

28 March 2014

Original: English

(14-1946) Page: 1/2

Committee on Technical Barriers to Trade

RUSSIAN FEDERATION - MEASURE AFFECTING THE IMPORT OF UKRAINIAN CONFECTIONARY PRODUCTS

STATEMENT OF UKRAINE AT THE MEETING OF THE COMMITTEE ON TECHNICAL BARRIERS TO TRADE OF 19-20 MARCH 2014

The following communication, dated 21 March 2014, is being circulated at the request of the delegation of <u>Ukraine</u>.

- 1. And again Ukraine regretfully has to raise concern regarding the ban on import of Ukrainian confectionery products to the Russian Federation, which was enacted on 29 July 2013 by the Resolution/Decision of the Federal Service on Customers' Rights Protection and Human Well-being Surveillance of the Russian Federation (Rospotrebnadzor) (No. 01/8612-13-23).
- 2. The Resolution/Decision of Rospotrebnadzor did not refer to incompliance of Ukrainian products with any particular effective Russian or Custom Union's technical regulation as a reason for the ban.
- 3. In accordance with the provisions of Articles 10 and 2.5 of the TBT Agreement, Ukraine requested on 8th of August 2013 relevant information through the TBT/SPS Enquiry Point of the Russian Federation. Ukraine thanks the Russian Federation for answers provided on 17 March 2014.
- 4. In the reply by the Russian Federation there are mentioned two documents: the Federal law #2300-1 as of February 1992 "On customers rights protection" and the technical regulation of the Customs Union "Food products in sphere of its labelling". Ukraine would appreciate to have more clear explanation regarding the act on which the ban is based.
- 5. The Russian Federation also claimed that the measure in question is not a TBT measure. Ukraine would like to recall the definition of the technical regulation in the TBT Agreement which states that it is a document that "may include or deal exclusively with ... labelling requirements as they apply to a product" (Annex 1 of the TBT Agreement).
- 6. Thus, Ukraine requests the Russian Federation to provide official detailed clarification and justification of keeping the measure and its compliance with the provisions of the TBT Agreement.
- 7. Late October 2013 inspectors from the Russian Federation authorities came to inspect the Ukrainian factories in question. It should be noted that representatives of leading Russian confectionary holding "Uniconf", which is a main competitor to the Ukrainian producer, were included in the inspection group. So far we have not officially received any report from this inspection. Ukraine believes that general public information about inspection posted on the Rospotrebnadzor website in fact is not an official report of the inspection results that is expected to be provided by the inspection body to the inspected applicant "promptly in a precise and complete manner".
- 8. Therefore, Ukraine still expects the Russian Federation to provide it with the official reports from the inspection.

- 9. The Ukrainian confectionary products have been tested at accredited laboratories in Ukraine and the test results confirm compliance with effective Russian obligatory requirements for food products.
- 10. Ukraine ensured enforcement of its part of the agreed Road map regarding elimination of trade barriers between Russian Federation and Ukraine for 2013 2014. As of 1 January 2014 Ukraine officially informed Rospotrebnadzor about conformity of products produced by factories in Kiev, Vinnitsa, Mariupol and Kremenchug to Russian quality requirements for food products.
- 11. It should be noted that incompliance with labelling requirements done by Russian producer is punishable by a fine according the Russian Federation legislation. Whereas no ban on the placing on the market is envisaged.
- 12. Therefore, the ban is applied in a discriminatory manner, is less favourable for Ukrainian products than for like products of national origin and to like products originating in any other country.
- 13. Since, the ban imposed by the Russian Federation is still in place it continues to cause economic losses to Ukraine. Hence, export of Ukrainian confectionery products to the Russian Federation dropped by 126,3 million US dollars in 2013 as compared with 2012. This situation also caused stopping production in Mariupol factory in February 2014 and layoffs at other confectionery factories in regions.
- 14. Ukraine believes that the measure of the Russian Federation is unjustifiably strict, more traderestrictive than necessary to fulfil a legitimate objective, taking into account of the risks nonfulfilment would create.
- 15. Ukraine calls upon the Russian Federation to immediately lift this trade ban and bring the governmental measure in line with the TBT Agreement and commitments signed by the Russian Federation at accession.