

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

L/6463

1 February 1989

Limited Distribution

Original: English

NOTIFICATION UNDER PARAGRAPH 3 OF THE UNDERSTANDING
REGARDING NOTIFICATION, CONSULTATION, DISPUTE
SETTLEMENT AND SURVEILLANCE

Communication from Poland

The following communication, dated 24 January 1989, has been received from the Permanent Mission of Poland.

Upon instructions from my authorities I have the honour to notify the following in accordance with paragraph 3 of the Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance.

As of 1 January 1989, a new customs tariff¹ has entered into force on imports to Poland from all countries. The new customs tariff was introduced by the Decree of the Council of Ministers, published in the Journal of Laws (Dziennik Ustaw) No. 35 item 261 dated 12 October 1988. It constitutes a part of the programme of economic reforms being implemented in Poland with a view to attain a more liberal, open and market-oriented national economy.

The core of the reform consists in granting freedom of decision-making to enterprises within a market mechanism aimed at increasing competition and efficiency of the national economy. This idea is fully reflected in the new Law on Undertaking of Economic Activities which abolishes licensing requirements for running business in Poland and gives equal rights in respect of credit availability, levels of taxation, access to sources of supply in machinery, raw materials and intermediary products to all kinds of enterprises whether State-owned, co-operative or private. Its main objective is to foster favourable legal and economic environment which will induce the initiative and entrepreneurship of all economic operators.

Modification of the customs tariff became necessary in order to comply with changes in the economic and foreign trade systems and to meet present requirements for restructuring of the industry and for intensified development of foreign trade. It resulted also from the necessity to accommodate the Polish tariff to the Harmonized Commodity Description and Coding System which had been adopted by our main trading partners. The previous customs tariff which had been in force since 1975 was in the CCCN nomenclature.

¹This tariff (in Polish) can be consulted in the Tariff Division, Mrs. J. Hudry's office (Room 1024)

The newly introduced customs tariff is based on the Harmonized Commodity Description and Coding System. The complete correlation between the HS and the Polish customs tariff has been assured. The tariff contains duty rates for each of 5019 six-digit subheadings.

All duty rates are established as ad valorem percentages. The amount of duty is calculated on the basis of a customs value of the goods which is the transaction value, that is the price paid or payable franco Polish border or CIF Polish port in sales between the unrelated sellers and buyers, converted into the Polish zlotys in accordance with an official exchange rate, published by the National Bank of Poland and in force on the date of declaration of the goods for the customs.

When establishing new duty rates the general principle has been respected that the level of tariff protection should not be increased. Duty rates for investment goods, important for the modernization of the domestic industry and agriculture, have been decreased from the previous level of 20-40 per cent to 10-25 per cent. As a result, an average ad valorem tariff incidence has been reduced from 10.5 per cent to 8 per cent.

In the present customs tariff only the MFN rates are indicated. They apply to goods originating in the GATT contracting parties and in the States which grant the Most Favoured Nation treatment to goods of Polish origin. The list of countries, beneficiaries of the MFN rates in the Polish tariff, is published by the Minister of Foreign Economic Relations in the official publication "Monitor Polski".

The autonomous duty rates, applied to imports originating in countries other than those mentioned above are by 100 per cent higher than the MFN rates and, in cases when a MFN rate is zero, the autonomous rate amounts to 25 per cent of the customs value of the goods.

Imports originating in the developing countries are granted preferential tariff treatment within the GSP scheme. The modified scheme was introduced by the Decree of the Minister of Foreign Economic Relations of 20 December 1988. It provides for all imports from 42 least developed countries entering the Polish customs territory on the duty free basis. Zero duty rates are also applied to tropical products from chapters 6 to 24 and to many goods from chapters 32 to 94 which are of interest to the developing countries and which originate in these countries. For all remaining products and for the developing countries not being the least developed countries the preferential rates of duty have been introduced amounting to 0.3 of the base MFN rate, established in the customs tariff. The Polish GSP scheme has thus been expanded to cover all goods originating in 129 developing countries. It does not contain any special limitations or exemptions.

Upon request by interested contracting parties Poland is ready to furnish additional information on her customs tariff.