



Committee on Regional Trade Agreements

FACTUAL PRESENTATION

FREE TRADE AGREEMENT BETWEEN CANADA AND UKRAINE
(GOODS)

Report by the Secretariat

This report, prepared for the consideration of the Free Trade Agreement between Canada and Ukraine, has been drawn up by the WTO Secretariat on its own responsibility and in full consultation with the Parties. The factual presentation reproduces as closely as possible the terminology used in the Agreement and in the comments provided and does not imply official endorsement or acceptance by the Secretariat of such terminology. The report has been drawn up in accordance with the rules and procedures contained in the Decision for a Transparency Mechanism for Regional Trade Agreements (WT/L/671) and thus does not imply any value judgement by the Secretariat regarding the contents of the Agreement.

Any technical questions arising from this report may be addressed to Mr. Jean-Daniel Rey (tel: +41 22 739 52 64). Any statistical questions arising from this report may be addressed to Ms. Rowena Cabos (tel: +41 22 739 5185).

TABLE OF CONTENTS

	<i>Page</i>
1 TRADE ENVIRONMENT	4
1.1 Merchandise trade	4
2 CHARACTERISTIC ELEMENTS OF THE AGREEMENT	6
2.1 Background Information	6
3 PROVISIONS ON TRADE IN GOODS	7
3.1 Import duties and charges, and quantitative restrictions.....	7
3.1.1 General provisions	7
3.1.2 Liberalization of trade and tariff lines	8
3.1.3 Liberalization schedule	8
3.1.3.1 Canada.....	9
3.1.3.2 Ukraine.....	11
3.1.4 Tariff rate quotas.....	13
3.2 Rules of origin.....	13
3.3 Export duties and charges, and quantitative restrictions	15
3.4 Regulatory provisions on trade in goods	15
3.4.1 Standards.....	15
3.4.1.1 Sanitary and phytosanitary measures.....	15
3.4.1.2 Technical barriers to trade	15
3.4.2 Safeguard mechanisms	16
3.4.2.1 Global safeguards	16
3.4.2.2 Bilateral safeguards.....	16
3.4.2.3 Special safeguards	17
3.4.2.4 Other Safeguard measures.....	17
3.4.3 Anti-dumping and countervailing measures.....	17
3.4.4 Subsidies and State-aid	17
3.4.5 Customs-related procedures.....	17
3.5 Sector-specific provisions on trade in goods.....	18
3.5.1 Wine and spirits.....	18
4 GENERAL PROVISIONS OF THE AGREEMENT	18
4.1 Transparency	18
4.2 Current payments and capital movements	18
4.3 Exceptions.....	18
4.3.1 General exceptions	18
4.3.2 Security exceptions.....	18
4.3.3 Taxation	19
4.3.4 Cultural industries.....	19
4.4 Accession and Withdrawal.....	19
4.5 Institutional framework	19
4.6 Dispute settlement	20

4.7 Relationship with other agreements concluded by the Parties	21
4.8 Government procurement	22
4.9 Intellectual property rights (IPRs)	23
4.10 Other	24
4.10.1 Electronic commerce	24
4.10.2 Competition policy, monopolies and state enterprises	24
4.10.3 Environment	24
4.10.4 Labour	25
4.10.5 Trade-related cooperation	26
4.10.6 Review (Rendez-vous) Clause	27
ANNEX 1	28

Key Facts

Parties to the Agreement:	Canada and Ukraine
Date of Signature:	11 July 2016
Date of Entry into Force:	1 August 2017
Date of Notification:	13 September 2017
Full implementation:	1 January 2024

1 TRADE ENVIRONMENT

1.1. The Free Trade Agreement between Canada and Ukraine, hereinafter referred to as "the Agreement" is one of Canada's 13, and Ukraine's 18, RTAs.¹

1.2. In 2016, Canada's GDP was estimated at US\$1,529 billion, while that of Ukraine, was US\$93 billion. Averaged over the period 2014-2016, the Parties' trade (merchandise and commercial services) to GDP ratio was 32.3 for Canada and 51.7 for Ukraine. Globally, Canada was the 7th largest exporter and the 6th largest importer, while Ukraine was the 35th largest exporter and the 37th largest importer in the world.²

1.1 Merchandise trade

1.3. In 2016, Canada's merchandise exports amounted to US\$390 billion (2.45% of global exports) and imports amounted to US\$417 billion (2.57% of global imports). In the same year, Ukraine's merchandise exports amounted to US\$36 billion (0.23 % of global exports) and imports amounted to US\$39 billion (0.24% of global imports). For both Parties manufactured products represented the main commodity group traded (51.1% and 77.1% respectively of Canada's exports and imports; and 48.9% and 56.3% respectively of Ukraine's exports and imports).³

1.4. Chart 1.1 summarizes the trends in global and bilateral trade of the Parties for the period 2000-2015.⁴ While Canada experienced a trade surplus with the world during the beginning of the period 2000-2008, followed by a trade deficit for most of the second part of the period, the evolution of Ukraine's global trade shows a surplus between 2000 and 2004, followed by a trade deficit until 2014, then a surplus in 2015. Trade increased for both countries until the 2008-2009 financial and economic crises. It recovered immediately after but showed signs of stagnation until 2012 for Ukraine and then contracted, in US Dollar terms, in the last years of this period, while Canada's trade has remained on the upswing since the end of the 2008-2009 crises showing however signs of breathlessness at the end of the period. In relation to trade between the Parties, UNSD Comtrade statistics show a trade deficit with Ukraine during the first part of the period (until 2006). The trend was reversed in the second part with a trade surplus, with the exception of 2012. Data for Ukraine during the same period shows a similar, though not totally identical, situation.

1.5. Based on 2015 trade data⁵, Ukraine was Canada's 69th source for imports⁶ (representing 0.01% of Canada's total imports) and 44th destination for exports⁷ (representing 0.04% of

¹ RTAs in goods and services counted as one and only agreements in force, notified to the WTO. Source: WTO Database on RTAs; accessed in November 2017.

² Trade statistics exclude intra-EU trade. Source: WTO Trade Profiles (2016 data); accessed in November 2017.

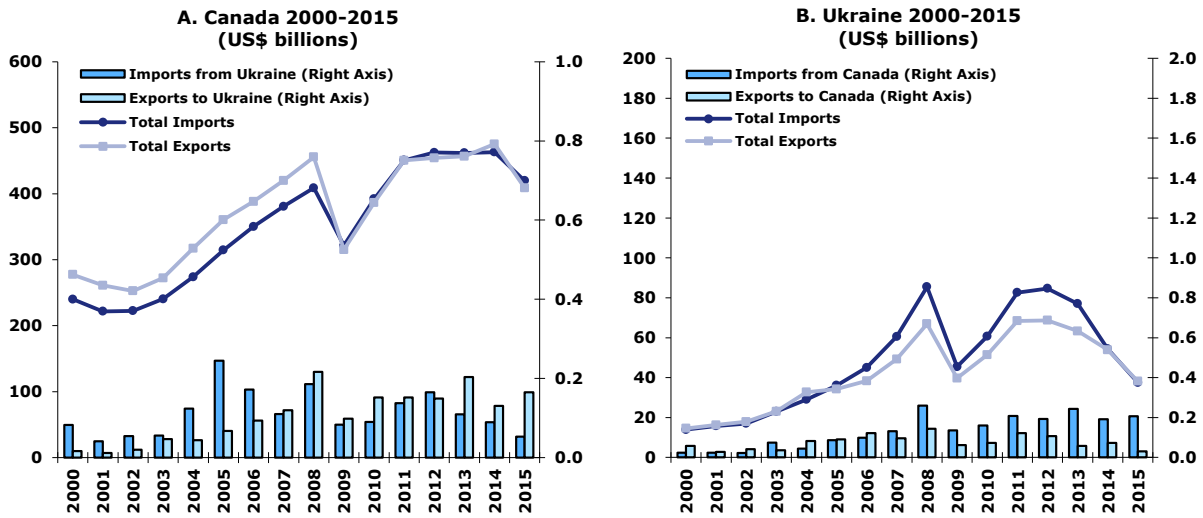
³ Source: WTO Trade Profiles (2016 data); accessed in November 2017.

⁴ For this section, as data from the source usually used for this section (UNSD, Comtrade database) was not available for both Parties for the year 2016, it has been decided to restrict the considered period and use data only for the period 2000-2015.

⁵ Source: UNSD Comtrade database for both Parties. The national statistics of the Parties may slightly differ from the, also official, sources systematically used in the preparation of factual presentations.

Canada's total exports). Canada was Ukraine's 15th largest source of imports⁸ and 54th destination for exports⁹ (representing 0.55% and 0.33% of Ukraine's total imports and exports respectively).

Chart 1.1 Canada-Ukraine: Merchandise bilateral trade and with the world, 2000-2015



Source: UNSD Comtrade database

1.6. The commodity structure of trade between Canada and Ukraine, as well as of their global trade in the period 2014-2015, is shown in Chart 1.2 on the basis of Harmonized System (HS) sections. Mineral products, chemical products, and live animals and animal products accounted together for almost three quarters of Ukraine's imports from Canada (respectively corresponding to 34.4%, 18.3% and 18.2% of its imports from Canada). These three categories of commodities were also Ukraine's 1st, 3rd and 11th largest import categories globally (respectively 29.7%, 12% and 2.1% of Ukraine's global imports), and Canada's 1st, 5th and 12th largest exports globally (respectively 26.4%, 6.4%, and 2.6% of Canada's exports to the world). The three commodities most imported by Canada from Ukraine were base metals, mineral products, and chemical products (representing respectively 26.2%, 16.2%, and 13.6% of Canada's imports from its partner). The same commodities were also Ukraine's 1st, 3rd, and 6th largest exports to the world (respectively 27.2%, 10.7%, and 6.1%) and Canada's 3rd, 4th, and 5th largest global imports respectively (representing 10.4%, 8.5%, and 6.7% of Canada's global imports).

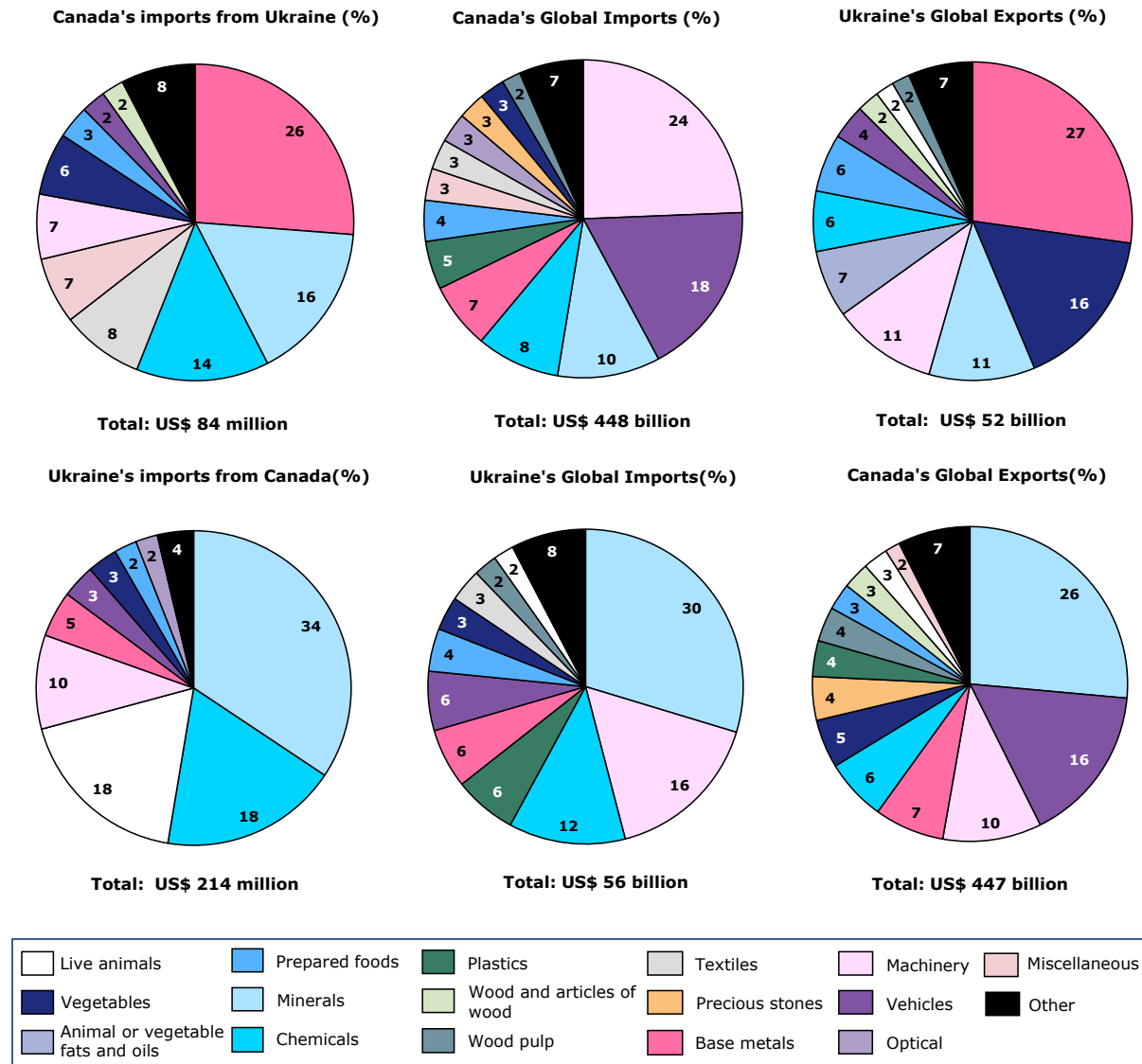
⁶ The five top sources of imports for Canada were: the US (53.2%); China (12.2%); the EU(28) (11.4%); Mexico (5.8%); and Japan (2.8%).

