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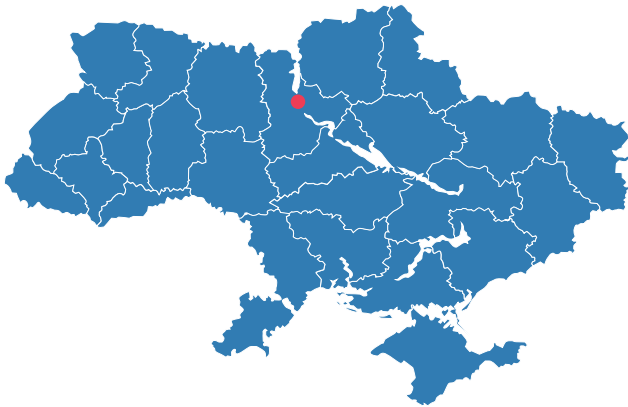
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MINISTRY OF ECONOMIC
DEVELOPMENT AND TRADE
OF UKRAINE

UKRAINE
FREE TRADE AGREEMENTS

FREE TRADE AGREEMENT

FTA

Legally binding agreement between two or more countries that aims at opening new markets for goods and services



MAKE TRADE CHEAPER

by eliminating substantially all customs duties



MAKE TRADE FASTER

by facilitating and simplifying customs procedures



FTAs foster free trade flows and create stronger ties with Ukraine's trading partners



Creates a more predictable policy environment in areas that affect trade such as foreign direct investment, intellectual property rights, competition rules and the framework for public procurement



More than tariffs elimination: FTAs also address behind-the-border barriers that impede the flow of goods and services between parties, encourage investment, enhance cooperation, and allow to address other issues, such as intellectual property, e-commerce and government procurement



FTAs allow to increase Ukraine's productivity and Ukraine-based businesses' access to cheaper inputs, introducing new technologies, and fostering competition and innovation



EVOLUTION OF UKRAINE'S FTA

FTA HISTORY TIMELINE

1992

Ukraine took part in bilateral and plurilateral trade agreements with former Soviet Union Republics

2001

Ukraine concluded with Macedonia the first free trade agreement outside of the CIS

2008

Ukraine became WTO member

2012

Ukraine concluded the FTA agreements with the EFTA

2013

Ukraine concluded the FTA with Montenegro

2014

The signing of the Association Agreement (AA) with the European Union including the Deep and Comprehensive Free Trade Area (DCFTA) represents a milestone in Ukraine's economic integration with the European Union as well as in the evolution of Ukraine's network of FTAs.

2016

The provisional application of Ukraine-EU DCFTA provisions has started from the Jan 1, 2016
FTA with Canada (CUFTA) was signed

2017

The Ukraine-EU AA came into force from Sept 1, 2017
CUFTA ratified and came into force

UKRAINE'S NETWORK OF FTA



UKRAINE

Ukraine has concluded 16 FTAs covering a total of 45 countries



EUROPEAN UNION*

28 member states

Provisional application 1 Jan 2016

Entry into force

1 Sept 2017

Scope



Population

more than 512 mln



CANADA

Entry into force

1 Aug 2017

Scope



Population

approx. 35 mln

ONGOING NEGOTIATIONS

Israel, Turkey



Coverage:



