

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## THIRD ANNUAL REVIEW UNDER THE DECLARATION ON RELATIONS WITH POLAND

### Report of the Working Party on Relations with Poland

1. The terms of reference of the Working Party are: "to conduct the third annual review under paragraphs A:4 and B:3 of the Declaration of 9 November 1959 on relations between contracting parties and Poland and to submit a report to the CONTRACTING PARTIES". The scope of these annual reviews was defined by the Council in 1962. They are to cover:
  - (a) efforts made and progress achieved, in the expansion of trade between Poland and the signatories to the Declaration;
  - (b) any problems arising from the trade relations between Poland and the signatories; any representations or consultations that may have been made or carried out pursuant to paragraphs A:2 or B:2 of the Declaration; and
  - (c) action taken or arrangements made by Poland for making public its laws, regulations, judicial decisions, administrative rulings and agreements as well as statistics pertaining to trade, as provided in paragraph A:3 of the Declaration.
2. Switzerland, having requested membership of the Working Party, was invited to participate in its work pending a formal decision by the Council.
3. The introductory statement by the representative of Poland and statistics presented by the delegation of Poland on Polish trade in 1962 and 1963 with GATT countries are contained in Annexes I and II respectively. A number of countries parties to the Declaration on Relations between Contracting Parties and Poland supplied the Working Party with statements relevant to the review. These statements are contained in Annex III to this report.
4. The following paragraphs summarize the main points made during the course of the review.

Expansion of trade with Poland

5. The representative of Poland outlined the main features of trade between the contracting parties and Poland during the period under review. He informed the Working Party that Polish exports to the contracting parties had increased by 5 per cent during the period under review (compared with an increase of 7.5 per cent in total Polish exports) while Polish imports from contracting parties had decreased by about 0.7 per cent (compared with an increase of 5 per cent in total Polish imports). The picture presented by the representative of Poland was generally corroborated by the statements submitted to the Working Party by signatories to the Declaration.

6. The representative of Poland said that in 1963 his country's trade deficit with contracting parties had fallen to \$106 million when imports were calculated on the basis of c.i.f. prices or \$70 million when calculated on f.o.b. prices. He recalled that Poland's trade deficit with the contracting parties had increased in previous years and that during the second annual review he had announced his Government's intention to take steps to correct this situation. He pointed out that during the first half of 1964 imports from the contracting parties had risen by 10 per cent, a rate of growth above that for imports as a whole. The representative of Austria drew the particular attention of the Working Party to the fact that Austria's trade balance with Poland, which has been well balanced in previous years, showed a large deficit in 1963, mainly due to a short-fall of Polish imports. This development continued in the first eight months of 1964. He appealed to the Polish authorities to increase their imports from Austria. The representative of Switzerland, commenting on the pattern of Polish imports, felt that possibilities existed for an increase in purchases of consumer goods by Poland and expressed the hope that a solution to this problem might be found in the context of the Kennedy Round of trade negotiations.

7. The representative of Poland pointed out that exports of certain agricultural products to contracting parties had shown a marked decline in volume during 1963. Export earnings had been maintained because there had been significant increases in the price of these commodities.

8. The attention of the Working Party was drawn to developments in Poland's trade with the less-developed countries. The representative of Poland indicated that Polish imports of a number of products of particular importance in the export trade of these countries had increased considerably during 1963. Coffee, tea, oilseeds, sisal and cotton in particular were mentioned in this context. The representative of India said that it was planned to double trade between Poland and India in the next few years and expressed his Government's gratitude for the constructive attitude which the Polish Government had adopted.

Representations and consultations on specific problems

9. The Working Party noted that no specific problem of the kind envisaged in paragraphs A:2 or B:2 of the Declaration had been reported for attention by the CONTRACTING PARTIES; nor had there been reference to any representations or consultations for discussion under section (b) of this review.

Publication of laws, regulations etc. by Poland

10. The Polish representative reaffirmed that the requirements of paragraph A:3 of the Declaration had been fully met and the Working Party noted that no questions had been raised on this aspect of the review.

General

11. In conclusion the representative of Poland said that the fact that the Working Party had met for the third time gave it a certain institutional character and recalled that it was his Government's intention to seek a change in its status in the GATT.

12. The Working Party considered that the review had contributed substantially to a better understanding of the present situation and had fulfilled the purposes, as envisaged by the CONTRACTING PARTIES, of the review provided for in the Declaration.

ANNEX I

INTRODUCTORY STATEMENT BY THE REPRESENTATIVE OF POLAND

Before reviewing developments in Poland's economy in the past year, I should like to say that in our opinion the very fact that the GATT Working Party on Relations with Poland is meeting for the third time gives it something of an institutional character.

This is neither the time nor the place for going into this aspect more deeply, but we shall revert to it elsewhere at an appropriate moment.

As in the first and second annual reviews, I should like once again to concentrate on the most important facts which occurred in Poland's economy and foreign trade in 1963. For a proper evaluation of these events, however, certain results of previous years must be taken into consideration in order to bring out the somewhat unusual character of the year 1963.

In 1963 the growth rate of national income was higher than in 1962, reaching 5.5 per cent. That cannot be considered high, however, having regard to the fact that in 1962 there was a slowing down in economic expansion because of exceptionally low agricultural output. The difficulties resulting from the poor 1962 harvest were aggravated by the particularly hard winter of 1962/63, which led to transport and supply difficulties that in turn adversely affected the economic activity of the country.

Poland's overall industrial output was only 5.3 per cent higher in 1963 than in 1962, which is far below the average growth rate of the past few years.

Agricultural output rose by 3.8 per cent in 1963, larger crop production being coupled with a decline in livestock production as a result of the poor fodder crop of 1962.

Slower growth in industrial output also affected investment in 1963, which fell short of the target figure in the plan and was only 2.4 per cent higher than in 1962.

