COFFEE, TEA AND COCOA PRICES IN POLAND

The following comments on prices of coffee, cocoa and tea in Poland have been submitted to the secretariat by the Government of Poland.

With regard to document COM.III/44 the Polish Government would like to make certain comments on Poland’s internal retail prices for coffee, tea and cocoa.

Firstly, it could be explained that the exchange rate applied for the calculations in the document in question, i.e. the so-called parity zloty (US$1 = 4 zlotys) is used only in Poland’s foreign trade. Therefore, the use of the parity zloty to calculate internal prices is entirely misleading.

It is regrettable that the calculations contained in the above document have been based on this exchange rate since otherwise it would be impossible to draw such conclusions.

Secondly, in Poland there is another exchange rate officially applied by the banks. It is the so-called "tourist exchange rate" (US$1 = 24 zlotys). This exchange rate however, may serve for calculations only in specific circumstances, i.e. hotel accommodation, standard meals, communication fares, etc. In other cases this exchange rate is not useful at all.

The internal prices (retail) actually fixed by the State Price Commission are:

COFFEE
First quality (so-called "wyborowa"), toasted 220 zl/kg.
Second quality (so-called "Santos"), toasted 180 zl/kg.
TEA

Chinese (so-called "Ulung") 140 zl/kg.
Chinese (so-called "Yunan") 180 zl/kg.
USSR (Georgian) 180 zl/kg.
Indonesian (so-called "Sumatra") 160 zl/kg.
Indian (so-called "Madras") 200 zl/kg.
Indian (so-called "Ceylon") 280 zl/kg.
Great Britain ("Pickwick Tea") 300 zl/kg.
Great Britain ("5 o'clock") 350 zl/kg.

COCOA

Can 1 kg. 270 zl.
Can 1/2 kg. 135 zl.
Can 1/4 kg. 68 zl.
Can 1/8 kg. 34 zl.
Bag 100 gr. 27 zl.
Bag 50 gr. 14 zl.
Not packed 230 zl./kg.

As can be seen, the differences in prices depend on quality of products and the way of packing.

It is clear that even if the "tourist exchange rate" is used internal retail prices in zlotys would be very far from those contained in document COM.III/44. In the document for instance it was reported that 1 kg. of coffee costs 157.5. Since the average monthly salary in Poland amounts to 1,800 zl. and 1 kg. of "Santos" coffee costs 180 zl., one could say that Polish salaries are the highest in the world (10 kgs. of coffee = 1,575).

Even the "tourist exchange rate" could not be used for the calculations in question. For instance, the rent in Warsaw for a flat (ca. 50 square metres) amounts to about 150 zl. (including central heating and water) which is less than 1 kg. of the cheapest coffee. One kg. of beef costs 22 to 36 zl. (depending on quality); a hair cut costs 5 to 7 zl.; a standard wireless set costs 700 zl. etc. It should be added that medical care and education are free of charge. There is also a lot of various goods and services which are supplied at low prices and therefore do not create any heavy burden on family budgets. Since as a rule all adult members of the family are employed the above-mentioned monthly salary is not the only source of family subsistence. In conclusion, it seems that over-simplification in the matter of certain prices may lead to misunderstandings as the case in document COM.III/44.