commission and the Member States of the EU should consider strategic investment in the production of electronic components in Europe - such production, by its very nature, would certainly destabilise the market for these components and would in no way be competitively priced, so it would have to be heavily subsidised. It would probably also lead to the collapse of the market for small electronic components, but it would ensure strategic independence, and here, with such investments, there is also room for investment in PL.

It seems that BE should press the European Commission to take decisive and coordinated action as soon as possible, in agreement with the European Parliament and the Council, and in consistency with a broader strategy on the development, security and future of the EU market.