Trade in goods



Government procurement



Services



Gradual legislative approximation and economic integration within EU



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GEORGIA

Entry into force

04 Jun 1996

Scope



Population

approx. 4.5 mln



MACEDONIA

Entry into force

05 Jul 2001

Scope



Population

approx. 2.1 mln

EFTA STATES**



Entry into force

01 Jun 2012

Scope



Population

approx. 13 mln



CIS

(FORMER SOVIET

UNION REPUBLICS)***

Entry into force

20 Sep 2012

Scope



Population

approx. 283 mln



MONTENEGRO

Entry into force

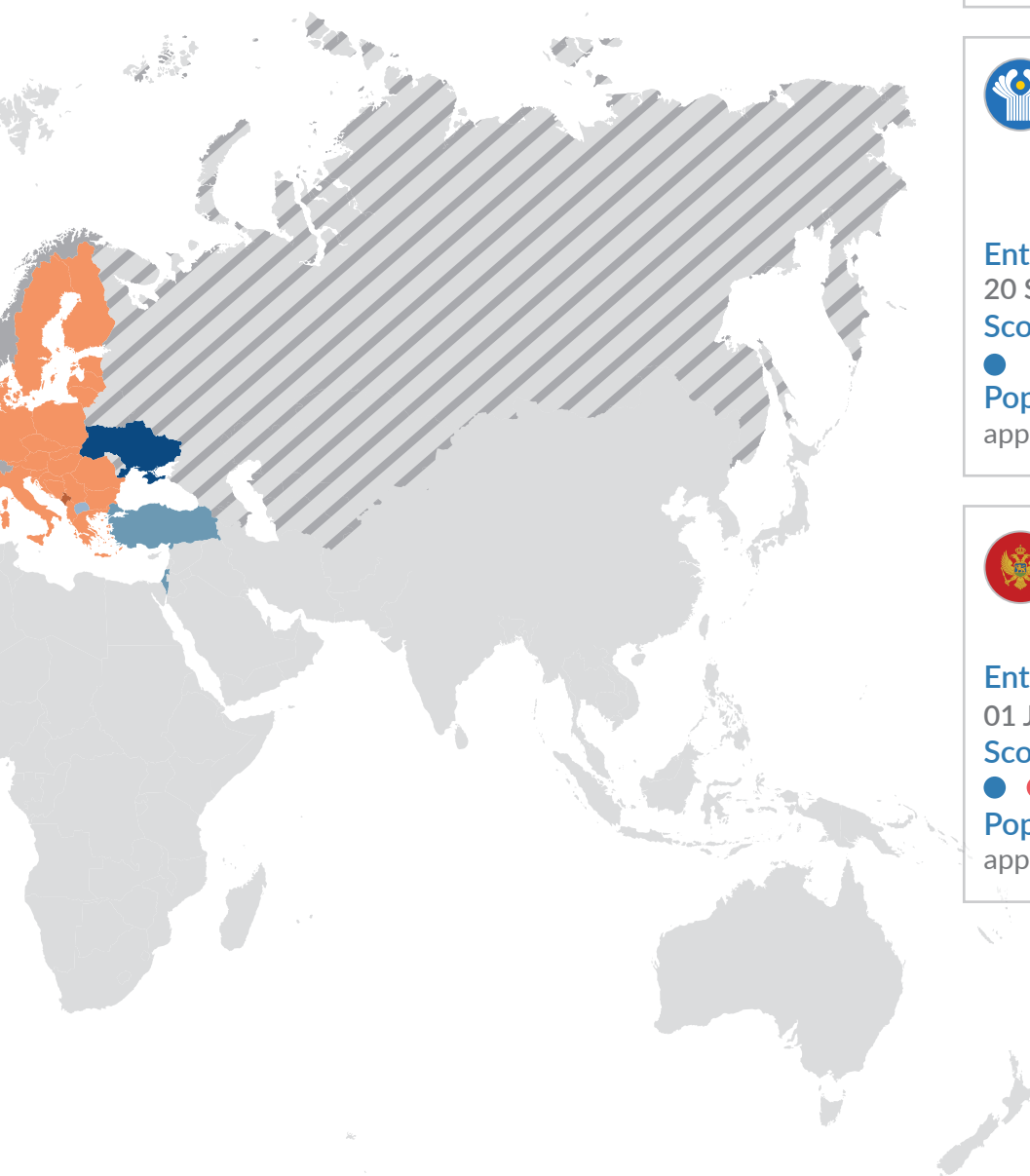
01 Jan 2013

Scope



Population

approx. 0.62 mln



* Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

** Iceland, Liechtenstein, Norway, Switzerland.

*** Armenia, Belarus, Kazakhstan, Kyrgyz Republic, Russian Federation (Starting from 1 Jan 2016 Russian Federation unilaterally ceased to fulfill its obligations under the CIS FTA in relation to Ukraine), Tajikistan, Uzbekistan.

