

GENERAL AGREEMENT ON TARIFFS AND TRADE

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REVIEW OF THE IMPLEMENTATION OF THE DECLARATION OF TRADE RELATIONS WITH POLAND

Information Supplied by Governments

1. Paragraph 4 of Section A and paragraph 3 of Section B of the Declaration of 9 November 1959 on relations between contracting parties to GATT and Poland provide for an annual review of the implementation of the substantive paragraphs of the Declaration. By Decision of 9 November 1959 the CONTRACTING PARTIES accepted to perform such functions as are necessary for the operation of the Declaration. The Declaration came into force on 15 November 1960. It was agreed by the Council that the first review should be carried out by a working party at the time of the Council meeting in May 1962. The membership and terms of reference of the Working Party are set out in document L/1753.
2. The Council, in the light of the provisions of the Declaration, agreed that the review should cover the following aspects of the relations between Poland and the participating contracting parties:
 - (a) efforts made and progress achieved in the expansion of trade between Poland and the participating countries;
 - (b) any problems arising from the trading relations between Poland and the participating countries; and any representations or consultations that may have been made or carried out pursuant to paragraph A:2 or B:2 of the Declaration, and
 - (c) action taken or arrangements made by Poland for making public its laws, regulations, judicial decisions, administrative rulings and agreements, as well as statistics pertaining to trade, as provided for in paragraph A:3 of the Declaration.

3. The governments concerned¹ were requested to supply the necessary information relating to these points for use by the Working Party (Cf. L/1736). So far such information has been supplied by ten of these governments in communications which are reproduced in the following pages.

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¹ Apart from Poland, the following thirty-two contracting parties and associated governments are signatories to the Declaration:

Australia	Federal Republic of	Nigeria
Austria	Germany	Norway
Belgium	Ghana	Pakistan
Burma	Greece	Federation of Rhodesia
Canada	India	and Nyasaland
Ceylon	Indonesia	Sweden
Chile	Israel	Switzerland
Cuba	Italy	Turkey
Czechoslovakia	Japan	United Kingdom
Denmark	Luxemburg	United States
Finland	Netherlands	
France	New Zealand	

AUSTRALIA

(a) Efforts made and progress achieved in the expansion of trade between Poland and Australia

1. In the trading year 1960/61 Australia's exports to Poland fell to £7.9m. compared with a figure of £10.8m. for 1959/60 and an average level of £12.6m. for the three previous years. However, Table 1 indicates a revival in exports in the current year.

Table 1 : Trade with Poland

	Exports £Am.	Imports £Am.	Balance (+ = in Australian favour) £Am.
1959/60	10.86	0.25	+10.61
1960/61	7.93	0.39	+ 7.54
July 1961/Jan.1962	4.68	0.18	+ 4.50

2. Imports from Poland in 1960/61 reached £A.390,000 the highest level for some years and present indications are that this level may be increased in 1961/62.

3. Wool accounts for 95 per cent of Australia's exports to Poland (see Table II) and in 1960/61 Poland was Australia's eighth most important wool customer. On the other hand, Polish exports to Australia are much more diversified - the major item being textiles.

Table II - Composition of Trade

1960/61 (Commodities valued at more than £A.5,000)

<u>Exports to Poland £A.000's</u>		<u>Imports from Poland £A.000's</u>	
Raw Wool	7,746 (97.6%)	Textiles	148 (37.6%)
Copper ores and concentrates	89 (1.1%)	Chemicals (mainly carbide)	75 (19.0%)
Hides (Cattle-dry, dry salted.)	16	Furred skins (mainly mink)	12
Rutile concentrates	52 (0.7%)	Metal working machinery	22 (5.6%)
Zircon concentrates	9	Textile machinery	14 (3.5%)
Cotton piece goods (re-exported)	6	Toys	11
		Vehicles	6
		Glassware	11
		Cartridges (shotgun)	8
		Wines and spirits	7
		Newsprint; kraft paper; books; magazines; periodicals.	6

4. The principal action taken in an endeavour to improve trade relations between Australia and Poland in recent times, was the consideration of the scope for tariff negotiations in the Dillon Round. Australia offered to enter into tariff negotiations. However, it was finally agreed after close study by both countries that no basis for an exchange of concessions existed.

