



STATISTICS IN FOCUS

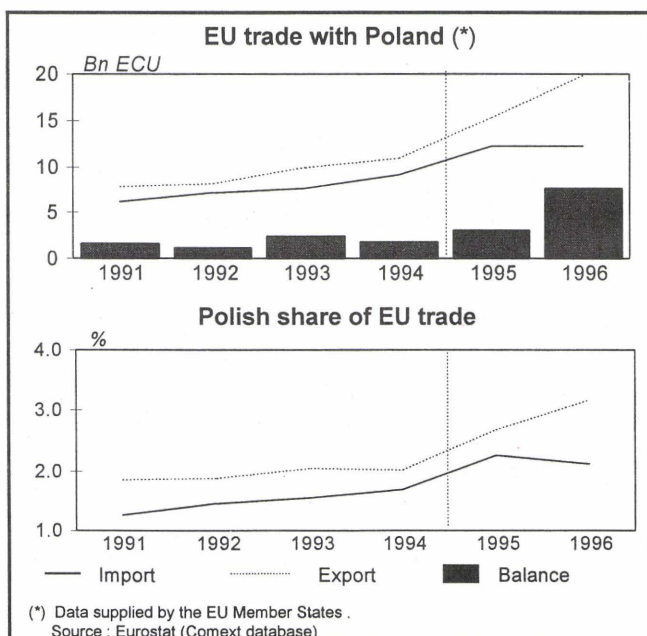
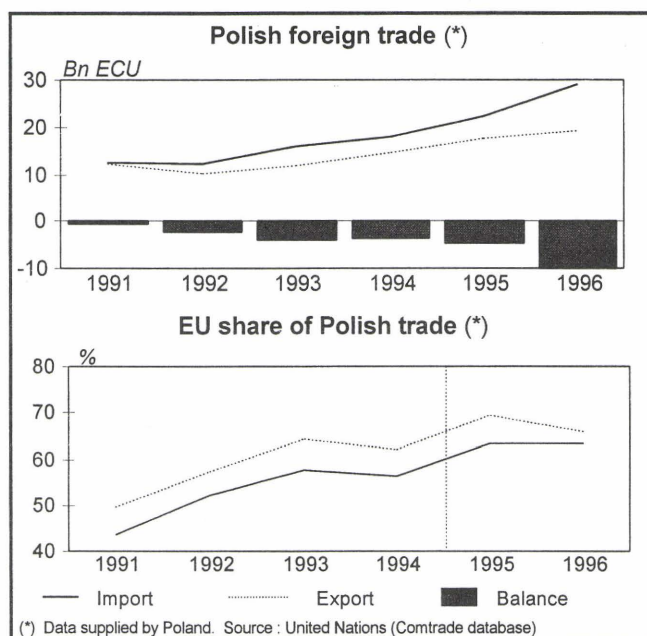
External trade

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POLAND'S FOREIGN TRADE



Summary

Since the dissolution of the Council for Mutual Economic Assistance (CMEA) in 1991, Polish trade policy has been shaped by a new institutional framework. This has been marked by events such as the signing of the Europe Agreement with a view to integration into the EU, the signing of the Central European Free Trade Agreement (CEFTA), and Poland's accession to the World Trade Organisation (WTO). With total imports of ECU 29.1 billion and exports amounting to ECU 19.2 billion in 1996, Poland had the largest share of transactions by the Central and Eastern Europe Countries (CEEC) with the rest of the world (25%). However, with the increase in its purchases being almost twice the rate for sales between 1991 and 1996 (18.4% per annum as against 9.8%), its balance of trade deficit has been steadily expanding.

The European Union is easily the largest of Poland's trading partners, accounting for 66.1% of its exports and 63.5% of its imports in 1996. The introduction of a free trade area, as a precursor to Poland's accession to the EU, has resulted in an expanding volume of transactions. Poland is, nonetheless, ranked only seventh among the EU's trading partners. EU imports from Poland are mainly in the form of miscellaneous manufactured articles (SITC 6+8) and machinery and transport equipment (SITC 7), which made up 52.2% and 22.6% respectively of total imports in 1996. The same groups of products were also the EU's main exports to Poland, accounting for 32.2% and 40% of the total respectively. Germany is the largest of Poland's EU trading partners (51.4% of imports from the EU and 43.2% of exports). Apart from Greece and Portugal, all the EU countries recorded a balance of trade surplus with Poland in 1996.

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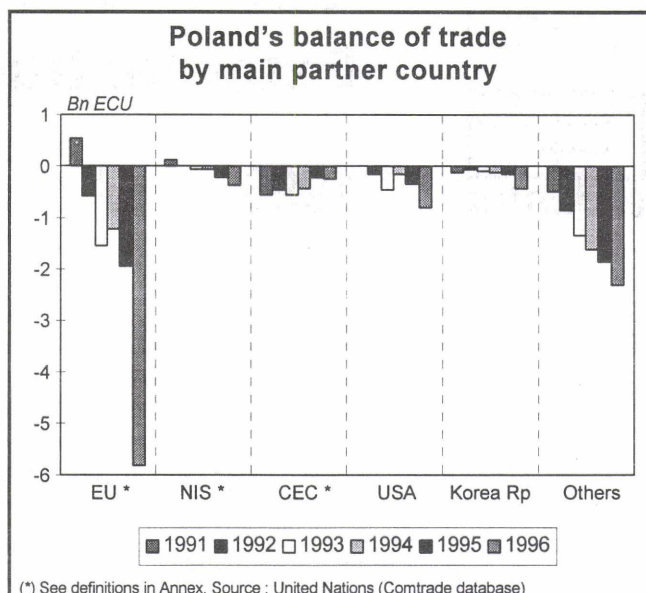
1. Poland's trade with the rest of the world



