

WORLD TRADE ORGANIZATION

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Council for Trade in Goods

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**UKRAINE'S ARTICLE XXVIII NOTIFICATION:
JOINT STATEMENT BY AUSTRALIA, BRAZIL, CANADA, CHILE, COLOMBIA,
CROATIA, THE EUROPEAN UNION, GUATEMALA, HONG KONG CHINA, ICELAND,
JAPAN, KOREA, LIECHTENSTEIN, MALAYSIA, MEXICO, NEW ZEALAND, NORWAY,
OMAN, PARAGUAY, SINGAPORE, SWITZERLAND, TURKEY
AND THE UNITED STATES**

The following joint statement delivered at the Council for Trade in Goods meeting on 26 November, 2012 by Australia, on behalf of the delegations of Australia, Brazil, Canada, Chile, Colombia, Croatia, the European Union, Guatemala, Hong Kong China, Iceland, Japan, Korea, Liechtenstein, Malaysia, Mexico, New Zealand, Norway, Oman, Paraguay, Singapore, Switzerland, Turkey and the United States, is being circulated at the request of those delegations.

Australia, Brazil, Canada, Chile, Colombia, Croatia, the European Union, Guatemala, Hong Kong China, Iceland, Japan, Korea, Liechtenstein, Malaysia, Mexico, New Zealand, Norway, Oman, Paraguay, Singapore, Switzerland, Turkey and the United States would like to express strong concerns about Ukraine's Article XXVIII notification contained in G/SECRET/34 circulated on 12 September, 2012. Ukraine's expansive notification raises both commercial and systemic concerns. Furthermore it calls into question Ukraine's commitment to the spirit and letter of fundamental WTO disciplines.

A number of concerns have already been referred to in recent meetings of the General Council, the Committee on Market Access and the Committee on Agriculture. The number of Members supporting this statement and expressing concerns in previous meetings demonstrates the seriousness of this issue both to individual Members and to the WTO as a whole. We have made our views quite clear: it would be in the interests of all WTO Members for Ukraine to withdraw its notification.

We have serious concerns regarding the intent of Ukraine's proposed action and that Ukraine's notification covers such a large number of key tariff lines and sectors, both agricultural and industrial. We believe the extent of Ukraine's notification, 371 tariff lines, goes beyond the intended scope of Article XXVIII. Binding of tariff levels is one of the basic principles of WTO, and serves to guarantee the security and predictability of the multilateral trading system. Ukraine's notification, coming so soon after its WTO accession, challenges that basic principle.

The notification from Ukraine also comes at a time when global leaders have called on all countries to resist increasing trade protectionism. Ukraine has previously claimed its notification is not protectionist in nature, but the high number of tariff lines involved places such assertions in serious doubt.

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Moreover, it will be difficult for Ukraine to 'maintain a general level of reciprocal and mutually advantageous concessions no less favorable to trade' with such a high number of tariff lines involved and the number of Members affected. It is unclear the extent to which Ukraine will be able to compensate Members for the concessions it seeks to modify.

We are also concerned about the lack of transparency by Ukraine in respect of its proposed modifications and the process it intends to pursue. A Member seeking to modify its tariff schedule should indicate the nature of the proposed modifications either in the notification or as soon as possible thereafter. Ukraine has not circulated information about its proposed new rates or how it will compensate Members. Ukraine should have provided this information before now. Ukraine's failure to do so has limited Members' ability to understand Ukraine's objectives and to assess the likely impact on them.

In the interests of the multilateral trading system and the global economy, we once again urge Ukraine to withdraw its notification.