5. Australia has not undertaken any specific trade promotion activity in Poland since the Declaration became effective. The principal difficulties facing an expansion of Australian trade are Poland's shortage of foreign exchange and Polish bilateral agreements with other countries.

(b) Any problems arising from trading relations, representations or consultations under the Declaration

6. There have been no consultations between Australia and Poland in the context of the GATT Declaration. Largely because of Poland's adverse trade balance with Australia a number of discussions have taken place between Australian and Polish officials on ways in which Poland might increase its sales to Australia.

7. Poland enjoys full MFN tariff treatment in Australia and there is no discrimination in the application of our remaining import restrictions. However, because of the system of State trading maintained by Poland, Australia retains discretion as to the criteria to be applied in connexion with the administration of anti-dumping and countervailing measures.

CANADA

(a) Efforts made and progress achieved in the expansion of trade

In the spring of 1960 representatives of Canada and Poland held explanatory discussions concerning the Declaration of 9 November 1959, with a view to possible participation in the GATT Tariff Conference. The representatives of Poland were interested in finding a basis for a meaningful exchange of concessions. The Polish suggestion that minimum import commitments in exchange for tariff concessions might provide such a basis was discussed in some detail. However, no conclusive results were reached in these informal talks, and in view of the lack of progress by the CONTRACTING PARTIES and Poland in finding a satisfactory basis for negotiations, the matter has not been further pursued.

(b) Problems arising from the trading relations between Poland and
and the participating countries

No major problems have arisen in respect of trade between Canada and Poland in the period under review.

DENMARK

The general provisions and the rates of duty contained in the Danish Tariff on 28 January 1959, as amended, are applicable to commodities imported into Denmark from Poland.

It should be observed that the Danish Tariff is a single column tariff, however, with the exceptions stemming from the EFTA Convention.

Imports of all goods from Poland are subject to licensing requirements. Export licences are needed for the exportation of practically all commodities to Poland.

Recently Denmark concluded with Poland a four-year trade agreement expiring on 31 December 1965.

With regard to a number of Polish commodities Denmark has agreed to considering favourably the issuance of licences over and above the quotas thus established. Furthermore, Denmark has undertaken to consider favourably the licensing of other Polish products than those contained in the list of commodities in case a liberal regime is applied for the imports of such goods from other countries.

During the last two years the trade between Denmark and Poland has been increasing and amounted to about Danish kroner 250 mill. in total in 1961.

FRANCE

Trade between France and Poland is regulated by the trade agreement of 22 January 1962, valid from 1 January 1962 to 31 December 1962.

This is a bilateral agreement which makes provision for balanced lists of goods for import and export. Since the beginning of 1960 payments have been made by both parties in convertible currencies, but these new financial provisions have not in practice affected the pattern of trade.

The customs treatment accorded to imports of French products into Poland is governed by the provisions of the Franco-Polish Trade and Navigation Treaty of 22 May 1937. France applies the most-favoured-nation clause to Poland, and the minimum tariff is generally applied to imports from Poland with the exception of a certain number of products listed in an annex to the aforementioned Convention.

The most-favoured-nation clause is subject to three exceptions concerning: frontier traffic, the territories of the franc area, and the possibility of forming a customs union.

Since 1955, trade between France and Poland has reached the following levels:

	<u>in millions of new francs</u>						
	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>
Imports	33	82	10	104	71	74	82
Exports	135	113	77	67	71	107	109
TOTAL	168	195	87	171	142	181	191

LUXEMBURG

Trade relations between Luxemburg and Poland are based upon an agreement between this country and Benelux, which was signed at Warsaw on 3 March 1959. On the same day, an agreement was signed providing for a multilateral system of payments with regard to Poland.