⁷ The five top destination of exports from Canada were: the US (76.7%); the EU(28) (7.2%); China (3.9%); Japan (1.9%); and Mexico (1.3%).

⁸ The five top sources of imports for Ukraine were: the EU(28) (39.6%); Russia (20%); China (10.1%); Belarus (6.1%); and the US (4%).

⁹ The five top destination of exports from Ukraine were: the EU(28) (32.7%); Russia (12.7%); Turkey (7.3%); China (6.4%); and Egypt (3.8%).

Chart 1.2 Canada and Ukraine: product composition of merchandise trade, annual average (2014-2015)



Source: UNSD, Comtrade database.

2 CHARACTERISTIC ELEMENTS OF THE AGREEMENT

2.1 Background Information

2.1. The Agreement was signed on 11 July 2016 and entered into force on 1 August 2017; it was notified to the WTO on 15 September 2017 under Article XXIV:7(a) of GATT 1994 (see document WT/REG388/N/1/Rev.1). The text of the Agreement, together with its annexes, is available on the Parties' official websites:

Canada: English: <http://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ukraine/text-texte/toc-tdm.aspx?lang=eng>
 French: <http://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ukraine/text-texte/toc-tdm.aspx?lang=fra>

Ukraine: <http://me.gov.ua/Documents/List?lang=uk-UA&id=ef6daba6-e8ff-4c70-8743-1d92adcbe086&tag=UgodaProVinuTorgivliuMizhUkrainoiuTaKanadoiu>

2.2. The Agreement is composed of 19 Chapters. Box 2.1 below summarizes the structure of the Agreement. A number of Annexes, including the Parties' tariff elimination schedules also form part of the Agreement.

Box 2.1 Structure of the Agreement

<i>Titles, Chapters</i>	<i>Title/description</i>
Preamble	
Chapter 1	General provisions and definitions
Chapter 2	National treatment and market access
Chapter 3	Rules of origin and origin procedures
Chapter 4	Trade facilitation
Chapter 5	Emergency action and trade remedies
Chapter 6	Sanitary and phytosanitary measures
Chapter 7	Technical barriers to trade
Chapter 8	Electronic commerce
Chapter 9	Competition policy, monopolies and state enterprises
Chapter 10	Government procurement
Chapter 11	Intellectual property
Chapter 12	Environment
Chapter 13	Labour
Chapter 14	Transparency
Chapter 15	Trade-related cooperation
Chapter 16	Administration of the Agreement
Chapter 17	Dispute settlement
Chapter 18	Exceptions
Chapter 19	Final provisions

Source: WTO Secretariat based on the Agreement.

2.3. Under Article 1.1, the Parties establish a free trade area.

3 PROVISIONS ON TRADE IN GOODS

3.1. Chapters 2-7 of the Agreement specifically cover trade in goods, while other Chapters contain horizontal provisions that are also applicable to trade in goods.

3.2. A Committee on Trade in Goods and Rules of Origin is established to address any matter arising under Chapter 3 (rules of origin); 4 (trade facilitation) or 5 (emergency action) (Article 2.13).

3.3. A Sub-Committee on Agriculture is also established to provide a forum for the Parties to discuss issues resulting from the implementation of the Agreement for agricultural goods (Paragraph 4 of Article 2.13).

3.1 Import duties and charges, and quantitative restrictions

3.1.1 General provisions

3.4. The Parties agree to apply national treatment to each other's imports in accordance with Article III of GATT 1994 and its interpretative notes, which are incorporated into and made part of the Agreement, *mutatis mutandis* (Article 2.3).

3.5. Moreover, neither Party shall adopt or maintain any prohibition or restriction on the import of any good from the other Party, except as provided in the Agreement or in accordance with Article XI of GATT 1994, which is, together with its interpretative notes, also incorporated into and made part of the Agreement *mutatis mutandis* (Article 2.5). This, however, does not apply to a number of measures maintained by Canada and listed in Annex 2-A.¹⁰ These exceptions to the prohibition of import restrictions include measures on certain imports by Canada (related to products classified under HS 9897.00.00, 9898.00.00 and 9899.00.00), as well as Canadian excise duties on absolute alcohol. The Agreement also confirms that import price requirements, except as permitted in enforcement of countervailing and antidumping orders and undertakings, are prohibited. Discussion between the Parties shall take place with respect to imports from a third-Party when this may imply undue interference with or distortion of pricing, marketing or distribution arrangement that a Party may have with the other Party.

3.6. The Parties furthermore agree not to adopt or maintain a customs user fee or other similar charge in connection with importation of a good of the other Party except in accordance with Article VIII of the GATT 1994, which is incorporated into and made part of the Agreement (Article 2.6).

3.1.2 Liberalization of trade and tariff lines

3.7. Neither Party shall increase any existing customs duty, or adopt any new customs duty¹¹, on an originating good. Unless otherwise provided for in the Agreement, each Party shall progressively eliminate its customs duties on originating goods in accordance with its Schedule, contained in Annex 2-B to the Agreement (Article 2.4).

3.8. On request from a Party, discussion shall take place between the Parties with respect to accelerating the elimination of customs duties (paragraph 4 of Article 2.4).

3.1.3 Liberalization schedule

3.9. Annex 2-B to the Agreement identifies the eleven staging categories applicable in relation to the Parties' Schedules that are attached to it. The Parties shall therefore eliminate all customs duties on originating goods classified in Chapters 1 through 97 of the Harmonized System (HS) imported from the other Party as provided for in the eleven staging categories as follows:

- Customs duties for goods in category "0" were eliminated on the date of entry into force of the Agreement;
- Category "1" foresees the elimination of customs duties in two equal annual stages from the entry into force of the Agreement. Duty-free treatment shall be granted from 1 January 2018 onward;
- Category "3" foresees the elimination of customs duties in four equal annual stages from the entry into force of the Agreement. Duty-free treatment shall be granted from 1 January 2020 onward;
- Category "5" foresees the elimination of customs duties in six equal annual stages from the entry into force of the Agreement. Duty-free treatment shall be granted from 1 January 2022 onward;

¹⁰ Annex 2-A also applies in connection with the above-mentioned commitment to apply national treatment.

¹¹ A Party may, however: (i) modify a tariff outside the Agreement on a good for which no tariff preference is claimed under the Agreement; (ii) increase a customs duty to the level established in its Schedule to Annex 2-B to the Agreement following a unilateral reduction; (iii) maintain or increase a customs duty as authorized by the Agreement, the WTO dispute settlement or any agreement under the WTO agreement; or (iv) create a new tariff line more specific than the subheading level, provided that the Party does not impose customs duties on a good classified under that new tariff line greater than the rate of customs duty applicable to the good under the Party's Schedule to Annex 2-B before the new tariff line was created.

- Category "7" foresees the elimination of customs duties in eight equal annual stages from the entry into force of the Agreement. Duty-free treatment shall be granted from 1 January 2024 onward;
- Category "5A" foresees the reduction of customs duties by 20% (one-fifth) of the base rate in six equal annual stages from the entry into force of the Agreement. From 1 January 2022 onward, the applicable rate of customs duty shall be 80% (four-fifths) of the base rate;
- Category "5B" foresees the reduction of customs duties by 30% (three-tenth) of the base rate in six equal annual stages from the entry into force of the Agreement. From 1 January 2022 onward, the applicable rate of customs duty shall be 70% (seven-tenths) of the base rate;
- Category "5C" foresees the reduction of customs duties by 50% (one-half) of the base rate in six equal annual stages from the entry into force of the Agreement. From 1 January 2022 onward, the applicable rate of customs duty shall be 50% (one-half) of the base rate;
- Category "7A" foresees the reduction of customs duties by 20% (one-fifth) of the base rate in eight equal annual stages from the entry into force of the Agreement. From 1 January 2024 onward, the applicable rate of customs duty shall be 80% (four-fifths) of the base rate;
- Category "7B" foresees the reduction of customs duties by 50% (one-half) of the base rate in eight equal annual stages from the entry into force of the Agreement. From 1 January 2024 onward, the applicable rate of customs duty shall be 50% (one-half) of the base rate; and
- Customs duties for goods in category "E" are excluded from obligations regarding customs duties.

3.10. For Canada, the base rates of customs duty for determining the interim staged rate of customs duty for an item shall be the MFN rate of customs duty applied on 1 January 2010. For Ukraine, the base rate shall be the MFN rate of customs duty applied on 1 January 2011.

3.1.3.1 Canada

3.11. Canada's applied tariff in 2017 consisted of 7,304 lines at the HS eight-digit level (HS 2017). 96.47% of the tariff rates were *ad valorem* and 258 lines had non-*ad valorem* tariffs.¹²

3.12. Most of Canada's customs duties were eliminated at the entry into force of the Agreement (Category "0"). However, based on the tariff nomenclature of 2017, Canada has 111 eight-digit tariff lines that fall in Category "E", and which are excluded from the customs duties elimination commitments. Sixteen (16) other tariff lines fall in Category "7" and are subject to the elimination of customs duties in eight equal annual stages from the entry into force of the Agreement, with duty-free treatment to be granted from 1 January 2024 onward.

3.13. Table 3.1 shows tariff elimination commitments by Canada under the Agreement. In 2017, 5,232 lines were duty free on an MFN basis, representing 71.6% of Canada's total tariff, corresponding to 86% of its imports from Ukraine during 2014-2016. Immediately following the entry into force of the Agreement, an additional 1,939 lines (26.5% of Canada's tariff) also became duty-free for imports from Ukraine. This resulted in 98.1% of Canada's tariff becoming duty free, corresponding to almost 100% of Canada's total imports from Ukraine (during the period 2014-2016). Sixteen tariff lines, which correspond to a negligible share of Canada's total imports from Ukraine, will become duty free in 2024, which corresponds to Canada's full implementation of its tariff elimination programme. 111 tariff lines (1.5% of the tariff) will remain dutiable once Canada's elimination commitments are fully implemented.

¹² Seventy-eight specific duties, 41 compound duties, 133 mixed duties, and 6 tariff lines with no MFN rate as they are country-specific TRQs.

**Table 3.1 Canada:
Tariff elimination commitments under the Agreement and corresponding average trade**

Duty phase-out period	Number of lines	% of total lines in Canada's tariff schedule ^a	Value of Canada's imports from Ukraine (2014-2016) US\$ million ^a	% of Canada's total imports from Ukraine 2014-2016
2017 (MFN)	5,232	71.6	60.9	86.0
2017	1,939	26.5	9.9	14.0
2024	16	0.2	0.0	0.0
Remain dutiable	111	1.5	0.0	0.0
Total	7,304^b	100.0	70.9	100.0

a Import and tariff coverage is from HS Chapters 1-97.

b 6 tariff lines in Chapter 17 (17019110, 17019910, 17029021, 17029061, 17029070 and 17029081) only relate to the Canada-Peru FTA and the Canada-Honduras FTA. These tariff lines are only included for completeness of the tariff line count but are excluded in the Canada-Ukraine FTA.

