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COMMITTEE OF ECONOMIC ADVISERS

POLAND'S FOREIGN TRADE

Note by the Chairman

When the Committee discussed the desirability of conveying a meeting of experts on N.A.T.O. countries' trade policy towards the European satellite countries, as had been done previously in September 1961, I suggested that notes, summarising some basic facts on the trade of the various satellite countries, might be prepared. However, I stressed at the same time that the International Secretariat did not possess detailed information on the trade of the satellites. Available statistical information has only permitted to work out on a tentative basis the attached note on Polish trade which is distributed for the information of the members of the Committee and the national experts.

(Signed) P.D. GREGH

OTAN/NATO,
Paris, XVIe.

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POLAND'S FOREIGN TRADE

Note by the Economics Directorate

I. IMPORTS AS A PERCENTAGE OF GNP AND GROWTH OF IMPORTS IN PROPORTION TO GNP

1. A significant change in the growth rate of Poland's GNP occurred in 1958: the high average rates of growth of 9% during 1950-57 fell to 5-6%. Imports did not follow the same pattern, but continued to rise(1). This was possible through:

- a reappraisal of the Western attitude to Poland (see paragraph 7) following the political changes in October 1956;
- an important growth of exports(1) caused mainly by a continued expansion of the Polish export markets.

Nevertheless, imports still form a relatively small part of Poland's GNP (8%), i.e. the lowest but one figure for East European satellites(2), the limiting factor being its export and financial possibilities.

II. THE COMMODITY AND GEOGRAPHICAL BREAKDOWN OF FOREIGN TRADE(3)

(a) General

2. The structure of the Polish economy and the composition of foreign trade have changed since the war as a consequence of the forced industrialisation. Industrial products now account for half of Poland's exports, and agricultural products and raw materials for half of total imports. This is a rather normal breakdown for the imports and - to a lesser extent - for the exports of an industrialised country.

(b) Trade with the Soviet bloc

3. Trade with the USSR and the other Eastern European countries accounts for nearly 60% of Polish trade, against 7% before the war. A little more than half of this trade is accounted for by the USSR. Between 1955 and 1961 Polish imports have considerably exceeded their exports to the USSR (Graph V). About one-third of Polish imports from the USSR consist of raw materials, while this group only represents 10% of Polish exports to the USSR. The largest group in Polish exports to the USSR is the one of machinery - accounting for about 40%. Conversely, Polish imports of machinery

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- (1) See Graph I
 - (2) See Table I
 - (3) See Table II

from the USSR supply less than 20% of their imports of this category. Exchanges of "energy" (1) and agricultural products - Polish coal against Russian oil and Polish meat against Russian wheat - nearly balance. Poland's imports from the rest of Eastern Europe are rather similar to its exports to these countries. Nearly the same amount of "energy" is exported as is imported. There is also an important exchange of machinery, perhaps the result of the COMECON specialisation agreement. In the field of machinery, more than 50% of imports and nearly 40% of exports are traded with these countries. They are ~~consequently~~ the main competitors for OECD Europe in the Polish market.

(c) Trade with the European OECD countries

4. In its trade with OECD Europe Poland maintains the pre-war structure. Raw materials, coal and agricultural products are being exported in order to purchase industrial products. 60% of total exports of agricultural products are sent to OECD Europe; 60% of total chemical imports and nearly a quarter of the imports of machinery are ordered from these countries.

5. Since 1953, trade between Poland and the European OECD countries has expanded quickly:

DEVELOPMENT OF POLISH FOREIGN TRADE (2)

Value figures: 1953 = 100

	1962
Imports from OECD Europe	245
Exports to OECD Europe	225
Imports from the world	240
Exports to the world	200

(1) Coal, petroleum, petroleum products, gas and electric energy. (SITC Group 3)
(2) For more details see Graphs III and IV

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DEVELOPMENT OF OECD EUROPE'S FOREIGN TRADE

Value figures: 1953 = 100

	1962
Imports from the world	210
Imports from the world:	
- agricultural products	155
- raw materials	145
Exports to the world	200

Polish exports to OECD Europe have risen a little faster than total imports of OECD Europe, in spite of the fact that Poland has mainly exported raw materials and agricultural products, and that the latter have risen less than the other products in OECD Europe's imports.

6. Western trade with the Soviet bloc countries is often considered unstable. However, over the last ten years the fluctuations of Polish imports from OECD Europe do not differ much from those of OECD Europe with its members(1).

(d) Trade with North America

7. After the change in American policy in 1956, manifested by the granting of substantial credits, imports from the United States rose from less than 1% of total imports to 8% and even more in the following years. Polish exports to the United States have not grown at the same rate, and have remained stable at 3% of total exports(2). Trade with Canada has been less important.