Included in the trade agreement are annual quota. The development of the trade between the Benelux and Poland may be illustrated by the following data:

<u>Year</u>	<u>Imports from Poland</u>	<u>Exports to Poland</u>
	(in millions of US\$)	
1956	9,942	28,576
1957	9,15	14,044
1958	13,07	28,21
1959	16,946	29,404
1960	18,282	31,39
1961	19,63	21,068

In the field on tariffs, Luxemburg apply to Poland the most-favoured-nation clause.

NETHERLANDS

Trade relations between Benelux and Poland are based on an agreement between that country and Benelux, signed at Warsaw on 3 March 1959. On the same day, an agreement was signed providing for a multilateral system of payments with regard to Poland.

Included in the trade agreement are annual quota. The development of the trade between Benelux and Poland can be seen from the following data (mln. \$)

<u>Year</u>	<u>Imports from Poland</u>	<u>Exports to Poland</u>
1956	9.942	28.576
1957	9.150	14.044
1958	13.070	28.210
1959	16.946	29.404
1960	18.282	31.390
1961	19.630	21.068

In the field of tariffs, Benelux applies to Poland the most-favoured-nation clause.

SWEDEN

The annual bilateral commercial negotiations between Sweden and Poland are the traditional forum for the discussion of the commercial relations between the two countries.

Since 1959 - in connexion with the bilateral negotiations - two important measures likely to promote an enlarged trade between the countries have been taken, and that is, on the one hand, Sweden's abolition of the bilateral regulation of the payments from 1 June 1960, and, on the other, the entering into a long-term agreement for the exchange of goods in force for a period of three years beginning on 1 May 1961. In this connexion may also be mentioned that mutual visits by commercial delegations took place before the negotiations in 1961.

Sweden has also unilaterally taken a step towards greater liberalization of trade with Poland through the freelisting of exports which was effected on 1 July 1961, by which action the licence requirement for most of Sweden's export to the so-called Eastern States was abolished. As to the imports, the Swedish freelisting has, as we know, not been extended to be applicable to these countries. In practice, however, no restrictions in granting licences are applicable to the greater part of this import.

The development of trade during the period 1958-1961 is shown by the attached schedules of imports and exports, appendices 1 and 2. The imports from Poland have since 1958 increased by more than 50 per cent to Sw.Kr.130 million. The increase refers to most groups of commodities and has been particularly prominent in respect of commercial iron and steel. Imports of coal and coke have decreased materially in importance and amounted only to 28 per cent of the total imports in comparison with 75-95 per cent during the first half of the 1950s.

The value of total exports to Poland decreased from 1958 to 1959 by Kr.16 million to Kr.107 million and has afterwards on the whole been unchanged. Most of the reduction concerns the machinery sector, while cellulose has been the only more important group of commodities that has been able to show continuously increasing export figures. Exports of iron ore, which in 1960 amounted to more than half of the total export value, have for a long period shown rather stable figures, while a tendency towards a decrease appeared in 1961. A remarkable feature in Sweden's export to Poland has been the now and then occurring considerable shipments of various agricultural products. Thus, pork to the value of Kr.19 million was exported in 1959 and rye to the value of Kr.14 million in 1961.

Imports from Poland
(c.i.f.)

