

often supplied themselves on the domestic market. Taking into account the fact that Poland is one of the largest exporters of food to the Czech market, it would be often in the mentioned group. Having regard to the negative message in the Czech media about the quality of Polish food, it can be presumed that larger dealers could either resort to repackaging it so to be able to serve Czech origin, or limit sales. Ultimately, the provision, due to the frequent misleading of consumers and after the intervention of the European Commission, was withdrawn in September 2016⁴.

Another example of actions aimed at highlighting the national origin of products, are new requirements, which have been introduced from 1 January 2017 and which narrow down the principles for labelling food products originating in the Czech Republic⁵. The primary purpose of the change is to terminate practices of labelling products as “Czech only”, when they are packed in the Czech Republic or prepared “according to the Czech recipe”. In the case of milk, wine and unprocessed food (such as meat, vegetables or fruit) the seller will be able to mark it as “Czech only” if it was produced in the Czech Republic and, at the same time, it comes entirely from Czech raw materials. In the case of composite products (e.g. sausages), at least 75% of the raw materials used must come from the Czech Republic. Producers not meeting the conditions, will not be allowed to use “other information – mainly verbal, visual or graphic – suggesting that the country of origin of the food is the Czech Republic” (Juhász, 2016, p. 1). The amendment also takes into account the fact that in some cases, it is not possible to supply Czech raw materials, as they do not exist in the Czech Republic – for example, for chocolate to be considered a Czech product, it is enough for it to be manufactured on the territory of the Czech Republic. Any discrepancies will be investigated by CAFIA, which may impose penalties up to CZK 10 million (i.e. approx. EUR 370 thousand) (WPHiI, 2016).

The activities presented above are clearly associated with the so-called economic patriotism. Without the discussion on economic rationality of this concept, it is worth noting that its effectiveness, however, depends on consumers sharing these values, as well as on their actions during shopping. Then it may turn out that being accustomed with the imported products, their high quality and price competitiveness may prevail over the willingness to support their own producers. Therefore, these activities may be counted among the soft non-tariff tools that, nonetheless, leave the final decision concerning the purchase of the given items to the consumers. But then, in the period of growing protectionist and national trends, these types of slogans are increasingly promoted in public space, which may generally limit the positive attitudes of consumers towards the import of goods, thanks to which they have a greater choice, and with the competition with domestic producers, potentially lower prices. Such concepts may, therefore, lead to closing of the markets, and thus to the inducing of adverse effects to the positive effects of the Customs Union.

⁴ European Commission sent to the Czech Republic a formal notice on 18 June 2015, and after the amendment of the law, closed the case on 17 November 2016.

⁵ Par. 9b of the Law of 24 June 1997 (110/1997).

Additional controls of food as an example of administrative barriers

The protectionist actions of the Czech authorities towards food imported from Poland are confirmed by the introduction of a special CAFIA instruction of August 2014 requiring particularly thorough sanitary inspection of the Polish food products, especially apples, meat and meat products, milk and dairy products and fish. The aforementioned instruction did not include products from other EU countries, which was a clear action contrary to the EU principle of non-discrimination. The Czech inspectors collected 4500 samples of Polish products this year, which was about 1400 more than just from Spain. Polish food products rank second in terms of the total amount of collected samples even in the concerned period since August 7, when Russia announced its ban on imports of selected food products from the West (Fresh Plaza, 2014). The above activities were probably the result of significant losses, which might have been suffered by the Czech producers because of significant inflow of food from other EU Member States following the Russian embargo (Ambroziak, 2017). According to the Czech authorities, the impact of the Russian embargo on the Czech producers of fruit and vegetables was estimated at between CZK 0.59 million and CZK 1.42 million (Prague Post, 2014).