1.1. Trade by main partner country

Poland accounted for 0.77% of world trade in 1996, and almost 25% of international transactions by the CEECs (Central and Eastern European Countries). Within this geographical area, it is followed by the Czech Republic (21%) and Hungary (12%). From 1991 to 1996, Polish imports grew at a faster pace than exports, +18.4% per annum against +9.8%. Considering that its GDP grew at an annual rate of 11.4% during this period, developments in the openness of its economy (Trade/GDP) differ depending on whether these are related to imports or exports. Thus, the proportion of Polish imports in GDP increased during the reference period from 20.3% to 27.5%, whilst the figure for exports fell from 19.5% to 18.1%.

As with the other CEECs, the entry into force of the Europe Agreement in 1992 resulted in the geographical reorientation of Polish trade towards the European Union. Between 1991 and 1996, the EU share of Polish imports rose by over 20 points from 43.4% to 63.5%, and its share of exports rose by over 16 points from 49.7% to 66.1%. Despite the increase in trade with the NIS (Newly Independent States) and the CEECs during the reference period, these two groups still accounted for only a modest proportion of Polish trade. The creation of the CEFTA (Central European Free Trade Agreement) in 1992 did not result in any intensification of Polish trade with the countries which signed this agreement. The importance of the latter in



Polish trade with the CEECs actually even fell from almost 90% in 1991 to less than 77% in 1996.

The Polish economy is characterised by the fact that it has a trade deficit with all of its main trading partners. Trade with the EU accounted for almost 60% of the total deficit in 1996, compared with an ECU 540 million surplus recorded by Poland with this same partner in 1991. In 1996, Poland's deficit with the EU was three times that of the previous year.

Poland's trade by main partner country

(Bn ECU)

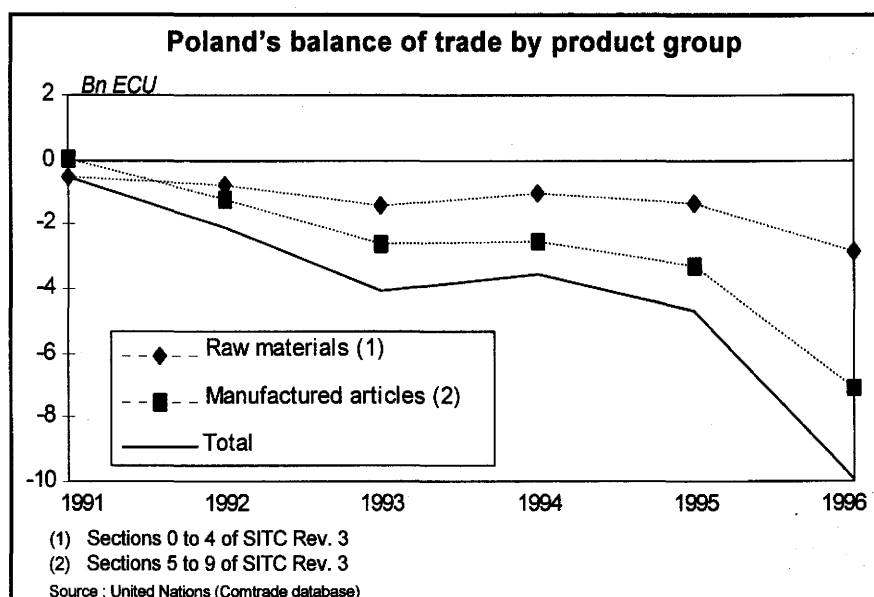
Trading partners	Imports					Exports					Balance			
	1991	1995	1996		96/95 Change (%)	1991	1995	1996		96/95 Change (%)	1991	1995	1996	96/95 Var.
			Value	Share (%)				Value	Share (%)					
World	12.53	22.19	29.13	100	31.3	12.03	17.48	19.21	100	9.9	-0.50	-4.71	-9.92	-5.22
EU ⁽¹⁾	5.44	14.06	18.50	63.5	31.6	5.98	12.12	12.69	66.1	4.7	0.54	-1.94	-5.81	-3.87
Germany	2.92	5.86	7.18	24.7	22.6	3.11	6.68	6.61	34.4	-1.1	0.19	0.83	-0.57	-1.40
Italy	0.47	1.87	2.89	9.9	54.5	0.46	0.85	1.06	5.5	24.9	0.00	-1.02	-1.83	-0.81
NISs ^(1,2)	1.67	1.88	2.51	8.6	33.2	1.12	1.66	2.26	11.8	35.8	-0.55	-0.22	-0.24	-0.03
Russia	:	1.49	1.98	6.8	33.2	:	0.95	1.29	6.7	35.5	:	-0.54	-0.70	-0.16
CECs ⁽¹⁾	0.52	1.42	1.90	6.5	34.2	0.64	1.22	1.55	8.1	27.1	0.11	-0.20	-0.35	-0.15
Hungary	0.09	0.26	0.33	1.1	25.5	0.08	0.19	0.24	1.2	21.5	-0.01	-0.07	-0.09	-0.02
Czech Rep.	0.37 ⁽³⁾	0.66	0.89	3.1	34.9	0.51	0.51	0.65	3.4	27.5	0.13	-0.15	-0.24	-0.09
Slovakia		0.28	0.33	1.1	17.8	0.50 ⁽³⁾	0.20	0.21	1.1	4.2		-0.08	-0.12	-0.04
USA	0.26	0.81	1.22	4.2	50.9	0.26	0.47	0.44	2.3	-6.5	0.00	-0.34	-0.78	-0.44
Korea Rp	0.13	0.19	0.52	1.8	167.7	0.01	0.04	0.09	0.5	126.3	-0.12	-0.15	-0.42	-0.27
Others	4.51	3.82	4.49	15.4	17.4	4.02	1.96	2.17	11.3	10.7	-0.48	-1.86	-2.32	-0.46
For comparison														
Share in : GDP	20.3	24.4	27.5		12.8	19.5	19.2	18.1		-5.6	-0.8	-5.2	-9.4	-
trade														
of CEECs	32.4	23.8	26.6		12.1	33.6	23.0	23.9		3.9	-	-	-	-
of world	0.6	0.8	0.9		19.6	0.6	0.6	0.6		1.6	-	-	-	-