Commodities	1958		1959		1960		1961	
	tons ¹	mkr ²	tons	mkr	tons	mkr	tons	mkr
<u>Food etc. (0.1.22.4.9)</u>		<u>4.1</u>		<u>13.0</u>		<u>8.9</u>		<u>14.4</u>
of which: Sugar		1.7		6.8		0.8		2.9
Horse meat		-		-		0.8		2.4
Eggs		-		-		-		2.5
Onions		0.3		0.9		0.8		0.7
<u>Crude Materials</u> <u>(21, 23/29)</u>		<u>6.8</u>		<u>7.4</u>		<u>8.5</u>		<u>10.7</u>
of which: Wood and lumber		2.6		3.1		3.9		5.1
<u>Mineral Fuels, Lubricants</u> <u>and related materials (3)</u>		<u>49.8</u>		<u>44.1</u>		<u>45.5</u>		<u>45.9</u>
of which: Coal	644	45.8	617	38.2	725	39.1	596	33.5
Coke	10	1.1	43	2.7	31	2.1	48	3.3
Fuel oils		2.9		3.1		4.2		8.7
<u>Chemicals (5)</u>		<u>5.7</u>		<u>7.7</u>		<u>12.2</u>		<u>9.4</u>
<u>Textile Yarn, Fabrics</u> <u>made up Articles and</u> <u>related Products (65)</u>		<u>2.8</u>		<u>3.3</u>		<u>3.6</u>		<u>3.6</u>
of which: Cotton fabrics		1.8		2.3		1.7		2.0
<u>Base Metals (68)</u>		<u>13.1</u>		<u>29.8</u>		<u>36.6</u>		<u>36.2</u>
of which: Finished steel	9	5.3	48	24.1	50	29.9	49	28.8
Tubes and fittings of cast iron		2.0		1.9		2.2		2.5
Zinc		2.1		2.7		3.0		4.1
<u>Manufactures of Metals:</u> <u>Machinery and Transport</u> <u>Equipment (69.7)</u>		<u>0.9</u>		<u>1.9</u>		<u>2.2</u>		<u>5.5</u>
<u>Miscellaneous commodities</u> <u>(61/64, 66/67.8)</u>		<u>1.9</u>		<u>2.3</u>		<u>3.4</u>		<u>4.8</u>
Total:		85.1		109.5		120.9		130.5

¹Thousands of tons

²Millions of Swedish "kronor"

Exports to Poland
(f.o.b.)

Commodities	1958		1959		1960		1961	
	tons ^{a)}	mkr ^{b)}	tons	mkr	tons	mkr	tons	mkr
<u>Food etc. (0,1,22,4,9)</u>	<u>1.0</u>		<u>19.0</u> ¹		<u>0.7</u>		<u>14.1</u> ²	
<u>Pulp and Waste Paper (25)</u>	<u>-</u>		<u>2.3</u>		<u>6.0</u>		<u>6.9</u>	
<u>Metalliferous Ores and Metal Scrap (28)</u>	<u>54.4</u>		<u>44.7</u>		<u>54.2</u>		<u>43.8</u>	
of which: Iron ore and concentrates	622	54.4	599	44.7	786	54.2	569	40.1
Zinc ore	-	-	-	-	-	-	16	3.7
<u>Other Crude Materials:</u>								
<u>Fuels (21, 23/24, 26/27, 29,3)</u>	<u>0.7</u>		<u>0.8</u>		<u>1.3</u>		<u>0.1</u>	
<u>Paper, Paperboard and Manufactures thereof (64)</u>	<u>1.0</u>		<u>2.0</u>		<u>1.9</u>		<u>0.7</u>	
<u>Base metals (68)</u>	<u>7.5</u>		<u>3.6</u>		<u>4.1</u>		<u>9.7</u>	
of which: Finished steel	6.5		3.5		3.6		8.9	
<u>Manufactures of Metals; Machinery and Transport Equipment (69,7)</u>	<u>50.0</u>		<u>26.4</u>		<u>25.4</u>		<u>28.9</u>	
of which: Machinery other than electric	26.5		15.0		11.8		15.4	
Electric Machinery, Apparatus and Appliances	14.1		9.1		11.8		10.1	
Ships and boats	8.3		1.3		-		2.1	
<u>Miscellaneous commodities (5, 61/63, 65/67, 8)</u>	<u>8.7</u>		<u>8.6</u>		<u>7.8</u>		<u>3.4</u>	
of which: Chemicals	4.5		4.0		6.6		2.3	
Total	123.3		107.4		101.4		107.6	

¹Of which: pork = 18,7 mkr

a) Thousands of tons

²Of which: rye = 13,5 mkr

b) Millions of Swedish "kronor"

SWITZERLAND

Economic relations between Poland and Switzerland are governed by the trade convention of 26 June 1922 and by the trade and payments agreement of 25 June 1949.

Payment transactions are conducted through a clearing arrangement.