(e) Trade with the rest of the world

8. In its trade with the rest of the world, Poland acts more or less as an industrialised country: raw materials and foodstuffs (nearly one-third of total Polish imports of these products), are mainly exchanged for industrial products (20% of the total Polish exports of this group).

(1) Based on a comparison made by the Economics Directorate between yearly percentage changes of Polish imports from OECD Europe as such and imports by OECD member countries from the other member countries.

(2) See Graph II.

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AG/127-WE/143Table IFOREIGN TRADE DEPENDENCY OF THE EUROPEAN SATELLITE COUNTRIES

Foreign trade in relation to area, population and estimated GNP.

	Unit	Germany SZO	Poland	Czechoslovakia	Roumania	Hungary	Bulgaria	Total Satellite
Area	1,000 sq.km.	10.8	31.3	12.8	23.8	9.3	11.1	989.1
Population 1963	million	17.1	30.9	14.0	18.9	10.1	8.0	99.0
GNP 1963(1)	billion US \$	26.0	25.0	20.0	14.0	9.0	6.0	100.0
Per capita GNP 1963	US \$	1,520	810	1,430	750	900	750	990
Exports 1963	} million US \$	2,671(2)	1,770	2,456	935(1)	1,206	839	9,877
Imports 1963								
% of imports in GNP		9	8	11	7	14	15	9.6

(1) Estimates by the Economics Directorate.

(2) This figure includes trade with the Federal Republic which accounts for about 10% of the Soviet zone's total trade turnover and is being considered internal-German trade.

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Table II

POLISH IMPORTS AND EXPORTS

Polish imports in 1961

Total = 100

	SITC group	OECD Europe	North America	USSR	Rest of Eastern Europe	Rest of the world	Total
Energy	3	-	-	6	6	-	12
Raw materials	2	2	2	10	-	8	22
Iron and steel	67	3	-	1	2	-	6
Machinery	7	7	-	5	16	1	29
Agricultural products	0,1,4	2	6	4	-	4	16
Chemicals	5	4	1	1	1	-	7
Other commodities	rest of 6, 8 and 9	2	-	2	3	1	8
TOTAL		20	9	29	28	14	100

Polish exports in 1961

Energy	3	5	-	7	6	2	20
Raw materials	2	3	1	3	-	-	7
Iron and steel	67	-	-	1	4	2	7
Machinery	7	1	-	11	11	5	28
Agricultural products	0,1,4	12	2	3	2	2	21
Chemicals	5	2	-	-	1	-	3
Other commodities	rest of 6, 8 and 9	2	-	7	1	4	14
TOTAL		25	3	32	25	15	100

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NOTES TO THE TABLE "POLISH IMPORTS AND EXPORTS"

Rows: "Total" - United Nations Yearbook of International Trade Statistics, 1961, page 520.
 United Nations Economic Bulletin for Europe, September 1962, Volume 41, No. 1, page 26.