⁽¹⁾ See definitions in Annex ; ⁽²⁾ USSR in 1991 ; ⁽³⁾ Czechoslovakia .

Sources: United Nations (Comtrade database); IMF.

1.2. Trade by products

The breakdown by product group confirms the overall trend observed in Poland's trade deficit since 1992, both for raw materials (SITC 0-4) and manufactured articles (SITC 5-9). After levelling off in 1994, the overall deficit grew again in 1995 and more than doubled in 1996. Poland's deficit in 1996 was ECU -2.8 billion for raw materials and ECU -7.1 billion for manufactured articles. It should be noted that there was a much smaller deficit in Polish trade in raw materials in 1991, and trade in manufactured articles produced a slight surplus.



Poland's trade by product group

(Bn ECU)

Product group (SITC Rev.3)	Imports				Exports				Balance	
	1991		1996		1991		1996		1991	1996
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	
Total	12.53	100.0	29.13	100.0	12.03	100.0	19.21	100.0	-0.50	-9.92
Raw materials (0-4)	4.59	36.6	6.87	23.6	4.03	33.5	4.03	21.0	-0.56	-2.84
Food, beverage and tobacco (0-1)	1.56	12.4	2.67	9.2	1.63	13.5	2.04	10.6	0.07	-0.63
Crude materials excluding fuels (2+4)	0.67	5.3	1.54	5.3	1.12	9.3	0.68	3.5	0.45	-0.86
Mineral fuels (3)	2.36	18.9	2.67	9.2	1.28	10.7	1.32	6.9	-1.08	-1.35
Manufactured articles (5-8)	7.90	63.1	22.26	76.4	7.40	61.5	15.17	79.0	-0.50	-7.09
Chemicals (5)	1.19	9.5	4.03	13.8	1.10	9.2	1.48	7.7	-0.08	-2.55
Machinery and transport equipment (7)	4.27	34.1	9.66	33.2	2.22	18.5	4.50	23.4	-2.05	-5.17
Misc. manufactured articles (6+8)	2.44	19.5	8.56	29.4	4.07	33.9	9.19	47.9	1.63	0.63
Commodities and transactions n.e.s (9)	0.04	0.3	0.00	0.0	0.60	5.0	0.01	0.0	0.56	0.00

Source : United Nations (Comtrade database)

At the one-digit level of the SITC, the largest deficits were recorded in 1996 for machinery and transport equipment (SITC 7), chemicals (SITC 5) and Mineral fuels (SITC 3), with respective figures of ECU -5.17 billion, -2.55 billion and -1.35 billion. In 1991, Polish imports and exports of chemicals were in balance. During the reference period, trade in crude materials fell from a surplus of ECU 450 million to a deficit of ECU 860 million.

At a more detailed level, it can be seen that Polish imports were concentrated on petroleum products (SITC 33), road vehicles (SITC 78), textile products (SITC 65) and general industrial machinery and equipment (SITC 74).

Poland's trade by main products, 1996

SITC Rev. 3	Types of products	Value	Share	Cumul
		(Bn ECU)	(%)	
	Imports			
33	Petrole and petroleum products	2.10	7.2	7.2
78	Road vehicles	2.07	7.1	14.3
65	Textile yarns, fabrics and related products	1.85	6.4	20.6
74	General industry machinery and equipment	1.82	6.3	26.9
77	Electrical machinery	1.75	6.0	32.9
	Exports			
84	Clothing and clothing accessories	1.87	9.7	9.7
82	Furniture, bedding, mattresses	1.27	6.6	16.3
32	Coal, cokes and briquettes	1.07	5.6	21.9
78	Road vehicles	1.04	5.4	27.3
69	Manufactures of metals	0.99	5.1	32.5

Source : United Nations (Comtrade database)

The main export items were articles of clothing (SITC 84), furniture (SITC 82), coal (SITC 32) and road vehicles (SITC 78). These items accounted for just over a quarter of

Poland's total import and export transactions. Of these products, road vehicles are both exported and imported.

