



insignificant. Now, we appreciate there are explanations for that. We realize that export and import conditions in Ukraine appear rather complicated, what with the various seemingly unjustified procedures and numerous bureaucratic obstacles that discourage a potential partner's interest in the Ukrainian market. That is precisely why we are now starting, in earnest, to remove these obstacles. The export system is going to be simplified. A more effective mechanism of stimulating export sales of production will be established. Indeed, one of my first acts as President was to issue a number of Decrees to address these problems – one decree, in particular, "On Improving Currency Regulation," and another "On Measures to Ensure Currency and Export Control."

These changes have begun to improve the situation but, naturally, they are only a beginning.

They are, however, an indication of the changes which are yet to come as we transform our system into a market economy. As far as Ukrainian-Canadian trade relations are concerned, both government and business have taken the first steps to nurture the relationship. Last March, for instance, the Inter-governmental Agreement on Trade and Commercial Relations was signed. At the same time, a Joint Declaration on Special Partnership was signed which provides considerable incentive to develop Ukrainian-Canadian relations. Just yesterday, in Ottawa, we signed an agreement to establish an inter-governmental commission for economic and scientific and technical cooperation.

Trade circles in both countries are becoming more active, as well – as today's conference organized by the Canada Ukraine Chamber of Commerce clearly demonstrates. To make our trade contacts with Canada more active, we have opened a trade office in Canada. We have taken the first steps to develop contacts with the Canadian Exporters Association, and there is considerable potential for cooperation with the Canadian Importers and Canadian Manufacturers Associations.

By the way, this past spring, our Embassy brought these associations together with the Ukrainian Union of Industrialists and Entrepreneurs, which includes 96 manufacturers in the electronics industry, 128 producers of agricultural machinery, and the leading enterprises of practically all branches of the Ukrainian economy. This is a voluntary organization that brings together numerous companies – without regard, I might add, for the form of ownership – in other words, it involves newly privatized companies, as well as state-run and cooperative enterprises.

One of the most attractive forms of commercial cooperation – at least, to judge by its success to date – is the joint venture. Canadians and Ukrainians have set up literally dozens of joint ventures in our country, many of them in the priority sectors of our economy. This type of project successfully combines the needs and potential of both Ukraine and Canada. These ventures work because Ukraine not only

possesses extensive raw materials for manufacturing, but also has considerable scientific knowledge and a highly qualified workforce.

Combining these conditions with modern Canadian technologies, management skills and marketing expertise allows us to develop products destined not only for Ukraine's domestic market, but also for export to third countries.

This is what we need in Ukraine – the technologies, the management skills, the marketing expertise. These are the kinds of things you can share with us without worrying about the long distance that separates our countries. These are not the kinds of things that depend on uninterrupted transportation to be of benefit.

One promising area of cooperation, then, is joint manufacturing in Ukraine for the transportation industry (such as shipbuilding, carriage building and aircraft production) – all of which require considerable amounts of metals, construction materials, assembly skills and so on, which we have, and the latest technology from you. From an economic viewpoint, establishing joint ventures is fully justified in the science-intensive and low material-intensive industries (such as electronics, telecommunications and light and medical industries) – where the volume of foreign inputs is usually small.

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**"Ukraine is one of the largest European countries not only in terms of area and population, but also in terms of scientific and industrial potential. Why then is it virtually unknown in the business circles of Toronto, specifically, and Canada in general?"**

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There are quite a few examples of such Ukrainian-Canadian cooperation, and many new areas to be explored. For example, in light industry, where Canadian partners can contribute their share not only in technologies, but also raw materials, taking finished products to Canada as well as to markets of other countries. Or, for example, in the pharmaceutical and biotechnology fields – areas which, I know, are well developed in Toronto. We know that the existence of a thriving biotechnology industry accelerates the production of pharmaceuticals. We will be actively promoting investments in this field for Ukraine because we need these medical products.

The potential for cooperation with companies in Toronto and the province in general is tremendous. We can use your help in a variety of areas, including the latest in electronics, production techniques, application of telecommunication technology, food processing, to name but a few.

And we have a lot to offer you. Ukrainian scientists have outstanding scientific knowledge and can help with the fundamental and theoretical scientific developments that interest

Canadian firms. We have expertise in space, aviation, maritime research and technologies, electrical welding, power engineering, new materials, mathematics, nuclear, physics, biology, information science and cybernetics.

In addition, conversion of the military industrial complex, and the accident management program at Chernobyl present great potential for cooperation.

For example, we propose using Ukraine's expertise in ballistic missiles for non-commercial projects and scientific research. We believe the low price we can offer for such launches will open a new market for us and, if managed properly, could save the industry.

In short, ladies and gentlemen, it is difficult to name a field in which there is not the potential for collaboration between Ukraine and Canada. And there is no better time than now to take advantage of the opportunity.

Ukraine does have considerable scientific and technical and industrial potential, and has already demonstrated world-level developments and achievements. Yet, the shift from our old production arrangements, with their assured markets in the former Soviet Union, toward a market economy has left us with shrinking markets and uncertainty. As a result, production in our factories has slowed down or, in some cases, ceased. It is vital that we breathe new life into them, to start them going again with an impetus for further development. That is why we need foreign investment and expertise. And when our potential is realized, Ukraine will not be the only one to benefit – so, too, will those companies that showed confidence in Ukraine and invested in joint ventures.

We want to do business with Canada – indeed, with all countries – and we are convinced that this cooperation will be mutually beneficial. But for that potential to be realized, naturally, first we need capital, assistance and, equally important, mutual understanding.

I cannot finish without saying a few words about opportunities for cooperation in the agribusiness sector, especially in the field of processing agricultural products. The world knows that nature has endowed Ukraine with fertile lands. It is heart-breaking then – and yes, frustrating – to see my country lose 20%, 30%, or sometimes even more, of its harvest because of the inadequacy of food processing and storage technologies – or, worse, their total absence. That is why we have singled out this field as a priority. That is why we are interested in attracting Canadian and other foreign technologies in this area – joint ventures such as the Ault Foods project, for instance. With proper processing and storage of our agricultural production, we could become not only self sufficient once again, but major exporters of food – earning the hard currency which we need for energy, rather than spending it. Of course, the foreign partner would also benefit from such an outcome..."