

GOVERNMENT OF THE REPUBLIC OF LITHUANIA

RESOLUTION No 1122

**ON TEMPORARY ECONOMIC MEASURES TO FACILITATE THE EXPORT OF
LITHUANIAN GOODS, PROTECT THE INTERNAL MARKET AND
STRENGTHEN LITHUANIA'S POSITION THEREIN**

17 September 1998

Vilnius

Taking into account the changes on the Russian monetary and financial market and increased import duties levied on goods imported to Russia, the Government of the Republic of Lithuania has resolved:

1. To approve temporary economic measures to facilitate the export of Lithuanian goods, protect the internal market and strengthen Lithuania's position therein (attached hereto).
2. To assign the Ministry of National Economy to co-ordinate and supervise the enforcement of the present resolution.

Prime Minister

Gediminas Vagnorius

Minister of Economy

Vincas Babilius

APPROVED
Resolution No. 1122
of 17 September 1998
by the Government of the Republic of Lithuania

Temporary Economic Measures to Facilitate the Export of Lithuanian Goods, Protect the Internal Market and Strengthen Lithuania's Position Therein

Measure (comments)	Expected effect or substantiation	Legal acts	Date of implementation	Responsible executive authority
Measures to promote export (improved formation of working capital and funding possibilities)				
Value-added tax				
1. To draft a supplement to the Government Resolution on the temporary extension of the payment deadline (up to 60 days) for VAT on imports for industrial enterprises that import certain raw materials and supplies to produce export goods.	It will help the specified enterprises resolve the problem of working capital shortage related to the Russian financial crisis and expand their financial possibilities.	To draft a supplement to the Resolution of the Government of the Republic of Lithuania.	25 September 1998	Ministry of Finance, Ministry of National Economy
2. To establish cases of an immediate refund of VAT on exported goods to enterprises which import raw materials and supplies for the purposes of production of goods for export, after such enterprises have presented documentary evidence referred to in Order No. 183 "On the Recognition of Goods as Exported"	It will help the specified enterprises resolve the problem of working capital shortage related to the Russian financial crisis and expand their financial possibilities.		25 September 1998	Ministry of Finance, State Tax Inspectorate under the Ministry of Finance, Customs Department under the Ministry of Finance

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adopted on 7 August 1998 by the Customs Department under the Ministry of Finance to the effect that the goods have been dispatched from the territory of the Republic of Lithuania.				
3. To recognise the fact of export by sound economic entities on the basis of information stored in the magnetic carriers of a territorial customs office.	It will improve the financial possibilities of enterprises.		Implemented: Order No. 183 "On the Recognition of Goods as Exported" adopted on 7 August 1998 by the Customs Department under the Ministry of Finance.	Customs Department under the Ministry of Finance
Profit tax				
4. To ensure the implementation of the provisions of the Law on Taxes on Profits of Legal Persons of the Republic of Lithuania: territorial customs offices shall immediately examine and make relevant decisions about the reduction of advance payments of profit tax or relief from such payments due to diminished income from sales related to the Russian financial crisis.	It will help the specified enterprises resolve the problem of working capital shortage related to the Russian financial crisis.	To draft a decision by the head of the State Tax Inspectorate under the Ministry of Finance.	Without delay.	State Tax Inspectorate under the Ministry of Finance

Measure (comments)	Expected effect or substantiation	Legal acts	Date of implementation	Responsible executive authority
Arrears				
5. To draft an Order of the Minister of Finance concerning Article 52 ¹ of the Law on the Administration of Taxes of the Republic of Lithuania (procedure of postponement of payment of tax arrears to the budget and funds) by the Minister of Finance.	It will help the specified enterprises resolve the problem of working capital shortage related to the Russian financial crisis.	To draw up an order by the Minister of Finance.	25 September 1998	Ministry of Finance, State Tax Inspectorate under the Ministry of Finance
Export and import insurance				
6. To supplement Government resolutions regulating the activities of the Lithuanian Export and Import Insurance Company in order to remove the remaining obstacles to the company's successful performance and expand political risk insurance (insurance settlements from the Export Development Fund).	It would enable to release the working capital by utilising LTL 60 million allocated to guarantee the company's activities (commodity loans and political risk insurance)	Government Resolution No. 713 "On Business Development Measures" of 3 July 1997 (<i>Official Gazette</i> , 1997, No. 65–1587)	25 September 1998	Ministry of National Economy, Lithuanian Export and Import Insurance Company, Ministry of Finance, Bank of Lithuania
7. To establish a procedure for partial coverage of commodity loan commercial risk insurance contributions from the Lithuanian Export Development Fund.	This measure is currently used to subsidise export loan insurance contributions. Such subsidy assistance will be expanded.	To draw up an order by the Minister of Economy.	20 October 1998	Business Development Council under the Ministry of National Economy
8. To authorise the Ministry of Finance which is the holder of the Government shares in the public company Lithuanian Insurance as well as the Ministry of National Economy which is the holder of Government shares in	It will provide for guarantees in case of an insurance event.	To draft a resolution of the Government of the Republic of Lithuania.	October 1998	Ministry of Finance, Ministry of National Economy

