

FOR THE RECORD

Is Our "Special Relationship" Finally Coming to Fruition?

Editorial, *Ukrainian News*, Nov. 6-19, 1996

Canadian Foreign Minister Lloyd Axworthy's visit to Ukraine produced several agreements and opened the door for many more, raising hopes that this trade mission may finally lead to the realization of Canada's "special relationship" with Ukraine.

Up to the time of this visit, this "special relationship" was anything but that when it came to Canada-Ukraine trade and investment.

Only 97 Canada-Ukraine joint ventures operated on the eve of the visit, as compared with 400 German-Ukrainian and 700 Polish-Ukrainian ones. Last year's trade turnover amounted to \$63.53 million - 72% of which was accounted for by Canada's exports to Ukraine. Furthermore, one province accounts for 63% of all Canadian trade with Ukraine. Ironically, that's Quebec - a province with just over 2% of Canada's Ukrainian population, as compared with 25% of the population as a whole.

Where are the diaspora Ukrainians is a question that has often been raised in Ukraine's media.

"Even those Canadians, for whom Ukraine is not simply a newly-created state, but the historic fatherland, are not, so far, rushing in to open their business with us," commented the Kyiv newspaper "Den" on the eve of Axworthy's visit.

"There are, of course exceptions," it continued. "But the majority, are still waiting - the situation is still too unstable. Patriotism may be patriotism, they say, but to invest money - that's a different matter. Such was the attitude of the diaspora, and such, to a large degree it still is, so what is there to say about those who are not burdened with patriotic feelings."

Hopefully this will soon change. The Axworthy visit resulted in \$600 million worth of agreements being signed. This figure represents 30% of all foreign investment that had been funneled into Ukraine during the first five years of its independence. However, this speaks more for the woefully low level of past investment, than it does for the high volume of these Canada-Ukraine ventures.

It should be noted that two thirds of this \$600 million is accounted for by the SNC Lavalin (again a Quebec company) deal to build a World Trade Centre in Kyiv, and this figure does not represent an immediate investment, but an amount that will be spread over several years.

Nevertheless, there were other notable successes. After four years of negotiations, Toronto-based Northland Power finally signed an agreement valued at \$150 million to renovate the Darnytsia Power Plant in Kyiv, which will supply electricity and district heating to 900,000 people in the Kyiv area. This should make Northland President James Temerty one of the leading candidates (along with UkRan Oil's Ed Southern) for the "perseverance when dealing with Ukrainian bureaucrats" award. The Darnytsia project will produce a significant savings for Ukrainian imports of natural gas and increase the availability of electricity in the Kyiv area.

Several other deals were signed including the Ukraine Enterprise Corporation's \$5 million investment agreement with Lviv's Electron Bank, Western Combines \$12 million joint venture to produce grain harvesting machinery in Ukraine, and Air Canada's designation as a carrier. Others may soon be forthcoming, including Lateral Vector's bid to develop the Buhrevatsky field in Sumy oblast. And, at the time of this writing, Uk-Ran should be starting work in neighboring Chernihiv oblast.

All of this is an important start. Hopefully it will lead to the fruition of this "special relationship" so often touted.

Additional References:

The following are some of the articles and speeches available to Subscribers from the Monitor:

- **A Change of Priorities**, by Matthew Kaminski. FINANCIAL TIMES, Oct. 7, 1996.
- **Ukraine and the media: A question of image?** UKRAINIAN NEWS, Oct. 9-27, 1996, 6-7.
- **Europe: Russia eyes the world.** THE ECONOMIST, Nov. 23, 1996, 51.
- **Ukraine caught in crunch between Russia and West: Ex-Soviet republic finds former masters reluctant to let go.** OTTAWA CITIZEN, Nov. 1, 1996, F9.
- **Russia sinking Ukraine's dreams of a mighty navy; Sabotage.**, by Geoffrey York. GLOBE AND MAIL, Dec. 2, 1996.
- **Zbigniew Brzezinski: Ukrainians had better get on with the job of transforming their country,** Interview with Matt Walter. EASTERN ECONOMIST, Oct. 14, 1996, 3.
- **Russia still threatens Ukraine's stability: Analysis**, by Taras Kuzio. UKRAINIAN WEEKLY, Nov. 17, 1996, 2.
- **Foreign investment crucial to breaking Russia's hold.** UKRAINIAN NEWS Editorial, Nov. 20 - Dec. 3, 1996.
- **NATO pushes into the east**, by Eric Margolis. OTTAWA SUN, Dec. 16, 1996, 11.

The Source for Ukrainian

Cassettes, CDs, Videos, Dance Music, Books, Language Tapes, Dictionaries, New Children's Books, Software, Gifts, Maps, Stationery, Artwork, Easter Egg Supplies & More!

Call for your FREE copy of the NEW Yevshan

1997 UKRAINIAN CATALOG

1-800-265-9858 (Canada & U.S.A.)

Yevshan Corporation Box 325, Beaconsfield, Quebec, Canada H9W 5T8
tel. (514) 630-9858 fax (514) 630-9960 e-mail: info@yevshan.com
internet: www.yevshan.com

Come visit our Montreal warehouse if you're in the area!

Language and Travel Guide to Ukraine:

Handy reference anticipating what a traveller should know: visas, airlines, tours, sightseeing, maps of cities, regional highlights and culture. Some language guide-lines. 360 pp. photos. (in English) ITEM # BP270 \$22.95

Map of Ukraine: NEW! published by Maplink. 1:1,200,000 scale, high-quality color map includes cities and villages in English and Ukrainian. ITEM # BP678 \$8.95

Learn Conversational Ukrainian: Concise course for English speakers to learn basic conversation and useful phrases. Includes three full-length cassettes and quick-reference booklet. Learn basic greetings, questions, requests, conversation. VOL. 1 - ITEM # BL248 \$29.95 VOL. 2 - ITEM # BL250 \$29.95

Rozmovnyk: Concise course for Ukrainian speakers to learn basic English. Includes three full-length cassettes and quick-reference booklet. Learn basic greetings, questions, requests, conversation. ITEM # BL264 \$29.95

A History of Ukraine: NEW! by Paul R. Magocsi. With focus on the peoples of Ukraine, the text covers history, political science, religion, geography. 40 maps, 20 tables. 880 pp. ITEM # BH810 paper \$45 ITEM # BH811 cloth \$90

Don't miss our advertised weekly specials, catalogs and newsletters!
Browse through over a thousand unique Ukrainian gift, entertainment and educational products! Call for information today!