



We have established a comprehensive framework of commercial agreements with Ukraine

In July 1995, we signed, ratified and then brought into effect, a bilateral trade agreement with Ukraine that extends most favoured nation treatment to Canadian goods. A Foreign Investment Agreement was also signed, ratified and brought into effect in August 1995. Under this agreement both countries undertook to protect each other's investments, not to interfere with the repatriation of their companies' profits, dividends, royalties; in case of dispute, a company would have the right to resort to international dispute settlement mechanisms; and in case either party would wish to abrogate the agreement, it would need to abide by the terms of the accord for at least an additional ten-year period. An Economic Cooperation Agreement was also brought into effect in August 1995. It provides for the establishment of an Intergovernmental Economic Commission that would allow government-to-government consultation on economic issues and a review of private sector interests and activities.

On March 4, 1996 we signed with Ukraine a Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital. Under this agreement, which we hope to bring into effect by January 1997, each country is to recognize the other country's taxation regime in its imposition of taxes on a company active in the territory of the other country.

In addition to negotiating a conducive framework of trade agreements, we have devoted considerable effort to trade promotion activities.

Under our fairs and missions program for 1996, there were buyers from Ukraine who attended the "Globe 96" exhibition in Vancouver, 'Buildtech' trade exhibition in Toronto, and buyers who will attend the "National Petroleum Show" in Calgary and the "Western Canada Farm Progress Show" in Regina. We are also planning to have information booths at Selchos - a food processing technology and agricultural machinery and equipment exhibition - and "Dreamhouse - Modern Household Technology" exhibition in Ukraine this fall (See Exhibitions and Conferences, page 66).

The Minister of International Trade, the Honourable Art Eggleton recently announced that in cooperation with the Canada-Ukraine Chamber of Commerce, he will lead a major business mission to Ukraine. This mission is likely to occur in the fall of 1996. We are looking forward to developing a

comprehensive program of meetings for the Canadian business people. During the Minister's visit, he is scheduled to preside over the inaugural meeting of the Canada-Ukraine Intergovernmental Economic Commission (IEC). We intend to focus the IEC meeting on practical business oriented results. We envisage that the working groups, to be composed largely of business people, will be established in key sectors that will identify the opportunities, the obstacles as well as develop a coherent action plan for their sectors.

We are also actively cooperating, with the provinces and other federal government departments. In October 1995, Premier Roy Romanov led a very successful mission to Ukraine which focused on Saskatchewan's interests in the agri-food and oil and gas areas. We are also looking forward to continue assisting the Canada-Ukraine Business Initiative which is to combine a symposium, trade show and business networking event with investment match-making and trade development. This event is being coordinated by the Western Diversification Office and will likely take place in Edmonton in the spring of 1997.

In addition, our post in Kyiv will continue to provide the normal assistance of an experienced trade commissioner - to identify opportunities for Canadian business, to introduce Canadian business people to key Ukrainian interlocutors, to develop a rapport with local importers and business people, and when necessary to make the appropriate representations to the authorities.

The Renaissance Eastern Europe program, by reducing the level of risk in doing business in Ukraine, continues to provide tangible benefits to Canadian business. The strength of the program lies on its dependence on the private sector as the vehicle to transfer expertise directly from the Canadian firm to the Ukrainian partner. Since its inception in 1991, the Renaissance program has funded 42 projects in Ukraine and the assistance provided is valued at approximately \$2.2 million.

Our policy remains to promote Canadian commercial relations with Ukraine and encourage Canadian business to look seriously at Ukraine as a place to do business.

# Potential and Priorities

by Ihor Sanin, Head, Trade and Economic Mission to Canada, Ukraine. Excerpts from a presentation to the conference, "Doing Business in Ukraine", Toronto, May 2, 1996.

Ukraine's Trade and Economic Mission in Canada welcomes this Toronto Trade Show as a brave initiative of Canadian private enterprise and an important contribution in promoting trade among Ukrainian and Canadian business circles.

As the official trade representation with Ottawa and Toronto offices, the Mission's principal business is to facilitate the trade contacts between Canadian and Ukrainian businessmen, to help them meet each other, and to supply them with useful commercial information. It represents economic interests on behalf of the Ministry for Foreign Economic Relations and Trade of Ukraine. Working with the Ukrainian Embassy, the Mission is



Head of Ukraine's Trade Mission to Canada Ihor Sanin joins other speakers at the "Doing Business in Ukraine" Conference in Toronto.

deeply involved in intergovernmental negotiations. We have close ties with authorities in all Ukraine's 25 oblasts. Representatives from some of these Departments are here today, and they have actively assisted Ukrainian exporters and entrepreneurs in participating in today's trade-show.

Ukrainian goods and services exports in 1995 increased by 18.5 % compared to 1994. Major export goods remain metallurgical products (31%), machinery (15%), and agro-sector products (17%). Raw materials and primary farm products make up 57% of trade transactions. The flow of international investments for the last year was 38% larger than in 1994. As the English say: "When it rains, it pours".

Yet, this picture also has economic hardships, such as a 12% decline of GDP. An engineer of aerodynamics will tell you that a