The general picture of Poland's economy in 1963 was reflected in the pattern and scope of foreign trade.

Poland's commercial exchanges in 1963 were 6.2 per cent higher than in the preceding year. Exports rose by 7.5 per cent and imports by 5 per cent over the 1962 level. It may be useful to recall here that in 1961 and 1962 the rate of growth of commercial exchanges reached 13.1 per cent and 10.7 per cent respectively.

What must be emphasized is that in each of these years, including 1963 which is considered an unfavourable one, trade expanded more rapidly than national income. As already pointed out during the earlier reviews, this is a characteristic feature of the current stage of Poland's economic development, with foreign trade playing an increasing part in our economy.

There have been favourable developments in the structure of Poland's trade as regards the composition of exports, reflecting to some extent the country's industrial progress.

The share of machinery, apparatus and transport equipment - in other words, equipment goods - rose sharply to reach 33 per cent of our total exports in 1963, as compared with 30 per cent in the preceding year, and this advance was accompanied by a 19 per cent increase in value.

The share of industrial consumer goods rose from 12 per cent to 13 per cent of total exports, with an 18 per cent increase in value. Larger exports under these headings partly offset the losses caused by the decline in agricultural exports.

After this brief outline of the general situation of Poland's foreign trade in 1963, I think I should comment on Poland's trade relations with contracting parties.

In 1963, the expansion of exchanges with contracting parties was relatively slow. Poland's exports to contracting parties rose from \$764 million in 1962 to \$803 million in 1963, while imports from those countries amounted to \$909 million which was \$6 million lower than in 1962. Thus, Poland's trade deficit with contracting parties was reduced to \$106 million.

What must be emphasized is that in 1963, for the first time since 1955, imports were lower than in the preceding year. Furthermore, as I already had occasion to state last year during the second review of relations between contracting parties and Poland, the trade deficit accumulated in recent years was considered excessive by the Polish authorities. I also announced my Government's decision to remedy the situation in this sector.

A closer examination of trade with individual countries reveals still more clearly that after all, this decline in imports is by no means general.

Imports from thirty-one countries increased, while in the case of four countries they continued at the same level as in 1962. Imports from twenty-one countries were lower than in 1962.

As regards trade with market economy countries in the process of development, it should be emphasized that Poland's exports to those countries increased from \$91.7 million in 1962 to \$105.3 million in 1963; imports from those countries rose from \$115.8 million to \$146.3 million - a 27 per cent increase which is quite a high rate of expansion.

To conclude these remarks on trade with developing countries, I should mention some indices regarding the evolution of imports of individual products in 1963 in relation to 1962. They are as follows:

Coffee	- 249
Tea	- 125
Oilseeds	- 131
Sisal	- 114
Cotton	- 122

I have already mentioned the effects of our rather unfavourable economic situation in 1963 on the investment sector. This has inevitably affected purchases of capital goods. Great caution in the field of imports has been all the more necessary because a larger share of foreign exchange has had to be used for purchasing cereals, in fact from GATT member countries.

After reviewing our imports in 1963, I think it may be of interest to examine some data regarding our exports to contracting parties. As shown by the figures I mentioned earlier, their value was 5 per cent above the 1962 level. This increase in the value of exports does not, however, coincide with a rise in the volume of certain categories of goods exported by Poland, particularly as regards agricultural products. For example, in 1963 as compared with 1962, we exported only 37 per cent of sugar, 50 per cent of swine and pig meat, 61 per cent of eggs and 68 per cent of butter.

It must also be pointed out that it was precisely in the agricultural sector that 1963 brought an appreciable price increase as compared with 1962 and more particularly the preceding years. Somewhat paradoxically, this price increase has been a decisive factor in maintaining the value of Poland's overall exports to contracting parties.

Thus on the export side also, 1963 can be seen to have been a rather exceptional year, a year of contradictory trends which were difficult to evaluate at the time when they emerged, and some of which ran counter to the general tendency of steady growth in our commercial exchanges.

The fact that 1963 was an exceptional year can also be seen from the statistics for the first six months of the current year, which show a 10 per cent increase in imports from contracting parties. It should be noted also that during this period the rate of growth of imports from GATT member countries has been substantially higher than the rate of growth of our imports as a whole.

ANNEX II

TRADE STATISTICS SUPPLIED BY THE DELEGATION OF POLAND

The following table was supplied by the delegation of Poland. During the review of trade relations with Poland in 1963 it became evident that in some instances Poland's statistical trade figures differ from those recorded by her trading partners. This was partly attributable to differences in accounting methods. In the table an effort has therefore been made to assess Polish trade figures for 1963 in terms that should be somewhat closer to statistical standards used by Poland's trade partners. For the purpose of comparison, adjusted figures for 1962 are also indicated. For this reason 1962 figures may differ however from those recorded in the report on the second annual review (L/2058, Annex III), and from those given in the Polish introductory statement at the present review in which import figures are on a c.i.f. rather than an f.o.b. basis.

