

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

TN.64/NTE/15
27 April 1964

Special Distribution

Sub-Committee on Non-Tariff Barriers

PARTICIPATION BY POLAND IN THE TRADE NEGOCIATIONS

Note Submitted by Delegation of Poland

The following schedule sets out the objectives the Polish Government would seek to secure from participating in the forthcoming trade negotiations and the undertakings it would be prepared to give, together with some notes on these undertakings.

Polish Desiderata	Polish Undertakings
(i) Confirmation of most-favoured-nation treatment as regards tariffs;	(i) such formulation of her future development plans would provide for the contracting parties a reasonable share in the growth of the Polish market;
(ii) non-discriminatory treatment as regards quantitative restrictions	(ii) the assurance that her increased export earnings obtained as a result of tariff cuts or elimination of other barriers to Polish exports to the markets of the contracting parties will be used for an increase of her imports from the contracting parties in proportions and on the conditions to be agreed upon in the course of the forthcoming negotiations;
(iii) contractual rights on tariff reductions where Poland has a supplying interest;	(iii) in the course of those negotiations Poland would be prepared to negotiate with the interested contracting parties the inclusion of some categories of goods to her import plans and securing for those items a higher percentage increase as compared with the average increase of Polish imports;

Polish Desiderata	Polish Undertakings
<p>(iv) conditions of access for agricultural products which would ensure the maintenance at the present level of traditional Polish exports;</p> <p>(v) the application to Poland of the general GATT rules relating to customs formalities and regulations, including the provisions on valuation for customs purposes.</p>	<p>(iv) Poland would further be prepared to hold consultations within GATT with the contracting parties on the practices of her foreign trade; this would in reality mean a discussion on the whole of her policies connected with the expansion of the mutual exchange of goods and services</p> <p><u>Notes:</u></p> <p>(a) It is envisaged under (i) and (ii) that an estimate would be made of the increase which would take place in Polish exports to contracting parties on the assumption that the desiderata in column 1 were met and that provision would be made in the Polish plan for an equivalent increase in imports from contracting parties. The legal form of such an agreement might be on the following lines. It would be estimated that, over a period of say five years, Polish exports to contracting parties would, as a result of the concessions made to Poland, increase by x per cent each year. It would then be provided that Poland would make provision in her plan for an increase by not less than this percentage in imports from the contracting parties over the same period, on the understanding that this percentage would be regarded as an indicative target and should be the basis for the drawing up by annual consultation of a firm figure for the following twelve-month period. Finally it would be provided that if, in the course of any of the annual consultations it was demonstrated that during the previous twelve-month period the value of Polish imports from contracting parties had fallen short of the agreed figure for reasons other than a shortfall in earnings from exports to the contracting parties, this situation would be dealt with under procedures analogous to the nullification and impairment provisions of Article XXIII of the General Agreement.</p>

Polish Desiderata	Polish Undertakings
	<p data-bbox="732 420 984 451"><u>Notes:</u> (cont'd)</p> <p data-bbox="732 472 1533 803">(b) It would be recognized that there might be significant temporary fluctuations in the value of Poland's exports to contracting parties and that it was undesirable that these should lead to similar fluctuations in the provision for imports from contracting parties made in each year's Polish plan; for this reason the import undertakings given by Poland in the annual consultations would not be tied too closely to the level of Poland's exports at that particular time.</p> <p data-bbox="732 824 1549 1425">(c) Some part of Poland's earnings would be needed to cover certain invisible payments, such as freight charges, debt servicing and payments under the arrangements relating to nationalized industries. It might be that the arrangements regarding invisible payments would have to continue to be dealt with bilaterally. The undertakings Poland could give as to the increase in its imports from contracting parties would nevertheless inevitably be affected, among other things, by the rate at which Poland repaid its debts. It would be a general aim of the Polish Government to secure the redressment in the near future of the adverse trade balance between Poland and the contracting parties. In addition, in order to be able to carry out the flexible policy referred to in (b) above, it would be necessary for Poland to create an operational reserve.</p> <p data-bbox="732 1446 1500 1539">(d) Some period of transition might be necessary during which some elements in existing bilateral agreements might be retained.</p> <p data-bbox="732 1560 1468 1757">(e) An undertaking could be given that there would be no discrimination against imports from contracting parties. Goods were imported with a view to their sale and would therefore be priced at a level which would ensure that they were sold.</p>

Polish Desiderata	Polish Undertakings
	<p data-bbox="630 430 878 462"><u>Notes:</u> (cont'd)</p> <p data-bbox="630 478 1349 706">(f) As regards access to consumers for exporters from contracting parties, this was unlikely to be a major problem. There were at present specialized agencies in Poland which represented foreign firms. Direct advertising and the opening of foreign agencies would not be excluded.</p> <p data-bbox="630 727 1349 857">(g) The agreement would relate only to commercial imports and would not cover imports admitted under special, non-commercial arrangements.</p> <p data-bbox="630 878 1390 1210">(h) The prices at which Poland would sell in the markets of contracting parties would be in line with the prices prevailing on those markets. Under the present system, Poland could sell products subject to quantitative restrictions only to holders of import licences and in these circumstances it could be difficult for Poland to ensure that prices were as high as the local market price. Under the proposed new arrangement, this difficulty would not arise.</p> <p data-bbox="630 1230 1403 1721">(i) Should contracting parties so desire, Poland would be willing to accept a procedure along the following lines for any cases in which imports from Poland caused difficulties in the market of contracting parties. It would be provided first that the contracting party concerned would notify Poland of the difficulties. Poland would then enter into consultation with the country and, should it be agreed that disruption was caused by imports from Poland, Poland would undertake to redress the situation either by limiting exports to that contracting party or by raising export prices. Should agreement not be reached between the two sides, procedures analogous to those of GATT Article XIX would apply.</p>

Polish Desiderata	Polish Undertakings
	<p data-bbox="737 422 971 451"><u>Notes:</u> (cont'd)</p> <p data-bbox="737 472 1438 634">(j) The main purpose of point (iii) in the Polish undertaking was to enable provision to be made for a larger than average increase in imports into Poland of products of special interest to less-developed countries.</p> <p data-bbox="737 654 1479 750">(k) The negotiations foreseen under (iii) could relate to products included in the Polish plan as well as to those not included in the plan.</p> <p data-bbox="737 770 1495 903">(l) It was implicit in the Polish proposal that the annual Polish plan would be communicated to contracting parties and would form one of the bases on which the negotiations would take place.</p>