Another control tool to the Czech market has been introduced under the Regulation of 1 July 2015. (No. 172/2015). As of April 2016, all entities importing agri-food products to the Czech market are required to submit very detailed reports for a minimum of 24 hours prior to the introduction of goods into circulation. This applies to products such as: fresh fruit (peaches and nectarines, pears, apples, plums, purple plums, oranges, bananas, table wine), fresh vegetables (onion and garlic, carrots and celery, tomato, pepper, cucumber salad, cabbage, cauliflower, broccoli), early and late potatoes, products made from grapes, on the basis of Regulation No. 1308/2013 and table wine, fresh wine other than table wine, poppy, dietary supplements (CAFIA, 2016). In addition to the data transmitted electronically (<http://www.szpi.gov.cz/dovozy-prihlaseni.aspx>) relating to the prices and place of their sale, the exporter is obligated to present a set of documents, including information about: quality of class/genre of agri-food products, country of origin and name and address of the manufacturer and recipient, as well as the date of import into the destination (CAFIA, 2016).

The above requirements, covering both additional controls and an obligation to notify about the delivery, are a typical non-tariff administrative barrier that can effectively and significantly hinder the free flow of goods and consequently limit the effect of trade creation. In addition, it seems that it may conflict with Regulation No. 882/2004, which provides that official inspections should treat importers and domestic suppliers equally; therefore, they should be held after the arrival of the products. In case of this category of barriers, the effects of their implementation is felt by all suppliers of goods to the market. The efficiency of the presented administrative barriers results from their interconnection – detailed and frequent inspection with an information to inform about deliveries. Consequently, the existing exporters, especially from the most often controlled countries, may look for new sales markets. This obviously requires certain investment and time since diagnosis

of new arrivals, adapting to their needs and sometimes the relevant certificates and approvals is a long-lasting process. Hence, it is rare for existing suppliers to easily move their trade streams in agri-food products from one recipient to another.

Trade in agri-food products from Poland to the Czech Republic

Protectionist actions in trade in agri-food products may be especially visible between, on the one hand, a country that is not self-sufficient in this area and, on the other, the country that is a major supplier of the products. Such a pair of economic partners are undoubtedly the Czech Republic and Poland. In case of Poland, the problem is strengthened by the economies of scale, resulting in lower prices offered by domestic producers. At the same time, the Czech agri-food industry is not as well financed as Polish (thanks to the intensive pre-accession activities and efficient use of European funds for agriculture and rural development). As a result, Poland is the second, after Germany, biggest food exporter to the Czech Republic. This export gradually increased after the Polish accession to the EU. Dynamics of growth in sales of the Polish agri-food products to the Czech Republic was then higher than to the entire EU or to the third countries. This means that soft non-tariff barriers, such as the above-discussed cases of actual, over-publicised or erroneously identified Polish products as failing to meet the quality requirements or phytosanitary standards, revealed as of 2015, did not have a major impact on the growth of the dynamics of the Polish exports to the Czech market. The situation changed radically in 2016, when the Czech authorities introduced stringent administrative requirements that may be understood as traditional non-tariff barriers. These not only limited the interest in Polish products on the Czech market but also constrained the willingness of the Polish entrepreneurs to export to this market. The Polish entrepreneurs redirected their attention to other EU Member States (a clear growth in the dynamics of exports in the same period to the inter-EU market, including to the major recipients of the Polish food, i.e. Germany, the United Kingdom and Italy (Fig. 1 and 2).