Measure (comments)	Expected effect or substantiation	Legal acts	Date of implementation	Responsible executive authority
the private company Lithuanian Export and Import Insurance to find reinsurers.				
Measures to regulate foreign trade				
Import duties				
9. To amend and supplement Government Resolution No. 268 "On the Procedure of Export and Import Regulation in the Republic of Lithuania" of 24 March 1997 (<i>Official Gazette</i> , 1997, No. 27–645).	It would enable to adequately react to changes in import duties levied on Lithuanian goods by Russia.	To submit a draft resolution of the Government of the Republic of Lithuania	September 1998	Ministry of National Economy, Ministry of Agriculture, Customs Department under the Ministry of Finance
10. To increase conventional and autonomous import duties on meat, milk, sugar, grain and their products to the current level of tax reliefs granted during WTO membership negotiations.	It would reduce the import of specified goods to Lithuania.	Draft amendments to Government Resolution No. 268 of 24 March 1997	1 October 1998	Ministry of Agriculture, Ministry of Foreign Affairs, Ministry of National Economy
11. To introduce an automatic licensing of meat offal, poultry and fish imports.	It will prevent the violation of legal acts concerning the import and use of specified products.	Draft amendments to Government Resolution No. 268 of 24 March 1997	31 December 1998	Ministry of Agriculture, Ministry of Finance
12. To draw up proposals on the establishment of a structural unit within the Customs Department under the Ministry of Finance to administer entries for goods and customs valuations as well as to determine price validity.	The unit will deal with customs valuation more effectively, providing for larger public revenue from imported goods.	Proposals to the Government of the Republic of Lithuania on the establishment of the specified structural unit and allocation of funds	September 1998	Customs Department under the Ministry of Finance, Ministry of Finance, Ministry of Finance

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13. To create a system of compensation measures for customs duties (anti-subsidy measures).	These measures will counter the import of subsidised products.	To draw up a draft law.	1 January 1999	Ministry of Finance, State Competition and Consumer Protection Office under the Government of the Republic of Lithuania
Measures to protect the internal market				
14. To create more favourable conditions for the Lithuanian producers to sell their goods on the internal market and restrict possibilities to sell contraband goods therein. To this end:				
14.1. to draft amendments to the Law on Trade of the Republic of Lithuania;	It would improve trade control, restrict possibilities to sell contraband goods on the internal market, create equal marketing conditions for enterprises and natural persons with valid selling licences.	Law on Trade of the Republic of Lithuania (12 January 1995, No. I-747)	by 1 October 1998	Ministry of National Economy
14.2. to draft amendments to the Regulations on Retail Trade;	“	Regulations on Retail Trade approved by Resolution No. 1496 “On the Approval of the Regulations on Retail Trade and Exchange of Goods Purchased in Commercial Enterprises of the Republic of Lithuania “ adopted by	by 25 September 1998	Ministry of National Economy

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		the Government of the Republic of Lithuania on 27 November 1995 (<i>Official Gazette</i> , 1995, No. 98–2194)		
14.3. to draft Regulations on Retail Trade in Tobacco Products and Regulations on Licensing Retail Trade in Tobacco Products.	“		by 25 September 1998	Ministry of National Economy
15. To propose that the Seimas of the Republic of Lithuania adopt a new version of the Law on Public Procurement by emergency procedure.	It would create more favourable conditions for Lithuanian producers to sell their goods on the internal market.		Submitted for discussions to the Seimas of the Republic of Lithuania.	Ministry of National Economy, Public Procurement Service under the Government of the Republic of Lithuania
16. To complete a draft Government Resolution on public procurement of Lithuanian goods and services from municipal and Government funds of the Republic of Lithuania.	“		by 25 September 1998	Ministry of Finance, Ministry of National Economy
17. To approve new obligatory quality indicators for ethyl alcohol and alcoholic beverages in compliance with the requirements of the European Union.	It would help introduce more stringent quality requirements for imported beverages.	Order No. 68 passed on 2 December 1994 by the Lithuanian Standards Department under the Ministry of Public Administration Reforms and Local Authorities	by 15 December 1998	Lithuanian Standards Department under the Ministry of Public Administration Reforms and Local Authorities, Lithuanian State Control Inspection, Ministry of Agriculture
18. For the following purposes, to improve the control over the				

