

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**



**NAMA
Agri**

FTA negotiations



**371 tariff
lines**



\$446 mln



\$383 mln



\$71 mln



\$34 mln



\$1001 mln



\$762 mln



\$274 mln



\$254 mln



\$119 mln

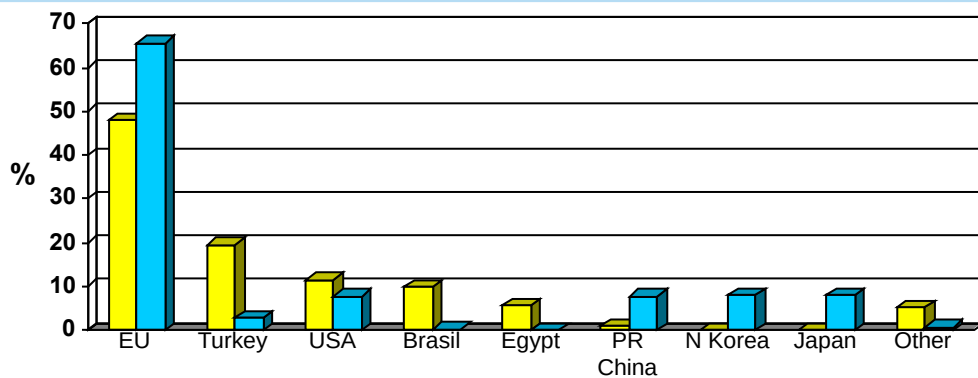
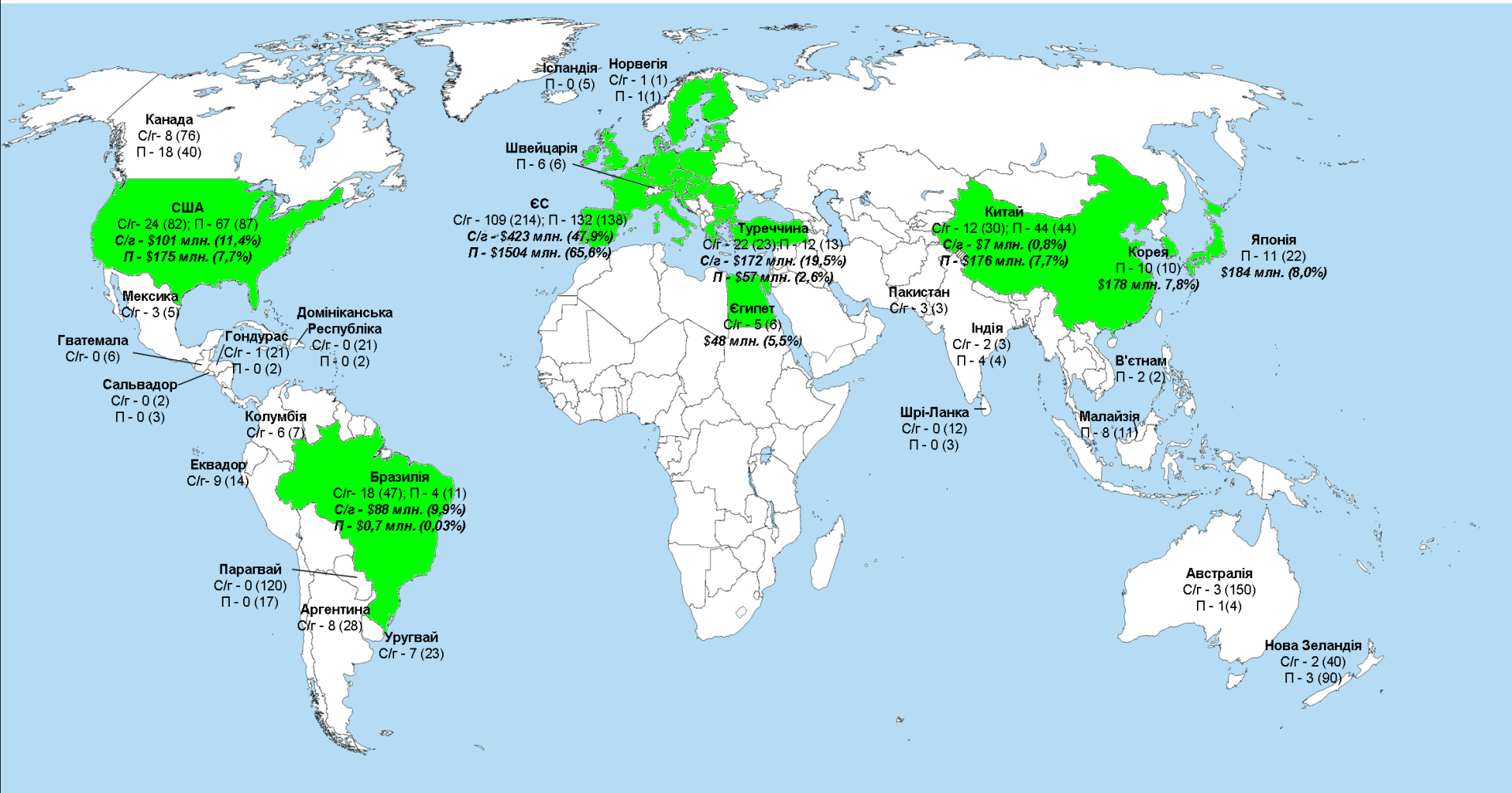


