

FREE TRADE AGREEMENT BETWEEN UKRAINE AND MOLDOVA

Annex Information on the regional trade agreement

FREE TRADE AGREEMENT between the Government of Ukraine and the Government of the Republic of Moldova *

I. Background information on the agreement.

1.

Membership: Ukraine, the Republic of Moldova.

DATE OF SIGNATURE: November 13, 2003.

RATIFICATION: May 19, 2005.

ENTRY INTO FORCE: The Agreement shall enter into force as of the date of Ukraine's accession to the World Trade Organization.

2. Type of agreement – free trade agreement.

3. Scope.

The Agreement covers agricultural and industrial goods originating from the customs territories of the Contracting Parties. For the purposes of this Agreement “agricultural goods” shall be products of Chapters 1-24 and “industrial goods” shall be products of Chapters 25-97 of the Harmonized Commodity Description System 1996.

4. Trade data.

COMMODITY STRUCTURE OF PRODUCTS EXPORT from Ukraine to the Republic of Moldova in 2007 (according to the State Customs Service of Ukraine)

ths. USD

HS Code	Product description	2006	2007	Share in %	2007/2006	
					+,-	%
	Total	671230	911310	100,0	240080	135,8
0202-2403	Agricultural products	115500	240484	26,4	124984	208,2
	<i>including:</i>					
0406	Cheese and curd	6185	8180	0,9	1995	132,3
1101	Wheat or meslin flour	216	18576	2,0	18360	8600,0
1103	Cereal groats, meal and pellets	1292	968	0,1	-324	74,9
1104	Cereal grains otherwise worked	1272	1190	0,1	-82	93,6
	Margarine; edible mixtures or preparations of animal or vegetable fats or oils					
1517		3240	3413	0,4	173	105,3
	Other prepared or preserved meat, meat offal or blood					
1602		4009	5196	0,6	1187	129,6
	Cane or beet sugar and chemically pure sucrose, in solid form					
1701		19	53	0,0	34	0,0
1702	Other sugars, in solid form	1013	1925	0,2	912	190,0
	Molasses resulting from the extraction or refining of sugar					
1703		60	109	0,0	49	181,7
1704	Sugar confectionery, not containing cocoa	1572	2460	0,3	888	156,5

* As of the date of Ukraine's accession to the World Trade Organisation the Free Trade Agreement between the Cabinet of Ministers of Ukraine and the Government of the Republic of Moldova of November 13, 2003 will enter into force (information enclosed).

1806	Chocolate and other food preparations containing cocoa	10465	12944	1,4	2479	123,7
1905	Bread and other bakers' wares	8705	11995	1,3	3290	137,8
2009	Fruit juices or vegetable juices	2930	3642	0,4	712	124,3
	Sauces and preparations thereof; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard					
2103		4078	5832	0,6	1754	143,0
2202	Waters, including mineral waters and aerated waters	3675	6988	0,8	3313	190,1
2203	Beer made from malt	5289	9893	1,1	4604	187,0
2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher	3321	6102	0,7	2781	183,7
2208	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol	4200	5648	0,6	1448	134,5
2402	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	16251	43148	4,7	26897	265,5
2801-4017	Products of chemical or allied industries	74865	100319	11,0	25454	134,0
	<i>including:</i>					
	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate					
2836		3769	4491	0,5	722	119,2
3102	Mineral or chemical fertilizers, nitrogenous	2106	4411	0,5	2305	209,4
3305	Wadding, gauze, bandages and similar articles	4473	4844	0,5	371	108,3
3901	Polymers of ethylene, in primary forms	2767	3036	0,3	269	109,7
	Tubes, pipes and hoses, and fittings thereof, of plastics					
3917		8832	13182	1,4	4350	149,3
	Other plates, sheets, film, foil and strip, of plastics					
3921		4105	6585	0,7	2480	160,4
4011	New pneumatic tires, of rubber	3602	4405	0,5	803	122,3
7201-8113	Base metals and articles of base metal	111501	151728	16,6	40227	136,1
	<i>including:</i>					
7202	Ferro-alloys	3833	9168	1,0	5335	239,2
7204	Ferrous waste and scrap; remelting scrap ingots of iron or steel	16959	9608	1,1	-7351	56,7
	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot rolled, not clad, plated or coated		9363			
7208		6658		1,0	2705	140,6
	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated					
7210		3947	4621	0,5	674	117,1
7214	Other bars and rods of iron and non-alloy steel, not further worked than forged	22014	35413	3,9	13399	160,9
7216	Angles, shapes and sections of iron or non-alloy steel	9235	13900	1,5	4665	150,5
7306	Other tubes, pipes and hollow profiles, of iron and steel	11681	14948	1,6	3267	128,0
7308	Structures and parts of structures, of iron or steel	3147	3979	0,4	832	126,4
8201-8908	Products of machinery-producing industry	71192	92885	10,2	21693	130,5
	<i>including:</i>					
8309	Stoppers, caps and lids	2030	2040	0,2	10	100,5