Polish Trade with GATT Countries in 1962 and 1963  
(Value in million US\$)

Country	Exports		Imports	
	1962	1963	1962	1963
Algeria	0.3	0.4	0.04	0.1
Argentina	1.8	0.5	19.4	19.1
Australia	1.1	1.4	19.0	14.1
Austria	32.4	38.2	32.5	24.6
Belgium	11.8	11.4	8.5	7.8
Brazil	5.0	13.2	8.5	13.1
Burma	0.9	2.8	2.2	2.2
Burundi	-	-	-	-
Cambodia	1.1	1.7	0.9	4.0
Cameroon	-	0.04	0.02	0.02
Canada	4.9	6.8	34.1	16.1
Central African Republic	-	0.0	-	-
Ceylon	3.5	1.6	6.6	3.6
Chad	0.01	0.0	-	-
Chile	4.5	0.2	0.4	1.8
Congo (Brazzaville)	-	-	0.04	0.03
Congo (Leopoldville)	0.1	0.1	-	-
Cuba	21.0	24.8	19.1	17.4
Cyprus	0.2	0.3	0.03	0.3
Czechoslovakia	161.2	160.8	195.9	192.4
Dahomey	-	0.1	-	-
Denmark	23.7	23.1	20.9	18.7
Dominican Republic	0.1	0.2	-	-



Country	Exports		Imports	
	1962	1963	1962	1963
Finland	22.4	20.3	19.9	19.4
France	19.5	19.5	22.3	44.4
Federal Republic of Germany	92.0	86.4	63.0	61.7
Gabon	0.01	0.01	0.03	0.1
Ghana	3.9	4.1	4.2	4.1
Greece	9.1	10.9	5.6	8.6
Haiti	0.8	0.4	0.01	0.02
Iceland	2.0	2.2	1.6	1.8
India	20.1	20.7	19.1	19.9
Indonesia	14.6	12.3	4.2	2.4
Israel	2.6	6.8	1.1	1.9
Italy	40.9	47.1	29.6	35.2
Ivory Coast	0.1	0.1	0.1	0.2
Jamaica	0.2	0.2	0.3	0.3
Japan	1.0	1.6	2.5	1.8
Kenya	0.0	0.01	0.1	0.1
Kuwait	1.4	1.9	-	-
Luxemburg	0.04	0.1	0.01	0.2
Madagascar	0.1	0.1	0.02	0.0
Malaysia	1.3	1.5	9.0	13.4
Mali	0.2	0.5	0.2	0.8
Mauritania	-	-	-	-
Kingdom of the Netherlands	13.0	14.5	8.8	9.6
New Zealand	0.02	0.05	4.3	2.6
Nicaragua	0.0	0.03	-	-
Niger	0.0	0.0	-	-
Nigeria	1.8	3.0	2.6	4.0
Norway	6.6	7.1	6.4	8.7
Pakistan	1.5	0.8	5.1	3.3
Peru	0.1	0.1	-	3.1
Portugal	0.9	0.7	1.1	1.2
Rwanda	0.0	0.0	-	-
Senegal	0.1	1.2	-	-
Sierra Leone	0.5	0.4	-	-
South Africa	0.5	0.9	3.3	2.9
Southern Rhodesia	0.2	0.1	1.1	5.6
Spain	9.0	9.2	7.5	12.3
Sweden	29.0	25.8	21.9	24.0
Switzerland	14.1	13.6	10.9	10.6
Tanganyika	0.7	1.2	-	0.4
Togo	0.1	0.2	-	-
Trinidad and Tobago	0.1	0.1	-	-
Tunisia	1.8	3.0	1.3	2.0
Turkey	7.5	7.0	4.7	6.2

Country	Exports		Imports	
	1962	1963	1962	1963
Uganda	0.0	0.1	-	-
United Kingdom	97.3	101.0	101.2	79.7
United Arab Republic	13.6	13.8	8.0	14.0
United States of America	42.8	42.3	88.8	90.6
Upper Volta	0.0	0.0	-	-
Uruguay	0.4	0.1	1.8	2.1
Yugoslavia	31.6	33.1	39.1	34.4
Total	779.0	802.6	868.8	872.7

ANNEX III

INFORMATION ON TRADE RELATIONS WITH POLAND  
SUPPLIED BY GOVERNMENTS

1. The Declaration of 9 November 1959 on Relations between CONTRACTING PARTIES to GATT and Poland is in force between Poland and the following fifty-seven governments:

Australia	Kenya
Austria	Kuwait
Belgium	Luxemburg
Burma	Madagascar
Cameroon	Mauritania
Canada	Kingdom of the Netherlands
Central African Republic	New Zealand
Ceylon	Niger
Chad	Federation of Nigeria
Chile	Norway
Congo (Brazzaville)	Pakistan
Cuba	Senegal
Cyprus	Sierra Leone
Czechoslovakia	Southern Rhodesia
Dahomey	Sweden
Denmark	Switzerland
Finland	Tanganyika
France	Togo
Gabon	Trinidad and Tobago
Federal Republic of Germany	Tunisia
Ghana	Turkey
Greece	Uganda
India	United Arab Republic
Indonesia	United Kingdom of Great Britain and Northern Ireland
Israel	United States of America
Italy	Upper Volta
Ivory Coast	Uruguay
Jamaica	Yugoslavia
Japan	

2. Reproduced in this Annex are notes embodying information supplied by governments. Unless otherwise indicated, the information has been supplied specifically for the third review.

AUSTRALIA

In the trading year 1963/1964 Australia's exports to Poland rose to £A7.73 million compared with a figure of £A6.22 million for 1962/1963, and an average of £A7.871 million for the previous three years.

Table I - Trade with Poland

	<u>Exports</u> £Am	<u>Imports</u> £Am	<u>Balance in</u> + = Australia's favour
1960/1961	7.93	0.39	7.54
1961/1962	9.47	0.43	9.04
1962/1963	6.22	0.56	5.66
1963/1964	7.73	0.75	6.98

Imports from Poland in 1963/1964 reached £A750,000, the highest level for some years.

In 1963/1964 wool accounted for 98.3 per cent of Australia's exports to Poland, see Table II; Poland being Australia's eleventh most important customer for wool in that year. Australian imports from Poland, on the other hand, are much more diversified (see Table II). The major import item is textiles for which imports in 1963/1964 were £A270,000 or more than 61 per cent greater than in 1962/1963.

