

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Sub-Committee on Non-Tariff Barriers

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VIEWS OF POLAND REGARDING ITS STATUS IN GATT AND ITS PARTICIPATION IN THE 1964 TRADE NEGOTIATIONS

Statement Made by the Representative of Poland on 14 November 1963

1. Under its terms of reference, the Sub-Committee on Non-Tariff Barriers and Other Special Problems is entrusted with a tremendous task. But this is only the Sub-Committee's first meeting and, as the Executive Secretary of GATT emphasized at the last meeting of the Council, at this first meeting our concern should be to define the general outlines of our work rather than to embark on discussions relating to the substance of the problems.
2. Poland has been an associate member of GATT since November 1959. Over this four-year period, our trade with GATT countries has risen from \$1141.9 million in 1959 to \$1529.7 million in 1962, that is to say by 42.7 per cent.
3. Our imports from GATT countries have risen by 40 per cent over the same period - from \$521.3 million in 1959 to \$870.3 million in 1962. Over these four years, from 1959 to 1962, Poland's trade deficit with contracting parties has amounted to \$670 million.
4. As the Polish Vice-Minister for Foreign Trade, Mr. Modrzewski, emphasized at the last ministerial meeting, Poland wishes to establish closer ties with GATT and is prepared to take action in this direction. Poland will pursue its active policy in foreign trade designed to increase its exports from the contracting parties.
5. Poland's present situation vis-à-vis GATT, that is to say, its status as an associate member, carries with it several disadvantages and yields only limited advantages. It seems to us that it might be worthwhile considering the possibility of changing this status to that of a provisional member.
6. It might perhaps be appropriate to consider the possibility of negotiations with the objective of provisional accession, the terms of which would not automatically constitute part of the final agreement in the event of the future opening of negotiations for accession to the General Agreement.
7. Having regard, however, to the differences which exist between the foreign trade structure of Poland - a country with a centrally-planned economy - and the foreign trade structure of the majority of contracting parties, many problems would have to be solved before this objective could be approached.

8. Poland would see the following as her contribution to the trade negotiations, envisaged within the framework of the Trade Negotiations Committee:

(a) Such a formulation of its future development plans as would provide for the contracting parties a reasonable share in the growth of the Polish market.

(b) The assurance that the increased export earnings resulting from tariff cuts or from the elimination of other barriers to Polish exports to the markets of contracting parties will be used for increasing Poland's imports from contracting parties in proportions and on conditions to be agreed upon during the forthcoming negotiations.

(c) In the course of those negotiations Poland would be prepared to negotiate with the interested contracting parties the inclusion of certain categories of goods in import plans and to secure for imports of those items a higher percentage increase as compared with the average increase of Polish imports.

(d) Furthermore, Poland would be prepared to hold consultations within GATT with the contracting parties on its foreign trade practices which would in reality mean a discussion on the whole of its policies connected with the expansion of the mutual exchange of goods and services.

9. The special character of our case resides in the fact that the proposals made by us in this Sub-Committee should constitute a counterpart to the advantages which we hope to gain from the work of the other Sub-Committees. Among these advantages, the full application of the most-favoured-nation clause by GATT Member countries to imports from Poland is of particular importance for us. We consider this as including the linear reductions of customs duties envisaged in the current negotiations, and including also the abolition of such quantitative restrictions as still exist.

10. There are also other problems which may arise for us, but it would be difficult for us to embark on them until we know the general plan for next year's trade negotiations, even in the field of the most important principles such as, for example, the rates of linear reduction of customs duties.

11. A moment ago I mentioned the problem of quantitative restrictions which certain contracting parties still maintain with regard to Poland. We believe that those contracting parties which hitherto have continued to apply quotas on imports from Poland might in future, by concluding trade agreements with Poland, be able to abandon that principle and rely on the exporting country (in this case, Poland) to carry out the quantitative obligations embodied in such trade agreements.

12. In our opinion, contractual control by Poland over the volume of exports of articles which hitherto were subject to licensing in the importing countries could at the same time dispel the doubts which have arisen on several occasions in regard to differences between the price structure existing in Poland and that of the countries with a market economy.

13. The experience acquired by the Working Party on Relations with Poland, which has to date made two annual reviews, shows that a group of this kind might be considered appropriate for controlling the functioning of the system outlined above.