

Press-release

February 20th, 2007

Chamber "In Focus" Meeting with Mr. Petro Verbitskiy and Mr. Volodymyr Gorzheev

The Chamber Agriculture Committee and Working Group on Certification were pleased to host Mr. Petro Verbitskiy, Deputy Minister of Agrarian Policy of Ukraine, and Mr. Volodymyr Gorzheev, First Deputy Head of the State Department of Veterinary Medicine, at the Chamber "In-Focus" Meeting dedicated to the discussion of many important industry-related issues.

Initially the Meeting was focused on new draft legislation, recently developed by Peoples Deputies, on re-establishment of obligatory certification for imported agricultural food products. Guest speakers noted that the legislative base regulating the food control sphere in Ukraine is rather well developed and the core efforts should be targeted on the development of regulatory acts, which would guide the activity of the veterinary service. Mr. Verbitskiy informed attendees about the meeting chaired by Vice-Prime-Minister of Ukraine, Mr. Dmytro Tabachnyk, devoted to this very issue. During that meeting all concerned parties came to a mutual agreement not to introduce changes into the acting legislation, but to develop regulatory acts aiming to make it fully applicable.

Speakers also covered the issue of functional division on food safety and quality control between veterinary and sanitary authorities. According to Mr. Gorzheev, there is no duplication of functions between the State Veterinary Department and the State Sanitary Service, since the first institution is in charge of processing enterprises, and the second one is responsible for the public food sphere and trade in food products.

During the questions and answer session many issues were raised. In particular, the problem of veterinary document issuance for finished commodities was discussed. Mr. Verbitskiy assured attendees that there will be no supporting veterinary documents for transportation of goods within the territory of Ukraine in the future. Ukraine's objective is to gradually reach European standards in this matter. He also mentioned that this and other existing difficulties in the sector can be resolved due to the effective implementation of the Law "On Veterinary Medicine", which, in its turn, requires adoption and implementation of at least 20 regulatory acts to be finalized in the next six months.

On the whole, Mr. Verbitskiy defined stability as a priority for Ministry of Agrarian Policy of Ukraine, and characterized the agrarian sphere as that of high potential for both domestic and foreign investors.

In regards to the grain quota issue, Deputy Minister of Agrarian Policy underlined that non-market methods cannot be applicable to the market environment, and, hopefully, recent developments will not take place again in the future. In his view, the grain licensing resulted from fear to provide the Ukrainian internal market with a sufficient amount of grain. One of the mechanisms to eliminate similar problems is to develop the system of warehouse certificates identifying actual quantity of grain that is stored.

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In closing, Mr. Verbitskiy expressed his positive impressions of the meeting, and declared his readiness to actively cooperate with the Chamber on a variety of industry related issues

The Chamber Policy Team will continue to monitor the situation with these problem issues maintaining contacts with appropriate State officials, who are among key decision-makers in this area.

The American Chamber of Commerce in Ukraine (“Chamber”) is among the most active and effective non-government, non-profit business organizations operating in Ukraine. One of our principal activities is to represent the foreign investment community as well as to facilitate the entrance of potential new investors into this market.

We advocate on behalf of our Members that are from more than 50 nations across the globe not only to the Ukrainian government, but also to all other governments, which are economic partners of Ukraine, on matters of trade, commerce, and economic reform. The Member organizations of the Chamber represent the largest strategic and institutional investors operating in Ukraine who have committed a majority of the foreign direct investment into this market. Our diverse Membership base unites companies from a variety of regions and countries, including North America, Europe, Asia, Russia, and Ukraine. Our Members collectively employ hundreds of thousands of Ukrainians, providing them with exposure to international business practices and the opportunity to develop into leading Ukrainian professionals. Our Members also bring international expertise and business knowledge to Ukraine, are among some of the largest taxpayers in Ukraine, and strive to be good corporate citizens.

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