Note: Tariff lines subject to in-quota rates at the MFN level are excluded in the computation. Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by Canada and WTO-IDB.

3.14. Table 3.2 shows Canada's tariff elimination, by HS section. The 111 lines excluded from tariff elimination once implementation is completed are found in HS Sections I (live animals), III (animal or vegetable fats and oil), IV (prepared food), and VI (products of the chemical and allied industries), with final average tariffs at between 218% and 228.9% and with no "preferential" rates under the Agreement. Imports that are excluded can be found in HS Chapters 1, 2, 4, 15, 16, 17, 18, 19, 21, 22, 23 and 35, as illustrated by Chart 3.1 below.

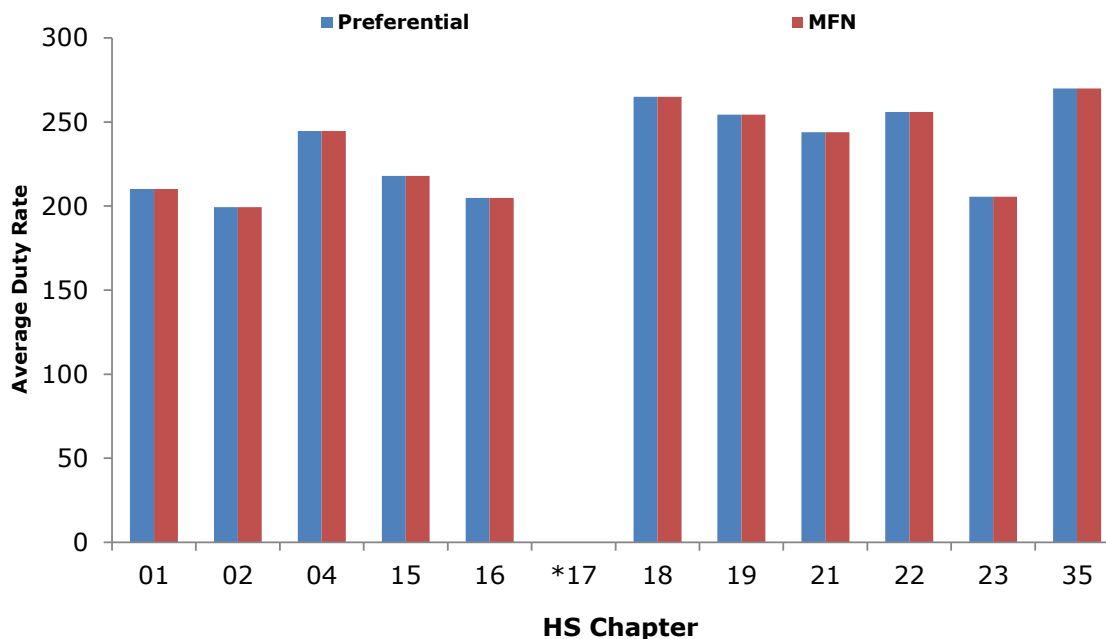
Table 3.2 Canada: Tariff elimination under the Agreement, by HS Section

HS Section	MFN Average %	No. of lines	Duty-free lines under the MFN 2017	Number of duty-free lines under the Agreement		Remain dutiable	Avg. Final Tariff (Dutiable)
				2017	2024		
I	34.4	451	308	74		69	227.7
II	3.1	443	331	112			
III	7.0	61	33	27		1	218.0
IV	16.3	547	193	310		38	228.9
V	0.4	158	150	8			
VI	1.2	935	800	132		3	270.0
VII	1.7	262	199	63			
VIII	3.1	98	67	31			
IX	2.0	157	102	55			
X	0.0	141	141				
XI	4.9	1,198	832	366			
XII	9.7	100	34	66			
XIII	2.4	176	109	67			
XIV	1.7	60	45	15			
XV	1.3	669	534	135			
XVI	0.7	1,056	926	130			
XVII	5.3	258	108	134	16		
XVIII	1.6	290	207	83			
XIX	3.8	29	7	22			
XX	4.5	206	99	107			
XXI	1.4	9	7	2			
Total	5.4	7,304^a	5,232	1,939	16	111	228.4

a 6 tariff lines in Section IV (17019110, 17019910, 17029021, 17029061, 17029070 and 17029081) only relate to the Canada-Peru FTA and the Canada-Honduras FTA. These tariff lines are only included for completeness of the tariff line count but are excluded in the Canada-Ukraine FTA.

Note: Tariff lines subject to in-quota rates at the MFN level are excluded in the computation; for the calculation of averages, specific rates are excluded and the *ad valorem* parts of alternate rates are included. Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by Canada.

Chart 3.1 Canada: Average of dutiable rates, by HS Chapter

Note: Tariff lines subject to in-quota rates at the MFN level are excluded in the computation; for the calculation of averages, specific rates are excluded and the *ad valorem* parts of alternate rates are included.

By "preferential" it is meant "rate applied to products originating in the other RTA partner".
Chart based on the HS 2017 nomenclature.

* HS Chapter 17 contains specific duties only.

Source: WTO estimates based on data provided by Canada.

3.1.3.2 Ukraine

3.15. Ukraine's applied tariff in 2017 consisted of 10,466 lines at the HS ten-digit level (HS 2012). 99% of the tariff rates were *ad valorem* and 105 lines had non-*ad valorem* tariffs.¹³

3.16. All the above eleven staging Categories are applicable to Ukraine's commitments. Moreover, Ukraine additionally makes a TRQ commitment related to the imports of certain pork products originating in Canada (See Section 3.1.4 below).

3.17. Table 3.3 shows tariff elimination commitments by Ukraine under the Agreement consisted of 10 466 tariff lines.¹⁴ In 2017, 3,970 lines were duty free on an MFN basis, representing 37.9% of Ukraine's total tariff, corresponding to 84.9% of its imports from Canada during 2014-2016. Immediately following the entry into force of the Agreement, an additional 3,628 lines (34.7% of Ukraine's tariff) became duty-free for imports from Canada. This resulted in 72.6% of Ukraine's tariff becoming duty free, corresponding to 93% of Ukraine's total imports from Canada (during the period 2014-2016). Further tariff lines will become duty free in 2018, 2020, 2022, and 2024 which corresponds to Ukraine's full implementation of its tariff elimination programme. As a consequence, eight years after the entry into force of the Agreement, in 2024, 99% of the Ukrainian tariff will be duty free for imports from Canada, corresponding to 99.1% of Ukraine's total imports from Canada, leaving 101 tariff lines for which duties will continue to be levied; these represent 1% of Ukraine's tariff and correspond to 0.9% of Ukraine's total imports from Canada (during the period 2014-2016).

¹³ All specific duties.

¹⁴ Tariff lines subject to in-quota are excluded from the counting and lines marked "ex" are treated as unique lines to avoid double counting.

Table 3.3 Ukraine:
Tariff elimination commitments under the Agreement and corresponding average trade

Duty phase-out period	Number of lines	% of total lines in Ukraine's tariff schedule	Value of Ukraine's imports from Canada (2014-2016) US\$ million	% of Ukraine's total imports from Canada 2014-2016
2017 (MFN)	3,970	37.9	172.3	84.9
2017	3,628	34.7	16.4	8.1
2018	1	0.0	0.0	0.0
2020	428	4.1	0.8	0.4
2022	1,768	16.9	8.4	4.1
2024	570	5.4	3.1	1.5
Remain dutiable	101	1.0	1.8	0.9
Total	10,466	100.0	202.9	100.0

Note: Tariff lines subject to in-quota rates are excluded in the computation. For the calculation of MFN averages, specific rates are excluded and the *ad valorem* equivalents (AVEs) provided by the Ukrainian authorities are included.
Based on the HS 2012 nomenclature.

Source: WTO estimates based on data provided by Ukrainian authorities and the WTO-IDB.

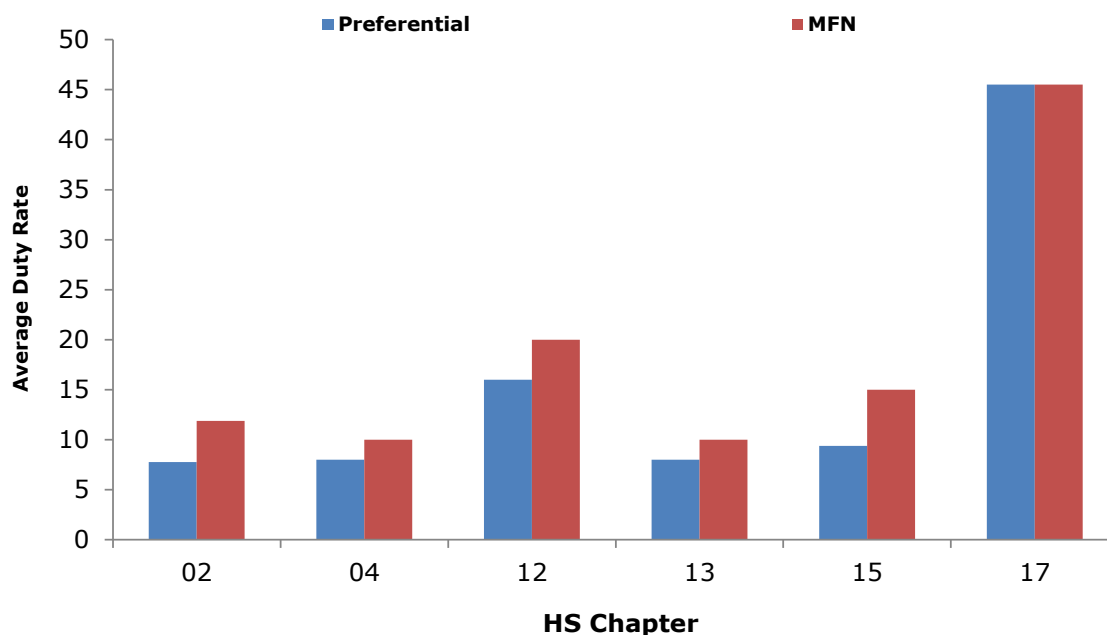
3.18. Table 3.4 shows Ukraine's tariff elimination, by HS section. The 101 lines excluded from tariff elimination once implementation is completed are found in HS Sections I (live animals); II (vegetables); III (animal or vegetable fats and oil), and IV (prepared food), with final average tariffs at between 7.8% and 45.5%, and with preferential rates at the same level as MFN rates only for products of Chapter 17, while for the other Chapters, the preferential tariff is lower than the MFN rate. Imports that are excluded from the tariff elimination programme and for some lines, for which lower preferential duties are applied, can be found in HS Chapters 2, 4, 12, 13, 15 and 17, as illustrated by Chart 3.2 below.

Table 3.4 Ukraine: Tariff elimination under the Agreement, by HS Section

HS Section	MFN Average %	No. of lines	Duty-free lines under the MFN 2017	Number of duty-free lines under the Agreement					Remain dutiable	Avg. Final Tariff (Dutiable)
				2017	2018	2020	2022	2024		
I	6.8	974	329	158	1	63	45	298	80	7.8
II	9.0	587	148	133		181	9	113	3	13.3
III	9.2	149	23	109		3	6		8	9.4
IV	10.3	901	96	603		75	4	113	10	45.5
V	2.6	300	125	150		2	23			
VI	3.3	1,267	463	710			94			
VII	3.6	372	133	183		5	51			
VIII	6.0	136	15	4			117			
IX	0.9	212	177				35			
X	0.0	195	195							
XI	5.7	1,240	316	921		3				
XII	10.0	106					106			
XIII	7.0	272	28	1		9	234			
XIV	4.6	62	2	13		19	28			
XV	1.8	1,041	738	189		17	97			
XVI	2.7	1,640	791	365		48	436			
XVII	5.2	355	120	73			116	46		
XVIII	3.6	354	179	5		3	167			
XIX	6.2	66					66			
XX	5.7	230	85	11			134			
XXI	0.0	7	7							
Total	4.9	10,466	3,970	3,628	1	428	1,768	570	101	11.8

Note: Tariff lines subject to in-quota rates are excluded in the computation; for the calculation of MFN averages, specific rates are excluded and the *ad valorem* equivalents (AVEs) provided by the Ukrainian authorities are included.
Based on the HS 2012 nomenclature

Source: WTO estimates based on data provided by Ukrainian authorities.

