

improve access to the Ukrainian market and expand bilateral trade and investment through WTO accession negotiations and the bilateral Canada-Ukraine Intergovernmental Economic Commission (IEC).

The Canada-Ukraine IEC was established in 1996 with a mandate to identify opportunities and resolve trade and investment irritants and obstacles for Ukrainian and Canadian companies. The fourth IEC was held in October 2001 in Ottawa co-chaired for Canada by the Minister for International Trade, the Honourable Pierre Pettigrew, and has been hailed as successful as there was significant progress towards establishing more regular meetings of the sectoral working groups on agriculture, construction and energy, as well as agreement to begin jointly working on impediments to trade which still exist, including: enforceability of court rulings; a new Land Code; the removal of export taxes; and a process to facilitate the resolution of commercial disputes.

WTO Accession

Ukraine applied to join the World Trade Organization in 1993. Since then, Canada has focused on the need for more open, secure, and non-discriminatory market access for Canadian exports of goods and services. In 2000, Canada's Ambassador to the WTO, the Honourable Sergio Marchi, was chosen by its Members as the Chair of the Ukraine Working Party. As Chair, he went to Ukraine in August 2001 to discuss its accession with Ukraine's Deputy Prime Minister, Trade Minister and senior officials.

On the multilateral front, while slow progress was made during the first seven years, the pace began to improve with the WP meeting held in July 2000. In the past year, Ukraine has taken important steps in preparing domestic legislation and regulations to bring significant parts of its trade regime into conformity with WTO obligations. Nevertheless, further work is still required in a number of important areas, including customs fees, customs valuation, agricultural support programs, technical barriers to trade, sanitary and phytosanitary measures, and, in particular, intellectual property, as

well as in establishing the domestic regulations and administrative practices to implement the required domestic legislation. In December 2001, Ukraine provided the WTO Secretariat with a considerable amount of new information, including draft laws and legislative action plans, in many of these areas. The next formal WP meeting is not expected until the spring of 2002 at the earliest. Parliamentary elections scheduled for March 31, 2002 may slow the process of legislative reform at the beginning of the year.

Since 1997, as part of the accession process, Canada has held bilateral market access negotiations with Ukraine on goods and services. At the last bilateral meeting on February 18, 2001, Canada concluded negotiations with excellent results and on February 20, 2002 a bilateral Record of Agreement was signed. Canada will, however, continue to work with other WTO members in the multilateral process to ensure that the results of these bilateral negotiations and stable and predictable market access to the Ukraine are not jeopardized by high and complicated import fees and charges, burdensome customs procedures, and other non-tariff measures. Ukraine has stated that it has recently amended these measures, but we will continue to be vigilant in the multilateral process where these issues are negotiated.

The Centre for Trade Policy and Law (CTPL) of Ottawa and Carleton Universities is working with the Ukrainian Ministry of Economy to build Ukraine's capacity to participate effectively in the accession process and to implement their WTO obligations. The Trade Policy Capacity Building project involves three areas:

- technical assistance on international trade issues to address short-term needs in accession to the WTO;
- institutional capacity building by developing a Ukrainian Centre patterned after CTPL Ottawa to meet longer-term needs of both the Government and the private sector; and
- an internship program for graduate students of international trade.