



A SPECIAL TRADE PARTNERSHIP

An Interview with Ihor Sanin, Head of Ukraine's Trade Mission in Canada, to the Ukrainian Herald

The Trade and Economic Mission of Ukraine in Canada established by the Ministry of Foreign Economic Relations and Trade of Ukraine, has been operating for over a year. It was first established in Toronto on July 2, 1994. Since January, 1995, the Mission has been working out of Ottawa under the patronage of, and in close cooperation with, the Embassy of Ukraine in Canada.

Ihor Sanin has been head of the Trade and Economic Mission since it was opened. His experience includes work with the state planning institutions of Ukraine, the Chamber of Commerce and Industry of Ukraine and the Ministry of Foreign Economic Relations and Trade of Ukraine.

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What sort of trade relations have developed between Canada and Ukraine?

I should say that trade relations between these two countries are continuing to develop, that they are developing without interruption, and that they have reached a qualitatively new phase. This phase is conditioned by the creation of a system of agreements as the basis for bilateral economic relations. At present, both Canada and Ukraine have ratified Canadian-Ukrainian bilateral agreements on trade and commerce, on economic cooperation, and for the promotion and protection of investments. To the point, the Agreement on Investments became law on July 24, while the Agreement on Trade and Commerce and the Agreement on Economic Cooperation came into effect on August 8. I should like to take advantage of this opportunity to congratulate investors from both countries - from now on, they will have firmer support from our two governments.

At the foundation of the treaties between the governments of our two countries is a unique venture - the principle of a special partnership. To give this principle practical content is the most immediate task of the two sides, so that the principle does not remain an empty catch-phrase.

The government of Ukraine appreciates highly Canada's extension of its preferential system to include Ukraine, which is further evidence of the recognition of Ukraine as a country with a transitional economy. I think that such trade incentives to Ukraine are among the main features that we are looking for in this special partnership. I should also include here the consultative assistance which the government of Canada is providing on the matter of Ukraine's accession to the GATT/WTO.

What changes have there been in the last year in trade between Ukraine and Canada?

I should say, first of all, that stable positive trends toward growth in the scope of trade have been established in the import-export relations between our two countries. The volume of this trade is still relatively small. In Canada's international trade, Ukraine occupies something like 60th place in imports to Canada and 70th place in exports from Canada. Among the countries of Central and Eastern Europe and the countries of the former Soviet Union, Ukraine is in 10th place for imports to Canada and 6th place for exports from Canada.

At the same time, in 1994 there was a 12% growth in Canada's imports from Ukraine, compared to 1993, and in the first six months of this year there was a 14% growth compared to the same period in 1994.

During 1994, Ukraine maintained a positive balance of trade with Canada. A negative balance appeared this year as a result of a sudden surge of Canadian exports to Ukraine: in June, 1995 in comparison to June, 1994, it soared by 6 times, and consequently turnover between our two countries increased by 2.5 times.

I am convinced that the Canada-Ukraine market has unlimited potential. This is the market for the prudent entrepreneur, which should be considered as a long-term market because it is at the beginning of its development.

What are the main commodities between Canada and Ukraine?

Following is the structure of Ukrainian exports:

primary iron and steel products	30.0%
magnesium products	22.3%
products of the textile and sewing industry	21.0%
equipment for sports and outdoors	4.5%
electro-technical products	3.9%
primary aluminum products	3.5%
axles for rail transport	3.2%

The export of rolled metals (including steel) for January-June of this year is already almost double that of last year.

Compared to the period January-December, 1994, the export to Canada of axles for rail transport almost tripled in the period January-May of this year while the export of machinery and tools has increased by 60%, 18 times as much printed products was exported, the market of magnesium and aluminum products opened up, as did the markets for angles and special shapes of iron and non-alloyed steel, basalt products, non-cotton natural textiles, and what have you.

The structure of Canadian exports to Ukraine is:

Machinery (compressors, boilers, households appliances)	58.5%
Textile products	7.1%
Hardware for use in building	6.3%
Optical devices and photography equipment (laboratory and domestic)	6.2%

Which Canadian provinces are most involved in trade with Ukraine?

Among the provinces of Canada, Ukraine's biggest trading partners in the first half of this year have been Quebec (57.2%), Ontario (30.3%), Saskatchewan (6.2%) and, in decreasing order, British Columbia, Alberta, Nova Scotia, New Brunswick and Manitoba.

In May of this year, conferences called "Business with Ukraine" were held in Montreal, Winnipeg, Saskatoon, Calgary and Vancouver. The conferences were organized by the Canada-Ukraine Chamber of Commerce, Ukraine-Quebec Business Council, and the Trade and Economic Mission, with the support of the government