STATEMENT

Tomasz JODKO *

1. East-West relations and countertrade

Linking exports to imports is both an historical and a contemporary reality. Because its forms are too varied and complex to fit within a single definition or description, we use "countertrade" as a working term in this Conference.

The role of countertrade in the economic relations between the East and the West should be examined in the context of the basic problems of East-West relations generally. Among these problems are the needs to develop more solid structures for East-West trade and to facilitate a more favorable political environment.

Reinforcement of East-West trade structures requires both sides to adopt strategies based on mutual advantages. Such strategies were reflected during the last decade in large purchases by socialist countries of investment goods from economically depressed Western countries. These purchase arrangements, often part of long-term industrial cooperative agreements, included industrial buyback deals based mainly on exchanges of related products. Trade relations based on such strategies were recognized in the final Act of Helsinki and supported in numerous later intergovernmental agreements.

By the end of the 1970s, however, the East-West trade structure began to disintegrate as the West increasingly disfavored strategies based on mutual advantage. It is therefore necessary to ask: What is the present Western strategy for East-West trade? And, more directly: Are Western economies really ready to share their markets with nontraditional suppliers and competitors from the socialist countries?

Casting a shadow on our discussions is the worsened East-West political relationship of recent months. Economic sanctions imposed for political reasons, denial of MFN treatment, and politically motivated U.S. trade legislation all have contributed to an atmosphere of increased risks and uncertainties in East-West trade relations.

Under these circumstances, we must take care to ensure that countertrade issues do not further destabilize East-West trade relations. Thus, it would be

* Director of Trade Policy, Ministry of Foreign Trade, Warsaw, Poland.
wise to avoid generalizations of complex countertrade issues, and to resist the formulation of specific international rules concerning countertrade.

2. Poland and countertrade

Poland’s role in countertrade is overestimated, particularly in U.S. publications. First, simple countertrade transactions have played, and still play, only a marginal role in our foreign trade. At present there are no new buyback agreements relating to imports of investment goods. In fact, all such imports are being drastically limited. Second, many of our buyback agreements have been less successful than expected. These agreements have not generated the anticipated level of Polish exports.

Third, the policy of the Polish government is neither to promote nor prohibit countertrade agreements. The whole financial and organizational environment set by Poland’s economic reform places the origination of possible countertrade transactions in the hands of the independent enterprises directly involved.