

# USTR NEWS

## UNITED STATES TRADE REPRESENTATIVE

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### **United States and Ukraine Sign Trade and Investment Cooperation Agreement**

WASHINGTON, DC – Ambassador Susan C. Schwab and Ukrainian Minister of Economy Bohdan Danylyshyn have signed a Trade and Investment Cooperation Agreement (TICA) that will provide a forum to address trade issues and help build trade and investment relations between the United States and Ukraine. Ambassador Schwab signed in Washington, and Minister Danylyshyn signed in Kyiv.

“The agreement will provide an important tool for both parties to strengthen the already robust trade and investment relationship between our two countries, and will assist Ukraine’s efforts to expand its economy and diversify its markets,” said Ambassador Schwab. “As demonstrated by the World Trade Organization’s recent approval of Ukraine’s terms of accession to the WTO, Ukraine is making important strides to modernize its economy and attract foreign trade and investment. We expect this agreement to provide a solid foundation for discussion of the full range of trade and investment issues.”

The TICA will establish a forum for discussion of bilateral trade and investment relations and will help build those relations. The TICA provides for the formation of a joint U.S.-Ukraine Council on Trade and Investment, which will address a wide range of trade and investment issues including market access, intellectual property, labor, and environmental issues. The Council will also help to increase commercial and investment opportunities by identifying and working to remove impediments to trade and investment flows between the United States and Ukraine. This agreement is substantially similar to the Trade and Investment Framework Agreements (TIFAs) that the United States has negotiated with a number of trading partners.

**Background:**

In February, the World Trade Organization approved the terms of Ukraine’s accession to the WTO. Ukraine will become a WTO Member 30 days after the Rada (Ukrainian parliament) ratifies the accession protocol, which is expected to occur before July 4. President Viktor Yushchenko, Prime Minister Yuliya Tymoshenko, as well as previous governments in Ukraine,

have advocated policies of economic liberalization and have sought closer trade relations with the United States and the European Union. Trade and investment between the United States and Ukraine has grown steadily in recent years.

Trade in industrial goods between the United States and Ukraine totaled \$2.6 billion in 2007. U.S. goods exports to Ukraine in 2007 were \$1.3 billion, up 77.4 percent (\$585 million) from 2006, and up 644% from 1994. U.S. goods imports from Ukraine totaled \$1.2 billion in 2007, a 25.6 percent decrease (\$419 million) from 2006, but up 277% from 1994, while U.S. imports of agricultural products from Ukraine stood at \$20 million. U.S. foreign direct investment (FDI) in Ukraine was \$1.44 billion as of January 1, 2008.

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