

ACCESSION OF LITHUANIA

Communication from Lithuania

The Permanent Mission of the Republic of Lithuania has submitted the following information on Lithuania's progress in adopting the legislation required for accession to the WTO.

Lithuania's efforts to accede to the WTO have gone hand in hand with the implementation of significant economic reforms in the country and have indeed strongly stimulated the reform process. Lithuania has been actively adapting its legislation and adjusting its trade regime to bring them in line with the requirements of WTO membership.

The provisions of all WTO Agreements are already *de facto* being applied in Lithuania with only minor exceptions such as, in particular, minimum import prices for sugar, grain, vegetable oil and oil products, poultry meat and matches and differentiated taxation of activities related with the importation of some products. Lithuania has decided that all these controversial measures will be abolished at the latest upon 1 January 2000.

The most recent version of the draft Report of the Working Party on Accession, shows that Lithuania is prepared to undertake the commitments of the various WTO Agreements without asking for transitional periods.

Since the Working Party meeting in October 1998 Lithuania has made very considerable progress in the adaptation of its legislation. Several legal acts have been approved and steps taken for their implementation. The remaining required legislation is now rapidly being adopted or at the final stage of drafting.

The most important measures recently taken by Lithuania are highlighted hereafter and the few remaining issues are briefly listed.

- 1. Agreement on Technical Barriers to Trade**
- 2. Agreement on Sanitary and Phytosanitary Measures**

Lithuania applies national treatment on TBT and SPS measures. Most obligations imposed by those two Agreements have already been implemented. As notified to the WTO Secretariat, since November 1996 a TBT enquiry point has been functioning at the Standardization Department; the SPS enquiry point was established in 1998 at the Ministry of Agriculture and will carry out the notification obligations of the WTO SPS Agreement. The document on "Lithuania's Progress in Implementing the Agreement on Sanitary and Phytosanitary Measures" (WT/ACC/LTU/22/Rev.1 of

17 March 1999) gives details on the latest developments in the SPS area. Measures already implemented as well as those planned are described in that document.

In the fields of TBT/SPS, the following legal acts and organisational measures have recently been adopted:

TBT

Legislation adopted:

- Law of 6 October 1998 on Conformity Assessment;
- Rules of 14 April 1999 Governing the Exchange of Information between Ministries Involved in Standards Issues (including the notification requirements);
- Basic Rules of 22 February 1999 of Procedures for Technical Work for the Preparation of Lithuanian Standards and for the Adoption of International and European Standards;

Legislation about to be adopted or at the final stage of preparation:

- The draft Law on Standardisation is before the Parliament for consideration;
- The Code of Good Practice as required by Annex 3 of the TBT Agreement is expected to be approved in June 1999;

SPS

Legislation adopted:

- Law concerning Lithuania's membership of the European and Mediterranean Plant Protection Organization;
- Hygiene norms and the many other acts listed in document WT/ACC/LTU/22/Rev.1 of 17 March 1999);

Legislation about to be adopted or at the final stage of preparation:

- The draft Law on Food is now before the Parliament for consideration. The law contains regulations of food safety for human health and contains *inter alia* provisions on risk assessment;
- The ratification of the International Plant Protection Convention is foreseen to take place at the latest by the end of 1999.

The WTO transparency obligation for TBT/SPS matters will be implemented through publication in the "Official Gazette" pursuant to a general order applicable to all legal acts as well as through the enquiry points. Conformity assessment issues are directly regulated by the relevant law and obligations such as national treatment, equivalency, substantiation, etc. are already covered in the relevant legal acts.

The Lithuanian delegation considers that substantially all the problems in TBT and the SPS areas are now resolved or nearly so. Lithuania is ready to consider any remaining points that members of the Working Party might wish to raise.

3. Agreement on Trade Related Aspects of Intellectual Property Rights

The recently adopted new Law on Competition (11 February 1999) containing *inter alia* norms for geographical indications, the ratification in December 1998 of the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, the establishment in the Ministry of Interior of a Subdivision in charge of the Protection of Intellectual Property, the creation of contact points (as circulated in document WT/ACC/LTU/29 of 12 November 1998) are important steps in completing the legal framework to implement the TRIPS Agreement. The final building blocks will be the draft "Law on Copyrights and Related Rights", the draft "Law on the Ratification of the Geneva Convention on the Protection of Producers of Phonograms Against Non-Authorised Duplication of their Programmes" which are now before the Parliament for final approval this summer and a number of needed amendments to the "Criminal Code" and "Code of Criminal Process".

Only the draft "Law on the Protection of Intellectual Property for Imported and Exported Goods" is still at the preparatory stage. However, it is foreseen that this law will be discussed and adopted after the passage in the Parliament of the "Law on Copyrights and Related Rights". Even without that law, intellectual property questions in the trade field are currently being resolved by recourse to the provisions of the Customs Code and those of other relevant legislation.

The above description shows that the missing legal instruments for fully implementing the TRIPS Agreement are about to be put into place.

4. Requirements on customs valuation

The Government Resolution on the new Order of Customs Valuation, fully in conformity with the Agreement on Implementation of Article VII of the GATT 94 will be presented for approval by the Government in May 1999. As the validity of the present customs valuation system (including minimum import prices and "prices-in-checking") expires at the end of the year, the new Order will come into force on 1 January 2000.

5. Amendment to the Law on Alcohol Control

The "Law on Alcohol Control" was amended on 10 December 1998 to remove the import prohibition of alcoholic beverages with alcohol content of more than 50 percent (*inter alia* "mead"). Importation of the alcoholic beverages concerned now benefits from the new non-discriminatory regime.

6. Notifications of exclusive rights in the alcoholic beverages production sector

Lithuania has submitted to the WTO a notification describing the exclusive right bestowed to a state enterprise and to special purpose enterprises to produce alcoholic beverages whose ethyl alcohol volume exceeds 22 percent. The notification also concerns the exclusive right to produce alcoholic beverages whose volume exceeds 50 percent enjoyed only by "Lietuviskas Midus Ltd" producing under this right only one type of beverage, namely mead.

7. Sugar Law

The Lithuanian Government is about to adopt draft amendments to the current "Sugar Law" which will eliminate all non-conforming provisions including for example the clause permitting the introduction of minimum import prices and of import quotas, the exemption of sugar producers from

the "Competition Law" and requirements to buy up quotas of domestic sugar beets prior to the importation of sugar.

8. Application of taxes

The provisions of the "Law on Excise Duties" bestowing tax benefits to small sized breweries considered in the accession Working Party to be incompatible with "national treatment" obligations will in response to requests of some Working Party members and pursuant to a new proposed Law, lapse on 1 January 2000.

A Government Resolution of 23 June 1998 lays down that the annual stamp taxes charged for the combined right to import alcoholic beverages and to engage in wholesale is the same as that charged for the right to engage in only the wholesale of these products. Uniform stamp taxes for such activity licences compatible with the national treatment obligation will apply from 1 January 2000.

The same measures have already been taken to equalize stamp taxes for imports of, and domestic trade in, petroleum products.

The description above of eight areas in which decisive legislation and Governmental action has been taken or planned for the immediate future - almost all of it since the October 1998 session of the WTO Working Party - are evidence of the determination of Lithuania to bring its economic policies and trading regime fully in line with WTO requirements.

Lithuania asks that the draft accession report should now rapidly be reconsidered by the Working Party (and by the WTO Secretariat) with a view to simplifying, shortening or deleting altogether several sections in the light of the action taken and the clarifications and assurances that have been given. This is now, in its view, the first necessary step that has to be taken to advance the accession process with a view to concluding it by the end of the year.
