



Left - Executive Director Bohdan Myndiuk addresses the CUCC meeting, which brought together more than 100 participants from Ukraine and Canada. Right - one of the IEC sessions.

- agreements;
- a hope for broader industry consultation and changes in the "Energy and Other Natural Resource Production Sharing Agreement" legislation;
- a requirement for simpler certification and approval processes for new products, particularly agricultural machinery;

- a need for more information on Canadian companies interested in working in Ukraine;
- a petition seeking reduction in tariffs and VAT on seed potatoes; and,
- a desire for more and simpler financing for Canadian exports.

These concerns and hopes presented a timely report card and gave the players a challenge. Highest priority is being given to the problem of outstanding difficulties in providing financing for Canadian sales into Ukraine. Canada wants to see Ukrainian purchasers, particularly in the agricultural sector, gain accelerated access to Canadian Export Development Corporation financing.

In advance of the next IEC, progress on Ukraine's accession to the World Trade Organization (including progress on the bilateral access negotiations) will be necessary, as well as some simplification of Ukrainian procedures for company registration and Ukrainian taxation. Progress on the latter front is essential to open the door for more Canadian investment in the key energy sector, thus providing greater energy self-sufficiency for Ukraine.

The Canadian government indicated it wanted to see a meaningful number of new joint business enterprises, and steps from Ukraine to demonstrate that bilateral trade is indeed a priority.

The co-chairs also discussed the Ukrainian proposal to add Science and Technology as a fourth sector for the IEC. Canada is a strong supporter of this suggestion, and has asked officials in Ukraine for specific details of the proposal.

### Economic Failure - Threat to Ukraine's Freedom

Canada's Ambassador Christopher Westdal called the business people venturing into Ukraine to improve trade and investment as "the foot-soldiers of Ukrainian freedom".

"The real threat to the fulfillment of Ukraine's freedom is not military," he emphasized at a reception in the Canadian Embassy. "It is the palpable risk of economic failure. Real security guarantees for Ukraine are not in multilateral agreements with security organizations... the ones that count are investment, job opportunities and a better life for everyone. Ukraine now has the best chance in many centuries to celebrate some characteristics other than endurance."

### CUCC/CUBI Update

Key players in Ukraine's banking industry have expressed a great interest in bringing one of the major Canadian banks to Ukraine, as this would create a more stable banking environment. This view was expressed in several CUCC meetings with deputies, the President of the Ukrainian Bankers Association Oleksandr Suhoniako, and presidents of Ukrainian banks.

Toronto-based CUCC has had a representative office in Kyiv since 1995 and has launched a new membership drive in Ukraine. Two years ago, a new group was created in Western Canada - the Canada-Ukraine Business Initiative (CUBI). Last June, they organized CUBI '97 as part of the second meeting of the IEC in Calgary, attracting more than 150 Ukrainian business and government leaders and senior ministers from Ukraine, including former PM Pavlo Lazarenko. CUBI's Investment and Development Conference and sectoral programs in Calgary, Regina and Winnipeg proved highly successful, with \$900 million major agreements signed.

Following the IEC meetings, the Executive Boards of the CUCC and CUBI held a joint meeting in Winnipeg to develop a framework for future cooperation. Discussions are also being held with officials of Foreign Affairs, CIDA, provincial governments, and embassies in both Kyiv and Ottawa, on funding mechanisms and economic measures to support future bilateral projects and activities in Ukraine.

## Canada's Objectives and Priorities under the IEC

### Objectives:

- to promote to Ukrainian decision-makers projects of significant importance to Canadian firms that require intervention to overcome systemic and other obstacles;
- to advocate broader systemic change and economic reform within Ukraine with a view to eliminating in the future the need for this kind of preferential intervention;
- to identify specific and general impediments to conducting business with Ukraine - to attract new business people to the Ukrainian market; and
- to identify new business opportunities for the Canadian business community.

### Main Priorities:

- to resolve the outstanding difficulties in providing financing for Canadian sales into Ukraine;
- to see progress on Ukraine's accession to the World Trade Organization (including progress on the bilateral access negotiations);
- to achieve simplification of Ukrainian procedures for company registration and Ukrainian taxation; and
- to ensure that there are a meaningful number of new business enterprises and business opportunities if the IEC is to grow and progress.

The regular IEC sessions are important in two respects: They establish an ongoing process open to the business communities in both countries. They maintain a steady focus on the issues and projects raised and achieve progress on resolving problems and advancing opportunities.