

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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REVIEW UNDER THE DECLARATION ON
TRADE RELATIONS WITH

P O L A N D

Statement made by the Polish Representative at
the Council Meeting on 21 June 1963

I should like first to thank the Chairman and the members of the Council for permitting me to make a statement regarding relations between the CONTRACTING PARTIES and Poland.

In order not to take up too much of your time I would refer you to the statement made by the Polish delegation during the first review of relations between Poland and the CONTRACTING PARTIES which took place last year, and to all the documents drawn up at that time. That review made it possible to examine in detail many aspects of Poland's association with contracting parties from the outset until 1961.

I shall, therefore, concentrate on changes which have taken place during 1962.

The year 1962 was less favourable for the Polish economy than 1961, when the rate of growth of national income was 8 per cent (i.e. more than had been forecast in the five-year plan); in 1962 the rate of growth amounted to 2.5 per cent.

This state of affairs is mainly due to the effect on agriculture of bad weather conditions. In 1962 agricultural production was 8.5 per cent lower than in 1961. In reporting this I must add, however, that the 1961 agricultural output was well above average and that production in 1962 was higher than in 1960, for example.

Poland's overall industrial output in 1962 was 8.4 per cent higher than in 1961.

I should like, on this occasion, to quote a few typical figures. Production of electric power rose in 1962 from 32,200 million to 35,400 million kWh, while coal production rose from 106.6 to 109.6 million tons. Steel production increased from 7.2 to 7.7 million tons and cement production from 7.4 to 7.5 million tons.

The rate of investment for 1962 in the various branches of industry and mining was high. There has consequently been marked progress in the working of sulphur and lignite mines and in the preparatory work for copper mining. Again, the greatest changes have occurred in the structure of the chemical industry which from 1964 on will benefit from the bringing into operation of the great petroleum refinery at Plock.

In order not to take up your time unduly, I shall now turn to the situation with respect to foreign trade.

Poland's commercial exchanges in 1962 amounted to a global value of \$3,531 million, which was 10.6 per cent above the result achieved in 1961.

Exports rose to \$1,646 million, being 9.4 per cent higher in value than in 1961.

Imports reached a level of \$1,885 million, which was 11.7 per cent above the figure for 1961.

At the same time, appreciable changes took place in the structure of our foreign trade. On the export side, the share of machinery and equipment goods for industry increased to reach 30 per cent of our total exports, while that of raw materials and semi-manufactures (including coal) fell to 39 per cent. Agricultural products accounted for 19.2 per cent, while the share of industrial consumer goods rose to 11.8 per cent.

Poland's commercial exchanges with contracting parties rose in value from \$1,542 million in 1961 to \$1,630 million in 1962, that is to say by 5.7 per cent.

The share of contracting parties in Poland's total foreign trade fell from 48.3 per cent in 1961 to 46.1 per cent in 1962.

Exports from Poland to contracting parties rose by 8.3 per cent from \$701 million in 1961 to \$759 million in 1962, representing 45.7 per cent of total exports.

Poland's imports from contracting parties rose by 3.5 per cent from \$840 million in 1961 to \$870 million in 1962, representing 46.2 per cent of total imports.

In mentioning these figures, I should like to recall the statements made by the Polish delegation during the first review of relations between Poland and the contracting parties as well as during the recent ministerial meeting.

In particular, it was noted that the existence of a trade deficit with contracting parties constitutes a serious hindrance to the future development of our imports from contracting parties, and all the more so since there has been a no less unfavourable trend in regard to the other elements which make up the balance of payments with contracting parties (for example, services).

As regards exchanges of goods alone, I should like to draw your attention to the fact that Poland's trade deficit with contracting parties in 1962 amounted to \$110.9 million.

The Polish delegation hopes to be able to furnish more detailed figures concerning Poland's commercial exchanges with contracting parties to the Working Party which, as you have stated, Mr. Chairman, is to meet during the second week of July.

I think that I should nevertheless emphasize now that the relatively modest rate of growth of Poland's imports from contracting parties in 1962 was due not only to the existence of the trade deficit, to which I have just referred, but also in great part to the uncertainty prevailing for our commercial policy during 1962, particularly with respect to our agricultural exports which still constitute about 50 per cent of our exports to West European countries.

Another source of uncertainty for our foreign trade was the unclarified situation regarding application of the most-favoured-nation clause to United States imports from Poland.

During the current year there have been some encouraging developments in Poland's commercial relations with certain contracting parties. For example, the trade agreement between Poland and the United Kingdom has been extended, a long-term agreement has been concluded between Poland and the Federal Republic of Germany, and we are in the process of concluding one with France and perhaps with the Benelux countries.

Long-term agreements have been in operation for some time with Italy, Sweden, Denmark, Norway and Austria.

I would not wish to miss this opportunity to emphasize once more that Poland's commercial exchanges with the developing countries are expanding very vigorously.

In conclusion, I should like to thank the Executive Secretary of GATT and the members of the secretariat for the attention which they have given to our problems and their assistance in seeking solutions.

We hope that in the new initiatives of GATT we can find the requisite means to overcome the obstacles to the expansion of reciprocal trade between Poland and the contracting parties.