Table II - Composition of Trade

1963/1964 - (preliminary subject to revision)  
Commodities valued at more than £A10,000

<u>Exports to Poland</u>		<u>Imports from Poland</u>	
	<u>£A'000</u>		<u>£A'000</u>
Wool	7,591	Textiles	270
Rutile, concentrates	107	Metal working machines and appliances	90
Hides and skins	21	Pulp, paper and board	44
Other	14	Caustic soda	34
		Chemicals and pharmaceuticals	31
		Cut glass and glassware	30
		Vegetables and foodstuffs of vegetable origin	26
		Metals and metal manufactures (except electrical appliances and machinery)	24
		Toys	22
		Liquors and flavoured spirituous liquors	20
		Carding machines	16
		Ammonium fertilizers	16
		Other	<u>127</u>
<b>TOTAL</b>	<u>7,733</u>		750

Australia has not undertaken any specific trade promotion activity in Poland since the Declaration of November 1959 became effective, nor have there been consultations between Australia and Poland in the context of the Declaration. However, discussions have taken place between Australian and Polish officials on ways in which Poland might increase its sales to Australia.

Poland enjoys full MFN treatment in Australia. However, because of the system of State trading maintained by Poland, Australia retains discretion as to the criteria to be applied in connexion with the administration of anti-dumping and countervailing measures.

AUSTRIA

Within the framework of a five-year agreement effective since 1 August 1962, lists of products are annually established valid from 1 August of each year until 31 July of each succeeding year. Thus, a wide range of Polish products, such as coal, agricultural products as well as consumer goods may be exported under quotas from Poland to Austria. For goods not covered by the quotas provided in the lists, licences are granted by the Austrian authorities in a spirit of understanding.

Tariff rates equal to the corresponding tariff rates bound under the General Agreement are applied by Austria to numerous items exported from Poland to Austria.

Polish purchases in Austria fell short in 1963 of the traditional level maintained in preceding years. Therefore, the trade balance between the two countries which had been well in equilibrium during a considerable period of time recently resulted in a surplus in favour of Poland. Indeed, Polish exports to Austria during the period from 1 January 1964 until 31 August 1964 exceeded by 208 million Austrian schillings Polish imports from Austria. A further increase of the mutual exchange of goods is however expected, which might restore the equilibrium of the trade balance. So far, trade figures relating to 1964 are on a higher level than in the corresponding months of 1963.

A committee consisting of governmental representatives of both countries meets at regular intervals in order to consider problems arising from the mutual trade relationship. The last meeting took place in May 1964.

CANADA

The Canadian delegation is pleased to note the expansion of Poland's trade with GATT CONTRACTING PARTIES in 1963. Canada grants Poland full MFN treatment with no quotas or special limitations on Polish goods.

Canadian imports from Poland increased to \$6.8 million in 1963 as compared with \$4.8 million in 1962. This was a further rise from an increase of 50 per cent between 1961 and 1962 levels.

Canadian exports to Poland totalled \$27.2 million in 1963, a decrease of \$10 million from 1962 exports to \$37.4 million. However, for the first seven months of 1964 they have almost doubled over the comparable 1963 exports, with the major share of the increase being accounted for by wheat. In recent years the major part of Canada's exports has been wheat. In November 1963 Canada signed a long-term wheat agreement valid of three years which provides for Poland to purchase 44 million bushels of Canadian wheat. This new wheat agreement is an indication of the strengthening of Canada's trade relations with Poland.

Canada attaches special importance to the steps which are being taken to arrange for Poland's participation in the Kennedy Round. Canada from the beginning has endorsed the principle of Poland's participation in the Kennedy Round and will be looking forward to further detailed discussions on the various aspects of this matter.

CZECHOSLOVAKIA

Trade relations between Czechoslovakia and Poland are based on a general treaty concluded in 1947 and a long-term agreement concluded in 1960 for the years 1961-1965. The treaty of 1947 provides for general most-favoured-nation treatment and for several tariff concessions which have also been extended to other contracting parties and which do not involve any element of preference. Other special agreements providing for economic co-operation are also in force. Trade relations in 1964 are based on annual protocol concluded in December 1963 within the framework of the long-term agreement, on the basis of which further increase of trade is expected.

During the past few years trade between Czechoslovakia and Poland has developed favourably as may be illustrated by the following data:

	<u>Exports</u>	<u>Imports</u>
	(in thousand koruna)	
1958	682,924	514,907
1959	826,631	509,962
1960	924,425	796,021
1961	1,181,251	1,015,525
1962	1,447,096	1,043,796
1963	1,408,369	1,051,564

The surplus in the balance of trade was again, as in previous years, fully utilized for meeting transport facilities, particularly sea transport, offered to Czechoslovakia by Poland.

In the period under review no problems in mutual trade relations have arisen.



DENMARK

The general provisions and the rates of duty contained in the Danish Tariff on 28 January 1959, as amended, are applicable to commodities imported into Denmark from Poland. The Danish Tariff is a single column tariff, except for the rates stemming from the EFTA Convention.

Imports of all goods from Poland are subject to licensing requirements. Export licences are needed for the exportation of practically all commodities to Poland.

Trade between Denmark and Poland is regulated through a four-year trade agreement and a supplementary Protocol, both expiring on 31 December 1965.

With regard to a number of Polish commodities Denmark has agreed to consider favourably the issue of licences over and above the quotas thus established. Furthermore, Denmark has undertaken to consider favourable the licensing of Polish products other than those contained in the Agreement list in cases where imports of such goods from other countries are subject to a liberal régime.

In recent years the volume of trade between Denmark and Poland has been increasing as illustrated by the following figures showing the volume of trade during the last three years:

	<u>Danish Imports from Poland</u>	<u>Danish Exports to Poland</u>	<u>Total Trade</u>
		(mil. D. Kr.)	
1961	146	102	248
1962	205	115	320
1963	199	170	369

FEDERAL REPUBLIC OF GERMANY

The conclusion of a Protocol concerning trade and navigation between the Federal Republic of Germany and Poland on 7 March 1963 created a new contractual basis for the trade relations between the two countries.