8311	Wire, rods, tubes, plates, electrodes and similar products, of base metal or of metal carbides	2236	2433	0,3	197	108,8
8418	Refrigerators, freezers and other refrigerating or freezing equipment, electric or other	6933	10632	1,2	3699	153,4
8419	Machinery, plant or laboratory equipment, whether or not electrically heated, for the treatment of materials by a process involving a change of temperature	2553	1328	0,1	-1225	52,0
8432	Agricultural, horticultural or forestry machinery for soil preparation or cultivation	2279	3831	0,4	1552	168,1
8544	Insulated wire, cable and other insulated electric conductors	13277	12043	1,3	-1234	90,7
8545	Carbon electrodes, carbon brushes, lamp carbons, battery carbons, and other articles of graphite or other carbon, of a kind used for electrical purposes	3445	5444	0,6	1999	158,0
8708	Parts and accessories of the motor vehicles of headings 8701 to 8705	1130	1587	0,2	457	140,4
8602	Other rail locomotives; locomotive tenders	0	2265	0,2	2265	-
8608	Railway or tramway track fixtures and fittings	110	420	0,0	310	381,8
2501-2621	Mineral products	13273	14988	1,6	1715	112,9
2517	Pebbles, gravel, broken or crushed stone	1239	3880	0,4	2641	313,2
2520	Gypsum; anhydrite; plasters	4779	1392	0,2	-3387	29,1
2521	Limestone flux	444	1068	0,1	624	240,5
2523	Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements	4488	238	0,0	-4250	5,3
2618	Granulated slag (slag sand) from the manufacture of iron or steel	828	1646	0,2	818	198,8
2619	Slag, dross (other than granulated slag), scalings and other waste from the manufacture of iron or steel	1471	1016	0,1	-455	69,1
2701-2716	Energy products	209502	198938	21,8	-10564	95,0
2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	12199	19028	2,1	6829	156,0
2710	Petroleum oils and oils obtained from bituminous minerals	118784	77891	8,5	-40893	65,6
2711	Petroleum gases and other gaseous hydrocarbons	13460	11661	1,3	-1799	86,6
2716	Electrical energy	59738	84254	9,2	24516	141,0
4401-4911	Wood and articles of wood	33473	48370	5,3	14897	144,5
4403	Wood in the rough	2364	2790	0,3	426	118,0
4407	Wood sawn or chippen lengthwise, sliced or peeled	7833	11467	1,3	3634	146,4
4410	Particle board and similar board of wood or other ligneous materials	2429	4117	0,5	1688	169,5
4805	Other uncoated paper and paperboard	1804	2966	0,3	1162	164,4