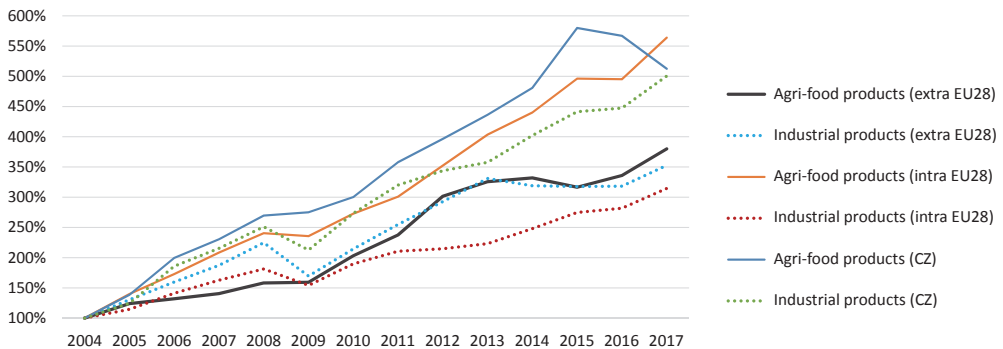
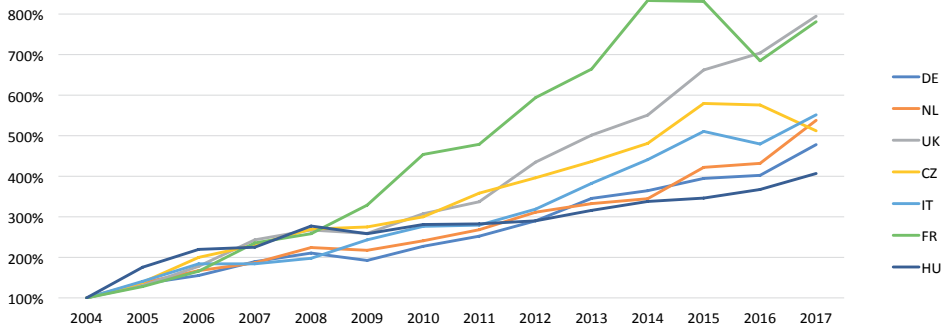


Fig.1. Dynamics of export from Poland to the Czech Republic and other countries worldwide between 2004 and 2017 (2004 = 100%)

Source: own elaboration based on Eurostat data.

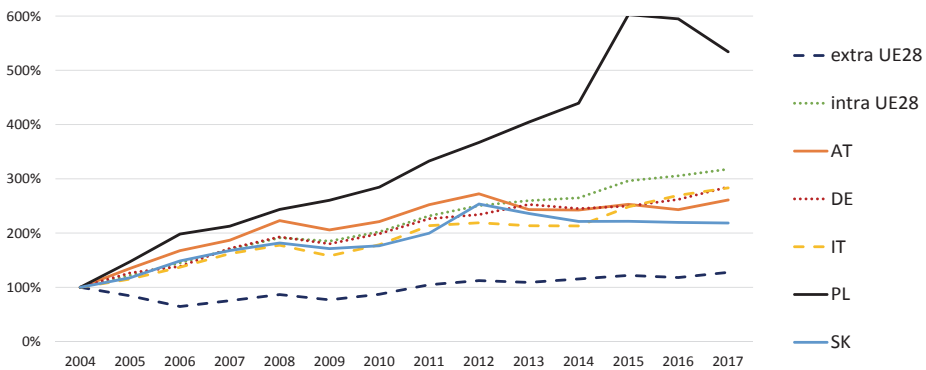


DE – Germany; NL – the Netherlands; UK – the United Kingdom; CZ – the Czech Republic; IT – Italy; FR – France.

Fig. 2. Dynamics of export from Poland to the key recipients of agri-food products from the EU between 2004 and 2017 (2004 = 100%).

Source: as for Fig. 1.

The above hypotheses confirm the results of research on the Czech imports of agri-food products after accession to the European Union (Fig. 3). Over the last years, five major exporters of these products noted a constant growth of supplies to the Czech market (except for Slovakia, where the import dynamics has slowed down since 2012). In this period, Poland was a leader until 2015. In the next year, when the Czech Republic has introduced administrative requirements to notify goods in connection with burdensome inspection and negative experiences in relations with the Czech authorities, imports of agri-food products plummeted only in case of Poland (and to a slightly lower degree from Slovakia). Thus, achieving a certain reduction in the trade creation effect between Poland and the Czech Republic, at the same time, as noted before, redirecting these products to other EU Member States.



Extra EU 28 – trade of 28 EU Member States to non-EU countries; Intra EU 28 – trade of 28 EU Member States to the EU countries; AT – Austria; DE – Germany; IT – Italy; PL – Poland; SK – Slovakia.

Fig. 3. Dynamics of the Czech imports of agri-food products from the largest five suppliers from the EU.

Source: as for Fig. 1.

