GATT Art XII and XXVIII: Experience of Ukraine

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What documents governing modification of the Schedule?

- Article XXVIII, GATT 1994
- Annex I "Notes and Supplementary Provisions" of Article XXVIII GATT 1994
- The procedure of negotiations under Article XXVIII (document C/113, 10.11.1980)
- Understanding on the Interpretation of Article XXVIII GATT 1994
- Procedures for modification and ratification of Schedules of tariff concessions ("Certification"), document L/4962, 28.03.1980
Why Art XXVIII?

- Use of the tariff policy in line with the WTO rules
- Improving safety net for domestic industries
- Import substitution
- Streamline of import of certain goods (such as "second-hand")
- “Comfortable" base period when imports were minimal
- Basis for consequent adjustment
FTA negotiations

NAMA Agri

371 tariff lines

Avg Import (MFN, 2009–2011)

$1001 mln

$762 mln

$274 mln

$254 mln

$71 mln

$34 mln

$383 mln

$446 mln

$90 mln

$119 mln

350+2017 concessions

5% bound rate increase
Binding commitments

All goods
Binding commitments

NAMA

%
Rationale

- deterioration of the balance of payments of Ukraine, a significant reduction in foreign reserves.

- Import surcharge:
  - is an exceptional and temporary measure (12 months duration);
  - does not constitute a quantitative restriction;
  - covers all groups of goods (with exception of essential goods);
  - is in line with Art. XII of the GATT-1994.
Rates of import surcharge

- **10%** for goods classified as *groups 1-24*; and

**10%** for goods *delivered by persons to the territory of Ukraine*.

- **5%** for goods classified as *groups 25-97*;

- **0%** for *essential goods* (oil, gas, electrical energy, coal, gasoline, medical devices for hemodialysis, international technical aid etc.).
International Reserves

Source: NBU