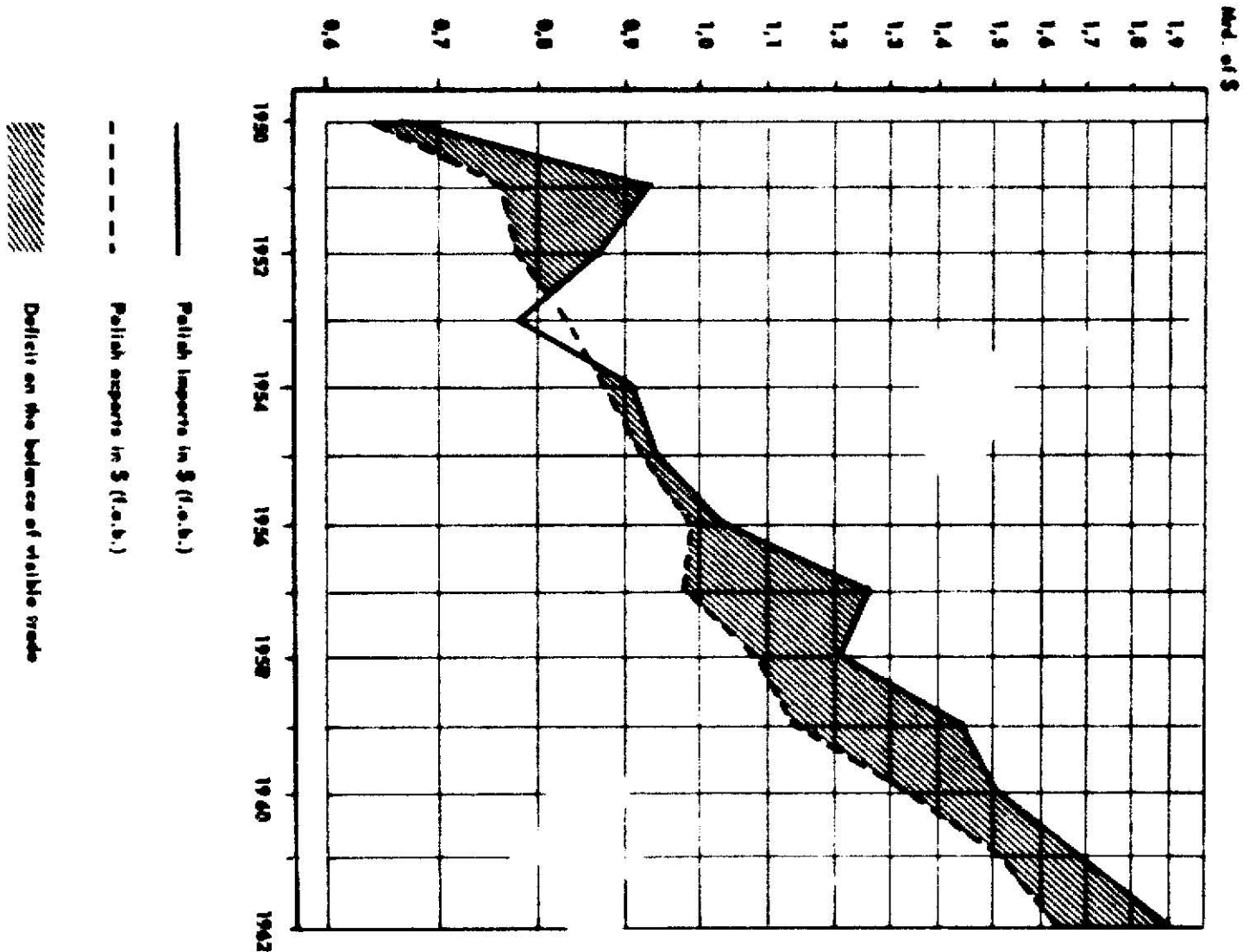
Remark: There are discrepancies between the Yearbook using Polish statistics and the foreign trade statistics of the OECD Série C supplement 1961, using member countries' statistics.

Columns: "Total" - United Nations Yearbook of International Trade Statistics 1961, pages 517, 518 and 519.
 "OECD Europe" and "North America" - The percentage of each commodity group in the total has been calculated with the aid of the foreign trade statistics, Série C, supplement 1961 of the OECD.
 "USSR" - The commodity breakdown has been calculated with foreign trade statistics of the USSR, 1962.
 "Rest of the world" - In the United Nations Monthly Bulletin of Statistics, March/April 1963, the trade pattern of the Eastern bloc is given. This has made it possible to obtain the commodity breakdown of the Eastern bloc with the rest of the world. This breakdown has been used for Polish foreign trade.
 "Rest of Eastern Europe" - These figures are the result of the deduction of the other areas from the total.

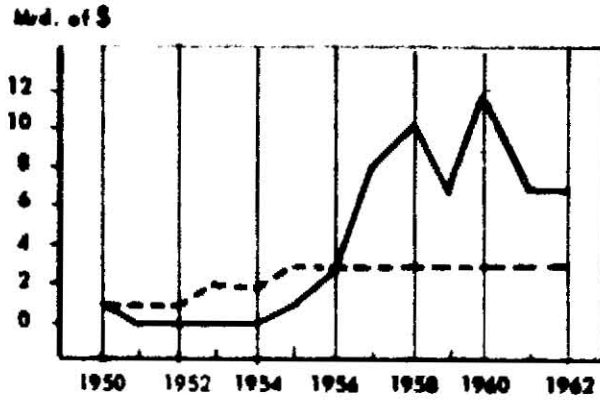
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GRAPH 1
(Semi logar. scale)

TOTAL POLISH IMPORTS AND EXPORTS
1950 - 1962

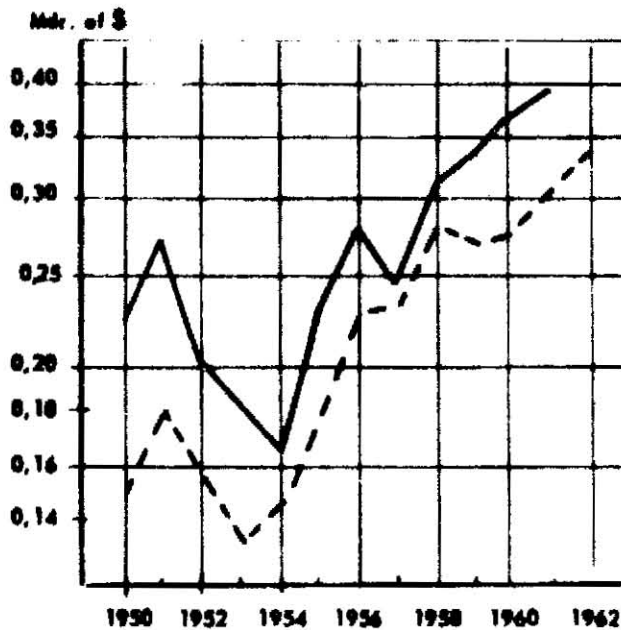


GRAPH II
POLAND'S TRADE WITH NORTH AMERICA
1950 - 1962



— Percentage of Polish imports from North America in total imports
- - - Percentage of Polish exports to North America in total exports

