



Foreign Minister to Lead Trade Mission to Ukraine

Canada's Foreign Minister Lloyd Axworthy will lead a senior business development mission to Ukraine in October 1996, in cooperation with the Canada-Ukraine Chamber of Commerce. The focus of the mission will be to develop business opportunities for Canadian firms, particularly in the oil and gas, agri-food, and construction and building materials sectors. Minister Axworthy will also preside over the opening and closing sessions of the inaugural meeting of the Canada-Ukraine Intergovernmental Economic Commission (IEC).

The planned Ministerial Mission to Ukraine is most timely. Ukraine has made considerable progress in its economic reform process and in its transition to a full-fledged market-oriented economy. It is poised to enter a period of economic growth, with considerable business opportunities emerging for foreign companies that have positioned themselves in the Ukrainian market.

Monitor editors recently spoke to Minister Axworthy in Ottawa on his visit and his reflections on Canada-Ukraine relations, past, present and future.

- Mr. Minister, how do you assess the evolution of Ukraine on the world stage since its independence in 1991?

Ukraine's efforts and successes in developing its international relations over the past five years have been quite remarkable. This is, after all, a country which had virtually no experience in international diplomacy and foreign relations until its declaration of independence in August 1991. Since independence, it has been involved in a positive way in some of the central issues facing Europe and the world. We know that it has been working hard to establish good relations with Russia, aiming at resolving bilateral irritants such as the basing of the Black Sea fleet. It moved quickly to renounce nuclear weapons, advancing the cause of non-proliferation. Ukraine has participated in peacekeeping operations in the former Yugoslavia; joined the Council of Europe; negotiated a major agreement with the G-7 on the closure of the Chernobyl nuclear station by the year 2000; and is establishing an enhanced relationship with NATO.

At the same time, Ukraine has been building ties with a diverse array of countries such as China and Brazil. All these steps are

the mark of a nation whose international relations are maturing.

- What would you recommend to the Ukrainian government in its dealings with Europe, European Council/EU/NATO and western countries? Its neighbours, CIS and Russia?

It is up to Ukraine to set the course in its dealing with other countries and international organisations, of course. If there is one piece of advice I can offer, it is not to lose sight of the connection between its economic reforms and its international position. The greatest guarantor of security is a strong economy.

Beyond this, I would encourage Ukraine to continue the constructive course it has followed to date, remaining engaged on a broad range of issues and building a network of partnerships that will help it deal with the major challenges it faces in the months and years ahead - particularly on the economic front.

On the security side, relations with the Organization for Security and Cooperation in Europe - which has an important role to play in resolving tensions in Crimea - and with NATO are both important. Canada is very engaged in working with Ukraine on security issues. A Canadian foreign service officer is heading up the OSCE mission in Ukraine. We are NATO's official contact point in Kyiv, allowing us to help shape the emerging enhanced relationship between the Alliance and Ukraine. So Canada has a good sense of the challenges facing Ukraine in these fronts. We are working with Kyiv to see that these are addressed.

- How do you see its progress in the areas of democratic and economic reforms?

As everyone knows, Ukraine got off to a slow start in its reforms. A lot of opportunities were lost between 1991 and 1994. The corner was turned at the October 1994 G-7 Conference on Ukraine's Economic Transformation, which we hosted in Winnipeg. Canada's early interest in Ukraine and our unique insight into that country allowed us to play a major and significant role in getting the rest of the industrialised world to focus attention on the problems that were



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Minister Axworthy toasts President Kuchma during his 1994 historic State Visit to Canada.

facing the newly-elected Kuchma government. This conference helped lay out some basic guidelines for Ukraine and got its reforms on track.

Transforming a command economy and a one-party political system into a Western-style democracy with a free market is obviously a difficult task. In this context, the passage of a new constitution in June 1996 was a giant leap forward. With a modern constitution that clarifies the lines of authority and entrenches the right to private property, Ukraine is well positioned to pick up the pace and increase the breadth of its reforms.

- What is the most important thing that Ukraine should do to encourage foreign investment and trade?

Ukraine has a lot of potential: a well-educated population, some solid high-tech industries such as aerospace, and a good geographic location, close to Central and Western Europe. But until businesspeople are convinced that they can make a profit in Ukraine, they aren't going to take advantage of these assets. The new constitution and the economic reforms implemented to date will help. Cutting red-tape and simplifying laws relating to taxation, trade and investment are the next steps.