\$90 mln

**Avg Import
(MFN, 2009–2011)**

**350+2017 concessions
5% bound rate increase**



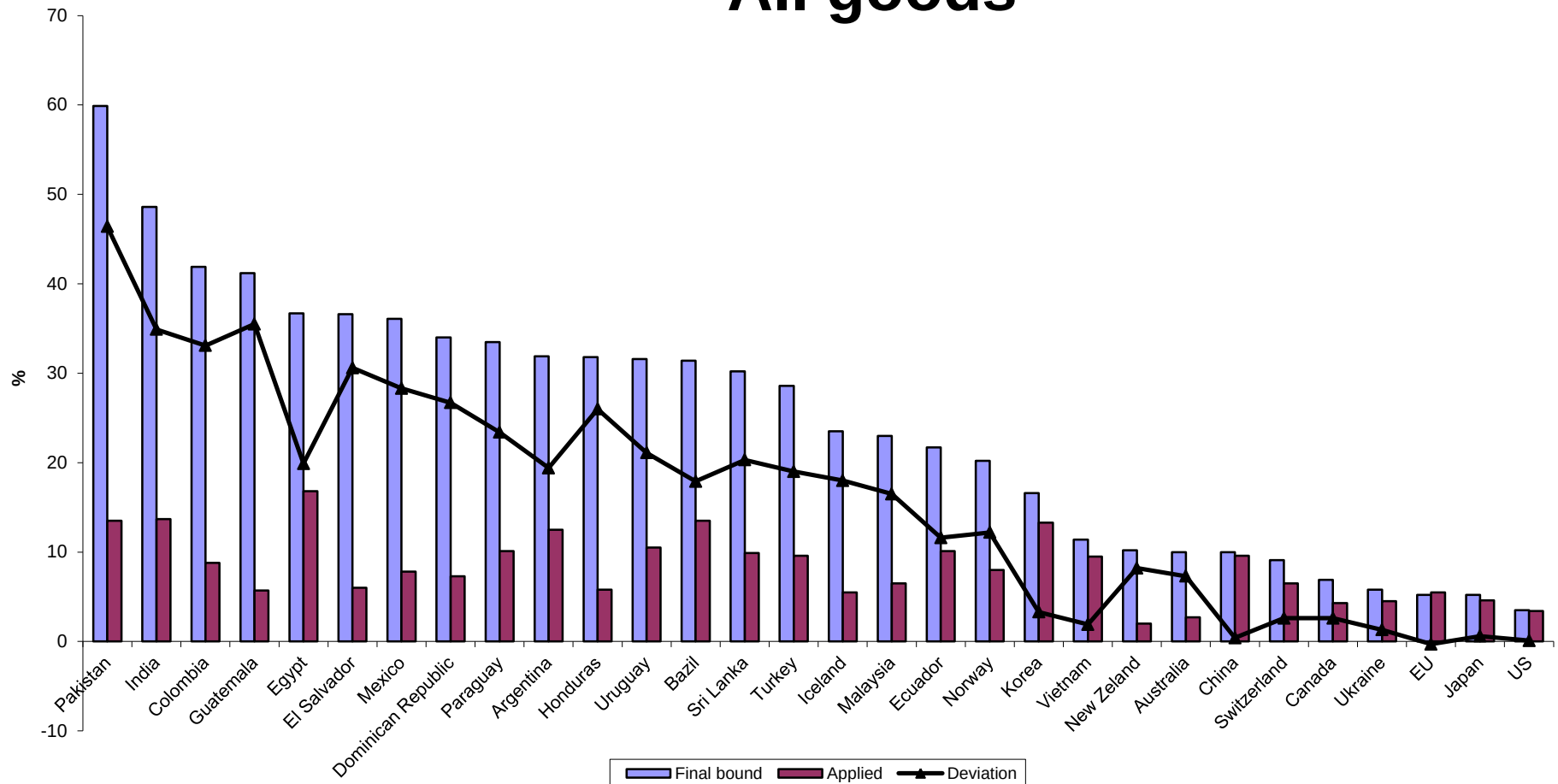


**Share in the total
Import
(MFN 2009–2011)**

Agri NAMA

