



# Trade Facts

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## U.S.-UKRAINE WTO BILATERAL AGREEMENT ON MARKET ACCESS

### **Summary:**

- Creates new market access opportunities for U.S. providers of goods and services.
- Ensures implementation of international standards and implementation of sanitary and phytosanitary (SPS) requirements of WTO, issues of priority to U.S. exporters.
- Addresses long-standing concerns on shelf-life standards, protection of undisclosed information for pharmaceuticals and agricultural chemicals (as required by the WTO), imports of information technology products with encryption, and export duties on non-ferrous and steel scrap, which will be part of Ukraine's multilateral commitments in the accession.

### **Agriculture Results:**

- Ukraine's average bound tariff will be 11.1 percent upon accession.
- Ukraine will provide improved access on products of U.S. interest, such as poultry and animal feeds.
- Ukraine will participate in the zero-for-zero tariff agreement on distilled spirits.
- Ukraine will abide by international standards in its treatment of imports of beef, pork, poultry, fish and biotech products.
- Looking ahead, Ukraine commits to zero export subsidies; domestic support commitments will be finalized as part of the multilateral package to be negotiated with other WTO members, including the United States.

### **Industrial Tariff Results:**

- Ukraine's average duty will be 4.6 percent; many items of key U.S. interest will face zero or reduced duties:

- Information Technology Agreement (ITA) – Ukraine will eliminate tariffs on computers, semiconductors, and other information technology products, by January 1, 2010, with most tariffs eliminated upon accession.
- Other duty-elimination initiatives: Ukraine will have zero duties in key sectors: Pharmaceuticals, furniture, non-ferrous metals, paper, and toys by the date of accession, and eliminating at least 90 percent of tariffs for products covered by the agricultural equipment, construction equipment, scientific equipment, steel, and wood sectoral initiatives.
- Trade in Civil Aircraft: All duties on parts and aircraft eliminated by January 1, 2010.
- Chemical Harmonization: low rates of duty at the harmonization rates will be in effect for almost all of the 1,300-plus products covered by the Agreement upon accession.

### **Non-Tariff Barrier and Other Results:**

- Elimination of restrictions, such as import licensing and approval requirements, on the importation of ITA and other mass market technology goods with cryptographic capability.
- Reduction of export duties on ferrous (including steel) and nonferrous scrap metals.
- Protection of undisclosed information for pharmaceuticals (5 years) and agricultural chemicals (10 years) from the date of accession, as part of its intellectual property rights commitments.
- Ukraine's state-owned and state controlled enterprises will make purchases and sales in international trade of goods and services based on commercial considerations and provide U.S. firms an adequate opportunity, in accordance with customary international practice, to make sales to and purchases from these firms.

### **Services:**

- Extensive commitments for services on sectors of interest to U.S. firms, ensuring a high level of liberalization.
- U.S. service suppliers will benefit from new market opportunities across a wide range of sectors:
  - financial services, including banking and securities (branching permitted from accession), insurance (branching permitted within 5 years); and
  - telecommunications, energy services, distribution, express delivery services, engineering and construction services, and professional services.