There were concluded:

1. A Protocol concerning trade and navigation to be effective from 1 January 1963 to 31 December 1966 with renewal by tacit agreement for successive periods of one year provided no notice of termination is given three months before the end of a calendar year. It was agreed in the Protocol to establish a trade mission of the Federal Republic of Germany in Poland, its activities and its status corresponding with those of the trade mission of Poland in the Federal Republic of Germany on the basis of reciprocity.
2. A Protocol concerning navigation between the Federal Republic of Germany and the People's Republic of Poland to be effective from 1 January 1963 until 31 December 1965. Automatic renewal as under 1.
3. Lists of products (Annex A = Polish supplies, Annex B = German supplies) with a period of validity from 1 January 1963 until 31 December 1965. These lists are to be reviewed annually by a mixed commission. Automatic renewal as under 1.

The protocol concerning trade and maritime shipping between the Federal Republic of Germany and Poland of 7 March 1963 was supplemented by an additional Protocol of 21 July 1964 which entered into force on the date of the signature and remains effective for 1964 and 1965. It contains new arrangements concerning quotas.

To restrict possible undercutting of prices and concentration of trade on a few products internal limitations for certain groups of commodities have been introduced in the Federal Republic in the issue of collective tenders for the import of Polish goods. No recent complaints that are worth mentioning with respect to Polish dumping have become known. The German import ban on diethyl ether was maintained.

The following table shows import and export figures for 1963 and 1964 (Poland as country of purchase and country of sale, general trade):

(in million DM)

year	German imports from Poland	German exports to Poland	turnover	balance
1963	328.2	239.7	567.9	-88.5
1964 (first half)	138.-	125.9	263.9	-12.1
1963 (first half)	129.1	106.6	235.7	-22.5

The figures show that German-Polish trade tends to increase and that there is a continuous surplus in favour of Poland.

FRANCE

Trade relations with France are governed by the trade agreement of 26 November 1963, valid from 1 January 1964 to 31 December 1965, and the equipment protocol of 26 July 1963, modified by a codicil dated 26 November 1963, and valid for the years 1963, 1964 and 1965.

The level of trade between France and Poland has been as follows:

	<u>Imports</u>	<u>Exports</u>
	(in million francs)	
1961	82	108
1962	119	123
1963	115	217

Imports from Poland have been stable. The rapid increase in French exports in 1963 is due to wheat deliveries (154 million francs). Exports of mechanical and electrical equipment are also expanding (+ 9 million francs). There has, however, been a drop in sales of iron and steel products (- 11.7 million francs) and chemicals (- 5.2 million francs).

INDIA

Trade between the two countries is being regulated in terms of the bilateral Trade and Payments Agreement. The existing long-term Trade and Payments Agreement concluded by the two Governments on 18 December 1963 is operative from 1 January 1964 to 31 December 1968. The planned trade between the two countries has been increasing steadily since 1959 as will be observed from the figures furnished below:

(Figures in millions of rupees)

<u>Year</u>	<u>Imports</u>	<u>Exports</u>	<u>Total Trade</u>
1959	41.4	35.9	77.3
1960	29.9	33.5	63.4
1961	84.8	41.2	126.0
1962	78.5	112.5	191.0
1963	81.0	88.7	169.7
1964	75.5	67.5	143.0

(January to  
July 1964)

The important items of export from India to Poland are iron ore, manganese ore, jute goods, cotton textiles, various engineering goods including diesel engines, rolled steel products, textile machinery and accessories apart from other traditional commodities like tea, coffee, black pepper, deoiled cakes, mica and shellac products. Imports from Poland consist mainly of capital goods, machine tools, rolled steel products, textile machinery and heavy earthmoving equipment including excavators and cranes.

INDONESIA<sup>1</sup>

Trade between Indonesia and Poland is conducted on the basis of a trade agreement which provides for most-favoured-nation treatment with respect to customs tariffs and trade controls. Annexed to the agreement are two lists of commodities which may be exchanged, but these lists are neither binding nor exclusive. The agreement is valid initially for a one-year period and may be renewed automatically for additional periods of one year unless prior notice of its termination is given by either Government.

The development of trade between Indonesia and Poland may be illustrated by the following data, which show that the trade deficit in Poland's favour still persists:

Trade between Indonesia and Poland (excluding oil)

in 1000 Rp.  
US\$1.- = 45 Rupiahs

<u>Items</u>	<u>1961</u>	<u>1962</u>
<u>Export:</u>		
1. Rubber (estate)	46,591	65,736
2. Rubber (non-estate)	16,244	59,306
3. Hides and skins	-	201
4. Palm kernels	4,456	1,821
5. Copra	-	11,814
6. Others	-	3,785
Total EXPORTS	67,291	142,663

Import:

1. Food and beverages	680	-
2. Chemical products	10,243	1,711
3. Textiles	102,579	6,721
4. Others (mostly capital goods)	63,892	318,508
Total IMPORTS	176,394	326,940

Balance - 109,103 - 184,277

Sources: 1961 = Central Bureau of Statistics  
1962 = Bureau of Foreign Exchanges' Administration

<sup>1</sup>Data supplied in 1953 for the second review.

ITALY

Within the framework of the Italo-Polish Long-Term Agreement of 27 November 1960, valid for the period 1961-1964, a Trade Protocol was signed on 30 January 1964 which foresees for the current year an exchange of goods between the two countries to a value of 80.5 milliard lire, an increase of 18.5 per cent compared with the level foreseen for 1963.