Conclusions

The presented research may give raise to a question: to what extent the soft non-tariff barriers introduced in the Czech Republic were addressed only at food from Poland and to what extent they were addressed at all major suppliers of agri-food products to the market. The discussed cases of actions discouraging the Czech consumers from buying Polish food based on negating the quality of Polish food products and challenging the compliance with the relevant sanitary requirements during production and transport of these products can suggest a multiannual campaign conducted by the Czech Republic against food from Poland. Consequently, the Polish food producers on several occasions addressed requests both to the Polish government and the European Commission underlining the existence of barriers to the EU internal trade which are contrary to the principles of the European Single Market. The most often used barriers for the Polish producers on the Czech market covered unjustified and frequent sanitary inspections and additional documentary and certification requirements. The issue of using unjustified non-tariff barriers and the necessity of their elimination was undertaken also, on the initiative of Polish producers, by the European Parliament (2016).

The analysis of statistical data on commodity flows between Poland and the Czech Republic allows us, however, to conclude that the introduction of soft non-tariff barriers has not, so far, had a significant negative impact on the Polish exports of agri-food products to the Czech Republic. Thus, it seems that the main reason behind the popularity of the Polish food in the last decade can be price competitiveness of the Polish exporters. The Czech consumers, as most consumers in other countries, mainly seek food products at a lower price. It can be, however, presumed that in some cases the negative attitude towards Polish producers in the Czech Republic was justified. Increasing export of the Polish products to the Czech Republic allows us to conclude that the negative consequences were primarily borne by individual operators who sometimes indeed offered irregular products.

Only since 2016, when restrictive administrative barriers started to apply in the Czech Republic, a certain decrease in the volume of food imports from Poland has been noted. It may be the response of the market to the significant increase in the previous years or a way to discourage the Polish exporters with additional requirements and inspections. It cannot be ruled out that in the long run, certain transfers of trade from the Czech market may be expected in favour of, above all, the other EU Member States. But this may occur after a relatively longer period of impediments, as finding new outlets is very difficult, expensive and takes time to obtain appropriate certificates and permits (especially in trade outside the EU).

In conclusion, it is worth noting that the dynamics of import of agri-food products of major suppliers to the Czech market has not changed as much as in the case of Poland, despite the introduction of the obligation to inform about the intention to import in 2016. Thus, despite the introduction of administrative barriers on the Czech market, the activities of other major food importers are still very effective. The analysis of the causes of this phenomenon requires further research.

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MECHANIZMY BARIER POZATARYFOWYCH W HANDLU ROLNO-SPOŻYWCZYM MIĘDZY POLSKĄ A CZECHAMI W RAMACH RYNKU WEWNĘTRZNEGO UE

Abstrakt

Celem niniejszego artykułu jest identyfikacja mechanizmów barier pozataryfowych wpływających na wewnątrzunijną wymianę produktami rolno-spożywczymi na przykładzie handlu między Polską a Czechami. Na wstępie przedstawiono główne założenia teoretyczne swobodnego przepływu towarów w oparciu o kolejne etapy integracji gospodarczej według Balassa. Następnie omówiono wybrane przykłady zidentyfikowanych działań Czech w odniesieniu do importowanych z Polski artykułów rolno-spożywczych wraz z analizą potencjalnych mechanizmów ekonomicznych będących skutkiem tych działań. W kolejnej części przedstawiono efekty statystyczne prowadzonej wymiany handlowej, co pozwoliło sformułować wnioski dotyczące potencjalnych konsekwencji wprowadzanych barier.

Na podstawie przeprowadzonej analizy stwierdzono, że stosowane na rynku czeskim miękkie bariery pozataryfowe nie przyniosły znacząco negatywnych skutków dla ogólnego importu polskich produktów rolno-spożywczych do Czech. Negatywne konsekwencje wprowadzanych barier ponosili pojedynczy przedsiębiorcy, którzy, według władz czeskich, oferowali produkty niespełniające wymogów. Jednocześnie zidentyfikowano tradycyjne bariery administracyjne nałożone na wszystkich dostawców artykułów rolno-spożywczych na rynek czeski, które doprowadziły do załamania się eksportu z Polski, podczas gdy jednocześnie utrzymał się wzrost dynamiki głównych dostawców z innych państw członkowskich UE.

Słowa kluczowe: wewnątrzunijna wymiana handlowa, protekcjonizm, produkty rolno-spożywcze.

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