FTA'S STRUCTURE

TRADE IN GOODS

Immediate elimination



import duties
immediately
reduced to 0% from
entry into force of FTA

Gradual elimination



import duties gradually
reduced or phased-out
over the transitional
period

Other treatment



no import
duties reduction
or TRQs

RULES OF ORIGIN

To obtain the preferential tariffs for the importer in an FTA-partner country, Ukrainian exporter must certify that goods meet the rules of the origin set out in the FTA.

Depending on the destination of exports, the exporter has to examine in detail the rules for determining the origin of the goods and prepare the relevant documents (for example, a declaration of origin or certificates).

Documents relating to the origin status, production, shipment and sales of the exported goods should be kept for the number of years as stipulated in the FTA.

STANDARDS

Under some of Ukraine's FTAs, the Parties reaffirm the rights and obligations in respect of sanitary and phytosanitary measures as well as technical regulations, standards and conformity assessment as set out in the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) and the WTO Agreement on Technical Barriers to Trade (TBT Agreement). Building on the WTO Agreements, Ukraine's FTAs feature additional elements, such as the exchange of contact points to facilitate communication and the exchange of information, and the possibility to hold consultations on specific measures that may create obstacles to trade.

The AA signed with the European Union represents a milestone among Ukraine's trade agreements as it requires that within 7 years from its entry into force, Ukrainian-based producers will have to adopt EU standards (approximation of laws and regulations). Agriculture and food safety measures will be gradually aligned to EU standards and products certified in Ukraine will be treated equally on the EU single market. This important aspect of the DCFTA creates opportunities for foreign investors as Ukraine's industries need to invest in modernization and standards while at the same time helping reducing business risk.



TRADE IN SERVICES

The FTAs concluded with the European Union, the EFTA States and Montenegro include provisions on the liberalization of trade in services, covering all modes of supply and often containing specific provisions on sectors of particular importance, such as financial and telecommunication services. They build on the WTO General Agreement on Trade in Services (GATS) and normally follow a similar approach, complemented by enhanced market access and non-discrimination obligations.

INVESTMENT

With regard to investment, some of the FTAs concluded by Ukraine establish a legal framework that supports the liberalization and promotion of investments. In addition, Ukraine has concluded 74 bilateral investment treaties which aim at promoting and protecting the investments of the nationals and enterprises of the Parties in the territory of the partner country and provide guarantees with regard to transfer of profits, dividends and other current income, as well as require a public purpose and adequate compensation in case of expropriation. Ukraine has also signed 61 treaties on the avoidance of double taxation, aimed at eliminating the double payment of taxes by nationals and enterprises and creating an appropriate economic environment to attract capital between the contracting parties.

GOVERNMENT PROCUREMENT

The FTAs with the Canada, the European Union and with the EFTA States include commitments for access to government procurement markets of partner countries on the basis of reciprocity, non-discrimination and transparency. Such provisions either build on the WTO's Government Procurement Agreement (GPA) or substantially replicate its structure and content.

INTELLECTUAL PROPERTY

Some of the FTAs concluded by Ukraine provide for high standards of protection of intellectual property rights, including measures to enforce such rights against infringement, counterfeiting and piracy. The IPR provisions build on the principles of national treatment and most-favoured nation treatment as set out in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

INSTITUTIONAL FRAMEWORK

FTAs establish joint bodies ("committee") composed of representatives of sides to supervise the implementation and further development of each FTA. To facilitate its work, a joint committee may establish subcommittees. Joint committees normally meet every year.

Within the AA with the EU, an Association Committee in trade configuration has been set up, as well as four trade related subcommittees.

GENERALIZED SYSTEM OF PREFERENCES

In addition to bilateral trade agreements that Ukraine has concluded, Ukrainian exporters of certain goods can benefit from duty-free access to the markets of Canada, EU, Japan, Turkey and United States under the Generalized System of Preferences (GSP). GSP aims to contribute to the economic growth of developing countries by granting them preferential access to the market.