2. EU trade with Poland

2.1. EU balance of trade with Poland



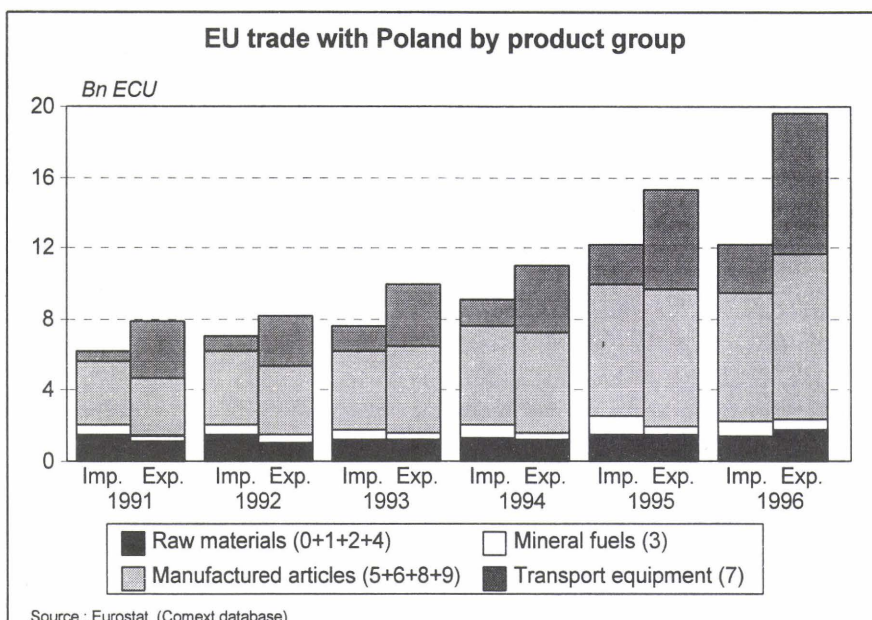
The analysis of bilateral trade between the European Union and Poland presented in this part is seen from the point of view of the EU, as it is based on data supplied by the EU Member States.

Poland accounted for 2.7% of international transactions by the European Union in 1996, putting it in seventh place in the league table of the EU trading partners. It is responsible for 26.6% of CEEC trade with the EU, making it the EU's largest partner of all the countries in this geographical area.

The EU has had a balance of trade surplus with Poland since 1991. After dropping in 1994, this surplus rose steadily and fairly substantially over the next two years to reach ECU 7.6 billion in 1996. This figure can be compared with the EU's overall extra-Community trade surplus of ECU 43.4 billion, and its ECU 13.2 billion surplus from trade with the other CEECs.

The bulk of the EU's trade surplus is derived from manufactured articles (SITC 5-8) — ECU 7.16 billion in 1996. Machinery and transport equipment (SITC 7) contributed ECU 5.17 billion to this total. At this level of detail, the largest deficit recorded by the EU in trade with Poland was in the energy sector (SITC 3), where the figure amounted to ECU -320 million in 1996.

At the two-digit level of the SITC, in 1996 the EU recorded its highest surplus for road vehicles (SITC 78) (ECU 1.45 billion), a figure which represented double that of 1995. Textile yarns and fabrics (SITC 65) and industrial machinery and equipment (SITC 74) are two further items which produce substantial surpluses. The largest EU deficits were in clothing (SITC 84), furniture (SITC 82) and coal, coke and briquettes (SITC 32).



EU balance of trade with Poland by product group

Product group (SITC Rev.3)	1991	1995	1996	1991	1995	1996
	(Bn ECU)			CR ⁽¹⁾ = (Exp/Imp)*100		
TOTAL	1.66	3.04	7.58	126.8	124.8	161.9
Raw materials (0-4)	-0.65	-0.58	0.10	68.6	76.9	104.6
Food, beverage and tobacco (0-1)	-0.06	0.18	0.35	93.4	120.0	138.6
Crude material except fuels (2+4)	-0.36	-0.15	0.08	33.5	75.9	115.3
Mineral fuels (3)	-0.23	-0.61	-0.32	59.6	39.4	63.2
Manufactured articles (5-8)	2.22	3.44	7.16	156.4	136.0	172.9
Chemicals (5)	0.33	1.43	2.00	160.9	307.2	406.2
Machinery and transport equipment (7)	2.55	3.30	5.17	512.4	244.7	286.5
Misc. manufactured articles (6+8)	-0.65	-1.29	-0.01	76.5	80.4	99.8
Commodities, transactions n.e.s. (9)	0.09	0.17	0.13	143.6	195.0	183.1
For comparison						
EU trade balance	-46.1	24.2	43.4	90	104.4	107.5
EU trade balance with CEECs	-0.92	11.1	20.8	93	123.6	141.5

(1) CR = coverage rate in %.

