



## \$266 MILLION INVESTED BY FOREIGNERS IN 1995; CANADA \$18 MILLION

May 7, 1996... A total of US\$266 million in foreign investment was directed into Ukraine's economy during 1995, according to the Foreign Investment and Loan Department in Ukraine's Ministry of Economics.

This brings the total amount of foreign capital invested in Ukraine since independence to \$1.0687 billion.

Foreign investors were most interested in domestic trade (17.8% of the total volume), engineering and metal work (14.7%), the food industry (13.8%) and foreign trade (9.7%).

Other sectors of Ukraine's economy that attracted foreign investment were construction (as of January 1996 Cyprus had invested \$8.49 mln. into this sector and Switzerland - \$2.67 mln.), ferrous metals (Cyprus - \$2.29 mln., Switzerland - \$2.36 mln.), and the chemical industry (U.S. - \$3.38 mln., Switzerland - \$3.38 mln.). Leading in foreign investment is the United States with \$202.79 mln. as of January 1, 1996, followed by Germany (\$129.57 mln.), Great Britain (\$47.47 mln.), Cyprus (\$38.59 mln.), Russia (\$37.8 mln.), Switzerland (\$35.24 mln.), Hungary (\$19.51 mln.), Poland (\$18.93 mln.) and Canada (\$17.69 mln.). (Ukrainian News)

## WORLD BANK LOAN FOR AGRICULTURE, COAL

Kyiv, April 17, 1996 ... The World Bank signed a conditional agreement extending a \$700 mln. loan to support Ukraine's agricultural sector. Among the conditions attached are that Ukraine must cancel its moratorium on land sales for six years and guarantee that farmers will receive actual land and not merely certificates.

The bank also agreed to extend a \$250 mln. credit to support structural reforms, and \$170 mln. to set up an export guarantee fund. The first portion of a \$250 mln. credit to reform Ukraine's coal industry is to be made available in the coming months. (EE)

## UKRAINIAN BANKS ADMITTED TO VISA

March 11, 1996... The National Bank of Ukraine (NBU) and seven Ukrainian banks were admitted by the Visa International board as principle members, and resolved at a joint meeting to create a unified processing

# UKRAINE-NATO COURT SPECIAL RELATIONSHIP

## NATO Chief Woos Kyiv

Secretary-General Javier Solana visited Ukraine in April and said he wanted to strengthen the relationship between Ukraine and the western alliance. "Ukraine is a cornerstone of stability in Europe," he said. "We attach great importance to Ukraine's independence and want to maintain and enhance our relationship with it."

In the first visit by a NATO chief to Ukraine, Solana met with President Leonid Kuchma, the foreign and defence ministers and the deputy speaker of the Supreme Rada, Ukraine's parliament. Solana said he wants to enhance cooperation in the technological, economic and military fields, and that NATO and Ukrainian officials should jointly tackle arms control issues, including the withdrawal of all nuclear weapons from Ukraine. Kyiv has welcomed NATO efforts to broaden the relationship but -- wary of a disgruntled and powerful Russian neighbour -- has insisted it intends to remain neutral. Still, Ukraine has continued to stress that NATO expansion cannot be blocked by Russia or any other third country. Ukraine is participating in the NATO Partnership for Peace Program and has received \$10 million from Washington to increase joint exercises with U.S. troops. Solana thanked the Ukrainian government for contributing to the peace effort in Bosnia.

Solana opened his tour of candidates for Alliance membership in Eastern Europe in Kyiv in order to confront Ukraine's worries that expansion could mean deployment of nuclear arms on its borders. Ukrainian leaders told the NATO chief they wanted a closer relationship with the alliance. Kuchma told Solana that, while Ukraine does not seek accession to NATO, it may reconsider that position, following the Russian Duma's resolution invalidating the dissolution of the USSR.

Ukraine's National Security Council Secretary Volodymyr Horbulin said that Ukraine is examining new approaches with NATO, including the membership in the political but not the integrated military organization.

Statements such as those of Kuchma and Horbulin also reflect an increasingly confident approach to the issue of cooperation with NATO, evidenced as well in Ukraine's active participation in military exercises with NATO countries.

## Ukraine Cornerstone of Regional Stability, says U.S.

April-May 1996... U.S. Secretary of State Warren Christopher served clear notice to NATO heads in Prague, that NATO will expand into the former Soviet bloc, and advised Russia not to try to reverse history. He said forces in Russia presented the world with a "dark vision" of the future when the Duma, the Lower House of the Russian parliament, voted in favour of reconstituting the Soviet Union.

Christopher came to Prague from Kyiv, where he said that Ukraine "is especially important to stability and security in this region." That is one reason "why we will participate in a major military exercise in Ukraine this summer." President Kuchma said that Ukraine was interested in still closer cooperation with NATO, requiring political stability as never before.

Inspired by the U.S. support, Kuchma later attended an international conference in Geneva, where he delivered another speech on Ukraine's position toward NATO expansion, "Ukraine is not against the idea of NATO expansion, since the organization unites all democratic countries,... but if Ukraine joined any of the military blocs, this may disturb the balance of international security. However, the future of Ukraine might not be necessarily of a non-bloc state."

At an international conference in Warsaw on "The Rebirth of Ukraine," First Deputy Foreign Minister Anton Buteiko, said that Kyiv regards NATO as a key factor in the security of Europe and does not object to its eastward enlargement. No country is entitled to veto NATO enlargement. He urged NATO and the Central and European countries to the west of Ukraine to follow Norway's model, ruling out the deployment of nuclear weapons and allied bases and troops on the territories of those countries in peacetime.

Estonian president Lennart Meri, in addressing a meeting of the North Atlantic Council, said that the erosion of Belarus's sovereignty "adds to the significance of Ukraine as an anchor of stability in Eastern Europe... The secret key to the West's friendly coexistence with Russia is Kyiv. And that key will be broken if Ukraine is broken."