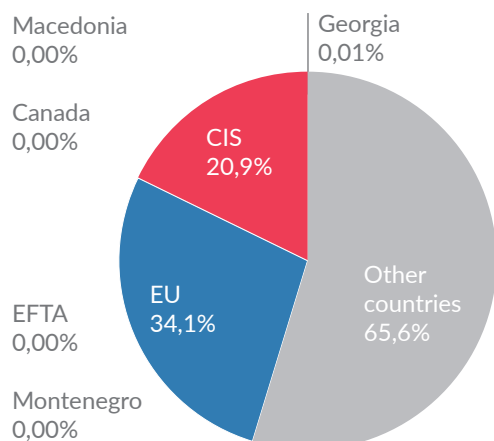
Preferences under the EU GSP for Ukraine will be finished on December 31, 2017.

TRADE STATISTICS OF UKRAINE (GOODS)

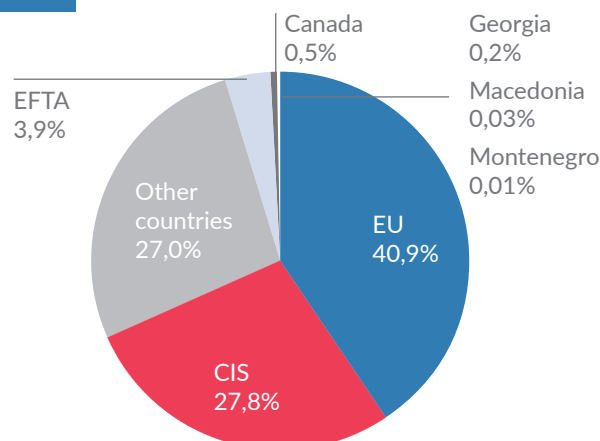
Export

2015

Import



\$ 38 bln 127 mln
where FTA - **\$ 13 bln 123 mln**

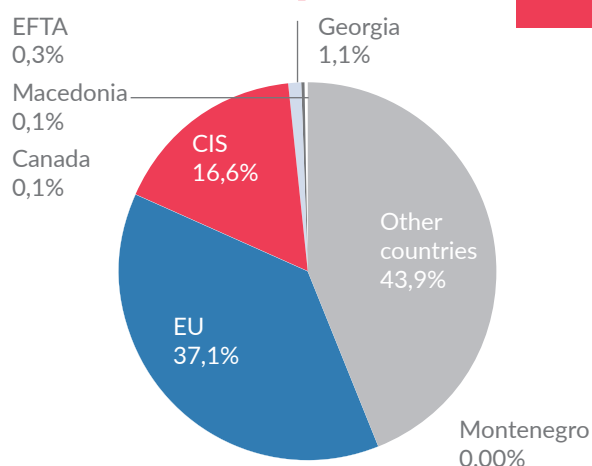


\$ 37 bln 516 mln
where FTA - **\$ 27 bln 409 mln**

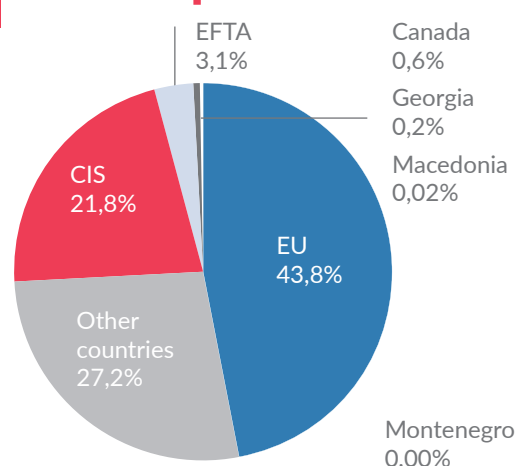
Export

2016

Import



\$ 36 bln 363 mln
where FTA - **\$ 20 bln 394 mln**



\$ 39 bln 248 mln
where FTA - **\$ 28 bln 539 mln**

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