

FLASH REPORT

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5 February 2008: Ukraine's accession to WTO approved

The General Council of the World Trade Organisation (WTO) has approved the report of the working group and signed the protocol on Ukraine's accession to WTO.

Ukraine has to ratify the protocol on accession and other documents by 4 July 2008 and obtain full membership in WTO within 30 days of ratification. This means that Ukraine should be a full member of WTO by 3 August 2008.

Ukraine's major commitments under the protocol are:

- The further lowering customs duties to average 10,66% for agricultural products and 4.95% for industrial goods including civil aircraft, construction equipment, distilled spirits, certain types of fish, pharmaceuticals, certain chemicals and petroleum oils, medical equipment, wood, pulp & paper, certain yarn and fabric, certain base metals, steel, information technology products (ITA), furniture, and toys. For many goods customs duty would be cut to zero;

- Allowing access to foreign service providers on a non-discriminatory basis in 11 "core" service sectors: including business services, communication services, construction and related engineering services, distribution, education and environmental services, financial services (insurance and banking), health and social services, tourism and travel, recreational, cultural and sporting services, and transport services, etc.

The non-discrimination clause means that with effect from 3 August 2008 foreign banks and insurance companies, etc., should be entitled to establish full branch offices in Ukraine. There will need to be substantial changes to other laws to allow this.

WTO's accessions should boost economic growth and attract more foreign investments to Ukraine. It will also speed up negotiations on a free trade agreement with EU.

In the coming weeks PwC in Ukraine will be organising business breakfasts dedicated to Ukraine's accession to WTO. We will share our thoughts on implications arising for Ukraine due to accession. We will send official invitations shortly.