Source : Eurostat (Comext database)

EU balance of trade with Poland by main products

SITC Rev.3	Types of products	1991	1995	1996
		(Bn ECU)		
	Largest surpluses			
78	Road vehicles	0.83	0.70	1.45
65	Textile yarns, fabrics and related products	0.49	1.18	1.26
74	General industrial machinery	0.42	0.86	1.20
72	Machinery specialized for particular indust.	0.42	0.70	0.97
89	Miscellaneous manufactured articles	0.27	0.48	0.57
	Largest deficits			
84	Articles of apparel and clothing accessories	-0.61	-1.37	-1.30
82	Furnitures, bedding, mattresses	-0.21	-0.75	-0.82
32	Coal, coke and briquettes	-0.45	-0.78	-0.74
68	Non-ferrous metals	-0.39	-0.71	-0.44
63	Cork and wood manufactures	-0.15	-0.41	-0.37

Source : Eurostat (Comext database)

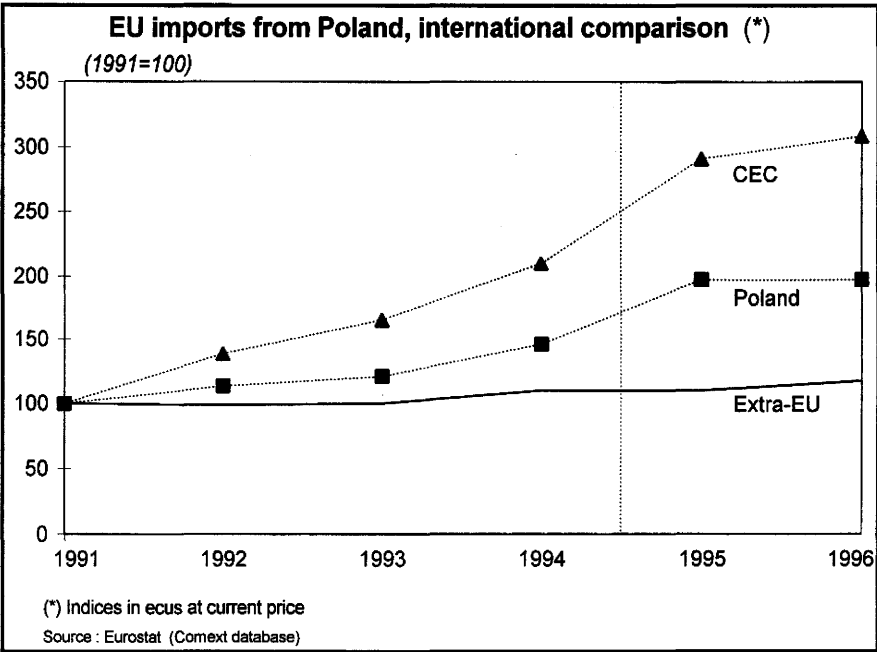
2.2. EU imports from Poland



EU imports from Poland rose at an annual rate of 14.5% between 1991 and 1996. This increase is higher than that for extra-EU imports (+3.3% p.a.), but much less dramatic than the increase in EU imports from the CEECs as a whole (+25.3%). 1995 saw a strong upsurge in EU purchases from Poland (+34.5%). Just over one-third of these (12.6 points) were due to the accession of Austria, Finland and Sweden. In 1996, EU purchases of Polish products levelled off for the first time since 1991.

80.2% of EU imports from Poland were in the form of manufactured products (SITC 5-8) in 1996, whereas the corresponding figure in 1991 was only 63.4%. Miscellaneous manufactured articles (SITC 6+8) accounted for over half of the imports (52.2% in 1996), although this figure is 1.6 points down on the previous year. At this level of detail, imports of transport equipment (SITC 7) recorded the highest increase over the reference period (+35% p.a.), particularly in 1996 (+21.3%). With the exception of the slight 1.1% increase in imports of food products (SITC 0-1), EU imports of raw materials (SITC 0-4) fell substantially in 1996, by -21% for crude materials (SITC 2+4) and by -14% for mineral fuels (SITC 3).

At the two-digit level of the SITC, clothing (SITC 84) and road vehicles (SITC 78) are the EU's main imports. In 1996 they accounted for 13.3% and 8.3% respectively of EU purchases. The EU both imports and exports road vehicles from and to Poland, which indicates to intra-industry trade. However, the intra-industry trade between the two is only moderate as the modified Grubel-Llyod index gives a value of 50.5. The index was calculated at the three digits SITC level.



EU imports from Poland by product group

Product groups SITC Rev.3	1991	1995	1996	Share 1996	96/95	96/91
	(Bn ECU)			(%)	(% annual change)	
TOTAL	6.21	12.25	12.25	100	0.0	14.5
Raw materials (0-4)	2.07	2.51	2.25	18.3	-10.4	1.7
Food, beverage and tobacco (0-1)	0.97	0.88	0.89	7.3	1.1	-1.6
Crude materials, except fuels (2+4)	0.54	0.62	0.49	4.0	-21.0	-1.8
Energy (3)	0.56	1.00	0.86	7.0	-14.0	9.1
Manufactured goods (5-8)	3.94	9.56	9.82	80.2	2.7	20.0
Chemicals (5)	0.54	0.69	0.65	5.3	-5.1	4.0
Machinery and transport equipment (7)	0.62	2.28	2.77	22.6	21.3	35.0
Misc. manufactured articles (6+8)	2.79	6.59	6.39	52.2	-2.9	18.1
Commodities, transactions n.e.s. (9)	0.20	0.18	0.16	1.3	-8.5	-4.5

Source : Eurostat (Comext database)

EU imports from Poland by main products, 1996

SITC Rev.3	Types of products	Value	Annual change	Share of the total	Cumulative share
		(Bn ECU)		(%)	
84	Apparels and clothing accessories	1.63	0.5	13.3	13.3
78	Road vehicles	1.01	22.6	8.3	21.6
82	Furniture, bedding, mattresses	0.97	11.6	7.9	29.5
32	Coal, coke and briquettes	0.74	-5.5	6.0	35.5
77	Electrical machinery	0.71	18.5	5.8	41.4

Source : Eurostat (Comext database)

The Grubel-Llyod intra-industry trade index : The intra industry trade index shows whether the trade between partners is specialised in different industries (inter-industry specialisation) or within the same industry (intra-industry trade). A value near 100 means that the trade between two partners is taking place within one industry. A value near 0 indicates a strong inter-industry specialisation.