4811	Paper, paperboard, cellulose wadding and webs of cellulose fibres	1963	1928	0,2	-35	98,2
4814	Wallpaper and similar wall coverings	3030	3451	0,4	421	113,9
4818	Toilet paper and similar paper	2404	2999	0,3	595	124,8
5001-6704	Softgoods	7667	8520	0,9	853	111,1
4101-4304						
4101	Raw hides and skins of bovine or equine animals	594	0	0,0	-594	0,0
4104	Leather of bovine or equine animals, without hair on	1538	1448	0,2	-90	94,1
5515	Woven fabric of polyester staple fibre other	124	320	0,0	196	258,1
5603	Nonwovens	196	209	0,0	13	106,6
5702	Carpets and other textile floor coverings, woven	81	580	0,1	499	716,0
5703	Carpets and other textile coverings for floor	381	551	0,1	170	144,6
5907	Textile fabrics, painted canvass	236	304	0,0	68	128,8
6402	Other footwear with outer soles and uppers of rubber or plastics	154	407	0,0	253	264,3
6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials	594	830	0,1	236	139,7
6801-7020	Articles of stone, plaster, cement, asbestos, mica or similar materials	19858	32111	3,5	12253	161,7
<i>Including</i>						
6811	Articles of asbestos-cement, of cellulose fibre-cement or the like	4438	7598	0,8	3160	171,2
6810	Articles of cement, of concrete or of artificial stone, whether or not reinforced	2646	1869	0,2	-777	70,6
6908	Glazed ceramic flags and paving, hearth or wall tiles	1209	3868	0,4	2659	319,9
6910	Ceramic sinks, wash basins	1127	1646	0,2	519	146,1
7005	Float glass and surface ground or polished glass, in sheets	2387	3455	0,4	1068	144,7
9001-9114	Instruments and apparatus	2417	3388	0,4	971	140,2
Miscellaneous		11982	19579	2,1	7597	163,4

COMMODITY STRUCTURE OF PRODUCTS IMPORT
from the Republic of Moldova to Ukraine during 2007
(according to the State Customs Service of Ukraine)

(ths. USD)

HS Code	Products Description	2006	2007	Share in %	2007/2006	
					+, -	%
	Total	122361	168246	100,0	45885	137,5
2701-2716	Energy products	51	172	0,1	121	337,3
2801-4017	Products of chemical or allied industries	10547	15920	9,5	5373	150,9
	<i>including</i>					
3214	Glaziers' putty, grafting putty, resin cements, caulking compounds and other mastics	7643	12295	7,3	4652	160,9
4401-4911	Wood and articles of wood	7454	10374	6,2	2920	139,2
4101-4304 5001-6704	Softgoods	6689	9778	5,8	3089	146,2
	<i>including:</i>					
5702	Carpets and other textile floor coverings, woven, not tufted or flopped	4849	7774	4,6	2925	160,3
7201-8113	Base metals and articles of base metal	13319	13955	8,3	636	104,8
	<i>including:</i>					
7214	Other bars and rods of iron and non-alloy steel	3601	1620	1,0	-1981	45,0
7228	Other bars and rods of other alloy steel	7317	9198	5,5	1881	125,7
8201-8908	Products of machinery-producing industry	8158	13215	7,9	5057	162,0
	<i>including:</i>					
8432	Agricultural, horticultural or forestry machinery for soil preparation or cultivation	866	1225	0,7	359	141,5
8450	Household or laundry-type washing machines	994	948	0,6	-46	95,4
8501	Electric motors and generators	1451	2353	1,4	902	162,2
8544	Insulated (including enamelled or anodised) wire, cable (including co-axial cable) and other insulated electric conductors	555	3207	1,9	2652	577,8
8701	Tractors	614	281	0,2	-333	45,8
0202-2403	Agricultural products	56361	75870	45,1	19509	134,6
	<i>including:</i>					
0806	Grapes, fresh or dried	813	5570	3,3	4757	685,1
1108	Starches; inulin	682	2688	1,6	2006	394,1
1206	Sunflower seeds, whether or not broken	1449	1796	1,1	347	123,9
2009	Fruit juices or vegetable juices	1633	284	0,2	-1349	17,4
2204	Wine of fresh grapes	30648	39282	23,3	8634	128,2
2208	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol.	6776	17121	10,2	10345	252,7
2401	Unmanufactured tobacco; tobacco refuse	4197	1729	1,0	-2468	41,2
2501-2621	Mineral products	7300	18128	10,8	10828	248,3

2520	Gypsum; anhydrite; plasters	5209	5906	3,5	697	113,4
2523	Portland cement, aluminous cement, slag cement	2119	12146	7,2	10027	573,2
6801-7020	Articles of stone, plaster, cement, asbestos, mica or similar materials	10316	9061	5,4	-1255	87,8
7010	Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, of glass	7771	5717	3,4	-2054	73,6
9001-9114	Instruments and apparatus	1522	325	0,2	-1197	21,4
	Miscellaneous	644	1448	0,9	804	0,0

II. Trade provisions.

1. Import restrictions.

1.1. Duties and charges.

The Contracting Parties shall not apply in bilateral trade customs duties and import charges, as well as customs duties, which have an equivalent effect.