The customs reductions and duty bindings provided for in the above-mentioned convention or in the addenda thereto were denounced upon the entry into force of the new Swiss customs tariff on 1 January 1960, to the extent that they had not already been cancelled earlier. The only provision remaining in force with regard to customs duties is therefore the most-favoured-nation clause contained in that convention. Consequently, Polish products imported into Switzerland cannot be subjected to duties which are either higher or different from those levied on the products of any other country. The provisions of the most-favoured-nation clause do not apply, however, to the special benefits resulting from customs union.

Under the agreement regarding the exchange of goods, quota lists were drawn up regularly at first to establish the pattern of trade for a contractual year.

Since Switzerland extended to Poland on a de facto basis the liberalization measures which it applied to imports from Western countries, these lists of goods, which were renewable on a yearly basis, declined in significance. For some years past, therefore, no new lists have been drawn up, with the result that trade in goods between Switzerland and Poland has since then been conducted in accordance with the autonomous regulations in force in the two countries.

According to Swiss trade statistics, in the past three years Swiss imports from Poland and Swiss exports to that country have been as follows:

<u>Year</u>	<u>Imports</u>	<u>Exports</u>
	(million Swiss francs)	
1959	30.0	56.6
1960	36.1	56.5
1961	49.1	55.9

If one considers that in the past ten years Swiss purchases in Poland have amounted to an average of thirty-three million francs, it may be said that Polish deliveries to Switzerland have advanced in an encouraging manner, particularly in the past three years. Swiss exports to Poland have also developed satisfactorily, although since 1959 they have remained at a level of some fifty-six million francs per annum.

On the other hand the composition of Swiss exports is less satisfactory. Thus, for example, in 1960 and 1961, 60 to 70 per cent of the goods delivered by Switzerland consisted of capital goods, i.e. machinery and apparatus, while only a small proportion consisted of consumer goods, including durable articles. This disequilibrium in exchange of goods is due largely to the basic disparity between the two economic systems: in Switzerland, a free market economy with almost complete liberalization of imports of raw materials, finished goods and semi-products; in Poland, a State monopoly system over foreign trade and foreign exchange, permitting only those purchases of foreign goods for which provision is made in the economic plan.

In cases where these divergencies threatened to cause serious disruption of the Swiss market, either because prices of Polish products were too low or because the volume of imports was too high (textiles, eggs), the Swiss authorities were obliged to take appropriate measures.

UNITED KINGDOM

Paragraph 3(a) of document L/1736 asks for details of efforts made and progress achieved in the expansion of trade between Poland and participating countries. Trade between the United Kingdom and Poland is conducted within the framework of a three year Trade Arrangement concluded on 20 May 1960 for the three years commencing 1 July 1960. Under this Trade Arrangement, annual negotiations are held at which annual quota lists are agreed. Under the current quota lists it is envisaged that Poland's exports to the United Kingdom in the twelve months ending 30 June 1962 will total £39m. United Kingdom exports to Poland in the current twelve months are estimated at £24m. There has been a substantial increase in trade between the United Kingdom and Poland in each direction during the last three years as the following statistics show:

	<u>£ m.</u>		
	<u>1959</u>	<u>1960</u>	<u>1961</u>
United Kingdom imports from Poland	32.5	36.1	36.9
United Kingdom exports to Poland	16.3	14.5	22.5

Paragraph 3(b) asks for details of any problems arising from trading relations between Poland and participating countries and any representations or consultations that have been made or carried out. No problems have arisen which required consultations or representations under paragraphs A:2 or B:2 of the declaration.

UNITED STATES

There has been a gratifying increase in the trade between the United States and Poland since the Declaration of 9 November 1959 concerning Relations between Contracting Parties to the General Agreement and Poland. United States imports from Poland have risen from \$31,857,000 in 1959 to \$38,807,000 in 1960 and \$41,316,000 in 1961. Most-favoured-nation treatment has been applied to Polish products since 16 December 1960.

United States exports to Poland amounted to \$74,728,000 in 1959, \$143,090,000 in 1960, and \$74,791,000 in 1961. A large proportion of these exports consisted of non-commercial shipments of surplus agricultural products under Public Law 480.

The United States did not encounter any particular problems in its trading relations with Poland and made no representations to the Polish Government pursuant to the Declaration of 9 November 1959.