The corrected Grubel Llyod Intra-industry index is calculated as followed :
$$\frac{\sum (X_i + M_i) - \sum |X_i - M_i|}{\sum (X_i + M_i) + \sum |X_i - M_i|} * 100,$$

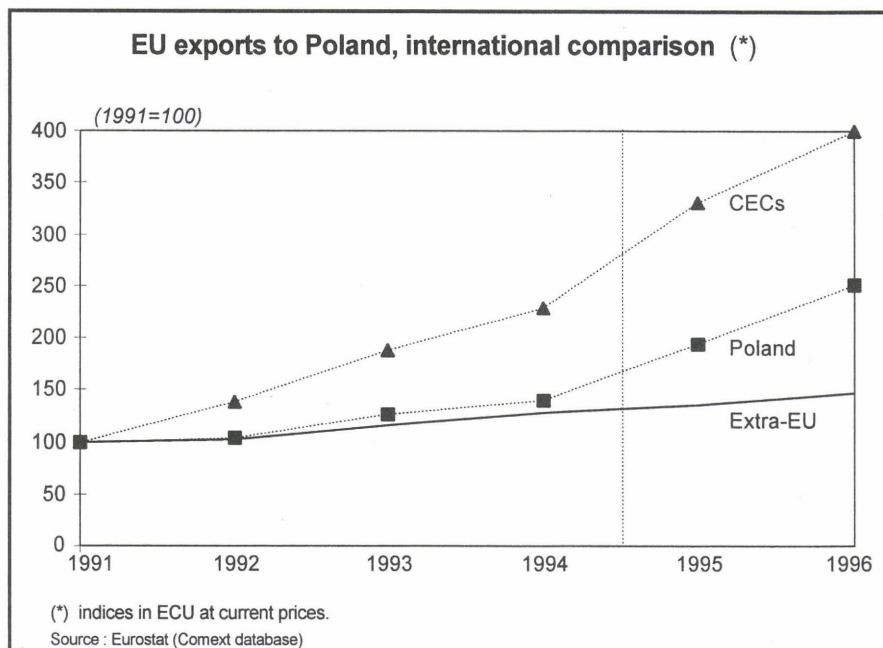
where X_i = Exports of industry i and M_i = Imports of industry i .

2.3. EU exports to Poland

Poland is the fourth-largest market for EU products, after the United States, Switzerland and Japan. EU exports to this country grew at a faster pace than imports from Poland between 1991 and 1996 (+17% p.a. as against +14.5%). This growth rate was also higher than that for total extra-EU exports (+8% p.a.), but was less dynamic than the rate for EU sales to the CEECs as a whole (+31.9% p.a.). EU exports to Poland reached their highest levels in 1995 (+39.6%) and 1996 (+29.7%). It should, however, be noted that 14.8 points of this increase in 1995 were due to Austria, Finland and Sweden joining the EU.

The structure of EU exports to Poland by main product group is fairly similar to that for imports. In 1996, for example, 85.6% of EU sales to Poland were in the form of manufactured articles (SITC 5-8), almost half of which were machinery and transport equipment (SITC 7). This was also the item which recorded the highest increase in 1996 (+42.1%) at this level of detail, followed by mineral fuels (SITC 3) on +38%.

At the two-digit level of the SITC, road vehicles (SITC 78) constituted the EU's largest export to Poland, accounting for 12.4% of the total export figure. 31.6% of road vehicle sales are in the form of motor vehicle parts and accessories (SITC 784). Textile yarns and fabrics (SITC 65), some of which are destined for further processing, form the second largest export item with 7.7% of the total. These are followed by general industrial machinery (7.4%) and electrical appliances (6.2%).



EU exports to Poland by product group

Product group SITC Rev.3	1991	1995	1996	Share 1996	96/95	96/91
	(Bn ECU)			(%)	(% annual change)	
TOTAL	7.88	15.29	19.83	100	29.7	20.3
Raw materials (0-4)	1.42	1.93	2.35	11.9	21.9	10.7
Food, beverage and tobacco (0-1)	0.90	1.06	1.24	6.2	16.8	6.5
Crude material except fuels (2+4)	0.18	0.47	0.57	2.9	20.1	25.8
Mineral fuels (3)	0.33	0.39	0.54	2.7	38.0	10.4
Manufactured articles (5-8)	6.17	13.00	16.98	85.6	30.6	22.4
Chemical (5)	0.86	2.12	2.66	13.4	25.4	25.2
Machinery and transport equipment (7)	3.17	5.59	7.94	40.0	42.1	20.1
Misc. manufactured articles (6+8)	2.13	5.29	6.38	32.2	20.6	24.5
Commodities and transactions n.e.s. (9)	0.29	0.34	0.29	1.5	-14.1	0.2

Source : Eurostat (Comext database)