The list of Polish goods to be imported into Italy represents a value of about 42 milliard lire, while the list of Italian goods to be exported to Poland amounts to about 38.5 milliard lire. The envisaged imbalance of 3.5 milliard lire between the two lists is intended to enable the Polish authorities to accumulate funds needed to make payments on goods previously purchased on instalment arrangements under the Agreement of 27 November 1960 on the supply of equipment and investment goods.

The following table shows the trade between Italy and Poland in the last few years:

	<u>1962</u>	<u>1963</u>	<u>1963</u> (eight months)	<u>1964</u> (eight months)
	(value in million lire)			
Italian imports from Poland	28,440	35,595	23,367	21,035
Italian exports to Poland	17,520	21,134	14,379	12,086
Total trade	45,960	56,729	37,746	33,121
Balance for Italy	- 10,920	- 14,461	- 8,988	- 8,949

Compared with the preceding year Italian imports and exports increased in 1963 by 24.9 per cent and 20.3 per cent respectively. In the first eight months of the current year the Italian imports from Poland have fallen by 10.0 per cent in comparison with the same period the previous year; in the same period the Italian exports have decreased by 15.9 per cent.

In 1963 Italian imports of Polish products amounted to 0.8 per cent of total Italian imports, while Italian exports to Poland amounted to 0.7 per cent of total Italian exports.

The principal Polish goods imported into Italy in 1962/1963 were the following:

	<u>1962</u>	<u>1963</u>
	(value in million lire)	
Horses	1,619	2,878
Cattle	2,507	3,498
Birds' eggs	7,932	6,365
Coal	6,289	5,481
Meat	1,571	4,086
Milk and butter	1,448	1,925
Iron and steel sheets	122	1,057
Timber	555	493
Raw hides, not for the preparation of furs	675	583

The following articles constitute the main Italian exports to Poland in the two years in question:

Citrus fruits	553	1,333
Yarn of artificial and synthetic fibres	1,651	1,033
Iron and steel sheets	2,041	1,450
Non-electrical machinery and equipment	3,866	5,622
Electrical motors and generators and other apparatus for the application of electricity	682	1,089
Ball bearings	916	822
Boats and parts thereof	508	596
Plastic materials and synthetic resins	1,146	603
Chemical and pharmaceutical products	2,126	2,456



JAPAN

A "Treaty on Commerce between Japan and the Polish People's Republic", was signed on 26 April 1958 and came into force on 16 January 1959 for a period of five years. A trade-and-payments agreement between the two countries was also concluded on 26 April 1958.

In accordance with the provisions of the said Treaty, the two countries accord to each other most-favoured-nation treatment in all matters concerning customs tariffs and other commercial policy measures. Japan, therefore exercises no discrimination against Poland, applying most-favoured-nation rates to imports from it. Japan's import liberalization list is also applicable to Poland.

Despite these measures, Poland's exports to Japan were at a low level until 1961, owing to the lack of demand for Polish products in Japan. In 1961, however, imports from Poland rose almost four times, compared to those in the preceding year, mainly due to increased imports of sugar, malt and machines. Japan's exports to Poland in 1961 doubled those in the preceding year, as a result of increased trade in bearings, tyres and tubes for motor cars, papers and chemicals.

Japan's exports to Poland in 1962 rose by 55 per cent compared with the preceding year, due to increased exports of chemicals, bearings and new items such as machines and steel manufactures. Imports from Poland in 1962 fell by 19 per cent in comparison with those in 1961, as a result of reduced imports of malt and sugar which have been Japan's main imports from Poland.

Although in 1963, as compared with the preceding year, Japan's exports to and imports from Poland fell by 50 per cent and 10 per cent respectively, resulting in a 40 per cent drop in total trade, the trade between the two countries has been increasing again in 1964.

Trade between Japan and Poland (1,000 dollars)

	<u>Imports from Poland</u>	<u>Exports to Poland</u>	<u>Total</u>
1958	531	840	1,371
1959	308	817	1,125
1960	479	841	1,320
1961	1,837	1,725	3,562
1962	1,488	2,686	4,174
1963	1,343	1,168	2,511
1964 (January-August)	1,749	1,658	3,407

While Japan's exports of papers and graphite electrodes to Poland slightly increased in 1963, the decrease in Japan's exports to Poland as a whole in 1963 was attributable to the sharp reduction in exports of such principal items as tyres and tubes for motor cars, chemicals, bearings, iron and steel and machinery. With respect to imports from Poland in the same year, while there were little or no imports of such traditional items as malt, beet sugar and magnesia clinker, and the imports of metals and machine tools failed to increase, the import of potato starch reached 1,000 m.t., accounting for 80 per cent of the total imports from Poland in value.

PAKISTAN<sup>1</sup>

Trade between Pakistan and Poland is regulated by the Trade Agreement which was originally signed in February 1956, and continues to be in force. The Agreement inter alia provides for grant of MFN treatment in respect of customs duties, taxes and charges on import and export or on international transfer of payments for import or export. The two Governments also agree to permit under the normal rules and regulations in force in either country the importation and exportation of various commodities of Pakistani or Polish origin. The lists of goods for export to and import from Poland included in the Agreement are only illustrative and goods not included in them can also be imported or exported by either country.

Pakistan's Exports to and Imports from Poland

	<u>Exports</u> Rs	<u>Imports</u> Rs
February 1959-January 1960	17,594,174	4,104,745
February 1960-January 1961	28,864,548	7,580,850
February 1961-January 1962	31,781,097	8,131,656

As will be seen from the above data, there has been an increase of trade in each direction during the above period.

A number of special commodity exchange arrangements have also been concluded with Poland in recent years with a view to further developing the trade with that country. A number of official and non-official trade delegations have visited Pakistan from Poland. A trade delegation also visited Poland from Pakistan in 1957. The object of these visits has been to explore ways and means of furthering the trade between the two countries.

