

# WORLD TRADE ORGANIZATION

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## **Committee on Regional Trade Agreements Thirty-Fourth Session**

### **CUSTOMS UNION BETWEEN THE KYRGYZ REPUBLIC, THE RUSSIAN FEDERATION, BELARUS, KAZAKHSTAN AND TAJIKISTAN**

### **FREE TRADE AGREEMENTS BETWEEN THE KYRGYZ REPUBLIC AND THE RUSSIAN FEDERATION, UKRAINE, UZBEKISTAN, KAZAKHSTAN AND ARMENIA**

### **FREE TRADE AGREEMENT BETWEEN AZERBAIJAN, ARMENIA, BELARUS, GEORGIA, MOLDOVA, KAZAKHSTAN, THE RUSSIAN FEDERATION, UKRAINE, UZBEKISTAN, TAJIKISTAN AND THE KYRGYZ REPUBLIC**

#### Note on the Meeting of 3 April 2003

*Chairman: Dr. V. Notis (Greece)*

1. The meeting was convened in document WTO/AIR/2056/Rev.1.
2. Under Agenda Items C.IV-X of its Thirty-fourth Session, the Committee on Regional Trade Agreements (hereinafter CRTA or the Committee) took up the fourth round of examination of the following regional trade agreements (RTAs):
  - A. Customs Union between the Kyrgyz Republic, the Russian Federation, Belarus, Kazakhstan and Tajikistan
  - B. Free Trade Agreement between the Kyrgyz Republic and the Russian Federation
  - C. Free Trade Agreement between the Kyrgyz Republic and Ukraine
  - D. Free Trade Agreement between the Kyrgyz Republic and Uzbekistan
  - E. Free Trade Agreement between the Kyrgyz Republic and Kazakhstan
  - F. Free Trade Agreement between the Kyrgyz Republic and Armenia
  - G. Free Trade Agreement between Azerbaijan, Armenia, Belarus, Georgia, Moldova, Kazakhstan, the Russian Federation, Ukraine, Uzbekistan, Tajikistan and the Kyrgyz Republic

#### General Statements

3. The Chairman reminded the Committee that following difficulties which had arisen during the last examination of these Agreements, it had been agreed at the Thirty-First Session of the Committee held in February 2002 that the examination of these Agreements should be continued, but with greater flexibility regarding the deadline set to receive replies to the questions submitted. Since that time no further questions had been received and to date all questions posed by Members had received a response. He noted that this was the fourth round of examination of the seven Agreements concluded by the Kyrgyz Republic with other countries from the former Soviet Union. Previous examinations had taken place in October 2000 and February and July 2001; the proceedings of these meetings had been circulated in documents WT/REG/GEN/M/5-7. In order to avoid unnecessary repetition, he

indicated that the examination of the RTAs would be carried out under three different groups: the customs union agreement, the five bilateral free-trade agreements (FTAs), and the Commonwealth of Independent States (CIS) FTA.

A. EXAMINATION OF THE CUSTOMS UNION BETWEEN THE KYRGYZ REPUBLIC, THE RUSSIAN FEDERATION, BELARUS, KAZAKHSTAN AND TAJIKISTAN

4. The representative of the Kyrgyz Republic informed the Committee of some developments which had taken place within the Eurasian Economic Community (EAEC): the Agreement on the Regulation of Market Access between the customs union member states and services from third parties had been signed on 6 October 2000 and had entered into force for the Kyrgyz Republic on 22 May 2001; the Convention on Privileges and Immunities of the EAEC, which had been signed on 31 May 2001 had not yet entered into force, but had been ratified by the Kyrgyz Republic on 10 April 2002; the Protocol on Arrangements with regard to Information Exchange concerning Transportation of Goods and Transportation Means had been signed and had entered into force on 19 December 2001; the Agreement on Information Exchange between State Tax and Customs Officers of the member states had been signed on 25 January 2002, but had not yet entered into force. He added that the Kyrgyz Republic had recently notified an unofficial translation of newly applied rules of origin signed by the member states in the city of Minsk on 30 November 2002. His delegation had submitted written replies to a number of questions throughout the examination process and he indicated his delegation's willingness to continue to participate in the active and constructive examination of all RTAs to which his country was party.

5. The representative of the United States said that she had already indicated that she wanted to address some housekeeping matters under "Other Business", which had specific relevance to some of the Agreements under examination. Over 20 RTAs were on the agenda of the meeting and the amount of paper alone was quite unprecedented and presented difficulties for her capital-based experts. She expressed her appreciation for the Kyrgyz Republic representative's update on recent developments, but was not in a position to assess if this had resulted in changes to any of the operative provisions of the Agreements under examination. Many of these Agreements seemed to be a moving target, which made their assessment difficult. She hoped to provide questions about the status of some of these changes and what they meant for the pre-existing Agreements.

6. The representative of Japan voiced similar concerns to those just expressed by the representative of the United States. After investigation of these Agreements it was apparent that some of the Parties to the customs union had, in fact, formed bilateral free trade agreements between themselves and some had bilateral FTAs with some of the 11 countries of the CIS FTA. Given the complexity of the situation, he wondered if there were any plans to integrate or streamline these Agreements.

