

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TD/W/146/Add.4
15 November 1971

Limited Distribution

Committee on Trade and Development
Nineteenth Session
November 1971

Original: English

ACTION BY GOVERNMENTS RELEVANT TO THE PROVISIONS OF PART IV

Addendum

The following information has been received from the delegation of Poland in connexion with the implementation of Part IV.

With reference to GATT/AIR/873 I have the honour to submit the following information on implementation by Poland of Part IV of the General Agreement on Tariffs and Trade.

In this connexion I would like to revert to our last year's notification (see document COM.TD/W/128) which is still valid in many respects, especially as concerns long-term trends and factors in Poland's trade relations with developing countries.

From the time of the last review, basic objectives and instruments of Poland's foreign trade policy have not been changed. Poland applies neither customs duties nor import prohibitions, quantitative restrictions or any other non-tariff barriers in her foreign trade which is conducted through authorized trade organizations. The main factor, which determines a global volume of trade, is the national economic plan. It reflects actual needs and possibilities of the national economy and sets indicative guidelines for foreign trade enterprises. It should be stressed, however, that in principle, planning targets are set in general "value terms", i.e. without specifying quantities or value of individual goods to be imported or exported; exceptions are made only with regard to a limited number of some basic commodities which are of essential importance to the national economy and for which quantitative targets are fixed. Such a pattern of planning is to guarantee adequate conditions for optimal economic effectiveness of foreign trade.

This difference in trading system renders some of the provisions of Part IV, and especially those of Article XXXVII paragraph 1, irrelevant as far as Poland is concerned.

In her trade policy vis-à-vis developing countries Poland endeavours to implement the general principle and objectives of Part IV of the General Agreement by continuous expansion of her economic relations with these countries on the basis of non-discrimination and mutual advantages. These endeavours, which have even been intensified in the current year, stem from the basic strategical concept in Poland's overall economic

policy that aims at expanding the country's participation in the international division of labour through development of trade and strengthening co-operation with other countries.

Having reached such a level of her industrialization and economic development, where, taking into consideration the scope of her economy and that of the internal market as well as availability of natural resources and of highly qualified personnel, further dynamic expansion necessitates concentration of efforts and investments in selected branches of industry, Poland has to rely ever more on foreign trade.

For some years already this fact has been reflected by a much higher rate of growth of foreign trade than that of national income.

This trend will go even deeper in future, because general lines of the new economic strategy in Poland envisage, inter alia, far-reaching modifications in the structure of domestic production. It will still increase the rôle of foreign trade in the Polish economy and in the case of certain goods may even lead to complete substitution of domestic production by imports at a later stage. Already now production of some goods, is not expanded any more with a view to its discontinuation later on. Imports of such goods, most of which come from developing countries, are growing at a faster rate than the average growth rate of total imports into Poland.

All these open to the exports of developing countries, new opportunities on the Polish market and thus contribute to attain the sought diversification of the export structure of these countries.

While pursuing this "open" economic policy Poland recognizes the need and particular interests of developing countries in restructuring the existing international division of labour and within her possibilities helps to attain this objective. It may be proved by the fact that the share of manufactures and semi-manufactures in Polish imports from developing countries increases continuously.

Poland's trade with developing countries shows a long-term tendency of growth with regard to exports and imports.

In the three years following Poland's accession to the General Agreement in 1967, Polish imports from developing countries - both Members and non-members of the GATT - were increasing at an average annual rate of about 9 per cent.

In the first half of 1971 imports from developing market economy countries grew, according to available data, by about 16 per cent in comparison with the same period of 1970, i.e. at a much higher rate than total Polish imports which increased by 6 per cent in that time.

Practical results of implementation by Poland of Part IV of the General Agreement may also be assessed on the basis of statistical data on imports of manufactures and semi-manufactures from developing countries. In accordance with these data, provisionally converted to SITC nomenclature, imports of manufactures and semi-manufactures in the period 1969-1970 increased by about 72 per cent over the level of 1968. This group of merchandise accounted for about 26-27 per cent of total Polish imports from developing countries in the years 1963-1966 and for about 35 per cent in 1970.

