OPENING STATEMENT BY THE HEAD OF THE POLISH DELEGATION

The institution of an annual review of trade relations between Poland and the other GATT Member countries is considered by us as well as by them as affording an appropriate forum for discussion with the essential objective of eliminating any differences still existing in the treatment of Poland in relation to the other GATT Member countries. We believe that the second annual review, which we have just commenced, will proceed in a spirit of mutual understanding that will enable us to make substantial progress towards that objective.

A year has already gone by since the first review.

I take this opportunity to report to the Working Party on Polish economic development during this period.

Poland's economic development is advancing at a rapid rate. Last year, gross national product increased by 10 per cent in relation to the preceding year. In all the principal economic sectors there has been a substantial upward trend; for example, in 1968 overall production of the engineering industry as well as the chemical industry increased by 15 per cent as compared with the preceding year.

Poland's external trade is developing at a more rapid rate than its national income. This phenomenon has been apparent for some years and it indicates that foreign trade is becoming of increasing importance for the national economy. In 1968, Poland's overall exports increased by 14.8 per cent as compared with the preceding year, while over the same period imports progressed by 9 per cent. The overall value of exports was in excess of $2,800 million. Poland is in seventeenth place on the world list of exporters, and in eighteenth place among the major importers in the world. It should be noted that Poland accounts for 1.2 per cent of world exports.
The evolution of Poland's trade with GATT Member countries having a market economy shows very different features in relation to the evolution of Poland's overall trade.

Whereas Poland's imports from this group of countries increased by 9.7 per cent, Poland's exports to them progressed by only 4.9 per cent.

It is characteristic that whereas last year Poland's imports from the market-economy countries increased more rapidly than did Poland's overall imports, the export increment was much smaller than the average increment in Poland's overall exports over the same period. It is also worthy of note that in the past year Poland's imports from developing market-economy countries which are Members of GATT increased by 14 per cent.

Imports by Poland from the developed market-economy countries progressed by 9 per cent over the 1967 level. On the other hand, Poland's exports to those countries increased by only 7.2 per cent. The substantial expansion of Poland's imports from GATT Member countries can be considered as clear proof of Poland's efforts to develop trade relations with those countries, in conformity with the letter and the spirit of the General Agreement. But our efforts alone are not sufficient.

Under the programme for the planned development of Poland's economy, imports must in general be balanced by exports. Unfortunately, however, the situation is not encouraging. This is primarily the result of Poland's trade deficit with the developed market-economy countries which has become apparent in the past three years. This state of affairs is caused first and foremost by the discriminatory obstacles which some countries, in particular the most developed countries, still maintain towards imports from Poland. It should be underlined that the obstacles just mentioned relate in principle to products that are the most important among our exports.

This situation implies substantial disequilibrium in Poland's trade with this group of countries. Such a situation is all the more surprising if one considers that import trends for the essential part of import demand from this group of countries are still steady and substantial in Poland.
The open nature of Poland's economy and the increasing contribution of foreign trade to the formation of national income are a result of the economic level which Poland has attained and also of the gradual introduction of reforms in management of the economy. The general orientation of the management changes introduced in the economy coincides with the spirit of GATT, being based on the increasingly broad introduction of economic factors in our administration.

Two years have already gone by since Poland's accession to the General Agreement. All the incompatibilities in the treatment of Poland by certain Member countries which existed at the time of accession and were beyond our control should be eliminated progressively in such a way that on the one hand, they could be eliminated as rapidly as feasible and on the other hand, by virtue of that fact they could match Poland's commitments.

To be more specific, I should like to state that we cannot be satisfied either as regards the elimination of obstacles or with the notifications which we have received from certain countries concerning discriminatory import restrictions hitherto applied towards Poland. In a number of cases these notifications are not fully consistent with the Director-General's airgram dated 13 May 1969, and do not correspond to the requirements concerning the purpose of the notification. The Polish delegation wishes to state that it has furnished the necessary information on the development of Poland's trade with GATT Member countries for the year 1968. We have also furnished recent data on this trade for eight months of this year. These data show that we are carrying out our import commitments for the current year. At the same time we have presented our balance-of-payments results for the year 1968, indicating that our expenditure on imports from GATT Member countries increased by 8.2 per cent in 1968 in relation to 1967, while our export earnings developed a little more slowly.

The Polish delegation wishes to state its view that, in this situation, the provisions set forth in the Director-General's airgram dated 13 May this year should be observed in full by all GATT Member countries.
We believe that those countries which have not yet fully complied with those provisions should do so as soon as possible so that the notifications, in an appropriate form and wording, can be examined by the GATT secretariat and the results of a full and detailed examination can be presented to the CONTRACTING PARTIES at their twenty-sixth session.

The Polish delegation wishes to declare that for its part it will do everything possible to take an active part in the deliberations of the Working Party and also expects to see constructive co-operation from the delegations of the other countries represented at this meeting.