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UKRAINE

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(As An Observer)

I am very honoured to participate in the Second Ministerial Conference of the World Trade Organization.

I am also delighted that the Conference coincides with the celebration of the 50th Anniversary of the multilateral trading system. It is appropriate that the Second Ministerial Conference of the World Trade Organization is held in Geneva, the very place where the bases for the multilateral trading system were set 50 years ago, and where the first round of the major trade negotiations was held.

Half a century has elapsed since these memorable events. During this time the legal framework for multilateral conduct of international trade has gone through a long and complicated process of evolution and development, involving more and more sectors of international trade. And the conclusion of the Uruguay Round, together with the creation of the World Trade Organization, has brought into existence a qualitatively improved legal process for a more dynamic economic environment through the creation of a more open and predictable international trade system. These actions create new opportunities for the development of both a better international community, as well as improved economic conditions in every country.

One of the important accomplishments in the 50 years long history of the world trade system is that export growth rate is permanently exceeding production growth rate (in 1997, exports increased three times faster than production), and the significant growth in the number of customs unions and free-trade areas formed by nations enjoying different levels of economic development. These developments have greatly facilitated market access in goods and services.

It was not very long ago, at the First Ministerial Conference in Singapore, that important decisions were made directed at the elimination of tariff and non-tariff trade barriers and the further reduction of protectionism in world trade. However, I am very pleased to note that, in my opinion, during this short period of time so much has been accomplished. I refer specifically to the successful completion of multilateral negotiations on basic telecommunications and financial services.

At the present time, at the threshold of new Millennium, the trade system is at a crucial point. It is facing new tasks and challenges which must be solved before the system enters the 21st Century. The new round of multilateral trade talks, which is to start in this century, will be of paramount importance in this respect.

This is important for Ukraine, a State seeking to participate in this new round of talks as a full Member of the WTO. And considering the efforts of the Government of Ukraine in the process of accession to the WTO, I believe its participation in the talks to be a distinct possibility. Ukraine has chosen an absolutely correct path in seeking WTO membership, a path tested by dozens of other nations. It is the path of building mutual relations in international trade upon foundations, acceptable throughout the world - namely the rules contained in the WTO Agreements.

With respect to the process of accession, Ukraine has met twice with the WTO Working Party since the Singapore Ministerial WTO Conference. The second of these meetings took place on 24-25 November 1997.

In 1997, Ukraine also began to hold bilateral talks with WTO Member States on mutual market access issues. Five rounds of such talks took place in the course of the year. Generally, Ukraine maintained talks with 22 countries, as well as the EU. Among its negotiating partners are the United States, Canada, Australia, Japan and the CEFTA countries.

Pursuant to the conclusions of the last, the 50th meeting of the Working Party, the main directions of the Government of Ukraine in the sphere of accession to the WTO for the year 1998 are:

- To continue negotiations with WTO Member States on market methods and to enter into relevant bilateral agreements;
- to determine and coordinate transitional periods in the reform of the foreign trade regime;
- to settle problematic issues of tariff and non-tariff technical regulations in Ukraine and to bring them in conformity with the international GATT/WTO rules and principles;
- to draft the Working Party Report and the Protocol on Accession of Ukraine to the WTO;
- to participate fully and positively at the next Working Party Meeting, scheduled by the WTO Secretariat to take place in early June 1998.

Questions put to countries seeking WTO membership on their laws and regimes relating to foreign trade are the best indicators of progress in the accession process. Such questions also demonstrate the degree of interest, understanding, and support on the part of the WTO Member States. In the case of Ukraine, the questions have encouraged the harmonization of its laws with the rules and requirements of the Uruguay Round Agreements and the decisions of the First Ministerial Conference.

The process of harmonization is taking place now, being supported by relevant provisions of our President's recent State of the Union Message. Moreover, on 14 January 1998 the Government of Ukraine approved the Action Programme for 1998 which sets the main priorities for the economic reform of Ukraine. The Government undertakes to promote in every way possible the development of entrepreneurship, and to abolish administrative, economic and organizational impediments. It also undertakes to simplify the registration system, to make it more transparent, to reduce the number of commercial activities subject to licensing, etc. The new Customs and Anti-Dumping Codes of Ukraine have already been drafted. The directions of the reconstruction of agricultural enterprises have been set.

Finally, I would like to express my full confidence in the ability of WTO to realize its mandate fully, particularly in the sphere of globalization and liberalization of world economy, and in the expansion of economic interdependence among States. I am confident that WTO will become a more effective instrument of promotion in the successful development of emerging and transitional economies, as well as in their integration within the international trade system and, indeed, the world economy.