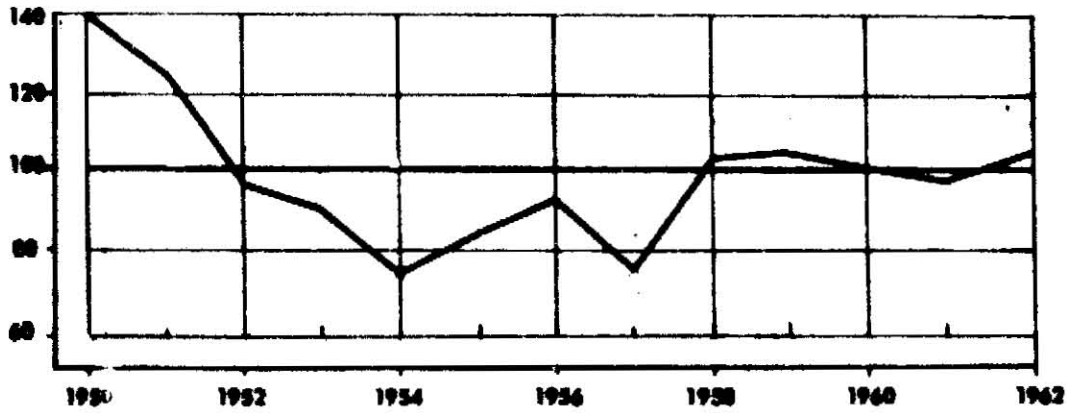
GRAPH III
POLAND'S TRADE WITH OECD - EUROPE
(Semi logar. scale)



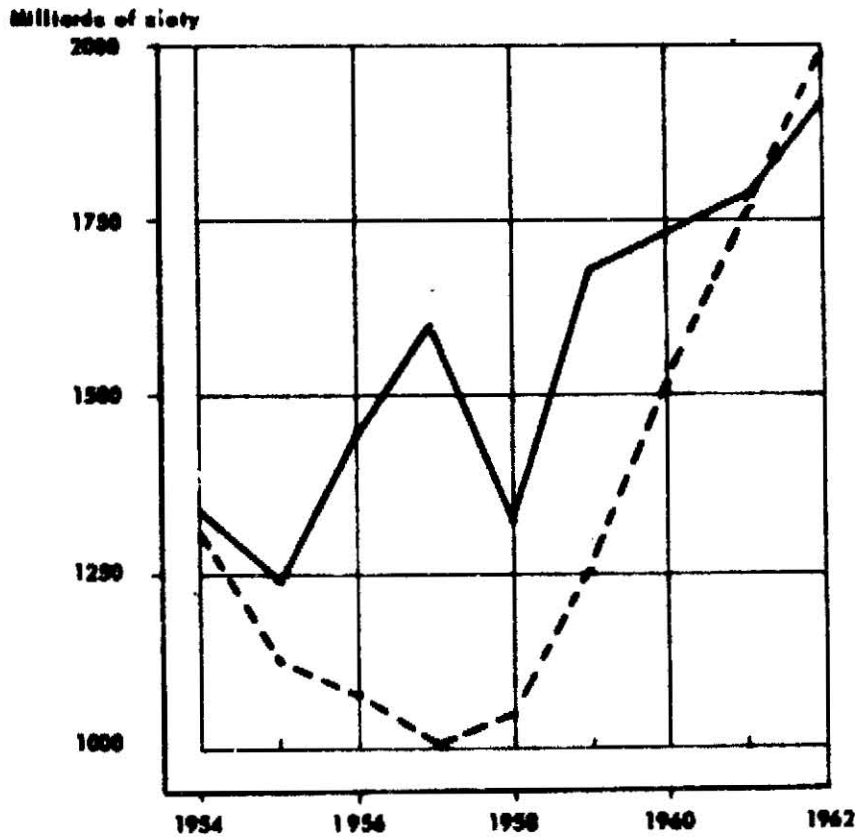
— Polish imports (c.i.f.) from OECD - Europe
- - - Polish exports (f.o.b.) to OECD - Europe

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Corr following

GRAPH IV
DEVELOPMENTS OF POLAND'S SHARE IN THE IMPORTS OF OECD - EUROPE
(1960 = 100)



GRAPH V
POLAND'S TRADE WITH THE USSR



— Imports (f.o.b.)

- - - Exports (f.o.b.)

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