Chart 3.2 Ukraine: Average of dutiable rates, by HS Chapter

Note: Tariff lines subject to in-quota rates are excluded in the computation. For the calculation of MFN averages, specific rates are excluded and the *ad valorem* equivalent (AVEs) provided by the Ukrainian authorities are included. Based on the HS 2012 nomenclature.

By "preferential" it is meant "rate applied to products originating in the other RTA partner".

Source: WTO estimates based on data provided by the Ukrainian authorities.

3.1.4 Tariff rate quotas

3.19. Ukraine commits to establish a preferential tariff rate quota (TRQ) for certain pork products¹⁵ originating in Canada, as set out in paragraphs 2 and 3 of Annex 2-B to the Agreement. Annex 2-B identifies the annual aggregate quantity of the TRQ, which increases progressively during the first eight years from the date of entry into force of the Agreement. The aggregate quantity applicable in the eighth year is maintained for subsequent years.¹⁶ In-quota duties are set at 0%. Duties on originating goods entered in aggregate quantities in excess of these quantities shall be subject to a rate of customs duty not higher than the base rate of duty specified for that item in Ukraine's Schedule.¹⁷ Following the entry into force of the Agreement, should Ukraine accord to a third-party more favourable treatment on the tariff items identified in Annex 2-B, at the request of Canada, the Parties shall hold consultations to discuss providing to Canada the treatment accorded to the third-party. The manner in which Ukraine shall administer and implement the TRQ is governed by paragraph 3 of Annex 2-B.

3.2 Rules of origin

3.20. Chapter 3 contains provisions on rules of origin and origin procedures which is supplemented by Annexes 3-A (product-specific rules of origin) and 3-B; the latter containing the text of the origin declaration, referred to in Article 3.15 (proof of origin).

¹⁵ The "TRQ Pork" commitments are applicable to Ukraine's imports of products originating in Canada and classified in the following HS lines: 0203.21.10.00; 0203.21.90.00; 0203.22.11.00; 0203.22.19.00; 0203.22.90.00; 0203.29.11.00; 0203.29.13.00; 0203.29.15.00; 0203.29.55.00; 0203.29.59.00; 0203.29.90.00; 0206.41.00.00; 0206.49.00.00; and 0209.10.11.00.

¹⁶ The aggregate quantity is set at 20,000 metric tonnes (net weight).

¹⁷ 10% for most products and 15% for one tariff line subject to the TRQ Pork commitments. The current MFN applied rate for these tariff lines is equal to the base rate contained in Ukraine's schedule under the Agreement.

3.21. A good qualifies as originating when:

- a. it is wholly obtained as defined in Article 3.4;
- b. it is produced exclusively from originating materials, including those materials having undergone sufficient production and is then used in the subsequent production of another product (Article 3.5); or
- c. it has undergone sufficient production as per Article 3.5 and satisfies the product-specific rules of origin set out in Annex 3-A.

3.22. Annex 3-A to the Agreement contains product specific rules of origin and outlines the conditions that need to be fulfilled for goods that are not wholly obtained to be considered to have undergone sufficient production (Article 3.5) and qualify as originating. A change in tariff classification, at the HS Chapter, Heading, or Subheading levels, constitutes the main criteria used to determine origin for goods having undergone sufficient production. For some products, a maximum percentage of added value (between 20% and 65%) is set for non-originating material, which may be used as an alternative criterion to determine origin.¹⁸ Annex 3-A also provides that specific manufacturing or processing operations undertaken on certain goods confers origin.¹⁹

3.23. A *de minimis* or tolerance rule of 10% of the transaction value or ex-works price of the good is applicable to non-originating materials used in the production of a good (Article 3.6). With respect to textiles and textile products (HS Chapters 50 through 60), the *de minimis* rule of 10% applies to the total weight of all materials used in the production of the concerned product. With respect to *de minimis* for apparel and clothing accessories (HS Chapter 61 through 62), the Chapter Note of HS Chapters 61 or 62, whichever is applicable, shall apply. With respect to made up textiles (HS Chapter 63) the *de minimis* of 10% applies to the total weight of all materials used in the production of the component that made up the textile product.

3.24. Chapter 3 also contains, under Articles 3.7 through 3.14, disciplines related to the unit of classification; packaging and packing materials and containers; accounting segregation of fungible materials or products; accessories, spare parts and tools; sets; neutral elements; transport through a third-party; and returned originating products. Transit and transshipment provisions are in Article 3.13.

3.25. Cumulation of origin is governed by the provisions of Article 3.3 under which a good that originates in a Party is considered originating in the other Party when it is used as a material in the production of a product there. An exporter may also take into account production carried out on a non-originating material in the other Party for the purposes of determining the originating status of a good. Moreover, the Agreement also contemplates cumulation with third-parties under certain conditions (diagonal accumulation) subject to agreement by all Parties on the applicable conditions. That is to say, when each Party has a free trade agreement with the same third-party, a material of that third-party may be considered as originating by the exporter when determining whether a product is originating under the Agreement (paragraph 3 and 4 of Article 3.3).

3.26. Section C of Chapter 3 governs the application of origin procedures, in particular regarding the proof of origin (Article 3.15 and Annex 3-B); the obligations regarding exports and imports (Articles 3.16 and 3.18); the validity of the origin declaration (Article 3.17); and, (in Articles 3.19 through 3.30), the proof of transport through a third-party; importation by instalments; exemptions from origin declarations; supporting documents; preservation of records; discrepancies and formal errors; cooperation; origin verification; review and appeal of determinations of origin and advance rulings; penalties; confidentiality; and the issuance of advance rulings relating to origin.

¹⁸ This is particularly the case for goods classified under HS Chapters 17-18 (some sugar products); 28-29, 31-33, and 35-39 (some chemical products, plastics and rubber); 50-60, and 62-63 (some textiles and textile products); 70-71, 73, 76, and 82-83 (some metals); and 84-96 (machinery, vehicles, instruments and miscellaneous manufactured articles).

¹⁹ This is the case particularly for goods ranging from some transformed food products to chemical and textiles products.

3.27. A Subcommittee on Origin Procedures is established under Article 3.31.

3.3 Export duties and charges, and quantitative restrictions

3.28. Neither Party shall adopt or maintain any prohibition or restriction on the export of any good destined to the other Party, except as provided in the Agreement or in accordance with Article XI of GATT 1994, which is, together with its interpretative notes, incorporated into and made part of the Agreement *mutatis mutandis* (Article 2.5). Exceptions to the prohibition on export restrictions, listed in Annex 2-A to the Agreement, include measures in respect of exports of logs of all species and exports of unprocessed fish.²⁰ The Agreement confirms that export price requirements are prohibited in circumstances in which any other form of restriction is prohibited.

3.29. The Agreement clarifies that each Party may apply export duties, in accordance with their rights and obligations under the WTO (Article 2.9).

3.4 Regulatory provisions on trade in goods

3.4.1 Standards

3.30. Chapters 6 and 7 cover sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT).

3.4.1.1 Sanitary and phytosanitary measures

3.31. Chapter 6 covers SPS measures. Under Article 6.1, the Parties affirm their rights and obligations under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures. Article 6.1 also provides that the Parties shall use the WTO dispute settlement procedures for any formal disputes regarding SPS measures, thereby excluding the use of the dispute resolution mechanism established under the Agreement for any formal disputes regarding SPS measures.

3.32. Article 6.3 requires each Party to designate a Contact Point to facilitate communication on SPS trade-related matters.

3.33. Article 6.4 includes several provisions relating to SPS issue prevention and resolution, including the requirement that the Parties work expeditiously to resolve any SPS trade-related matters.

3.4.1.2 Technical barriers to trade

3.34. Chapter 7 covers TBT and applies to the preparation, adoption, and application of standards, technical regulations, and conformity assessment procedures of national governmental bodies that may affect the trade in goods between the Parties. According to Article 7.2, the WTO TBT Agreement, excluding Articles 10 through 12 (information and assistance); 13 and some of 14 (institutions, consultations and dispute settlement); and 15 (final provisions), is hereby incorporated into and made part of the Agreement, *mutatis mutandis*.

3.35. Chapter 7 contains provisions on joint cooperation on standards, technical regulations, accreditation, conformity assessment procedures, and metrology between the Parties (Article 7.4); the use of relevant international standards (Article 7.5); transparency (Article 7.7); and the establishment of Contact Points (Article 7.8).

3.36. On conformity assessment, the Parties agree to cooperate as well as to recognize conformity assessment bodies located in the territory of the other Party under certain conditions. Each Party shall, *inter alia*, also consider a request to develop and implement the mutual recognition of conformity assessment bodies with respect to radio and terminal telecommunications equipment. Moreover, according to Article 7.6, each Party shall accept the results of conformity assessment procedures conducted by conformity assessment bodies located in the other Party's territory, which have been recognized by the other Party, under conditions no

²⁰ Pursuant to applicable provincial legislation.

less favourable than those applied to the acceptance of the results of conformity assessment procedures conducted by recognized conformity assessment bodies in its territory. The Parties, furthermore, agree to exchange, no later than upon the entry into force of the Agreement, information on their respective conditions for the recognition of conformity assessment bodies, including applicable accreditation requirements and procedures that a conformity assessment body must fulfil to apply for recognition. The Parties confirm that such exchange has taken place.

3.4.2 Safeguard mechanisms

3.37. Section B of Chapter 5 refers to the use of bilateral and global safeguard measures, using the term "emergency actions" within the Agreement, while Article 2.7 governs the imposition of measures for balance-of-payments purposes. Article 2.11 also refers to the special safeguard mechanism established under Article 5 of the WTO Agreement on agriculture.

3.4.2.1 Global safeguards

3.38. Each Party retains its rights and obligations under Article XIX of GATT 1994 and the WTO Agreement on Safeguards, which exclusively govern global safeguard actions, including the resolution of a dispute with respect to those matters, thus implicitly excluding the use of the dispute resolution mechanism established under the Agreement for global safeguard-related matters. Global safeguards shall not be adopted (or maintained) at the same time as a bilateral safeguard.

3.4.2.2 Bilateral safeguards

3.39. Articles 5.3 through 5.7 allow for the imposition of bilateral safeguard measures in certain circumstances and set out disciplines governing their use, including with respect to notification and discussions between the Parties, standards for emergency actions, and the administration of emergency action proceedings. During the transition period²¹, a Party may apply a bilateral safeguard measure. Such a measure may consist of either (i) a suspension of the further reduction of the customs duty on the good provided for under the Agreement, or (ii) an increase in the rate of customs duty on the good to a level not to exceed the lesser of the MFN applied rate of duty in effect at the time the safeguard measure is applied, and the base rate set out in each Party's respective Schedule of Tariff Commitments in annex 2-B.²² In case of a customs duty applied to a good on a seasonal basis, the calculation shall be in relation to the corresponding season. Any bilateral safeguard measure shall be adopted no later than one year after the date the proceeding is instituted.

3.40. A Party shall not maintain an emergency action for a period that exceeds what is necessary to prevent or remedy serious injury and facilitate adjustment. A bilateral safeguard shall also not be maintained for a period exceeding three years, or beyond the expiry of the transition period. Moreover, a bilateral safeguard shall not be applied against an originating good more than once. Trade liberalizing compensation shall be provided to the exporting Party by the Party taking a bilateral safeguard. This compensation shall take the form of concessions with substantially equivalent trade effects or equivalent to the value of the additional duties expected to result from the action. In case compensation is not agreed between the Parties, the Party whose goods are subject to the action may take tariff action with trade effects substantially equivalent to the bilateral safeguard measure. Such tariff action shall be applied only for the minimum period necessary to achieve substantially equivalent effects and only while emergency action is in effect.

3.41. Article 5.7 clarifies that a Party shall not request the establishment of a panel under the dispute settlement mechanism created under the Agreement (Article 17.7 in particular) regarding a proposed emergency action (safeguard measure). A Party may, however, request the establishment of such a panel regarding an actual safeguard measure.

²¹ Under Chapter 5 of the Agreement, "transition period" means the seven-year period beginning on the date of entry into force of the Agreement, except where the tariff elimination for the good against which the action is taken occurs over a longer period of time, in which case the transition period is the period of the staged tariff elimination for that good.

²² Annex 2-B, paragraph 5, notes that the base rates correspond to MFN applied rates on the following dates: for Canada, January 1, 2010; for Ukraine, 1 January 2011.

3.4.2.3 Special safeguards

3.42. With regards to safeguard measures on agricultural products, Article 2.11 prohibits the Parties from applying duties under Article 5 of the WTO Agreement on agriculture (special safeguard provision) on goods of the other Party that are subject to the tariff elimination programme under the Agreement.