As an illustrative evidence of a continuous growth tendency of Polish imports from non-socialist developing countries the following data on percentage increases of imports of certain goods in the first half of 1971 over the same period of the last year may be quoted:

- imports of metallurgical products increased by 29 per cent, those of chemical products by 35 per cent and of processed foodstuffs by 21 per cent.

It is also worthwhile to note that in 1970, for example, imports of cotton yarn were higher by 58 per cent over the 1967 level, those of footwear by 25 per cent, imports of jute bags doubled, those of textiles increased sixfold, of knit-wear fourteen times and of bed-linen and table-linen 8.5 times.

This increase in the share of manufactures and semi-manufactures in Polish imports from developing countries is accompanied by growing imports of raw materials and agricultural products.

In 1970 imports of rice grew almost threefold in comparison with 1967.

As regards other commodities of significant export interest to developing countries citrus fruit and spices must be mentioned as those, imports of which into Poland, are envisaged to grow at a continuously high rate. Already in 1970 imports of citrus fruit increased by 41 per cent over the 1967 level and per capita consumption of tea and coffee rose respectively by 33 per cent and 36 per cent in that time.

At the present stage of economic development in Poland great importance is attached to further improvement and diversification of goods supply on the domestic market. New measures have recently been undertaken and some changes in the organization of foreign trade have been introduced to this end. Some domestic trade enterprises as well as many industrial organizations were given the right to enter in business relations and to trade directly with partners abroad.

It is expected to increase imports of various consumer and tropical products mainly from developing countries. A significant increase will already take place this year.

Transferring to industrial organizations the authority to trade with foreign partners will stimulate development of industrial co-operation between various branches of Polish industry and those of developing countries, which, in turn, will further intensify trade exchange.

Already now, besides purchases of various goods in developing countries for textile, chemical and leather industries, imports of manufactures and semi-manufactures from these countries into Poland for the purposes of heavy industry are increasing in their importance.

Poland has already concluded industrial co-operation agreements with some developing countries, as for instance with Yugoslavia, India and the Arab Republic of Egypt. Co-operation links with Yugoslavia, especially in the automobile industry, have already long-lasting traditions and bring about positive results.

An encouraging development of co-operation between the Polish industry and respective production branches in the above-mentioned countries makes it possible to anticipate that this form of mutual relations should to an ever wider extent become a new and important factor in tightening Poland's economic links with developing countries. It is also beneficial to these countries since it enables them to expand their industrial potential and to introduce new products to their export offers.

Besides these agreements on intra-branch industrial co-operation, two other instruments of Poland's economic policy vis-à-vis developing countries are of significant importance. They are: long-term trade agreements and agreements on economic, technical and scientific co-operation.

Poland has concluded long-term trade agreements with over forty developing countries. They constitute a significant stabilization factor in mutual trade relations and play an important rôle in promoting trade with these countries.

They enable the developing countries to define more precisely their interests, both on the export and import side and though, in most cases, such agreements do not constitute a binding commitment for the parties as far as lists of goods mentioned therein are concerned, nevertheless they make programming and promotion of trade development easier, giving solid bases for this development.

With a considerable number of developing countries Poland has also entered into agreements on economic, technical and scientific co-operation, which give general frames for developing co-operation and lay down in detail its scope and forms.

On the basis of these agreements Poland extends her assistance to the less-developed countries in developing their industrial potential and in training their technical personnel both in Poland and on the spot sending her experts there.

Within these agreements Poland supplies developing countries with complete, turn-key plants, machines and other industrial equipment on very favourable credit terms and very often those credits are repaid in goods, sometimes even produced in factories which have been supplied by Poland.

Such agreements are, therefore, of great importance since they contribute to a very large extent to furthering economic ties with developing countries.

As it therefore appears from the above, Poland in her relations with developing countries, implements the principles and objectives as well as other relevant provisions of Part IV of the General Agreement.