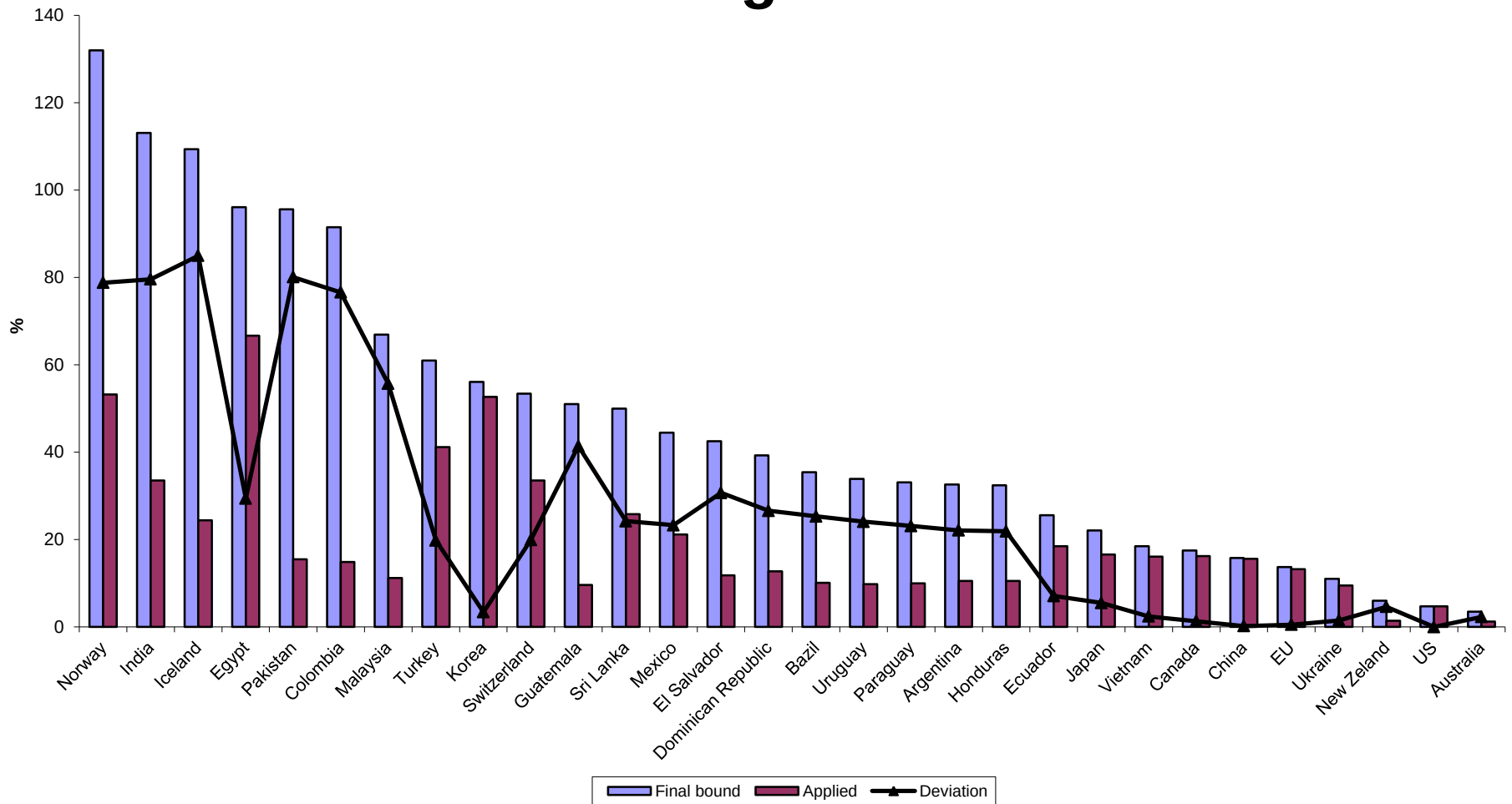
Binding commitments

All goods



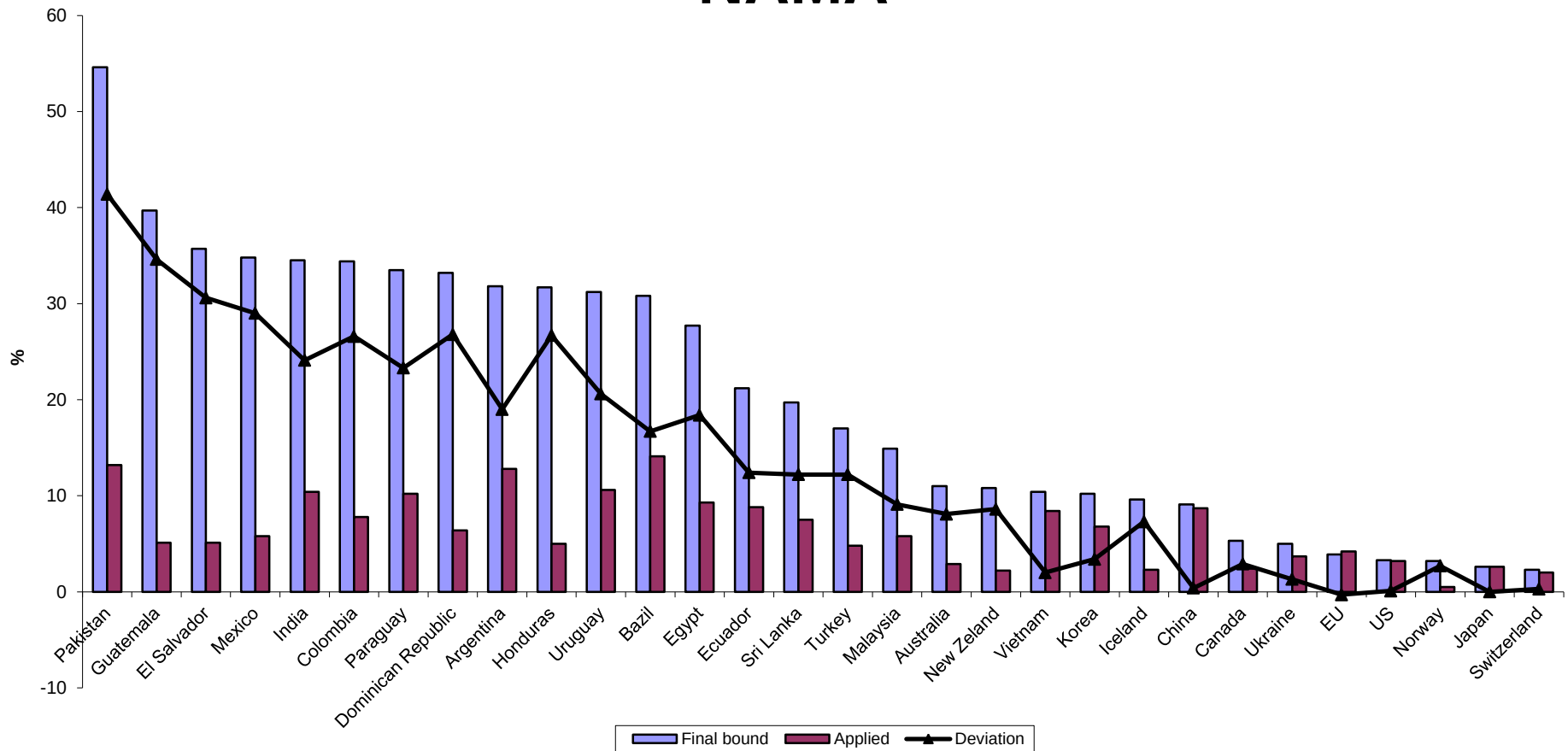
Binding commitments

Agri



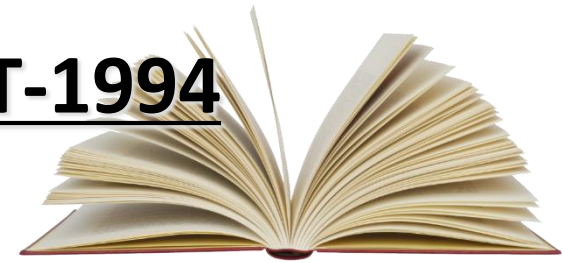
Binding commitments

NAMA



