

Impact of the Common Agricultural Policy on the competitiveness of the Polish agri-food sector

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ABSTRACT

Polish accession to the European Union significantly changed the economic conditions of agriculture, food industry and the broader market environment of Polish food economy. These changes resulted, primarily, from the elimination of customs borders between Poland and other EU Member States and the placing of Polish agri-food sector under the common agricultural and trade policy. The most important reason for these changes, i.e. the inclusion of Polish territory to the Single European Market and, consequently, entering of the Polish economy to a free trade zone, was tantamount to the abolition of customs duties and other trade restrictions in trade with other Member States, covering our country by the EU customs tariff and trade agreements concluded by the European Union prior to enlargement, and cancelling all the trade agreements concluded by Poland. Improvement of the Polish food producers position would not have been possible if they had not achieved competitive advantages over producers from other EU countries, i.e. if they had not offered to the EU consumers the products corresponding to their expectations, but at the same time better and cheaper than the offer of their competitors. So far, the main source of competitive advantage on the EU and global markets were, above all, short-term cost and price advantages. However, in the context of European integration and economic globalisation, the long-term determinants of competitiveness, such as food safety, innovation and level of intellectual capital are gaining in importance.