3 Ukraine and the WTO: Possible Membership Implications

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We should consider the accession to the WTO as a step within the framework of Ukraine’s integration to the European Union. Ukraine’s European choice is irrevocable, which was stressed several times by the President of Ukraine as well as in his address to the Ukrainian people. The President has set us the task of signing an agreement on Ukraine’s associated membership in the EU as early as in 2003-2004. I want to note that economic requirements of the EU to membership candidate-countries, in fact, coincide with the WTO requirements. Therefore, accession to the WTO is one of those requirements by satisfying which Ukraine can acquire the status of an associated EU member. Moreover, the WTO membership is an obligatory condition for Ukraine to enter the EU free trade area.

By way of criticism of the steps that Ukraine has made on its way to the WTO, I would like to remark that, regrettably, we have been conducting negotiations on Ukraine’s accession to the WTO for 9 years now. Over the past few years the Ukrainian negotiating party had even made several declarations to the effect that Ukraine was allegedly approaching the final stage of its negotiation process.

It should be noted that our internal assessments as regards the speed and quality of this process differ considerably from those of western experts. It is unlikely that we’ll be able to fulfil the Presidential Decree on additional measures to accelerate Ukraine’s accession to the WTO. According to this Decree it is envisaged to complete bilateral negotiations on access to markets of goods and services with delegations of the WTO working group member-countries considering Ukraine’s bid to join the WTO by October 2002. Now it is clear that it will be impossible to complete the negotiations this year. Firstly, agreements have only been signed with 19 out of 42 member-countries of the working group. Naturally, we have to identify the failings of the Ukrainian party, though I am aware of the fact that the blame for such failings may partially lie with the other negotiating parties as well.

It is also worth mentioning the unsatisfactory status of public awareness campaign concerning the Ukraine’s need to accede to the WTO and explanation of the
benefits of the WTO membership as well as the role of this organization in international life as a whole. Hesitation and, at times, direct opposition to the idea of accession to the WTO on the part of business community and some politicians is largely due to low awareness of people regarding the WTO.

The Ukrainian legislation still does not comply, to a great extent, with the WTO rules, especially in the sphere of agriculture, services, investment regulation, tax regulation, intellectual property rights and technical barriers in trade.

The issue of Ukraine’s accession to the WTO relates mostly to the area of economy. However, against the background of informational void some efforts are made to impart political and geopolitical overtones to this issue. Regrettably, this factor has more negative rather than positive implications for Ukraine. Russia has explicitly shown its interest in Ukraine’s accession to the WTO and it does not hide its intention to synchronize the process of its own accession to the WTO with that of Ukraine. I am certain that Ukraine should consider its cooperation with Russia in the area of accession to the WTO from the point of view of its own advantages. In my view, Ukraine should not be too much preoccupied with the idea of which country is going to be the first to accede to the WTO: Ukraine or Russia. We should rather agree now upon our positions and support that with some explicit agreements that whichever country will be the first to accede to the WTO, none of us will impose any additional conditions on each other.

At present, the issues of possible implications of accession to the WTO and ways of enhancing competitiveness of our economy within the framework of the WTO membership have not been fully identified yet. However, I am certain that the WTO is an instrument of enhancing economic activity. The existence of an efficient trade regime is a key condition for successful economic development of Ukraine. The accession of Ukraine to the WTO will make a positive impact on the development of the state as a whole since Ukraine will have to apply common transparent rules of the game both in the international market and at the level of national and regional economy. Summing up the positive effects of Ukraine’s membership in the WTO it is possible to say the following:

- the access of Ukrainian producers to external markets will improve;
- opportunities for protection of national producers as well as the use of international mechanisms for dispute settlement will be extended;
- participation of Ukraine in international multilateral negotiations concerning further liberalization of international trade will be given a new boost.

Further procrastination of the process of Ukraine’s accession to the WTO is inadmissible since the WTO itself is undergoing the process of changes. The delay with implementation of accession requirements to the WTO results in the fact that even the shortest possible distance for Ukraine to cover on its way to membership in the WTO will become insurmountable and we should not ignore this fact. It is high time that we should conduct negotiations on accession to that type of the