ACCESSION OF POLAND

Report of the Working Party

Draft by the Secretariat

1. At its meeting on 10 January 1967 the Council of Representatives decided to establish a Working Party to examine the application of the Government of Poland to accede to the General Agreement under Article XXXIII, taking account of all relevant documents already established in consultations and discussions with the representatives of the Government of Poland and any others that may be put forward, and to submit to the Council recommendations which may include a draft protocol of accession.


3. The Working Party had before it, to serve as a basis for its discussions, Poland's request for accession of 31 March 1959 (L/967), the statement by the Polish representative in the Council on 16 December 1966 relating to Poland's renewed application for full accession (L/2724) and various documents concerning the 1959 Declaration on relations with Poland and subsequent annual reviews under this Declaration and documents concerning Poland's participation in the Kennedy Round.

4. During the meeting the Polish delegation replied to, or commented on, various questions put to it by members of the Working Party and, at their request supplied supplementary information.

5. The representative of Poland stated that it was the intention of his Government to apply the General Agreement and the provisions of the Protocol of Accession of Poland in its relations with contracting parties and by doing so to contribute to the multilateralization and expansion of trade with countries parties to the General Agreement.
6. The Working Party noted that the foreign trade of Poland was conducted almost wholly by State enterprises and that the Foreign Trade Plan rather than the customs tariff was the effective instrument of Poland's commercial policy. It agreed that due consideration had to be given to these facts in drawing up the legal instruments relating to Poland's accession to the General Agreement. The representative of Poland stressed that, as a result of possible changes in the economic system of Poland, a different situation might arise enabling Poland to renegotiate its position towards the provisions of the General Agreement.

7. It was agreed that in view of the nature of the foreign trade system of Poland its main concession in the negotiations for its accession to the General Agreement would be commitments relating to an annual increase in the value of its imports from contracting parties.

8. With respect to operations of the Polish foreign trade system the Working Party emphasized the importance it attached to the granting by the Government of Poland to each contracting party, in respect of imports into Poland and purchases by Polish agencies, treatment no less favourable than that accorded to any other country.

9. In paragraph 6 of the Protocol for the Accession of Poland drawn up by the Working Party provision is made for annual consultations with a view to reaching agreement on the Polish import targets for the following year. With respect to these consultations the Working Party agreed that regard should be paid, inter alia, to the trend of Polish exports to contracting parties and to the need to avoid large fluctuations in Polish imports from contracting parties, bearing in mind the need for Poland to create an operational reserve. Regard should also be paid to the development of Poland's earnings of foreign exchange, in the light inter alia of quantitative restrictions which discriminated against imports from Poland maintained by contracting parties, and Poland's balance of payments, regard being had in this last connexion to any imbalance in Poland's invisible trade or capital transactions.
10. The representative of Poland pointed out that situations could arise in which Polish imports, for reasons other than a decline in Poland's exports to other contracting parties, might fall short of the quantities or values foreseen. Such situations would have to be provided for in the rules relating to the annual consultations.

11. With regard to the implementation of the anti-dumping provision in Article VI of the General Agreement with respect to imports from Poland, it was the understanding of the Working Party that the second Supplementary Provision to paragraph 1 of Article VI in Annex I of the General Agreement, relating to imports from a country which has a complete or substantially complete monopoly of its trade and where all domestic prices are fixed by the State, would apply.

12. The representative of Poland confirmed that this Government would abide by the provisions in Article X of the General Agreement relating to the publication and administration of trade regulations.

13. It was pointed out in the Working Party that the Decision by the CONTRACTING PARTIES of 18 November 1960 on arrangements for consultations between contracting parties on restrictive business practices would automatically apply in the trade between Poland and other contracting parties.

14. (Paragraphs which may have to be added after discussion in the Working Party.)

15. Having carried out the examination of the foreign trade régime of Poland and in the light of the assurances given by the representative of Poland the Working Party recommended that the contracting parties apply the General Agreement to their relations with Poland in accordance with the terms and conditions of the Protocol of Accession of Poland drawn up by the Working Party and annexed to this report, on the understanding that a reciprocal and mutually advantageous basis would thereby be afforded for the continuing evolution of trading relations between Poland and the contracting parties.
17. The Working Party thus reached the conclusion that, subject to the satisfactory conclusion of the relevant trade negotiations, Poland should be invited to accede to the General Agreement under the provisions of Article XXXIII. For this purpose the Working Party has prepared a draft Decision, attached to this report, on the accession of Poland and the draft Protocol referred to in the preceding paragraph. It is proposed that these texts be approved by the Council when it adopts the report. When the trade negotiations between Poland and contracting parties in connexion with the accession have been concluded, the resulting schedules would be annexed to the Protocol and the Decision would then be submitted to a vote by contracting parties in accordance with Article XXXIII. When the Decision is adopted, the Protocol would be opened for acceptance and Poland would become a contracting party thirty days after it accepts the Protocol.
ANNEX I

DRAFT DECISION ON THE ACCESSION OF POLAND TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

The CONTRACTING PARTIES,

Having regard to the results of the negotiations directed toward the accession of the Polish People's Republic to the General Agreement on Tariffs and Trade, and having prepared a Protocol for the Accession of the Polish People's Republic,

Decide, in accordance with Article XXXIII of the General Agreement that the Polish People's Republic may accede to the General Agreement on the terms set out in the said Protocol.

ANNEX II

DRAFT PROTOCOL FOR THE ACCESSION OF POLAND TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

The text of the Protocol has been circulated in document INT(67)129/Rev.1.