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implementation of the adopted legal acts which protect the internal market from contraband goods harmful to consumers and create more favourable conditions to sell locally produced goods:				
18.1. to ensure that the goods imported to and produced in Lithuania are labelled in accordance with the Regulations approved by Order of the Ministry of National Economy No. 137 of 16 April 1998;	It would enable to sell more goods produced in Lithuania and identify illegal importers more easily.		by 1 January 1999	Ministry of National Economy, State Competition and Consumer Protection Office under the Government of the Republic of Lithuania, State Quality Inspection, State Public Health Centre, State Hygiene Inspection, State Nutrition Centre, State Tobacco and Alcohol Control Service under the Government of the Republic of Lithuania
18.2. to reduce the import of goods with an almost expired shelf life and ensure that the shelf life of goods is not extended.	It would increase the competitiveness of Lithuanian-made goods and their sales.		Without delay.	State Competition and Consumer Protection Office under the Government of the Republic of Lithuania, State Quality Inspection, State Public Health Centre, State Hygiene Inspection, State Nutrition Centre
19. To monitor the quality and safety of foodstuffs brought to Lithuania in order to find out the reasons behind	It would prevent imports of low-quality goods.	In accordance with the monitoring results, to draft amendments to the	by 15 October 1998	Ministry of Health Care, Veterinary Service under the Government of the Republic

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the import of low-quality foodstuffs, identify the violators of the established import procedure and draw up proposals on the import of foodstuffs to Lithuania.		procedure of importing foodstuffs to Lithuania (Government Resolution No. 1106 “On the Approval of the Import of Foodstuffs to Lithuania and the Procedure of Safety and Quality Control” of 9 October 1997 (<i>Official Gazette</i> , 1997, No. 93–2338).		of Lithuania
20. To ban the import of products to the Republic Lithuania if they are not accompanied by a conformity certificate issued according to the established procedure in Lithuania or by an approved certification authority abroad to the effect that the said products comply with safety requirements.	It would ensure the protection of the internal market from non-certified and falsified products and create more favourable conditions for the Lithuanian producers to sell their goods.	Government Resolution No. 593 “On the Obligatory Assessment of Conformity of Construction Materials, Manufactured Articles, Products and Equipment” of 12 June 1997 (<i>Official Gazette</i> , 1997, No. 57–1298), Government Resolution No. 474 “On Obligatory Certification of Electronic Household Appliances” of 22 June 1992 (<i>Official Gazette</i> , 1992, No. 24–729).	by 15 October 1998	Ministry of Environment
		Order No. 160/144 “On Obligatory Certification	by 15 October 1998	Ministry of National Economy

Measure (comments)	Expected effect or substantiation	Legal acts	Date of implementation	Responsible executive authority
		of Conformity to Safety Requirements for Household and General Use Electronic Devices” adopted on 29 June 1998 by the Ministry of Industry and Trade and the Lithuanian Standards Board under the Ministry of Public Administration Reforms and Local Authorities		
		Government Resolution “On Obligatory Certification of Computing Machinery” of 26 June 1997	by 15 October 1998	Ministry of Communications
21. To draw up proposals on strengthening the structural unit within the State Competition and Consumer Protection Office under the Government of the Republic of Lithuania to analyse and supervise anti-dumping issues.	In an effort to prevent foreign export to Lithuania at dumping prices, it is necessary to strengthen the specified structural unit which addresses antidumping issues in order to speed up the solution to these questions.	To draft a Government Resolution on the appointment of 2-3 additional full-time employees in the antidumping unit.	September 1998	State Competition and Consumer Protection Office under the Government of the Republic of Lithuania, Ministry of Finance, Ministry of National Economy
22. To speed up the enforcement of „Codex Alimentarius“ and European Union veterinary and phytosanitary standards and regulations.	It would impede the import of low-quality, harmful or possibly harmful goods.	implementation of Government resolutions	subject to provided terms	State Veterinary Service, State Plant Protection Service

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23. To speed up the preparation and application of European Union technical regulations.	It would improve the conditions of export to the European Union and reduce the import of low-quality products.	implementation of adopted resolutions, organisational measures	subject to provided terms	ministries, other competent authorities
24. To draw up proposals to the Ministry of Finance on the introduction of more stringent control over the verification of the origin of imported goods.	It would reduce the import of low-quality and contraband goods, increase the influence of the Lithuanian manufacturers on the domestic market, stop the import of goods with illegally issued or falsified certificates of origin.		September 1998	Customs Department under the Ministry of Finance
25. To submit proposals to the Government of the Republic of Lithuania on improving the classification of foodstuffs after having considered the possibility of equalising import conditions for analogous products.	It would provide for better opportunities to buy up the meat produced by Lithuanian livestock breeders and protect their interests.		25 September 1998	Ministry of Agriculture, Customs Department under the Ministry of Finance, Ministry of Foreign Affairs
Negotiating measures				
26. To draft an agreement between the Government of the Republic of Lithuania and the Government of the Russian Federation on additional measures to develop bilateral trade.	Discussions of the draft agreement are scheduled for the meeting between the Prime Minister of Lithuania and the head of the Russian Government (after being discussed and co-ordinated by the working group of the established commission). It	It is necessary to sign an interim agreement between the Government of the Republic of Lithuania and the Government of the Russian Federation on improving bilateral trade.	September 1998	Ministry of National Economy, Ministry of Foreign Affairs, Ministry of Agriculture, Lithuanian Industrialists' Confederation, National Employers' Confederation

