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Ukraine Rebuked at WTO Meeting

By The Moscow Times

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GENEVA — Ukraine's use of a legal loophole to raise trade barriers around its auto industry, livestock farmers and other sectors met a barrage of criticism at the World Trade Organization as a deadline expired for others to respond to its plan.

Kiev's bid to raise tariff ceilings on 371 goods had already been condemned by trade superpowers such as the United States, the European Union and China, with many diplomats describing it as a potential threat to the entire world trading system.

But the opposition to the move was virtually uniform among the 157 WTO members at a meeting of the WTO's General Council on Tuesday, where countries from Africa, the Caribbean and Pacific regions joined in the condemnation, diplomats said.

"You had close to unanimity in terms of the membership expressing extreme concern about what the Ukraine is doing. They made a very brief response at the end, which I don't think was satisfactory in terms of giving anyone assurances," U.S. Ambassador Michael Punke said as he left the meeting.

"The Japanese ambassador noted that there had been no expressions of support for Ukraine's position and encouraged anyone who supports the Ukraine to raise their flag, and no one did," Punke said.

A WTO official who was present at the meeting said 31 speakers, representing about 127 countries, joined in the criticism. Those who did not speak included India and Russia.

Many said they had met a 90-day deadline to respond to Ukraine's plan, which it announced in a secret document in September.

But they said that by meeting the deadline, they were not signaling any acceptance of the Ukrainian move.

Ukraine's representative told the WTO meeting that Ukraine would start negotiating bilaterally with affected countries. The representative also said that Ukraine was trying hard to comply with WTO rules but that doing so was difficult in the current economic climate, when many industrial countries were restricting trade.

The trade policy was deployed as Kiev struggled with deepening economic problems and worsening relations with the European Union, which has criticized Ukraine's handling of elections and the jailing of former Prime Minister Yulia Tymoshenko.

But trade diplomats say the bid to renegotiate tariffs is just the latest in a line of eccentric and aggressive trade policies from Kiev.

The WTO meeting participants singled out Ukraine for a second helping of criticism when they reviewed the progress of new WTO membership bids. Only Kiev is still holding out against Yemen's attempt to join the club, months after an apparent deal.

The WTO said in July that Ukraine had withdrawn its veto of Yemen after a trio of senior ambassadors was called in and Ukraine bowed to pressure from the rest of the membership.

But an official at the General Council meeting Tuesday said Ukraine was blamed for continuing to block Yemen from joining.

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