3.4.2.4 Other Safeguard measures

3.43. While the Parties agree that they shall endeavour to avoid imposing restrictive measures for balance-of-payments purposes, such measures may be applied in serious balance-of-payments (BoP) difficulties, or under imminent threat thereof, and in accordance with the conditions established under the GATT 1994, the WTO Understanding on the BoP provisions of the GATT 1994 and the WTO Declaration on Trade Measures Taken for BoP Purposes. The Agreement provides for notification and consultation and that such a measure shall not impair the relative benefits accorded to the other Party under the Agreement (Article 2.7).

3.4.3 Anti-dumping and countervailing measures

3.44. The WTO Agreement exclusively governs the Parties' rights and obligations regarding the applications of anti-dumping and countervailing measures, including the settlement of any disputes about these matters, thus implicitly excluding the use of the dispute resolution mechanism established under the Agreement for antidumping and countervailing matters. (Article 1.2). This is confirmed in Article 5.8. A transparency provision with respect to the imposition of provisional anti-dumping or countervailing measure is nevertheless contained in the Agreement (Article 5.9).

3.4.4 Subsidies and State-aid

3.45. The WTO Agreement exclusively governs the Parties' rights and obligations regarding subsidies, including the settlement of any disputes about these matters, thus implicitly excluding the use of the dispute resolution mechanism established under the Agreement for subsidies and State-aid matters (Article 1.2).

3.46. The Agreement moreover provides that a Party shall not adopt or maintain an export subsidy on an agricultural good that is exported, or incorporated in a product that is exported, to the territory of the other Party after the other Party has, immediately or after the transition period, fully eliminated the tariff on that agricultural good in accordance with Annex 2-B (Staging categories applicable with respect to the tariff elimination programme).

3.4.5 Customs-related procedures

3.47. Chapter 4 addresses trade facilitation. Articles 4.1 through 4.13 contain provisions on transparency; procedures for the release of goods to be simplified; fees and charges to be published; risk management to form a base for examination, release, and post-entry verification procedures; automation to be used to expedite the Parties' domestic trade-related procedures; advance rulings for tariff classification; review and appeal of administrative actions; penalties to be imposed for a breach of customs legislation or procedures; confidentiality to be maintained with respect to certain information; and cooperation in customs-related and trade facilitation matters.

3.48. The WTO Agreement on Customs Valuation governs the customs valuation rules applied by the Parties to their reciprocal trade (Article 4.4).

3.49. The Parties also agree to identify and submit for consideration by the Joint Commission new measures aimed at facilitating trade between them (Article 4.13). They moreover agree, in the context of a future work programme, to regularly review international initiatives on trade facilitation, including the Compendium of Trade Facilitation Recommendations, developed by the UNCTAD and the UN/ECE, to identify areas in which further joint action would facilitate trade between the Parties and promote shared multilateral objectives.

3.5 Sector-specific provisions on trade in goods

3.5.1 Wine and spirits

3.50. A specific provision under Chapter 11 (Intellectual property) concerns the protection in each of the Parties' geographical indications (GIs) of wines and spirits originating in the territory of the other Party.²³

3.51. With respect to certain types of wine, according to Annex 7-A, in the context of the provisions on TBT, a Party shall permit wine to be labelled as "Icewine", "ice wine", "ice-wine" or a similar variation of these terms, only if the wine is made exclusively from grapes naturally frozen on the vine.

3.52. With respect to spirits, a Party may not adopt or maintain a measure requiring that distilled spirits imported from the territory of the other Party for bottling be blended with distilled spirits of the Party (Article 2.12).

4 GENERAL PROVISIONS OF THE AGREEMENT

4.1 Transparency

4.1. Chapter 14 contains general transparency disciplines. While Section A of Chapter 14 addresses publication, notification, and administration of laws, including administrative proceedings, review and appeal, and cooperation on promoting increased transparency (Articles 14.1 through 14.6), Section B of Chapter 14 covers anti-corruption, with statements of principles (Article 14.8), disciplines on adopting or maintaining anti-corruption related legislative or other measures (Article 14.9), and an agreement by the Parties to work together to advance efforts in regional and multilateral fora to prevent and combat bribery and corruption in international trade and investment (Article 14.10). Further to Chapter 14, the Agreement also establishes specific transparency requirements in a number of other Chapters.

4.2 Current payments and capital movements

4.2. The Agreement does not contain specific provisions on current payments and capital movements.

4.3 Exceptions

4.3. General and security exceptions are contained in Articles 18.2 and 18.3. Moreover, Article 18.4 states that the Agreement does not apply to taxation measures, while Articles 18.6 and 18.7 refer, respectively, to cultural industries and to the treatment of WTO Waivers.²⁴ Article 18.5 also clarifies that the Agreement does not require a Party to furnish or allow access to all information.

4.3.1 General exceptions

4.4. For the purposes of Chapters 2 (national treatment and market access); 3 (rules of origin and origin procedures); 4 (trade facilitation); 5 (safeguard measures); 6 (SPS measures); 7 (TBT); and 8 (electronic commerce), Article XX of GATT 1994 is incorporated into and made part of the Agreement, *mutatis mutandis* (Article 18.2).

4.3.2 Security exceptions

4.5. Article 18.3 replicates the provisions in Article XXI of GATT 1994.

²³ See Section 4.9 below on intellectual property for more details on GIs.

²⁴ If a right or obligation in the Agreement duplicates a right or obligation under the WTO agreement, a measure adopted by a Party in conformity with a waiver decision adopted by the WTO pursuant to Article IX of the WTO agreement is deemed to be also in conformity with this Agreement (Article 18.7).

4.3.3 Taxation

4.6. As a principle, the Agreement does not apply to taxation measures. However, Article 18.4 lists provisions for which that principle is not applicable and/or its applicability is limited. Some disciplines are also contained in Article 18.4 (paragraph 5) to help to address whether a measure of a Party is a taxation measure in the case of a dispute.

4.3.4 Cultural industries

4.7. Article 18.6 states that the Agreement does not apply to measures adopted or maintained by either Party with respect to a person engaged in a cultural industry²⁵ except as specifically provided in Articles 2.4 (tariff elimination on imports).

4.4 Accession and Withdrawal

4.8. The Agreement provides that a third-party may accede to it upon terms and conditions to be set out in an agreement on accession between the Parties and the third-party (Article 19.7). Termination is governed by Article 19.6 under which the Agreement terminates six months following written notice by either Party.

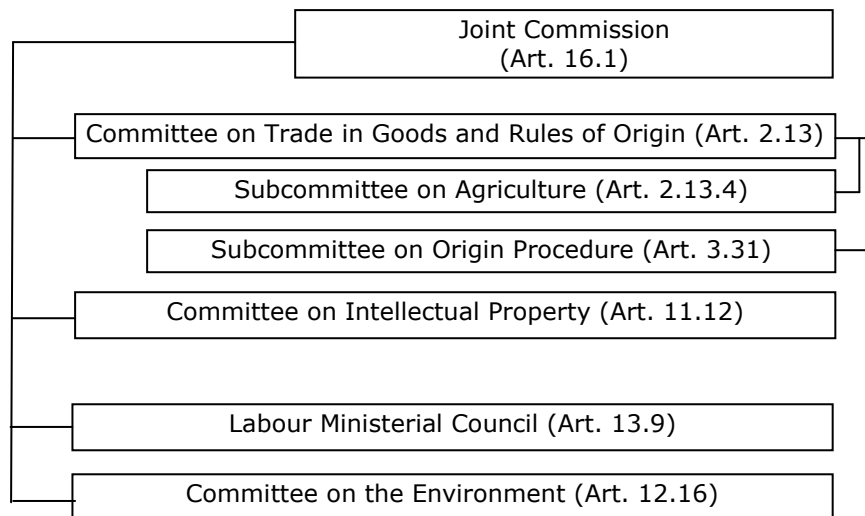
4.5 Institutional framework

4.9. A Joint Commission is established, *inter alia*, to supervise the implementation of the Agreement (Article 16.1). Committees, subcommittees, working groups, or other bodies may be established by the Joint Commission. Annex 16-A to the Agreement lists the committees, subcommittees, working groups and other bodies which are established under the Agreement. All decisions shall be made by mutual consent of the Parties.

4.10. Each Party shall designate an Agreement Coordinator (Article 16.2) to, *inter alia*, monitor the work of all subsidiary bodies; recommend the establishment of other bodies; follow up on any decisions taken by the Commission, as appropriate; receive notifications and information provided under the Agreement; and consider other matters that may affect the operation of the Agreement.

4.11. The institutional framework established by the Agreement is summarized by Chart 4.1 below.

²⁵ Under the Agreement, "person engaged in a cultural industry" means a person engaged in any of the following activities: (a) the publication, distribution or sale of books, magazines, periodicals or newspapers in print or machine-readable form, but not including the sole activity of printing or typesetting any of the foregoing; (b) the production, distribution, sale or exhibition of film or video recordings; (c) the production, distribution, sale or exhibition of audio or video music recordings; (d) the publication, distribution or sale of music in print or machine-readable form; or radio-communications in which the transmission re intended for direct reception by the general public, and all radio, television and cable broadcasting undertakings and all satellite programing and broadcast network services.

Chart 4.1 Institutional Framework

Source: WTO Secretariat based on the Agreement.

4.6 Dispute settlement

4.12. Chapter 17 governs dispute settlement²⁶ for matters covered under the Agreement, with the exception of Chapter 6 (SPS); 11 (intellectual property); 12 (environment); 13 (labour); 15 (trade related cooperation); and Article 9.2 of Chapter 9 (competition policy, monopolies and State enterprises), and as otherwise provided under the Agreement. Moreover, Article 1.2 states that the WTO agreement exclusively governs the Parties' rights and obligations regarding the settlement of any disputes about subsidies and the applications of anti-dumping and countervailing measures. Furthermore, Annex 17-B (dispute settlement for anti-corruption) applies to a dispute arising under section B of Chapter 14 (transparency).²⁷

4.13. The Agreement provides for a choice of the dispute settlement forum. However, when a dispute has been initiated, either under the WTO or under the Agreement, the same measure may not be invoked under the other forum (Article 17.4).

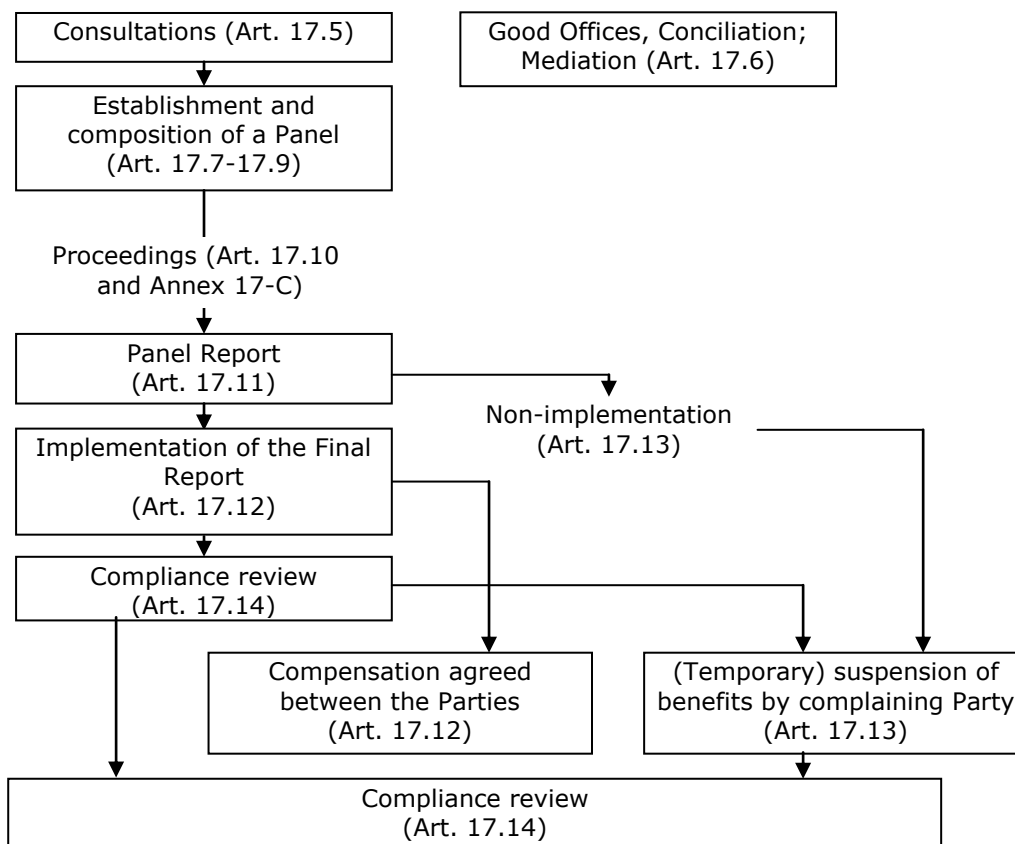
4.14. The Parties endeavour to agree on the interpretation and application of the Agreement through cooperation (Article 17.2) and consultations (Article 17.5) to arrive at a mutually satisfactory resolution of a matter that may affect the operation of the Agreement. Alternative methods of dispute resolution, such as good offices, conciliation, or mediation are governed by Article 17.6.