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	provides for measures to liberalise bilateral trade and facilitate the export of goods originating in Lithuania.			
27. To draft a protocol between the Lithuanian Ministry of National Economy and the Russian Ministry of Industry and Trade on additional measures to liberalise bilateral trade.	The draft protocol provides for the co-ordination of a list of exported and imported goods whereon zero or preferential customs tariffs are levied and respective quotas are set.	To sign a protocol between the Lithuanian Ministry of National Economy and the Russian Ministry of Industry and Trade (after having signed an agreement on additional measures to develop bilateral trade)	September-October 1998	Ministry of National Economy, Ministry of Foreign Affairs, Ministry of Agriculture, Lithuanian Industrialists' Confederation, National Employers' Confederation
28. Taking into account the current changes on the Russian monetary and financial market, to discuss possible economic measures at a meeting of the Lithuanian group of the Lithuanian and Russian bilateral governmental commission for commercial, economic, scientific and technical, and cultural co-operation.	The commission will discuss measures to boost the activities of both working groups and speed up the preparation of agreements to be signed during the Lithuanian Prime Minister's visit to Russia.		September 1998	Ministry of Foreign Affairs, Ministry of National Economy, Ministry of Finance, Bank of Lithuania
29. To speed up the co-ordination of the draft agreement between the Government of the Republic of Lithuania and the Government of the Russian Federation for the avoidance of double taxation of income and on			1998	Ministry of Finance, State Tax Inspectorate under the Ministry of Finance, Ministry of Justice, Ministry of Foreign Affairs

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capital.				
30. To speed up the co-ordination of the draft agreement between the Government of the Republic of Lithuania and the Government of the Russian Federation on co-operation in fishery as well as its initialisation.			September 1998	Ministry of Agriculture, Ministry of Foreign Affairs
31. To start negotiations with the European Union regarding the increase in export tariff quotas for butter, condensed milk and milk powder (currently fully taken up and exceeded).	It would increase the export of specified goods to the European Union.		31 December 1998	Ministry of Foreign Affairs together with Ministry of Agriculture
Other organisational measures				
32. To establish a temporary Centre to monitor and analyse the consequences of the crisis in Russia.	The Centre would gather and analyse information and pass it on to the Government of the Republic of Lithuania.	Decree of the Minister of national Economy	September 1998	Ministry of National Economy
33. To re-examine some transit terms and conditions and consider among other things the option of using SMGS waybills instead of a customs declaration for transit goods, also to submit opinions and proposals.	The declaration of cargoes via SMGS waybills would reduce declaration and transportation costs.		September 1998	Customs Department under the Ministry of Finance
34. To draft Government Resolution No. 692 "On the Approval of the Procedure of Establishment of Customs Warehouses and their	It would enable Lithuanian carriers to avoid discriminatory restrictions imposed by the Russian party.		September 1998	Customs Department under the Ministry of Finance

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Regulations” of 4 August 1994 (<i>Official Gazette</i> , 1994, No. 61-1210) and lift restrictions on keeping the goods transported through external transit at customs warehouses.				
35. To draw up proposals on granting loans to Lithuanian economic entities which sell Lithuanian-made goods on credit in other countries.	It will facilitate the sales of Lithuanian-made products.		September 1998	Ministry of Finance, Ministry of National Economy, Bank of Lithuania
36. To differentiate electricity prices subject to electricity consumption.	It will enable to accumulate working capital.		September 1998	Ministry of National Economy
37. To consider the possibility of allocating funds to certification establishments and testing laboratories.	It will expand the capacity of control.		September 1998	Ministry of National Economy, Lithuanian Standards Department under the Ministry of Public Administration Reforms and Local Authorities, Ministry of Finance
Additional organisational measures				
38. To submit proposals to the Government of the Republic of Lithuania on additional measures to strengthen border control.	It will reduce the amount of contraband goods.		25 September 1998	Ministry of the Interior, Ministry of Finance, State Security Department of the Republic of Lithuania
39. To submit proposals to the Government of the Republic of Lithuania on draft legal acts co-ordinated on preferential basis.	It will enable to speed up the harmonisation of legal acts necessary to create a favourable business		September 1998	Ministry of National Economy, other ministries and authorities

Measure (comments)	Expected effect or substantiation	Legal acts	Date of implementation	Responsible executive authority
	environment.			