1.2. Quantitative restrictions.

Any quantitative restriction or measures, which have an equivalent effect originating from the customs territory of the Contracting Parties shall be eliminated as of the date of entry into force of this Agreement.

No quantitative restriction or measures, which have an equivalent effect on import, shall be introduced in bilateral trade between the Contracting Parties except for their use as a special safeguard measure.

Should one of the Contracting Parties apply import licensing procedures for products originating from the customs territory of the other Contracting Party, such procedures in place must be in conformity with the provisions of GATT Articles I and III as well of the Agreement on Import Licensing Procedures.

1.3. Common customs tariff.

Introduction of the common customs tariff is not envisaged.

2. Export restrictions.

2.1 Duties and charges.

The Contracting Parties shall not apply in bilateral trade customs duties and export charges which have an equivalent effect.

2.2. Quantitative restrictions.

Any quantitative restriction or measures, which have an equivalent effect on export originating from the customs territories of the Contracting Parties shall be eliminated as of the date of entry into force of this Agreement.

No quantitative restriction or measures, which have an equivalent effect on export, shall be introduced in bilateral trade between the Contracting Parties except for their use as a special safeguard measure.

3. Rules of Origin.

Goods originating from the territories of the Contracting Parties shall be goods determined by Regulations on Establishing a Country of Origin as of 30 November, 2000

approved by Decision of the Governments Heads' Council of the Commonwealth of Independent States.

4. Standards.

4.1 Technical Barriers to Trade.

Any technical rule or regulation of the Contracting Parties related to trade shall be drafted, adopted and applied in conformity with the WTO Agreement on Technical Barriers to Trade as of the date of Ukraine's accession to the WTO.

4.2 Sanitary and Phytosanitary Measures.

Any sanitary or phytosanitary measure, which might influence explicitly or implicitly bilateral trade of the Contracting Parties, shall be drafted, adopted and applied in conformity with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures as of the date of Ukraine's accession to the WTO.

Sanitary and phytosanitary measures applied by the Contracting Parties shall be harmonized if possible with the provisions, directives and international recommendations if the latter were created and are currently in place within "Codex Alimentarius", International Bureau of Epizootics and other relevant international conventions.

5. Safeguards.

Nothing in the Agreement shall prevent the Contracting Parties from the use of any measures stipulated in Article XX of GATT 1994.

6. Antidumping and Countervailing Measures.

Nothing in the Agreement shall restrict the right of the Contracting Parties to introduce antidumping measures against goods imported from the customs territory of the other Contracting Party according to the provisions of Article VI GATT 1994 and Agreement on the Implementation of the Article VI GATT 1994.

Nothing in the Agreement shall restrict the right of the Contracting Parties to introduce countervailing measures against products imported from the customs territory of the other Contracting Party according to the provisions of Article VI and Article XVI GATT 1994 and Agreement on Subsidies and Countervailing Measures.

7. Subsidies and State Support.

Any support shall be granted by the Contracting Parties in accordance with the World Trade Organization Agreement on Subsidies and Countervailing Measures.

The Contracting Parties shall ensure transparency of the state support measures, including annual exchange of reports on the total amount of state support and on its allocation, through providing information upon request by the other Contracting Party on the support schemes in individual cases.

Nothing in the Agreement shall restrict the right of the Contracting Parties to introduce countervailing measures against goods imported from the customs territory of the other Contracting Party according to the provisions of Article VI and Article XVI GATT 1994 and Agreement on Subsidies and Countervailing Measures.