4.15. If the Parties fail to resolve a matter, it may be referred to a dispute settlement panel. Under Articles 17.7 through 17.16, the Agreement establishes the disciplines and procedural steps, mainly modelled on the WTO dispute settlement modalities, that are applicable to the establishment of panels; panel selection; qualifications of panellists; rules of procedures²⁸; panel reports; implementation of the Final Report; non-implementation and suspension of benefits; review of compliance and suspension of benefits; and referrals of matters from judicial or administrative proceedings. Chart 4.2 below summarizes the main steps of the dispute settlement mechanism established by the Agreement.

²⁶ Annex 17-A clarifies the applicability of the concept of nullification and impairment in relation to certain Chapters of the Agreement.

²⁷ Annex 17-B covers areas such as: consultations, review panel, panel selection, panel selection procedures, and review panel process.

²⁸ Annex 17-C covers rules of procedure and addresses areas such as application, definitions; written submissions and other documents; burden of proof; written submission by a non-governmental person; role of experts; operation of panels; hearings; Ex Parte contracts; and remuneration and payment of expenses.

Chart 4.2 Specific (State-to-State) Dispute Settlement Mechanism established by the Agreement

Source: WTO Secretariat based on the Agreement.

4.16. For the settlement of international commercial disputes between private parties²⁹ in the free trade area, each Party shall, to the extent possible, encourage and facilitate the use of arbitration and other means of alternative dispute resolution (Article 17.17). Each Party shall provide appropriate procedures to ensure observance of agreements to arbitrate and for the recognition and enforcement of arbitral awards in such disputes.

4.7 Relationship with other agreements concluded by the Parties

4.17. Article 1.1 states that the Agreement is consistent with Article XXIV of GATT 1994. The Parties also affirm their existing rights and obligations with respect to each other under the WTO Agreement and other agreements to which both Parties are party (Article 1.2). In the event of any inconsistency between these agreements and the Agreement, the latter prevails, except as otherwise provided in it. The Parties nevertheless clarify that the WTO Agreement exclusively governs their rights and obligations regarding subsidies and the application of anti-dumping and countervailing measures, including the settlement of any disputes about these matters.

4.18. Nevertheless, in relation to some multilateral environmental agreements³⁰, Article 1.3 states that the obligation in the above-mentioned agreements prevails provided that a measure taken by a Party is necessary to comply with that obligation, and is not applied in a manner that would

²⁹ Under Article 17.16, a Party may not provide a right of action under its domestic law against the other Party on the ground that an act or omission of that Party is inconsistent with the Agreement.

³⁰ The Convention on International Trade in Endangered Species of Wild Fauna and Flora; the Montreal Protocol on Substances that Deplete the Ozone Layer; the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal; the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade; and the Stockholm Convention on Persistent Organic Pollutants.

constitute, where the same conditions prevail, arbitrary or unjustifiable discrimination or a disguised restriction on international trade.

4.19. Table 4.1 below shows the Parties' RTAs, notified and non-notified, other than the Agreement.

Table 4.1 Canada - Ukraine: Participation in other RTAs (notified and non-notified in force), as of 30 November 2017

RTA Name	Date of entry into force	Coverage	GATT/WTO Notification	
			Year	WTO Provision
CANADA				
European Union - Canada	21-Sept-17	Goods & Services	2017	GATT Art. XXIV & GATS Art. V
Canada - Republic of Korea	01-Jan-15	Goods & Services	2015	GATT Art. XXIV & GATS Art. V
Canada - Honduras	01-Oct-14	Goods & Services	2015	GATT Art. XXIV & GATS Art. V
Canada - Panama	01-Apr-13	Goods & Services	2013	GATT Art. XXIV & GATS Art. V
Canada - Jordan	01-Oct-12	Goods	2013	GATT Art. XXIV & GATS Art. V
Canada - Colombia	15-Aug-11	Goods & Services	2011	GATT Art. XXIV & GATS Art. V
Canada - Peru	01-Aug-09	Goods & Services	2009	GATT Art. XXIV & GATS Art. V
EFTA - Canada	01-Jul-09	Goods	2009	GATT Art. XXIV
Canada - Costa Rica	01-Nov-02	Goods	2003	GATT Art. XXIV
Canada - Chile	05-Jul-97	Goods & Services	1997	GATT Art. XXIV & GATS Art. V
Canada - Israel	01-Jan-97	Goods	1997	GATT Art. XXIV
North American Free Trade Agreement (NAFTA)	01-Jan-94	Goods & Services	1993 1995	GATT Art. XXIV GATS Art. V
UKRAINE				
European Union - Ukraine	23-Apr-14	Goods & Services	2014	GATT Art. XXIV & GATS Art. V
Ukraine - Montenegro	01-Jan-13	Goods & Services	2013	GATT Art. XXIV & GATS Art. V
Treaty on a Free Trade Area between members of the Commonwealth of Independent States (CIS)*	20-Sep-12	Goods	2013	GATT Art. XXIV
EFTA - Ukraine	01-Jun-12	Goods & Services	2012	GATT Art. XXIV & GATS Art. V
Ukraine - Belarus*	11-Nov-06	Goods	2008	GATT Art. XXIV
Ukraine - Republic of Moldova*	19-May-05	Goods	2008	GATT Art. XXIV
Common Economic Zone (CEZ) *	20-May-04	Goods	2008	GATT Art. XXIV
GUAM	10-Dec-03	Goods & Services	2017	GATT Art. XXIV & GATS Art. V
Ukraine - Tajikistan*	11-Jul-02	Goods	2008	GATT Art. XXIV
Ukraine - The former Yugoslav Republic of Macedonia	05-Jul-01	Goods	2008	GATT Art. XXIV
Ukraine - Kazakhstan*	19-Oct-98	Goods	2008	GATT Art. XXIV
Kyrgyz Republic - Ukraine*	19-Jan-98	Goods	1999	GATT Art. XXIV
Armenia - Ukraine*	18-Dec-96	Goods	2004	GATT Art. XXIV
Ukraine - Azerbaijan	02-Sep-96	Goods	2008	GATT Art. XXIV
Georgia - Ukraine	04-Jun-96	Goods	2001	GATT Art. XXIV
Ukraine - Uzbekistan	01-Jan-96	Goods	2008	GATT Art. XXIV
Ukraine -Turkmenistan	04-Nov-95	Goods	2008	GATT Art. XXIV

* Due account should be taken to Article 23.2 of the CIS Agreement, which impacts on bilateral international treaties existing between CIS partners. Consequently, some RTAs listed could be considered as "due inactive" or "put on hold".

Source: WTO Secretariat.

4.8 Government procurement

4.20. Chapter 10 contains rules applicable to government procurement and cover both goods and services (including construction services). It makes general principles, such as non-discrimination,

applicable to the covered procurements.³¹ Under the Agreement, the Parties' commitments on government procurement replicate, to a large extent, those made under the revised Government Procurement Agreement (revised GPA), to which both Parties are party.³² For both Parties, the thresholds and, to a large extent the coverage of the commitments, in terms of central government entities, other entities, goods, services, and construction services is similar under the Agreement to those under the revised GPA. Notably however, under the Agreement, neither Party makes commitments on sub-central government entities. Annexes 10-7 through 10-9 to the Agreement provide, for both Parties, some disciplines on, respectively, a threshold adjustment formula; extended transparency commitments; and means of publication.

4.21. With respect to the relationship between Chapter 10 and the revised GPA, Article 10.3 provides that at any time during which both Parties are also a party to the *Annex to the Protocol Amending the Agreement on Government Procurement (GPA)*, the operation of Articles 10.1, 10.2 and 10.4 to 10.18 is suspended and the GPA, with exception of Articles V, XVI(4) to XVI(6), XIX, XX, XXI, XXII, is hereby incorporated into and made part of the Agreement, as applicable and with such changes as may be necessary as long as the Parties are also parties to the GPA. Any amendments to the provisions of the GPA that are incorporated into Chapter 10 are incorporated into the Agreement, except as agreed by the Parties.

4.22. Chapter 10 contains disciplines on a number of technical aspects related to the operation of government procurements.³³ It also contains rules on transparency of procurement information; as well as disclosure of information. Domestic review procedures are also governed by Chapter 10. With respect to the coverage of Chapter 10, disciplines concerning modifications and rectifications are contained in Article 10.19. Security and general exceptions are also applicable to the Parties' commitments with respect to government procurement (Article 10.4).

4.9 Intellectual property rights (IPRs)

4.23. Chapter 11 covers intellectual property rights. The Parties reaffirm their rights and obligations under the TRIPS Agreement and other intellectual property agreements to which they are a party. They affirm the right to fully avail themselves of the flexibilities established in the TRIPS Agreement, including those related to the protection of public health and in particular the promotion of access to medicines for all.

4.24. Article 11.3 concerns the protection in each of the Parties of geographical indications (GIs) of wines and spirits originating in the territory of the other Party. Annex I attached to Chapter 11 contains lists of GIs originating and protected in each Party.³⁴ The terms listed in Part A of that Annex are eligible for registration as protected GIs in Canada, while the terms listed in Part B are eligible for registration as protected GIs in Ukraine. In order to secure protection of the listed GIs, registration is mandatory. The protection by each Party of these GIs shall be in accordance with Articles 22 through 24 of the TRIPS agreement and subject to the exceptions provided in Article 24 of the TRIPS agreement. The Agreement nevertheless confirms that each Party may adopt or maintain procedures that provide for the cancellation of the protection afforded to a GI within its territory. In such a case a notification is required.

4.25. Chapter 11 contains specific provisions on various aspects of enforcement of IPRs (Articles 11.4 through 11.9), including with respect to special requirements related to border

³¹ Other general principles relate to the use of electronic means, the conduct of procurement, the applicable rules of origin, offsets, as well as the non-applicability of general principles to measures not specific to procurement.

³² Canada has been a party to the 1994 GPA since 1 January 1996, and is a Party to the revised GPA since 6 April 2014. Ukraine joined both of these agreements on 18 May 2016.

³³ This is in particular the case for provisions on information on the procurement system; notices of intended procurement, summary notices, and notices of planned procurements; conditions for participation in a procurement; qualification of suppliers; technical specifications, tender documentation, and modifications of the criteria or requirements set out in the notice; time-periods for suppliers to prepare and submit requests for participation and responsive tenders, including setting deadlines for tendering; negotiation between a Party's procuring entities and suppliers; limited tendering; electronic auctions; and treatment of tenders and awarding of contracts.

³⁴ The Joint Commission may amend Annex I by removing a GI of a wine or spirit which has ceased to be protected or has fallen into disuse.

measures, or criminal procedures and penalties, in particular in connection with unauthorised copying of a cinematographic work from a performance in a movie theatre (camcording) or with copyright infringement on the Internet or on other digital networks. Cooperation on enforcement is also covered while other areas of cooperation are also foreseen under Article 11.10.

4.26. Transparency is covered by Article 11.13, with some reservations with respect to disclosure of information under Article 11.14.

4.27. While a Party shall not have recourse to dispute settlement under Chapter 17 for any IPR-related matters, consultations between the Parties regarding any actual or proposed measure, or any other matter which a Party considers might negatively affect intellectual property interests, is governed by Article 11.15.

4.28. A Committee on Intellectual Property is established in Article 11.12 to discuss topics relevant to the protection and enforcement of IPRs, to provide a forum for consultations (as foreseen under Article 11.15), to oversee the implementation of the Parties' cooperation, and to make any recommendation to the Joint Committee to amend Annex I (GIs) to Chapter 11.

