



there is too close a linkage between Canada's economy and that of the US. This occasionally makes Canada dependent on decisions taken outside her borders -- decisions which may not always be in her best interest. At times Canada's economy is perturbed seriously by the actions of her powerful neighbour. One example of this may even be the US recession, which has been dragging Canada's economy in the last years. Such impacts are now becoming attributed to the interdependence of the US-Canadian economies.

This similar problem stands before Ukraine. But it is more critical, since Ukraine's economy is dangerously intertwined with all the countries of the former Soviet Union, at a time when each is simultaneously implementing a restructuring. These countries are, therefore, far from reliable partners:

The portion of exports from Ukraine to these countries today reaches more than 85% -- Ukrainian exports to Russia alone are nearly 70%. Our imports from these countries are close to 75% -- with the portion from Russia constituting 50%. However, in the first half of 1992, not one of these countries was able to meet its obligations for delivery of supplies to Ukraine. Among these figures, for instance, the level of Russian commitment barely reached 75%, and Georgia's - only 16%. Moreover, it is strategically self-defeating for all these countries to remain oriented on a market which has so long been based on low expectations of production quality and service. Producers (who were often sole suppliers in this market) still hesitate to enter general production at the international level.

Thus the necessity to diversify external-economic ties is a pressing problem for both our nations. The question that remains is this: Is there a basis for us to expect Canadian businesses to be interested in setting up working arrangements with businesses in Ukraine, and vice versa?

Little is known in the outside world, not only in Canada, because of the lack of

information about the potential opportunities for business in Ukraine.

Let's look at some facts on UKRAINE:

- *Ukraine is one of the world's richest countries in the vastness and diversity of its natural resources. The State cadastre keeps account of some 5,500 deposits of minerals of almost 70 varieties. Among them are black and brown coal, iron and manganese ores, kaolin, as well as natural gas, titanium-zirconium and mercury ores, native sulphur, graphite, rock and potassium salts and others. Found on the territory of Ukraine are commercial deposits of phosphoric ores, gold, amber as well as deposits of pyrites, zeolites, mineral dyes, and abrasives.*
- *Ukraine was a vital agricultural, industrial and scientific centre of the former Soviet Union. It produced a quarter of meat products, 21% of dairy products, 80% of pasta, 55% of vegetable oil, 46% canned vegetables and 30% of flour traded among the former republics. Ukraine produced 23% of the USSR's coal, 35% of its ferrous metals, 41% of rolled steel, nearly half its iron ore, 22% of bricks, 33% of televisions, 25% of computers and automation equipment, 22% of tractors, 31% of harvesters and 56% of rail cargo cars.*
- *Production of basic products per capita of population in Ukraine is significant: electricity - 5,361 kWh; coal (output) - 2,609 kg; steel - 866 kg; commodity iron ore - 1,645 kg; mineral fertilizers - 82 kg; chemical fibres and threads 2.6 kg; cements - 417 kg; granulated sugar - 73,9 kg; vegetable oil - 19.2 kg; bread and bakery products - 128.6 kg; TV sets (per 100 of population) - 7 pcs.; domestic refrigerators (per 100 of population) - 1.7 pcs. Production of coal is more than 100 million tons, electricity output - near 280 thousands million kWh; production of commodity iron ore is 85.5 (48.3 in terms of the 100% content of metal)*

million tons and manganese ore - 6.6 (2.1) million tons. Ukraine exports iron and manganese ores in large quantities.

- *Gross yield of grain in 1991 was 38,674 thousand tons; sugar beet - 36.300 th.t.; vegetables - 5,932 th.t; potatoes - 14,550 th.t; maize (for grain) - 4,747 th.t.*

It's worthwhile to point out that the natural integration of Ukraine's economy to the global trade-economic system, to cooperation with such developed countries as Canada, would permit it to immediately ensure the elimination of its two biggest fundamental problems:

- It would secure a reasonable level in the quality of life for its citizens, and
- It would provide economic security for the nation along the course of diversification in keeping with its external-economic ties.

There is no doubt that, once they have joined forces, businessmen from Canada and Ukraine will also feel more confident in the **European Community** market and other markets. Such is the strategy of the Canadian company **Northland Power** which has already fulfilled its main goal: It combined into one project the technological accomplishments of the USA, Canada and Ukraine in the field of thermal-electro-energetics, and proceeded to initiate a "pioneer" project in Ukraine on the basis of this specialized symbiotic technology. This company now plans to establish similar projects in other countries.

It would seem that this is also a very forward-looking strategy for cooperation which harness and advance the scientific-technological potential of both Ukraine and Canada. The realization of such a strategy offers wide-ranging additional possibilities for the practical