

M
16 Dec
VI/R/4/2955

POLAND

TRADE
Foreign (legal and illegal)

Trade Between Poland And Italy.

SOURCE ROME : Confidential source.

DATE OF OBSERVATION: current period.

EVALUATION COMMENT : Three interesting points of this report are:

- (1) the demand for spareparts of almost every sort of cars and tractors,
- (2) clearing difficulties and excessive prices paid by Poland owing to the time limit,
- (3) temporary stop of purchases in order to bring the prices down.

Otherwise, there is nothing new in the report. All the agencies and their activities have already been known.

* * *

The WARSAW Foreign Trade chief purchasing offices' demand for industrial equipment and machinery spareparts has considerably increased during the summer and early fall of 1952.

First of all, there is Centrozap, the chief purchasing office for mining equipment. They are in the market for all kinds of spareparts for electrical equipment, from complete electric motors (for instance, electric pumps) to electric insulators and electric windings and miners' lamps. Spareparts are in great demand - so much, in fact, that the Soviet supplies provided together with complete installations, are quite insufficient.

Other commodities urgently required by Centrozap are turboventilators, electric motors for direct and alternate current (particularly for the latter.)

Small electric motors, especially below 10 HP,

(Over)

are in great demand. In addition, Centromex is buying spareparts and equipment for rolling-mills.

Cebilo, another organization, is mostly interested in purchasing ball bearings. Owing to the fact that this commodity cannot always be procured by official channels, i.e. applying for an export license to be granted under the allotted contingents, - the commercial agencies acting on Cebilo's account on Italian territory deal with small manufacturers, and even to retailers, in some cases. These goods, bought for ready cash (mostly US. dollars), do not reach their destination by normal means of transportation. Purchases resulting from such transactions are first of all delivered to the Commercial Counsellors' Office in Rome, and are probably dispatched by diplomatic pouch, or smuggled by Polish or Soviet ships (mainly from the port of GENOA).

Centromex is buying Marine engines of all sizes, everywhere, i.e. motors for the merchant marine as well as for fishing boats. Most of the enquiries for this commodity went to FIAT, on a compensation basis, (i.e. Polish coal against Italian-manufactured goods). But besides FIAT there were also very small Italian firms receiving orders for marine engines.

Polimex and Warimex are buyers for machinery equipment, instruments of various types, and office equipment. They are also interested in purchasing considerable quantities of electric fittings.

Warimex is in the market for spareparts for machinery used in the building industry, and for the maintenance of airports. Above all they are interested in buying pneumatic drills of all types.

One of Polimex's most original enquiries was for a labelling device, which was made together with enquiries for electrical pumps etc.

Motomport is above all a buyer for spareparts for automobiles and tractors. Characteristic is the fact that Italian manufacturers receive enquiries not only for spareparts of Italian-made automobiles and tractors, but also for French and German cars. Thus FIAT, in July 1952 had an enquiry for spareparts of German and French automobiles and tractors, apparently leftovers from the war period. In addition, there was also an enquiry for spareparts for G.M.C., Dodge, Ford, and Chevrolet cars.

All these enquiries clearly demonstrate the acute shortage of machinery and spareparts in today's Poland.

(Over)

In this connection it must be pointed out that this shortage does not refer to Poland alone, as the chief purchasing offices of WARSAW act also as buyers for the Soviet Union, according to the directives issued under the Mutual Economic Assistance Council's orders of MOSCOW.

The Office of the ROME Commercial Counsellor is always in financial straits when confronted with the realization of such enquiries. Poland's clearing account balance very often makes it necessary to buy against ready cash in dollars or Swiss Francs.

The meager clearing balance very often is the reason that the Office of the Commercial Counsellor is unable to conclude and sign advantageous business contracts within the set time limit. In almost all such cases the goods have to be bought at a higher price than fixed in the original bid. Thus it recently happened with an offer for 70 tons of mercury, which could not be accepted by the Office of the Commercial Counsellor in due time. When he was eventually in a position to conclude the deal, prices had gone up by 20 per cent, and Poland had to pay them.

It would appear, that the standing instructions are to buy essential commodities at any price whatsoever.

A exception to this rule was only recently made. The buyers from beyond the Iron Curtain tried to bring down the outrageous black market prices for non-ferrous metals. The sellers had increased prices to such an extent, speculating on the great demand, that eventually the USSR and the Satellite countries had temporarily stopped all purchases, thus stopping the racket and eventually bringing the prices down.