No problems have arisen which required consultations or representations under the Declaration.

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<sup>1</sup>Information supplied in connexion with the second review.

SWEDEN

The annual bilateral trade negotiations between Sweden and Poland constitute the traditional forum for discussions of the trade relations between the two countries.

The bilateral regulation of the payments was abolished by Sweden on 1 June 1960. A long-term trade agreement for three years running from 1 May 1961 has been concluded. This agreement has subsequently been prolonged till 30 April 1965. Mutual visits by commercial delegations have taken place.

A step towards a more liberalized trade with Poland was made unilaterally by Sweden through the free-listing of exports on 1 July 1961, according to which the licence requirement for the major part of Swedish exports to the eastern countries was abolished. As to imports, the Swedish free-listing has not yet been extended to cover those countries. In practice, however, licences are given freely for the main part of these imports.

Sweden's trade with Poland during the years 1958-1963 is shown in the following table (in million Kronor):

	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
Imports (c.i.f.)	85	110	121	131	175	158
Exports (f.o.b.)	123	107	95	108	108	128

An account of the distribution of trade for major groups of commodities is given in Annexes 1 and 2.

Total imports from Poland have risen by more than 100 percent during the four year period 1959-1962. The increase refers to most groups of commodities and was particularly significant in respect of commercial iron and steel. In 1963, the level of imports decreased, however, by some 10 per cent, in respect of iron, steel and fuels. Coal and coke imports have decreased materially and constituted in 1963 only some 16 per cent of total imports in comparison with 75-95 per cent during the first half of the 1950's.

Total exports decreased substantially in 1959 and 1960. Most of the reduction concerns the machinery sector. In 1962 total exports amounted roughly to the same value as in 1959 and 1961. In 1963 exports rose by 20 per cent. In 1962 exports of commercial iron and steel, non-electrical machinery and ships showed an important increase while exports of iron and pulp and electrical machinery decreased. The increase in 1963 referred mainly to foodstuffs and pulp and, to some extent to machinery, while exports of paper, iron and steel decreased.

Imports from Poland  
(SITC Revised)

Commodities	1960		1961		1962		1963	
	tons <sup>1</sup>	mkr <sup>2</sup>	tons	mkr	tons	mkr	tons	mkr
Food etc. (0,1,22,4)	9.0		14.4		21.3		29.0	
of which:								
meat and preserved meat	1.2		3.0		3.8		4.8	
horse meat	0.8		2.4		1.2		0.9	
pork, preserved	0.1		0.3		1.7		2.7	
eggs	-		2.5		3.4		1.8	
fish, fresh and preserved	1.4		1.2		2.0		1.7	
fruit, fresh and preserved	2.4		1.9		2.5		3.9	
vegetables, fresh and preserved	1.7		1.9		4.4		4.9	
potatoes	0.0		0.1		1.4		0.3	
onions	0.8		0.7		1.2		0.9	
sugar	0.8		2.9		3.9		10.2	
Raw materials including fuels (2 excluding 22,3)	54.0		56.6		68.3		59.2	
<u>Industrial raw materials</u>	<u>8.5</u>		<u>10.7</u>		<u>15.3</u>		<u>15.6</u>	
of which:								
articles of wood	3.9		5.1		6.0		6.1	
gypsum etc.	2.1		2.0		3.4		3.5	
sulphur etc.	-		1.1		2.6		2.4	
salt	1.5		1.4		1.7		2.1	
other raw material, vegetable or animal	0.5		0.9		1.5		1.2	
<u>Fuels</u>	<u>45.5</u>		<u>45.9</u>		<u>53.0</u>		<u>43.6</u>	
of which:								
coal	725	39.1	596	33.5	612	35.6	420	26.0
coke	31	2.1	48	3.3	11	0.7	3	0.3
liquid fuels		4.3		9.1		16.7		17.3
Manufactured and semi- manufactured goods (5-9)	57.8		59.5		85.0		70.2	

<sup>1</sup>Thousands of tons.

<sup>2</sup>Millions of Swedish "kronor".

Commodities	1960		1961		1962		1963	
	tons	mkr	tons	mkr	tons	mkr	tons	mkr
<u>Chemicals</u>		<u>12.2</u>		<u>9.4</u>		<u>10.8</u>		<u>11.1</u>
<u>Textiles and textile articles</u> <u>(including articles of</u>								
<u>apparel)</u>		<u>3.7</u>		<u>4.2</u>		<u>5.4</u>		<u>5.5</u>
of which:								
cotton textiles		1.7		2.0		1.5		1.7
articles of apparel		0.1		0.6		1.0		1.4
<u>Iron and steel</u>		<u>32.7</u>		<u>31.2</u>		<u>48.1</u>		<u>28.1</u>
of which:								
commercial iron and steel	50	29.9	47	27.3	82	43.4	46.9	24.2
sheet	44	26.4	37	22.3	68	36.0	38.8	20.5
tubes and fittings of cast iron		2.1		2.6		3.1		2.2
<u>Other metals than iron</u> <u>and steel</u>		<u>3.8</u>		<u>5.8</u>		<u>7.2</u>		<u>6.7</u>
of which:								
zinc	2.3	3.0	3.5	4.1	5.8	5.8	5.3	5.8
<u>Manufactures of metals,</u> <u>machinery, apparatus,</u> <u>transport equipment</u>		<u>3.1</u>		<u>5.6</u>		<u>4.1</u>		<u>4.1</u>
of which:								
manufactures of metals		1.5		3.3		2.0		1.8
machinery and apparatus, non-electrical		0.7		0.5		0.9		1.1
machinery and apparatus, electrical		0.9		1.7		1.0		0.9
coal electrodes		0.9		1.6		0.9		0.6
<u>Miscellaneous commodities</u>		<u>2.3</u>		<u>4.1</u>		<u>9.4</u>		<u>14.7</u>
of which:								
commodities of mineral origin		0.5		0.9		2.7		4.4
furniture		0.3		0.9		3.3		5.6
basketwork etc.		1.0		1.1		1.1		1.5
Total		120.8		130.5		174.6		158.4