7. The representative of the Kyrgyz Republic replied that he was fully aware of the concerns of delegations and conceded that there was a certain lack of confidence on the part of WTO Members about the intention of the member states of the customs union to create a fully-fledged customs union. He agreed that fuller information as regards law enforcement and the common customs tariff were expected from his delegation, but he drew attention to the fact that, of the five members of the customs union, only the Kyrgyz Republic was a WTO Member. Thus his delegation had some difficulty in explaining how the work would progress until he had a clear picture of the foreseen bound rates of the members of the customs union which were in the process of accession to the WTO. He pointed out that at one of the last meetings of the CRTA, the examination of the FTA between the Kyrgyz Republic and Moldova had been concluded, which had demonstrated that it was easier to consider the RTAs of countries once they became Members of the WTO. To the best of his knowledge, work towards the conclusion of the EAEC was ongoing and was being coordinated

between five capitals. He asked Members to bear this difficult situation in mind when considering the examination of this Agreement.

8. The representative of the United States thanked the representative of the Kyrgyz Republic for his explanation and agreed that it was easier for the Committee to review agreements between WTO Members. While underlining the importance of the Kyrgyz Republic notifying these Agreements, she conceded that the Committee might need to wait until other members of the customs union acceded to the WTO in order to get a clearer idea of the situation. She asked the representative of the Kyrgyz Republic to provide his comments on the latest developments in the customs union in writing as this would enable her delegation to see if it had further questions.

9. The representative of Japan echoed the previous speaker's concern, saying that his delegation would attempt to study the Agreement and looked forward to receiving more information, but had no intention at this point to submit further questions.

10. The Chairman said that the fourth round of examination of the customs union between the Kyrgyz Republic, the Russian Federation, Belarus, Kazakhstan and Tajikistan had enabled the Committee to clarify a number of points but some remained pending. He invited delegations with questions to submit them in writing to the Secretariat by the end of May and that the Parties should provide replies by the end of October 2003. Once the replies had been circulated to Members, he indicated that it might be possible to take up any request for further information without holding an additional round of examination; otherwise the examination of the Agreement would be taken up at a forthcoming meeting of the Committee.

B.-F. EXAMINATION OF THE FREE TRADE AGREEMENTS BETWEEN THE KYRGYZ REPUBLIC AND THE RUSSIAN FEDERATION; UKRAINE; UZBEKISTAN; KAZAKHSTAN; AND ARMENIA, RESPECTIVELY

11. The Chairman said that this was the fourth round of examination of the first four of these five Agreements: the first, second and third rounds of examination had taken place in October 2000 and February and July 2001, with the corresponding minutes distributed as documents WT/REG/GEN/M/5-7. He added that this was the second round of examination of the FTA between the Kyrgyz Republic and Armenia; the previous round had been held in June 2002 and the minutes had been distributed as WT/REG114/M/1. He suggested that the Agreements be considered together, it being understood that this would have no effect on the examination *per se*, as each Agreement would be judged on its own merit and have its own report with its own conclusions.

12. The representative of the United States indicated that her general comments made in relation to the EAEC Agreement also applied to this set of Agreements. Given the intricate relationships between these Agreements, her capital had not yet been able to examine them in detail, and while these countries were not the United States' largest trading partners, her delegation still had a systemic interest in these Agreements. She added that she considered it premature to conclude the examination of these five Agreements as her delegation might have further questions.

13. The Chairman said delegations wishing to submit questions on the free trade agreements between the Kyrgyz Republic and the Russian Federation, Ukraine, Uzbekistan, Kazakhstan and Armenia should do so by the end of May. If, in the light of these questions and replies, the Committee found there to be no need to continue with the factual examination, the Committee could consider the examinations concluded. Otherwise a further round of examination could be scheduled.

G. FREE TRADE AGREEMENT BETWEEN AZERBAIJAN, ARMENIA, BELARUS, GEORGIA, MOLDOVA, KAZAKHSTAN, THE RUSSIAN FEDERATION, UKRAINE, UZBEKISTAN, TAJIKISTAN AND THE KYRGYZ REPUBLIC

14. The Chairman said this was the fourth round of examination of this Agreement; the first, second and third rounds of examination had taken place in October 2000 and February and July 2001, with the corresponding minutes distributed as documents WT/REG/GEN/M/5-7. He drew the Committee's attention to the recently distributed document WT/REG82/5, which contained information on rules of origin applied under this Agreement.

15. The representative of the Kyrgyz Republic said that the document on rules of origin had been submitted in response to questions raised by the representatives of Korea and the United States. He reminded delegations that it was an unofficial translation: should any discrepancies or misunderstandings arise because of language, delegations should submit questions to the Secretariat in writing. With regard to the progress in the CIS FTA, he said he had no additional information in terms of streamlining this particular Agreement with other bilateral FTAs signed by the Kyrgyz Republic.

16. The representative of Korea said his delegation would study the recent document on rules of origin in more detail and sought clarification about the relationship between the rules of origin of this Agreement and the EAEC customs union: was there any duplication or overlapping between this Agreement and those of the customs union? Did the Kyrgyz Republic maintain individual rules of origin for each FTA, or were common rules of origin established for the customs union and the bilateral RTAs of the Kyrgyz Republic? The representative of the Kyrgyz Republic asked the Korean representative to submit his questions in writing.

17. The Chairman said that some questions on the Free Trade Agreement between Azerbaijan, Armenia, Belarus, Georgia, Moldova, Kazakhstan, The Russian Federation, Ukraine, Uzbekistan, Tajikistan and the Kyrgyz Republic remained pending. He proposed that Members wishing to submit further questions do so by the end of July and that the Parties provide replies by October 2003. In response to a request by the representative of the Kyrgyz Republic, the Chairman agreed to extend the deadline for the submission of replies by the Parties till the end of November.

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