8. Provisions concerning specific industries.

Should any of the Contracting Parties find any practice in the agricultural sector is:

- incompatible with the rules on provision of any support by the Contracting Parties according to the WTO Agreement on Subsidies and Countervailing Measures, or
- such practice causes or threatens to cause serious injury to the interest of the Contracting Party in question or to the interest of the domestic industry, it may apply safeguard measures according to the procedure set out in the Agreement. Such measures may

be applied exclusively in accordance with the procedure and conditions adopted by the WTO and any other instrument agreed upon and used in their bilateral trade by the Contracting Parties.

Provisions of this Agreement shall not in any way bind agricultural policy of the Contracting Parties or application of certain measures emanating from the obligation according to this Agreement subject to their compliance with the WTO commitments of the Contracting Parties, in particular the ones set out in the WTO Agreement on Agriculture.

The Contracting Parties shall notify each other of developments in their agricultural policy or application of measures, which might influence the conditions of the bilateral trade in agricultural products, as stipulated in the Agreement. Consultations may be held without delay upon a request of one of the Contracting Parties in order to examine the situation.

9. Other provisions.

The Contracting Parties committed themselves to cooperation in the area of simplification of procedures and reduction of customs formalities existing in trade in goods under this Agreement, in particular with regard to perishable agricultural products.

III. General provisions of the Agreement.

1. Exceptions and Reservations.

Nothing in this Agreement shall prevent the Contracting Parties from applying any measures according to the Article XXI GATT 1994.

2. Accession.

There is no provision in the Agreement allowing other countries to join it as this is a bilateral agreement.

3. Dispute Settlement Procedures.

Any disputes between the Contracting Parties on the interpretation or application of the provisions of this Agreement shall be settled by consensus, preferably by the way of consultations within the framework of the Working Party.

Should the above-mentioned disputes not be solved within the Working Party or three months following the first notification by one of the Contracting Parties of the other of the disputed matter, the affected Contracting Party is entitled to apply measures emanating from its status of a WTO Member, in particular from the Understanding on the Dispute Settlement Procedures, which regulates dispute settlement procedures in the WTO.

4. Relation with Other Trade Agreements.

None of the provisions of this Agreement shall be interpreted and/ or applied in violation of the WTO rules or principles; furthermore, by no means they have interfered with the rights and duties of the Contracting Parties emanating from their status of WTO Members. This Agreement shall not prevent its Contracting Parties from concluding other free trade agreements or their participation in other forms of economic integration (in particular, involving the European Union) or special frontier trade agreements subject to their non-influencing adversely the existing bilateral trade regime, in particular with regard to the rules of origin set out in this Agreement.

Should there be a discrepancy or disagreement in the interpretation of the provisions of this Agreement and provisions of the WTO Agreements, the priority shall be given to the latter ones.

5. Institutional Framework.

The Working Party consisting of representatives of the Contracting Parties shall be established according to the Agreement.

The Working Party shall monitor the application of this Agreement.

In order to implement the Agreement, the Contracting Parties shall exchange relevant information and hold consultations within the Working Party upon request of any Contracting Party.

In order to implement provisions of this Agreement, the Working Party shall be summoned when appropriate by turn in Kyiv or in Chisinau at least one time per year. Any Contracting Party may request the meeting of the Working Party to be held not later than three months starting from the date of request.

The Working Party will adopt its rules of procedure in order to implement this Agreement.

IV. Other Information.

Payments in freely convertible currency related to the trade between the Contracting Parties as well as transfer of such payments to the territory of a Contracting Party where a creditor resides shall be exempt from any restrictions.

The Contracting Parties shall refrain from introducing any currency or administrative restrictions when granting, canceling or obtaining short or medium-term commercial loans if residents area a part of it.

The Contracting Parties shall consider incompatible with the proper execution of this Agreement actions, which cause or might cause limitation of competition, derogation of the lawful interests of the economic agents or consumers as well as those representing unfair competition.

The Contracting Parties acknowledge their willingness to cooperate in the area of trade related intellectual property rights as well as to apply as needed measures stipulated in the WTO Agreement on Trade Related Aspects of Intellectual Property Rights, other international conventions and agreements containing IP protection provisions, members to which the Contracting Parties are.