

GENERAL AGREEMENT ON TARIFFS AND TRADE

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

Information Supplied by Governments

Addendum

Federal Republic of Germany

I.

The contractual basis are, at present, the Protocol relating to the German-Polish trade dated 16 November 1956 and the Supplementary Agreement to this Protocol dated 16 April 1960. Both agreements will remain in force until 31 December 1962; they are strictly bilateral agreements providing for bilateral fixed quotas of reciprocal shipments of goods or categories of goods.

According to the Protocol dated 16 November 1956, the total value of goods to be exchanged as agreed will reach the following figures per annum:

| | <u>DM</u> |
|---|---------------|
| (a) Polish shipments to the Federal Republic of Germany | 176,750,000.- |
| Polish services and for the transit trade | 13,300,000.- |
| (b) German shipments of goods to Poland | 154,616,000.- |
| German services rendered to Poland | 27,300,000.- |

In the Supplementary Agreement dated 13 April 1960 the following supplementary quotas have been agreed upon:

| | |
|-------------------------------|---------------|
| (a) Polish shipments of goods | 97,885,000.- |
| (b) German shipments of goods | 116,710,000.- |

Thus the total volume of trade, by value, as specified in both agreements will reach the following figures per annum:

| | DM |
|-------------------------------|----------------------|
| (a) Polish shipments of goods | 274,635,000.- |
| (b) German shipments of goods | 271,326,000.- |
| Total volume agreed | <u>545,961,000.-</u> |

The Federal Republic of Germany has always endeavoured to meet Poland's wishes for additional shipments to be made to the Federal Republic of Germany by offering her additional import facilities. Thus the actual value of Polish imports into the Federal Republic of Germany, as may be seen from the attached statistical summary, exceeded by far the total values as originally agreed upon.

As may be seen from the statistical summary, the German-Polish trade of 1958 shows a sharp increase, especially of Polish imports into Germany, whereas German exports to Poland failed to increase in the same proportion, thus resulting in an overall deficit since that date. The direct exchange of goods between the two countries during the period from 1952 to 1961 produced for the Federal Republic of Germany an overall deficit of DM 238,000,000.-.

II.

Under the Supplementary Agreement of 13 April 1960, the volume of trade between the Federal Republic of Germany and Poland has been increased by more than 60 per cent. The Polish wishes to have her import facilities for Polish consumer goods considerably increased have been met to a limited extent only. On the other hand, Polish import quotas for German consumer goods which had been negotiated, in exchange for corresponding German concessions have not been utilized at all or, at best, very inadequately.

In some cases Polish products (e.g. reed plaitings and chemical products) were offered on the German market, at prices which were considerably below those quoted by other Western supplier countries. As it was realized that the criteria of Article V of the GATT relating to "Dumping" could not be applied because of the particular conditions governing pricing in Poland, the Polish Trade Mission in the Federal Republic of Germany was asked to intervene.

However, the result of this action promised by the Polish Trade Mission could not yet be assessed. In a particularly striking case (Diethyl ether) imports from Poland had to be stopped temporarily.

III.

Regulations governing imports and exports of goods are published in Poland; it is, however, impossible to check whether or not the full text of any such regulations has been published. Economic circles of the Federal Republic of Germany complain that trade agreement between Poland and third countries are published in a summarized form only, instead of in full, so that actual competitive conditions on the Polish market cannot be reviewed properly.

ANNEX

German/Polish Trade

(in million DM)

| Year | German imports from Poland | German exports to Poland | Turnover | Net movements of trade balance |
|------|----------------------------|--------------------------|----------|--------------------------------|
| 1952 | 60.1 | 63.6 | 123.4 | + 3.2 |
| 1953 | 71.2 | 59.5 | 130.7 | - 11.7 |
| 1954 | 52.8 | 67.2 | 120.0 | + 14.4 |
| 1955 | 119.2 | 92.0 | 211.2 | - 27.2 |
| 1956 | 237.7 | 231.9 | 469.6 | - 5.8 |
| 1957 | 201.8 | 223.3 | 425.1 | + 21.5 |
| 1958 | 318.5 | 272.4 | 590.9 | - 46.1 |
| 1959 | 349.6 | 276.5 | 626.1 | - 73.1 |
| 1960 | 326.1 | 283.3 | 609.4 | - 42.8 |
| 1961 | 334.6 | 263.4 | 598.0 | - 71.2 |