Exports to Poland  
(SITC Revised)

Commodities	1960		1961		1962		1963	
	tons <sup>1</sup>	mkr <sup>2</sup>	tons	mkr	tons	mkr	tons	mkr
<u>Food etc. (0,1,22,4)</u>		0.7		14.1		14.5		32.7
of which:								
fish (herring)		-		-		0.4		-
wheat		0.6		0.0		5.6		26.1
rye		-		13.5		5.1		1.9
barley		-		-		3.4		2.6
oats		-		-		-		2.0
<u>Raw materials including</u>								
<u>fuels (2 excluding 22,3)</u>		55.2		50.8		41.0		48.2
Paper pulp	7.6	6.0	10.4	6.9	6.7	3.4	20.9	12.9
Textile fibres		1.0		-		0.0		0.0
Iron ore (million tons)	686	47.9	569	40.1	548	35.9	540	32.9
Zinc ore (million tons)	-	-	16	3.7	7	1.3	8	2.1
<u>Manufactured and semi-</u>								
<u>manufactured goods (5-9)</u>		39.2		42.7		52.3		47.2
<u>Chemicals etc.</u>		6.6		2.3		3.4		3.2
<u>Paper and cardboard</u>		1.9		0.7		0.8		0.2
<u>Iron and Steel</u>		3.9		9.6		15.5		12.4
of which:								
commercial iron and steel	0.8	3.6	3.4	8.9	3.7	14.5	4.0	11.3
<u>Manufactures of metals,</u>								
<u>machinery, apparatus,</u>								
<u>transport equipment</u>		25.4		28.9		31.2		30.2
of which:								
manufactures of metal		1.0		1.2		0.8		1.2
machinery and apparatus,								
non-electrical		11.8		15.4		18.7		22.0
combustion engines		0.9		1.3		2.3		2.0
machinery for treating								
metals		1.7		2.1		3.1		2.9
machinery for production								
of paper pulp etc.		0.3		1.4		0.9		0.2
pumps and centrifuges		2.5		3.2		4.6		5.8
ball bearings and								
roller bearings		1.3		1.3		0.8		1.8

<sup>1</sup>Thousands of tons.

<sup>2</sup>Millions of Swedish "kronor".

Commodities	1960		1961		1962		1963	
	tons	mkr	tons	mkr	tons	mkr	tons	mkr
machinery and apparatus, electrical		11.8		10.1		6.1		6.2
el.gen. and motors etc.		6.7		6.3		1.8		1.1
apparatus for telephony etc.		3.1		1.5		1.5		1.5
transport equipment		0.8		2.2		5.6		0.7
passenger cars	176 <sup>1</sup>	0.8	1	0.0	9	0.1	9	0.0
<u>Miscellaneous commodities</u>		1.4		1.2		1.4		1.2
Total		95.1		107.6		107.8		128.1

<sup>1</sup>Units.

UNITED KINGDOM

The United Kingdom's trade relations with Poland are governed by a trade arrangement under which there are bilaterally agreed quotas for certain goods, whilst for others our open general licence facilities apply. A new Anglo-Polish five-year trade arrangement came into force on 1 July 1963 under which quota lists for certain goods will continue to be negotiated annually. Within the framework of this arrangement the United Kingdom has agreed for the year 1964/65 to remove quota restrictions from a large number of industrial goods and some agricultural products subject to certain safeguards. In addition, Poland has been granted import quotas for a wide variety of these agricultural and industrial products - mainly the hard core of "sensitive" goods - that remain subject to specific licence and Poland continues to be able to make use of the United Kingdom's open general licence facilities. In return, Poland has granted the United Kingdom quotas and other facilities for the export of United Kingdom goods to Poland. In 1963 United Kingdom exports to Poland totalled £27½ million and imports £40 million. The equivalent figures in 1962 were £32½ million and £38½ million and in 1961 £22½ million and £37 million respectively. Whereas imports to the United Kingdom from Poland have maintained their steady increase, and have risen sharply during 1964, United Kingdom exports to Poland fell off slightly in 1963 and again in 1964.



UNITED STATES

Trade between the United States and Poland is not regulated by bilateral agreements, except in the case of special arrangements for the sale of certain United States agricultural products. The United States has granted most-favoured-nation tariff treatment to imports from Poland without interruption since December 1960, and does not discriminate against Poland in the administration of any import restrictions. The President of the United States, early in 1964, removed any uncertainty about continuation of most-favoured-nation treatment for Poland by making the determination required under an amendment to the Trade Expansion Act of 1962. The United States hopes that progress will be made toward a greater degree of multilateralization in Poland's trade with other contracting parties, including the conversion of Poland's import quotas to a global basis.

Total values in trade between the United States and Poland have developed as follows:

	(in millions of US dollars)				
	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
(a) Shipments of agricultural products under P.L.480	51.3	131.7	47.9	62.3	60.4
(b) United States exports to Poland (commercial)	23.5	11.4	26.8	32.1	48.5
(c) United States imports from Poland	31.8	38.8	41.3	45.8	43.1
(d) Total commercial trade turnover (b plus c)	55.3	50.2	68.1	77.9	91.6

Thus, the trend of growth in total commercial trade continued in 1963, despite a small decline in total imports from Poland. This decline resulted mainly from a decrease in shipments of Polish canned hams which was attributable more to factors affecting supply than to factors affecting demand.

The United States did not experience during the past year any particular problems in trade relations with Poland of a nature requiring representations or consultations under the Declaration of 9 November 1959.