Rationale

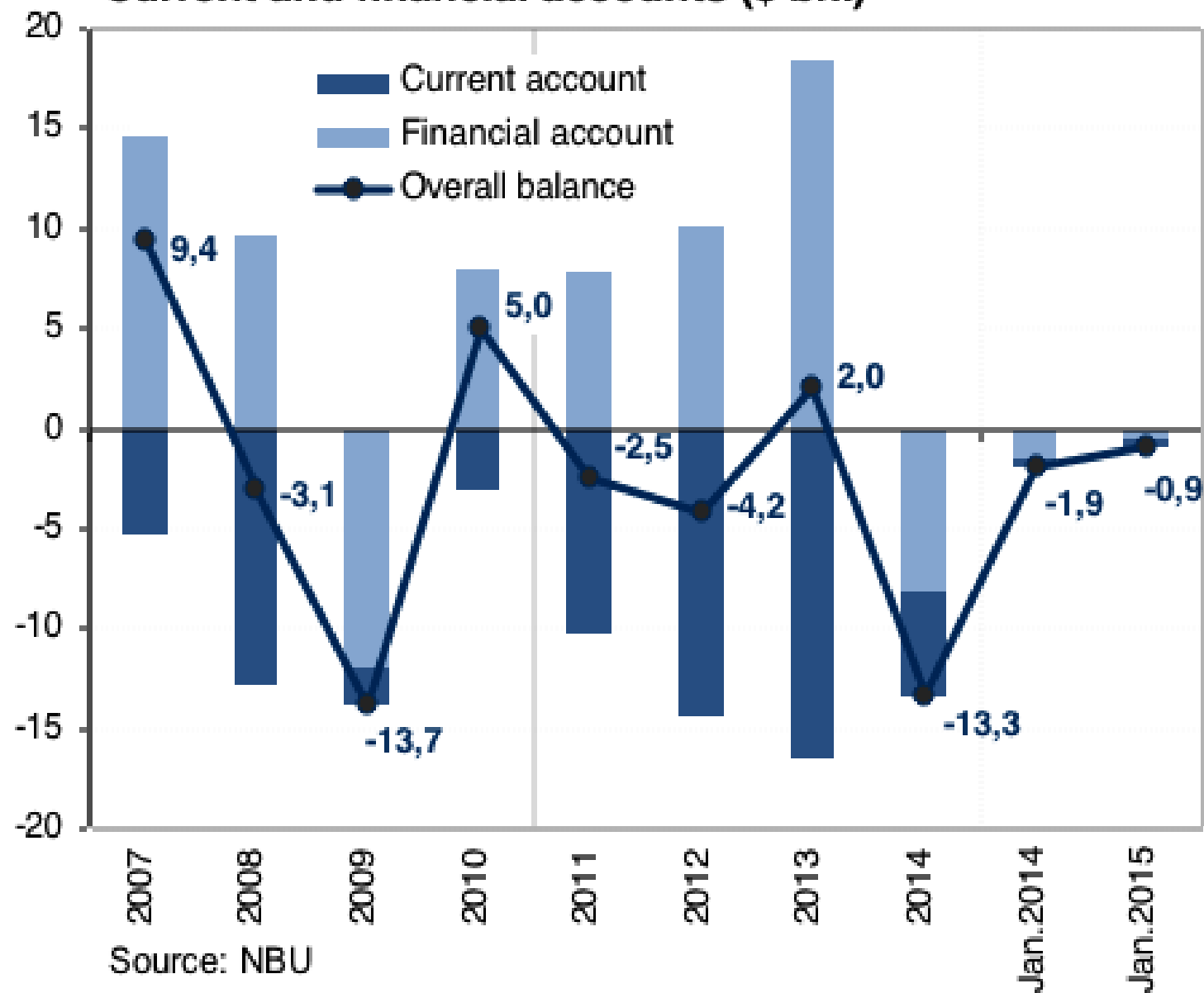
- deterioration of the balance of payments of Ukraine, a significant reduction in foreign reserves.
- Import surcharge:
 - is an exceptional and temporary measure (12 months duration);
 - does not constitute a quantitative restriction;
 - covers all groups of goods (with exception of *essential goods*);
 - is in line with Art. XII of the GATT-1994



