



Ukraine's PM Pavlo Lazarenko inspects military honour guard and receives a warm greeting from Prime Minister Jean Chrétien.

Ukraine's PM in Canada Special Friendship Brings Business

The second chapter in reinforcing the special relationship between Canada and Ukraine and Ukraine's security through economic stability was successfully written in June 1997.

Following up on an October '96 Canadian Trade Mission to Kyiv, a delegation of more than 150 Ukrainian business and government leaders and senior ministers accompanied Ukraine's Prime Minister Pavlo Lazarenko to Canada to talk business. Matched by an equal number of Canadian counterparts, they participated in the 2nd meeting of the IEC (Intergovernmental Economic Commission), a major Canada-Ukraine Investment and Development Conference and a series of sectoral workshops organized under the umbrella of CUBI '97 (Canada-Ukraine Business Initiative). It was Canada's most ambitious economic summit with Ukraine to-date.

CUBI itself is a private sector venture supported by the governments of Canada, Alberta, Saskatchewan and Manitoba and facilitated by the Canadian Institute of Ukrainian Studies. It organized elaborate programs in three sectors, coordinating them with major trade shows strewn across the Canadian Prairies -- energy/oil and gas (Calgary), agriculture/agri-food (Regina), and construction/building products (Winnipeg).

By the end of the visit, announcements heralded nearly \$900 million dollars in bi-

lateral agreements - albeit some of which were the finalization of deals from the previous Trade Mission. Organizers also cited excellent prospects for even higher investment. Given that, in the six years since its declaration of independence Ukraine has seen only a little over \$2 billion in foreign investment, Canada has become one of Ukraine's biggest foreign investors and contributors to Ukraine's economy.

International Economic Commission

Official business started with the second meeting of the IEC, the centrepiece of the Canada-Ukraine Economic Cooperation Agreement at the posh Spruce Meadows Centre just outside Calgary. The IEC was created during Foreign Affairs Minister Axworthy's visit to Ukraine last October to identify specific projects and sectors of interest for Canada-Ukraine economic cooperation and to act as a forum to raise issues related to development; in short, a mechanism to encourage investment by facilitating solutions for cutting through red tape.

Chaired by Minister Axworthy and Ukraine's Deputy Prime Minister Mykhaylo Zubets, the session emphasized the renewed cooperation between government and business in the two countries as an essential component of bilateral economic development. The Calgary meeting also

marked the first formal meeting of sectoral IEC Working Groups on Agriculture, Construction and Energy, whose chairs summarized issues, barriers and prospects of bilateral investment projects. A new sector - Science and Technology - was added as a priority in bilateral cooperation. (See p. 43 for a summary of the IEC Protocol.)

Investment and Development Conference

The following day, the CUBI Canada-Ukraine Investment and Development Conference covered issues affecting business partnerships in Ukraine: everything from land privatization, political developments, banking and investment, to Canada's trade policies. Panel discussions included key players from government, banking and industry in Ukraine, Canada, and abroad, with senior representatives of the International Monetary Fund and European Bank for Reconstruction and Development.

As luncheon keynote speaker, Prime Minister Lazarenko emphasized the urgency and importance of Canadians investing in Ukraine at this time. There were positive signs for its future, he said, including a low rate of inflation, a stable currency and peace with its neighbours, despite the fact that bureaucrats were still creating