EU exports to Poland by main products, 1996

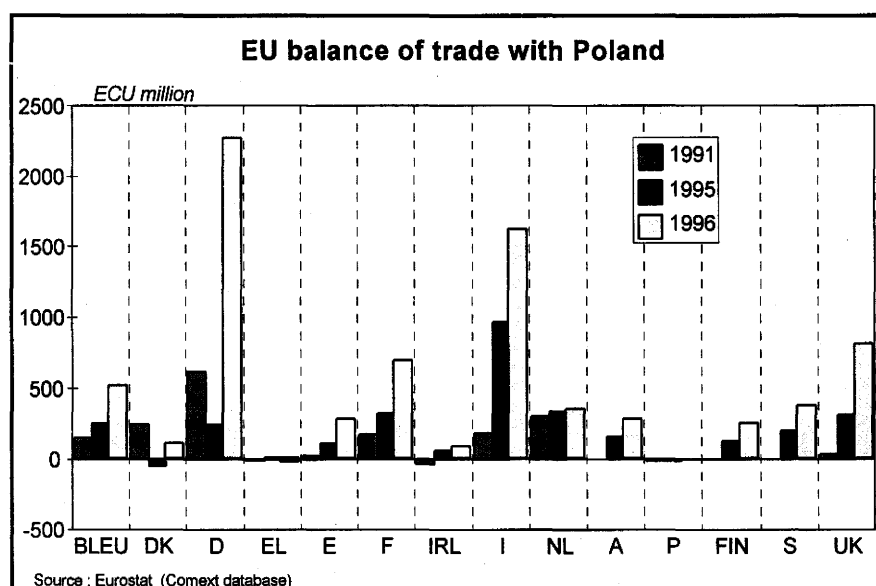
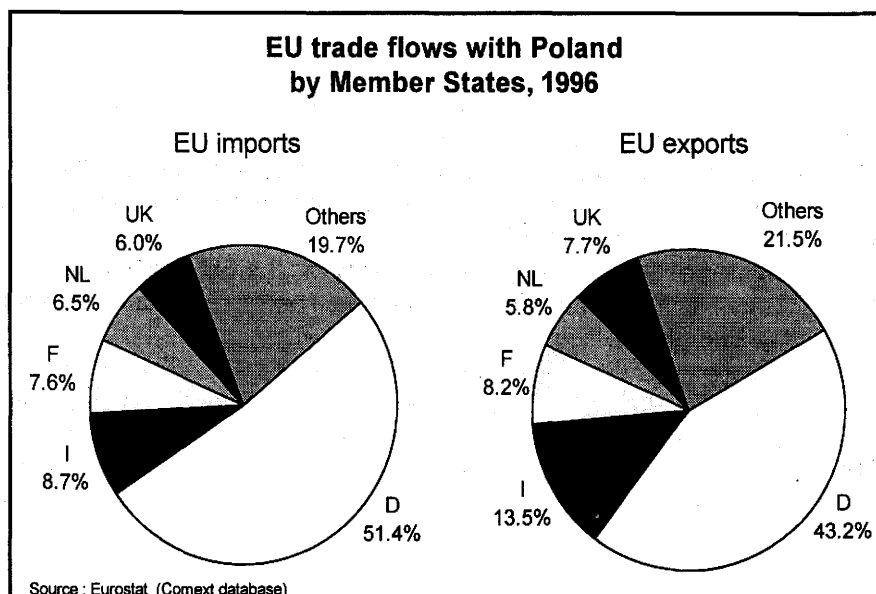
SITC Rev.3	Types of products	Value	Annual variation	Share in total	Cumulative share
		(Bn ECU)	(%)		
78	Road vehicles	2.46	33.4	12.4	12.4
65	Textile yarns, fabrics, related products	1.53	7.0	7.7	20.1
74	General industrial machinery	1.46	36.2	7.4	27.5
77	Electrical appliances	1.24	43.2	6.2	33.7
72	Specialised machinery	1.16	33.4	5.9	39.6

Source : Eurostat (Comext database)

2.4. EU trade with Poland by Member States

Germany is Poland's largest EU trading partner, followed at some distance by Italy, France and the United Kingdom. These countries accounted for 46.4%, 11.7%, 8% and 7.1% respectively of EU commercial transactions with Poland. Of these countries, Italy recorded the highest increase in the volume of its transactions between 1991 and 1996, with an annual growth rate of +26.4% compared to the EU average of +17.9%.

Due to an exceptional upsurge in exports in 1996 (+26.4%), Germany became the EU country with the highest surplus from trade with Poland (ECU +2.3 billion). Those countries which have the highest volumes of trade with Poland are also those with the most significant surpluses. Alongside the German surplus, those recorded by Italy, the United Kingdom and France amounted to ECU 1620.6 million, ECU 802.5 and ECU 689.1 million respectively. In 1996, Greece and Portugal were the only EU countries to have trade deficits with Poland, these being ECU -19.1 million and ECU -2.6 million respectively.