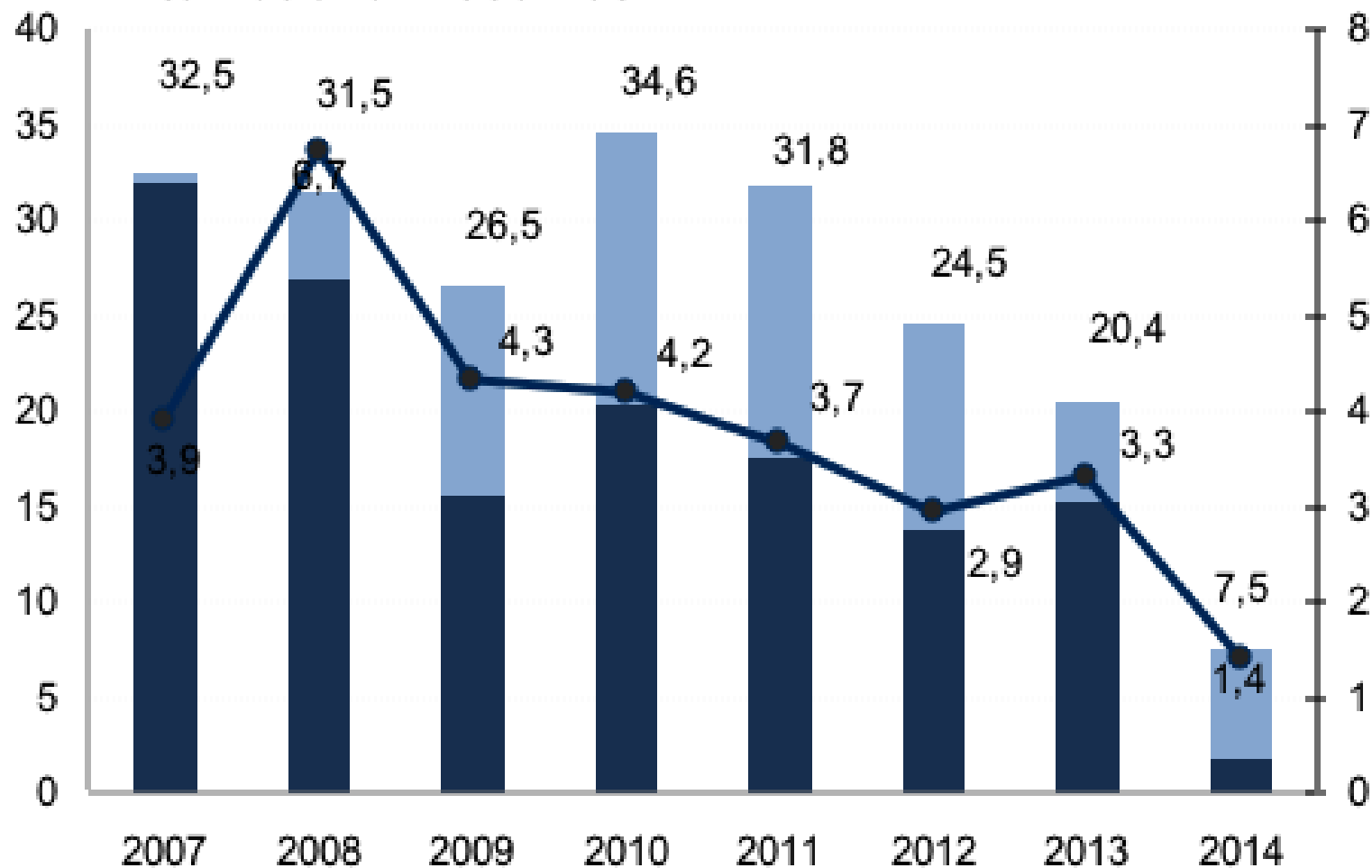
Rates of import surcharge

- **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.)

Current and financial accounts (\$ bn.)



International Reserves



IMF loan, USD bn. (LHS)

NIR, USD bn. (LHS)

in months of future imports (RHS)

Source: NBU