

Polish officials call on EU leaders for unity after Brexit



Poland will work to retain the closest possible economic and political ties with Great Britain and press the European Union to address the European governance issues which may have influenced the British referendum result, President Andrzej Duda said Friday following Britain's historic vote to leave EU. The EU needs to stay united and cohesive and avoid the domino effect at all cost, Duda also said.

The British people's decision on leaving the European Union is a clear signal for EU leaders that they should maintain unity and do everything in their power to avoid a "domino effect", President Duda said.

He also said that it needs to be considered why people in the UK had decided to leave the EU, whether it was not that "the EU imposes too much on countries that belong to it".

The European Union must approach the British EU referendum with a "positive response" including a new EU Treaty towards more consensual decision making and clearly defined division of rights between the EU and member states, the leader of Poland's governing party Law and Justice (PiS) Jaroslaw Kaczynski has said.

Polish PM Beata Szydlo said that her government will propose reforms which in their opinion the European Union needs, Polish PM Beata Szydlo said Friday

"The outcome of the British referendum is the result of crisis in the EU which have not been solved but swept under the carpet," Szydlo said.

She said that the goal of the Polish government is to build a strong, united Europe of sovereign nations and that such proposals will be presented at the EU forum.

"We will propose reforms which in our opinion are necessary in the EU in order to make it grow stronger and develop, and above all to make it an organization uniting 27 member states which thinks about its further development," she said.

Poland's biggest parliamentary opposition party Civic Platform (PO) will "engage in the protection of EU integrity" and will defend the position and presence of Poland in the EU, PO leader Grzegorz Schetyna said.

Pawel Kukiz of the second largest opposition grouping called Brexit the last call to start renewal of the EU. In Thursday's ballot, 52% of Britons voted to leave and 48% voted to remain in the EU. The referendum turnout was 71.8% - with more than 30 million people voting - the highest turnout at a UK-wide vote since 1992.

Brexit is bad news for Poland - foreign minister

This is bad news for Europe and Poland, Foreign Minister Witold Waszczykowski said Friday on TV commenting the results of the Thursday Brexit referendum showing that the United Kingdom will be leaving the European Union.

"I can only sigh. It's really happened. This is bad news for Europe, and especially bad news for Poland. First, it means destabilization in Britain itself at this time", Waszczykowski said.

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The United Kingdom leaving the EU would have a negative effect on every aspect of EU policy and its future, Deputy Foreign Minister Konrad Szymanski had said earlier.

The three main threats include limitation of employee rights of EU nationals in Britain, easing of economic ties between the EU and Great Britain and inspiration for other countries to solve their problems in the same way. The last of the three is the most serious as it would weaken the European community.

Poland prepared for every scenario, including Brexit.

Finance Minister Pawel Szlamacha said that Poland need make no 'nervous moves' after a potential Brexit vote thanks to a high level of borrowing needs financing, although the Polish zloty may temporarily depreciate. "Further on, financial markets will rather look at fundamentals: on how we are able to realize our program and keep the deficit in check through increasing budget revenues and rationalizing expenditures," he added.

The high level of financing of borrowing needs, currently at 70%, as well as a PLN 60 billion liquidity cushion, gives Poland comfort in the case of a Brexit vote, Szlamacha said.

Commenting on the Brexit referendum, The NBP central bank's Vice-President Anna Trzecinska also said that the most important thing is to remain calm.

She told reporters that NBP is prepared for any disturbance on financial market and holds all the necessary tools to either provide extra liquidity or to absorb it.

"The worst thing is to panic," she said. "I can guarantee that the central bank is prepared."

Poland is facing no major risk to its financial system stability or to its monetary policy outlook following a potential Brexit, Monetary Policy Council member Marek Chrzanowski said.

"Increased volatility [ahead of Brexit vote] is temporary and there are no reasons to see in it a large threat to financial system stability," Chrzanowski said, adding that "markets have already partially discounted the risk related to Brexit."

The impact of potential Brexit on the economy would be "strongly limited," he also said.

"When it comes to trade exchange, we can assume that adjustments would be made gradually," he said. "When it comes to current account balance, one could pay attention to remittances sent to Poland which currently represent some 0.25% of our GDP and to the issue of Poland's payments to the EU budget, which would likely increase."

The issue of EU funds Poland receives in the frame of common agricultural policy and cohesion policy remains a risk factor, Chrzanowski also said.

On the labor market, a part of Poles currently working in the UK could decide to return to Poland, which could have "a positive impact when it comes to boosting entrepreneurship and fighting challenges related to the ageing society in Poland," he said.

Source: The Warsaw Voice