4.10 Other

4.10.1 Electronic commerce

4.29. The Parties confirm, in Chapter 8 on electronic commerce, that they shall not apply a customs duty, fee or charge on a product delivered electronically. This does not preclude a Party from imposing internal taxes or other internal charges on products delivered electronically, provided that such taxes or charges are imposed in a manner consistent with the Agreement.

4.30. In the event of an inconsistency between Chapter 8 and another Chapter of the Agreement, the other Chapter prevails to the extent of the inconsistency.

4.10.2 Competition policy, monopolies and state enterprises

4.31. Chapter 9 contains disciplines on competition policy, monopolies and State enterprises.

4.32. On competition policy, under Article 9.2, the Parties agree to adopt or maintain measures to proscribe anti-competitive business conduct and take appropriate action with respect to that conduct consistent with the principles of transparency, non-discrimination and procedural fairness. They shall maintain their independence in developing and enforcing competition laws. This article is not subject to any form of dispute settlement under the Agreement.

4.33. On monopolies, under Article 9.3, the Parties agree that the Agreement does not prevent a Party from maintaining or designating a monopoly. They nevertheless agree to fulfil a number of conditions when a privately owned monopoly is designated or a government monopoly is maintained or designated by a Party. Prior notification of such designation, shall, wherever possible, be made to the other Party.

4.34. On state enterprises³⁵, under Article 9.4, the Parties agree that the Agreement is not to be construed to prevent a Party from maintaining or establishing a state enterprise. Each Party shall ensure that a state enterprise that it maintains or establishes acts in a manner that is not inconsistent with the Party's obligations under the Agreement when exercising delegated governmental authority. Non-discriminatory treatment shall be accorded in the sale of its goods or services to covered investments.

4.10.3 Environment

4.35. The Agreement contains, in Chapter 12, disciplines on the environment. For Canada, the application of Chapter 12 to the provinces of Canada is however subject to Annex 12-B, which

³⁵ "State enterprise" means an enterprise owned or controlled through ownership interests by a Party, except as set out in Annex 9-A to the Agreement.

states, *inter alia*, that, following the entry into force of the Agreement, Canada shall provide to Ukraine through diplomatic channels a written declaration indicating the provinces for which Canada is to be bound by Chapter 12 in respect of matters within their jurisdiction.³⁶ The declaration shall become effective on its date of receipt by Ukraine.

4.36. Chapter 12 recognizes that each Party has the sovereign right to conserve and protect its environment and sustainably manage its natural resources (Article 12.2). The Parties affirm their environmental obligations under their laws, as well as their international obligations under multilateral environmental agreements to which they are party (Article 12.2). The Parties recognize each other's' rights to set their own environmental priorities, to establish their own levels of environmental protection and to adopt or modify their environmental laws and policies accordingly (Article 12.3). The Chapter encourages each Party to strive to ensure that their laws and policies provide for and encourage high levels of environmental protection and to strive to continue to improve them and their underlying levels of protection (Article 12.3). Compliance with and enforcement of environmental laws is addressed under Article 12.4. Moreover, each Party recognizes that it is inappropriate to encourage trade or investment by weakening or reducing the level of protection afforded in its environmental laws. Accordingly, under Article 12.5 (non-derogation), a Party shall not waive or derogate from its environmental laws in a manner that weakens or reduces the protections afforded in those laws, to encourage trade or investment. Chapter 12 does not affect the existing rights and obligations of either Party under international environmental agreements (Article 12.20).

4.37. The Chapter also contains provisions on environmental impact assessment through appropriate procedures; the promotion of public awareness of each Party's environmental legislation; private access to remedies against alleged violation of a Party's environmental laws; and procedural guarantees (Articles 12.6 through 12.9). It provides that each Party shall encourage voluntary best practices of corporate social responsibility by enterprises established in its territory or subject to its jurisdiction, to strengthen coherence between economic and environmental objectives (Article 12.10). Moreover, certain measures to enhance environmental performance are also to be envisaged by the Parties (Article 12.11).

4.38. Several provisions provide for transparency disciplines with respect to trade and environment, such as the designation of a national Contact Point (Article 12.12); rules on public information and accountability (Article 12.13); Party-to-Party information exchange procedures (Article 12.14); cooperative activities to be strengthened (Article 12.15); public engagement (Article 12.18); as well restrictions to disclosure of information (Article 12.19).

4.39. While the environment obligations are not subject to Chapter 17, some elements of the disciplines on dispute settlement established under Chapter 17 apply to disputes over the interpretation and application of Chapter 12. For example, the procedures set out in Annex 12-A to the Agreement that apply to the selection of panellists. Moreover, at any time, the Parties may have recourse to means of alternative dispute resolution to resolve a matter, including good offices, conciliation or mediation. Unless the Parties decide otherwise, alternative dispute resolution is confidential and without prejudice to the rights of the Parties in any proceeding.

4.40. The Chapter establishes under Article 12.16 a Committee on the Environment to, *inter alia*, oversee and review the implementation of Chapter 12. The Committee shall also consider undertaking a review of the implementation of Chapter 12 within five years of the date of the entry into force of the Agreement (Article 12.17). Each Party also establishes a national Contact Point (Article 12.12).

4.10.4 Labour

4.41. Chapter 13 contains disciplines on labour rights. As under Chapter 12 on Environment, for Canada, the application of the disciplines contained in Chapter 13 to the provinces of Canada is however subject to Annex 13-D, which states, *inter alia*, that, following the entry into force of the Agreement, Canada shall provide to Ukraine through diplomatic channels a written declaration

³⁶ Canada clarifies that, to date, it has not provided a declaration since none of the provinces have agreed to be bound.

indicating the provinces for which Canada is to be bound by Chapter 13 in respect of matters within their jurisdiction. The declaration shall become effective on its date of receipt by Ukraine.

4.42. In Chapter 13, the Parties affirm their obligations as members of the International Labour Organization (ILO) and their commitments to the ILO 1998 Declaration³⁷ as well as the ILO 2008 Declaration.³⁸ Each Party shall ensure that its labour laws and practices embody and provide protection for a number of internationally recognized labour principles and rights listed in Article 13.3.

4.43. Section A of Chapter 13 mirrors some of the disciplines on environment (Chapter 12), in particular the provisions on non-derogation; procedural guarantees; and public information and awareness. The Parties shall also promote compliance with and effectively enforce their labour laws through appropriate government action such as those listed in Article 13.5. They shall also ensure that a person with a recognized interest under their labour laws in a particular matter has appropriate access to administrative or tribunal proceedings, which can enforce and give effect to the rights protected by that law, including by granting effective remedies for any breaches of that law (Article 13.6).

4.44. In Section B, Chapter 13 addresses a number of institutional mechanisms such as the establishment of a Labour Ministerial Council³⁹ (Article 13.9); the convening of new, or consulting of existing, national labour advisory or consultative committees (Article 13.10); the development of a plan of action for cooperative labour activities.⁴⁰ Public communications and general consultations provisions complement Section B of Chapter 13.

4.45. Section C of Chapter 13 contains disciplines on procedures for labour consultations and dispute settlement covering Ministerial consultations; the establishment and conduct of a review panel; as well as the content of review panel reports and determinations⁴¹ (Article 13.14 through 13.16).

4.46. Enforcement principles, the inapplicability of private rights of action against a Party within the context of Chapter 13, disciplines on protection of information⁴²; and cooperation with international and regional organizations are contained in Section D of Chapter 13.

4.47. The provisions of Chapter 13 shall be reviewed in the context of the overall review of the Agreement which shall be undertaken by the Parties within two years of its entry into force (Article 13.21).

4.10.5 Trade-related cooperation

4.48. Chapter 15 addresses trade-related cooperation. The Parties undertake to promote trade-related cooperation. Such cooperation may include, *inter alia*, exchange of information, transfer and exchange of expertise and training; joint studies and joint research; transfer of technology, skills and practices; institutional assistance and capacity-building; and participation in international activities. In Annex 15-A to the Agreement, the Parties establish an indicative list of potential subject matters for trade-related cooperation. It includes "support for small and medium-sized enterprises (SMEs)"; "agriculture"; and "standard-setting".

4.49. Under Article 15.2, each Party designates a Contact Point to facilitate communication concerning the implementation of Chapter 15.

³⁷ ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up of 1998.

³⁸ ILO Declaration on Social Justice for a Fair Globalization of 2008.

³⁹ The Council may consider any matter within the scope of Chapter 13. It may also, *inter alia*, establish and assign responsibilities to committees, working groups, or expert groups, and seek the advice of independent experts.

⁴⁰ An indicative list of areas of possible cooperation between the Parties is set out in Annex 13-A to the Agreement.

⁴¹ Elements related to monetary assessments in the context of review panel reports and determinations (Article 13.16) are contained in Annex 13-C.

⁴² Procedures related to review panels are contained in Annex 13-B to the Agreement. The Annex covers qualifications of panellists; review panel selection procedures; and conduct of the review panel.

4.10.6 Review (Rendez-vous) Clause

4.50. The Parties undertake to review the Agreement within two years of its entry into force, in light of further developments including within the framework of the WTO Agreement, and other agreements to which the Parties are party (Article 19.2).

4.51. This review shall be conducted with a view to examining the further development and deepening of the Agreement's provisions and with a view to extending it to subject matters not covered therein, including cross-border trade in services, financial services, investment, telecommunications, temporary entry and any other subject areas as decided by the Parties.

ANNEX 1

INDICATORS OF TRADE LIBERALIZATION UNDER THE AGREEMENT

Canada

1. Table A1.1 shows tariff liberalization by Canada in relation to imports from Ukraine (by total, agricultural and non-agricultural products). In 2017, Canada's average applied MFN rate was 5.4% overall (2.3% for non-agricultural products and considerably higher at 20.8% for agricultural products). 71.6% of Canada's tariff was duty free on an MFN basis; 75.1% of non-agricultural products and 55.2% of agricultural products were duty free. At the time of entry into force of the Agreement (2017), Ukraine's exporters enjoyed an absolute margin of preference of 2.5% *vis-à-vis* the prevailing MFN tariff; 2.3% for non-agricultural goods and 3.8% for agricultural products. The share of duty free lines applicable to imports from Ukraine immediately at the entry into force of the Agreement was 98.2% (90.8% for agricultural products and 99.7% for non-agricultural products). This share of duty-free tariff lines will further increase to reach 98.4% in 2024 (100% for non-agricultural products and 90.8% for agricultural products), by which time Canada will have fully implemented its tariff elimination programme, less than ten years after the entry into force of the Agreement.

Table A1.1 Canada: Indicators of MFN tariff rates and preferential rates for imports from Ukraine

Origin of goods	Year	ALL PRODUCTS			Agricultural products ^a			Non-agricultural products		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2017	5.4	19.6	71.6	20.8	50.9	55.2	2.3	9.4	75.1
Ukraine	2017	2.9	195.7	98.2	17.0	228.4	90.8	0.0	5.3	99.7
	2018	2.9	195.5	98.2	17.0	228.4	90.8	0.0	4.5	99.7
	2019	2.9	195.4	98.2	17.0	228.4	90.8	0.0	3.8	99.7
	2020	2.9	195.3	98.2	17.0	228.4	90.8	0.0	3.0	99.7
	2021	2.9	195.2	98.2	17.0	228.4	90.8	0.0	2.2	99.7
	2022	2.9	195.1	98.2	17.0	228.4	90.8	0.0	1.5	99.7
	2023	2.9	195.0	98.2	17.0	228.4	90.8	0.0	0.7	99.7
	2024	2.9	228.4	98.4	17.0	228.4	90.8	0.0	0.0	100.0

a WTO Definition.

Note: Tariff lines subject to in-quota rates at the MFN level are excluded in the computation; for the calculation of averages, specific rates are excluded and the *ad valorem* parts of alternate rates are included.

Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by Canada.

2. Table A1.2 gives an indication of additional market access in Canada resulting from the entry into force of the Agreement for Ukraine's top 25 global exports, which accounted for 50.8% of its global exports in 2013-2015; these corresponded to 26 lines in Canada's tariff at the six-digit level (using the HS 2017). In 2017, prior to the entry into force of the Agreement, 22 of these tariff lines already had (MFN) duty free access to Canada's market. With the entry into force of the Agreement, in 2017, the 4 tariff lines, which were dutiable, became duty free for exports from Ukraine. Consequently, at the end of the implementation period, none of the lines covering Ukraine's top 25 global exports will be dutiable.

