

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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UKRAINE

Statement by Mr. Oleg I. Slepichev
Minister for Foreign Economic Relations
(Speaking as an Observer)

First of all, on behalf of the Ukrainian delegation, I would like to express great gratitude to GATT's Secretariat, to the Government of the Kingdom of Morocco for the possibility to be participants and witnesses of events, symbolizing the establishment of new world economic order and the entrance of the world economic system into a new stage of development, based on rules and principles agreed upon during the Uruguay Round.

It is difficult to overestimate the successful results of the multilateral negotiations within the Uruguay Round. As a result of many years of work agreements have been achieved that formulate a sound basis for onward stable economic growth of the world community. From now on, globally regulated will be not only commodity markets, but markets of capital, investment flows and trade of intellectual property. One of the most important achievements of the Uruguay Round is, undoubtedly, the signing of the agreement on creation of the World Trade Organization, after the establishment of which GATT becomes one of the three world's most important economic institutions that regulate international economic relations.

We are certain that one of the main conditions for successful integration of countries with transitional economies into the world trade system, including Ukraine, is their membership and active participation in international organizations, which determine the rules within the world markets of labour, capital, commodities and services.

First of all, this concerns the General Agreement on Tariffs and Trade, according to the rules and procedures of which most of the world's trade is carried out and trade regimes are harmonized in most of the countries of the world.

Economic integration of Ukraine into the world economic system is one of the most important trends of the foreign economic policy of Ukraine. It is quite clear that acceleration of this process is impossible without overcoming the crisis in national economy, carrying out internal economic reforms and creation of stable market mechanisms, supported by an adequate legislative basis. Unfortunately, we have to state that non-membership of Ukraine in GATT leads to significant decrease in trade flow in our country, and from the other side, Ukrainian commodities are unable to find adequate places on world markets. This is the same reason for hindrance in development of non-discriminative foreign economic relations and mutual cooperation between countries of the world community.

These problems, of course, influence the foreign economic policy of the Government of Ukraine. We have to take into consideration that Ukraine's Government from the moment of the country's

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independence under severe economic conditions had to combine the processes of protection of national economy with liberalization of access to its own market and the conduct of policy, which will secure the position of Ukrainian exporters and goods on foreign markets, and along the way support integration into the world trade system under market conditions. And even today the simultaneous process of economic reforms, restructuring of the industrial base with parallel opening of the internal market and formulation of an open trade system is developing with difficulty. Nevertheless, Ukraine was able to establish in two years a legal mechanism of foreign trade based on, in general, the principles and features of international trade.

We would highly appreciate if the countries which participate in this Ministerial Conference would take into full consideration the present difficult economic situation in our country. Ukraine needs a transitional period to be able to make the appropriate legal and economic adjustments.

On 14 July 1992, at the Meeting of the Council of Representatives, Ukraine became an observer in GATT, and on 17 December 1993, Ukraine passed an official application for accession to GATT. This was Ukraine's first step in the direction of integration into world multilateral trade system. On the other hand, the world community, by giving Ukraine this status, recognized the full amount of Ukraine's efforts in conducting serious economic reforms including foreign economic relations.

The Ukrainian Government has created a Commission for Ukraine's accession to GATT. Among the issues which are covered by the Commission's terms of reference are those of the preparation of the Memorandum on the Foreign Trade Regime and the submission to the appropriate competent authorities of proposals about the harmonization of the national legislation with the GATT rules (including preparation of an "Anti-Dumping Code" and appropriate acts to establish the national export control system), retraining of Ukrainian officials on multilateral trade negotiations and export control issues.

Today the process of Ukraine's accession to GATT and WTO has even more significance because it stimulates economic and legislative reforms within the country. We hope to find understanding in this matter and, apart from political support of Ukraine's accession to GATT, also receipt of technical assistance.

Unfortunately, the crisis which Ukraine's economy faces now, and the deterioration of economic ties within the former USSR, made the adoption of certain administrative measures in foreign economic relations quite necessary. But these measures are temporary. The strategic direction based on principles, rules and norms of GATT, formulating the base of international trade, is chosen for good.