EU trade with Poland by Member States

(ECU million)

Decla- rant country	EU imports					EU exports					Trade Balance			
	1991	1995	1996		96/95 Change (%)	1991	1995	1996		96/95 Change (%)	1991	1995	1996	96-95 change
			Value	Share (%)				Value	Share (%)					
EU	6212.2	12251.4	12247.6	100.0	0.0	7876.1	15293.7	19829.0	100.0	29.7	1663.9	3042.3	7581.4	4539.2
BLEU	268.5	461.3	413.2	3.4	-10.4	423.1	712.0	927.7	4.7	30.3	154.6	250.7	514.5	263.8
DK	332.2	549.9	551.8	4.5	0.3	581.5	506.9	651.6	3.3	28.5	249.2	-43.0	99.7	142.7
D	3519.6	6538.1	6301.1	51.4	-3.6	4140.9	6777.8	8566.9	43.2	26.4	621.4	239.6	2265.9	2026.2
EL	75.4	50.4	78.9	0.6	56.5	60.6	63.9	59.7	0.3	-6.6	-14.8	13.5	-19.1	-32.7
E	117.2	222.9	207.5	1.7	-6.9	135.0	341.8	487.1	2.5	42.5	17.8	118.9	279.5	160.7
F	431.6	759.1	936.9	7.6	23.4	603.9	1083.0	1626.0	8.2	50.1	172.3	323.9	689.1	365.1
IRL	65.1	49.3	58.0	0.5	17.6	30.0	103.7	136.8	0.7	32.0	-35.1	54.3	78.8	24.5
I	491.1	937.9	1062.6	8.7	13.3	671.6	1906.9	2683.2	13.5	40.7	180.5	969.0	1620.6	651.7
NL	444.3	744.5	800.3	6.5	7.5	743.3	1086.1	1147.7	5.8	5.7	299.0	341.6	347.4	5.8
A	:	441.3	395.1	3.2	-10.5	:	598.9	674.7	3.4	12.7	:	157.6	279.6	122.0
P	15.0	29.9	27.3	0.2	-8.8	4.3	13.3	24.7	0.1	85.1	-10.7	-16.6	-2.6	14.0
FIN	:	238.0	219.4	1.8	-7.8	:	362.1	468.1	2.4	29.3	:	124.0	248.7	124.6
S	:	461.9	465.6	3.8	0.8	:	661.9	842.4	4.2	27.3	:	200.0	376.8	176.8
UK	452.2	766.8	730.0	6.0	-4.8	482.0	1075.4	1532.5	7.7	42.5	29.7	308.6	802.5	493.9

Source: Eurostat (Comext database)

Poland's trade agreements

1. Chronology of agreements

- 1949: - Creation of the Council for Mutual Economic Assistance (CMEA), of which Poland is a founder member.
- 1967: - Accession of Poland to the GATT.
- 1989: - Signing of the *Trade and Cooperation Agreement* between the EC and Poland.
- The Community grants the *System of Generalised Preferences*⁽¹⁾ to Poland.
- 1991: - Dissolution of the CMEA.
- Signing of the *Europe Agreement* between the EU and Poland.
- 1992: - Entry into force of the *Interim Agreement* as a precursor to the application of the Europe Agreement with the European Union.
- Creation of the CEFTA (*Central European Free Trade Agreement*) between the four Visegrad countries (Hungary, Poland, the Czech Republic and Slovakia), which came into effect on 1 March 1993.
- 1993: - Signing of the free trade agreement between the EFTA countries and Poland.
- 1994: - Entry into force of the *Europe Agreement*⁽²⁾ with the aim of gradually establishing a free trade area between the signatories in less than ten years from the entry into force of the Interim Agreement.
- 1995: - Accession of Poland to the WTO.

2. Contents of the commercial section of the Europe Agreement regarding industrial products⁽³⁾

a) Concessions granted by the EU to Poland.

All *customs duties*, *quantitative restrictions* and measures having equivalent effect on imports are henceforth abolished.

b) Concessions granted by Poland to the EU.

Most *customs duties* applied by Poland will be gradually abolished by 1 January 1999, whilst most *quantitative restrictions* and measures having equivalent effect were abolished upon the entry into force of the Europe Agreement. For a certain number of products in the automobile sector, customs duties will not be abolished before 1 January 2002, but certain quotas have been introduced for exemption from these duties. Some quantitative restrictions will be maintained in this sector until 1 January 2002.

⁽¹⁾ The System of Generalised Preferences (SGP) consists of a series of unilateral tariff reductions which the EU usually applies to imports from developing countries.

⁽²⁾ The Europe Agreement with Poland appears in the *Official Journal of the European Communities*, L 348 of 31 December 1993.

⁽³⁾ Customs duties and quantitative restrictions on agricultural products are subject to special stipulations.

Methodological note on the data used

The country aggregates: **EU:** 1990-94:EUR12; 1995-96:EUR15. **NIS** (Newly Independent States): Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Uzbekistan, Russia, Tajikistan, Turkmenistan, Ukraine.

CEECs (Central and Eastern European Countries): Albania, Bulgaria, Hungary, Poland, Romania, Czechoslovakia (from 1990 to 1992): as of 1992: Estonia, Latvia, Lithuania, Bosnia-Herzegovina, Croatia and Slovenia; as of 1993: Czech Republic, Slovakia, Serbia Montenegro and the Former Yugoslav Republic of Macedonia.

Data sources: Customs sources. United Nations Comtrade database for Poland's trade with the rest of the world. Eurostat Comext database for bilateral trade between the EU and Poland. Divergences between the two sources on figures concerning bilateral trade can be partly explained by the use of different methodologies and concepts.

System: Special trade.

Classification: Third revision of the Standard International Trade Classification (SITC). This was set up by the United Nations for the purposes of economic analysis.

Statistical values: EU: CIF values for imports and FOB values for exports; Poland: FOB/FOB.