Table A1.2 Canada: Market access opportunities under the agreement for Ukraine's top 25 exports to the world

Ukraine's top export products in 2013 -2015		Access Conditions to Canada's import markets				
HS number and description of the product		Share in global exports (%)	MFN 2017			No. of duty free lines under the agreement 2017
			Average MFN applied rate (%)	No. of duty free lines	No. of dutiable lines	
100590	Maize (excl. seed for sowing)	6.5	0.0	1		
151211	Crude sunflower-seed or safflower oil	5.9	4.5		1	1
100199	Wheat and meslin (excl. seed for sowing, and durum wheat)	3.5	76.5		1	1
260111	Non-agglomerated iron ores and concentrates (excl. roasted iron pyrites)	3.1	0.0	1		
720712	Semi-finished products of iron or non-alloy steel containing, by weight, < 0,25% of carbon, of rectangular "other than square" cross-section, the width measuring >= twice the thickness	2.9	0.0	1		
260112	Agglomerated iron ores and concentrates (excl. roasted iron pyrites)	2.8	0.0	1		
720720	Semi-finished products of iron or non-alloy steel containing, by weight, >= 0,25% of carbon	2.5	0.0	1		
720711	Semi-finished products of iron or non-alloy steel containing, by weight, < 0,25% of carbon, of square or rectangular cross-section, the width measuring < twice the thickness	2.4	0.0	1		
721420	Bars and rods, of iron or non-alloy steel, with indentations, ribs, groves or other deformations produced during the rolling process	2.2	0.0	1		
854430	Ignition wiring sets and other wiring sets for vehicles, aircraft or ships	1.9	0.0	1		
120510	Low erucic acid rape or colza seeds "yielding a fixed oil which has an erucic acid content of < 2% and yielding a solid component of glucosinolates of < 30 micromoles/g"	1.7	0.0	1		
230630	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of sunflower seeds	1.5	0.0	1		
720851	Flat-rolled products of iron or non-alloy steel, of a width >= 600 mm, not in coils, simply hot-rolled, not clad, plated or coated, of a thickness of > 10 mm, without patterns in relief	1.4	0.0	1		
720110	Non-alloy pig iron in pigs, blocks or other primary forms, containing, by weight, <= 0,5% of phosphorous	1.4	0.0	1		
720839	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply hot-rolled, not clad, plated or coated, of a thickness of < 3 mm, not pickled, without patterns in relief	1.3	0.0	1		
100390	Barley (excl. seed for sowing)	1.2	57.8		2	2
120190	Soya beans, whether or not broken (excl. seed for sowing)	1.2	0.0	1		

Ukraine's top export products in 2013 -2015		Access Conditions to Canada's import markets				
HS number and description of the product		Share in global exports (%)	MFN 2017			No. of duty free lines under the agreement 2017
			Average MFN applied rate (%)	No. of duty free lines	No. of dutiable lines	
310210	Urea, whether or not in aqueous solution (excl. that in pellet or similar forms, or in packages with a gross weight of <= 10 kg)	1.2	0.0	1		
721391	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel, of circular cross-section measuring < 14 mm in diameter (excl. bars and rods of free-cutting steel, and bars and rods with indentations, ribs, grooves or other deformations produced during the rolling process)	1.1	0.0	1		
720230	Ferro-silico-manganese	1.1	0.0	1		
281820	Aluminium oxide (excl. artificial corundum)	0.9	0.0	1		
841122	Turbopropellers of a power > 1.100 kw	0.9	0.0	1		
271600	Electrical energy	0.8	0.0	1		
281410	Anhydrous ammonia	0.8	0.0	1		
720852	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply hot-rolled, not clad, plated or coated, of a thickness of >= 4,75 mm but <= 10 mm, without patterns in relief	0.7	0.0	1		
Total		50.8		22	4	4

Note: For the calculation of averages, specific rates are excluded and the *ad valorem* parts of alternate rates are included.
Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by Canada and UNSD, Comtrade database.

Ukraine

3. Table A1.3 shows tariff liberalization by Ukraine in relation to imports from Canada (by total, agricultural and non-agricultural products). In 2017, Ukraine's average applied MFN rate was 4.9% overall (3.6% for non-agricultural products and 9.7% for agricultural products). 37.9% of Ukraine's tariff was duty free on an MFN basis; 44% of non-agricultural products and 14.9% of agricultural products were duty free. At the time of entry into force of the Agreement (2017), Canada's exporters enjoyed an absolute margin of preference of 2.7% *vis-à-vis* the prevailing MFN tariff; 2.2% for non-agricultural goods and 4.5% for agricultural products. The share of duty free lines applicable to imports from Canada immediately at the entry into force of the Agreement was 72.6% (51% for agricultural products and 78.3% for non-agricultural products). During the following years, this share of duty-free tariff lines will further increase to reach 99% in 2024, less than ten years after the entry into force of the Agreement (100% for non-agricultural products and 95.4% for agricultural products).

Table A1.3 Ukraine: Indicators of MFN tariff rates and preferential rates for imports from Canada

Origin of goods	Year	ALL PRODUCTS			Agricultural products ^a			Non-agricultural products		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2017	4.9	7.9	37.9	9.7	11.5	14.9	3.6	6.5	44.0
Canada	2017	2.2	7.9	72.6	5.2	10.7	51.0	1.4	6.2	78.3
	2018	1.7	6.4	72.6	4.3	8.7	51.1	1.1	5.0	78.3
	2019	1.3	4.9	72.6	3.3	6.8	51.1	0.8	3.7	78.3
	2020	0.9	3.9	76.7	2.4	6.9	65.8	0.5	2.6	79.6
	2021	0.6	2.6	76.7	1.9	5.4	65.8	0.3	1.4	79.6
	2022	0.3	4.6	93.6	1.3	4.7	71.6	0.0	2.5	99.4
	2023	0.2	3.2	93.6	0.9	3.3	71.6	0.0	1.2	99.4
	2024	0.1	11.8	99.0	0.5	11.8	95.4	0.0	0.0	100.0

a WTO Definition.

Note: Tariff lines subject to in-quota rates are excluded in the computation; for the calculation of MFN averages, specific rates are excluded and the *ad valorem* equivalent (AVEs) provided by the Ukrainian authorities are included.
Based on the HS 2012 nomenclature.

Source: WTO estimates based on data provided by the Ukrainian authorities.

4. Table A1.4 gives an indication of additional market access in Ukraine resulting from the entry into force of the Agreement for Canada's top 25 global exports, which accounted for 49.4% of its global exports in 2013-2015; these corresponded to 147 lines in Ukraine's tariff at the six-digit level (using the HS 2012). In 2017, prior to the entry into force of the Agreement, 89 of these tariff lines already had (MFN) duty free access to Ukraine's market. With the entry into force of the Agreement, in 2017, 49 of the 58 tariff lines, which were dutiable, became duty free for exports from Ukraine. The 9 remaining dutiable tariff lines will become duty-free in 2022 (7 lines) and 2024 (2 lines). At the end of the implementation period, none of the lines covering Canada's top 25 global exports will be dutiable.

Table A1.4 Ukraine: Market access opportunities under the agreement for Canada's top 25 exports to the world

Canada's top export products in 2013 - 2015			Access Conditions to Ukraine's import markets					
HS number and description of the product		Share in global exports (%)	MFN 2017			No. of duty free lines under the agreement		
			Average MFN applied rate (%)	No. of duty free lines	No. of dutiable lines	2017	2022	2024
270900	Petroleum oils and oils obtained from bituminous minerals, crude	16.2	0.0	2				
870324	Motor cars and other motor vehicles principally designed for the transport of persons, incl. station wagons and racing cars, with spark-ignition internal combustion reciprocating piston engine of a cylinder capacity > 3.000 cm ³ (excl. vehicles for the transport of persons on snow and other specially designed vehicles of subheading 8703.10)	5.5	8.3		3	2		1

Canada's top export products in 2013 - 2015		Access Conditions to Ukraine's import markets						
HS number and description of the product		Share in global exports (%)	MFN 2017			No. of duty free lines under the agreement		
			Average MFN applied rate (%)	No. of duty free lines	No. of dutiable lines	2017	2022	2024
870323	Motor cars and other motor vehicles principally designed for the transport of persons, incl. station wagons and racing cars, with spark-ignition internal combustion reciprocating piston engine of a cylinder capacity > 1.500 cm ³ but <= 3.000 cm ³ (excl. vehicles for the transport of persons on snow and other specially designed vehicles of subheading 8703.10)	4.4	8.8		8	7		1
710812	Gold, incl. gold plated with platinum, unwrought, for non-monetary purposes (excl. gold in powder form)	3.2	2.0		1	1		
271121	Natural gas in gaseous state	2.5	0.0	1				
271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, n.e.s.	1.9	0.9	32	8	8		
440710	Coniferous wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness of > 6 mm	1.6	0.0	7				
271012	Light oils and preparations, of petroleum or bituminous minerals which >= 90% by volume "incl. losses" distil at 210°C "astm d 86 method" (excl. containing biodiesel)	1.3	3.1	25	22	22		
310420	Potassium chloride for use as fertiliser (excl. that in tablets or similar forms, or in packages with a gross weight of <= 10 kg)	1.2	3.3	1	2		2	
100199	Wheat and meslin (excl. seed for sowing, and durum wheat)	1.1	10.0		1	1		
880240	Aeroplanes and other powered aircraft of an of an unladen weight > 15.000 kg (excl. helicopters and dirigibles)	1.0	0.0	1				
120510	Low erucic acid rape or colza seeds "yielding a fixed oil which has an erucic acid content of < 2% and yielding a solid component of glucosinolates of < 30 micromoles/g"	1.0	0.0	2				
270112	Bituminous coal, whether or not pulverised, non-agglomerated	0.9	0.0	2				
300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, put up in measured doses "incl. those in the form of transdermal administration" or in forms or packings for retail sale (excl. medicaments containing antibiotics, medicaments containing hormones or steroids used as hormones, but not containing antibiotics, medicaments containing alkaloids or derivatives thereof but not containing hormones or antibiotics and medicaments containing provitamins, vitamins or derivatives thereof used as vitamins)	0.9	0.0	1				
470321	Semi-bleached or bleached coniferous chemical wood pulp, soda or sulphate (excl. dissolving grades)	0.9	0.0	1				

Canada's top export products in 2013 - 2015			Access Conditions to Ukraine's import markets					
HS number and description of the product		Share in global exports (%)	MFN 2017			No. of duty free lines under the agreement		
			Average MFN applied rate (%)	No. of duty free lines	No. of dutiable lines	2017	2022	2024
870829	Parts and accessories of bodies for tractors, motor vehicles for the transport of ten or more persons, motor cars and other motor vehicles principally designed for the transport of persons, motor vehicles for the transport of goods and special purpose motor vehicles (excl. bumpers and parts thereof and safety seat belts)	0.8	2.5	1	1	1		
260300	Copper ores and concentrates	0.7	2.0		1	1		
760120	Unwrought aluminium alloys	0.6	0.0	3				
760110	Aluminium, not alloyed, unwrought	0.6	0.0	1				
870899	Parts and accessories, for tractors, motor vehicles for the transport of ten or more persons, motor cars and other motor vehicles principally designed for the transport of persons, motor vehicles for the transport of goods and special purpose motor vehicles, n.e.s.	0.6	1.6	4	3	1	2	
271600	Electrical energy	0.6	2.0		1	1		
840734	Spark-ignition reciprocating piston engine, of a kind used for vehicles of chapter 87, of a cylinder capacity > 1.000 cm ³	0.5	2.5	3	3		3	
390190	Polymers of ethylene, in primary forms (excl. polyethylene and ethylene-vinyl acetate copolymers)	0.5	3.3	1	2	2		
260111	Non-agglomerated iron ores and concentrates (excl. roasted iron pyrites)	0.5	2.0		2	2		
480100	Newsprint as specified in note 4 to chapter 48, in rolls of a width > 36 cm or in square or rectangular sheets with one side > 36 cm and the other side > 15 cm in the unfolded state	0.5	0.0	1				
Total		49.4		89	58	49	7	2

Note: For the calculation of MFN averages, specific rates are excluded and the *ad valorem* equivalents (AVEs) provided by the Ukrainian authorities are included.
Based on the HS 2012 nomenclature.

Source: WTO estimates based on data provided by the Ukrainian authorities and UNSD, Comtrade database.