



## NEWSBRIEFS

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### ECONOMY & BUSINESS

#### UKRAINE RICH IN OPPORTUNITY: EUROPEAN BANK — KYIV

*Excerpt from Ukrainian Voice*

Business opportunities in Ukraine are related to a critical need for almost everything, said Canada's former trade commissioner to Ukraine.

Pick up the Yellow Pages for Winnipeg or Toronto and flip through them "... and those are the opportunities in Ukraine," Nestor Gayowsky told the nearly 200 delegates at the Canada Day Ukrainian Canadian Professional and Business Federation convention in Winnipeg. Ukraine represents a potential market of 50 million hungry consumers, he said. "There is no reason why people should hold back."

Still, there are some basic rules to follow when seeking to do business in Ukraine, now facing a critical turning point in its future, said Gayowsky, who is now a representative for the London-based European Bank in Ukraine. "Enter the market in a limited way," he said. "Start with a small joint venture and build on early success."

Exposure to risk should be limited to what can be written off if something unfortunate develops. "Cover your bases," he said, "by involving all organizations with which the company may have formal contracts before signing contracts to ensure they won't be railroaded down the road."

As well, he said, businesses must establish control over the selection or removal of Ukrainian managers early in the venture. At the same time, businesses should make good use of those who have grown up in the former Soviet republic. "Ukrainians are well educated and technically competent," he said. "Those

who are getting involved in economic reform have a desire to learn new methods and want, as soon as possible, to assume responsibility for the new venture." There must also be agreement on how costs and prices will be established and how profits must be defined, he concluded.

*Ukraine's then Deputy Prime Minister Viktor Pynzenyk pointed out that last year, only 20 of the 3,000 joint ventures - representing \$1 billion in foreign investment - were from Canada.*

#### UKRAINE PLANS EXPORT DRIVE FOR SHIPYARDS

Ukraine could build 150 ships for export by the year 2000, bringing in \$2 billion in export earnings, Ukrinform news agency reported on August 23. "This is real and could bring Ukraine a profit of \$2 billion," the agency quoted Yuri Kamenetsky, president of Ukrsudnobud state shipping corporation, as saying. Kamenetsky said Ukraine could double the potential of its ship building industry in the next 10 years. Ukraine's five yards built naval ships, but have begun switching output, building tankers for customers in Norway, Greece and Britain. Kyiv also plans a 40-vessel tanker fleet.

#### UKRAINE SEEKS FOREIGN INVESTMENT

The Ukrainian government, on August 19, published a list of 53 enterprises, including some of the country's largest factories, which it hopes to privatize with foreign capital. A statement published by the Ukrinform news agency said the government intended to transfer the factories to Ukraine's small private sector by selling shares. The list included some of the largest factories in the former Soviet republic - three huge chemical plants in central and eastern Ukraine, three steel mills, a machine building plant, an electronics factory in northern Ukraine

and ship repair facilities in Odessa. There was no indication of how officials intended to persuade foreign investors to purchase shares as the government remains engaged in a battle with Parliament over the introduction of market reforms in the country. Ukraine began privatization of small enterprises earlier this year and has tried to pursue tight monetary policies to bring down inflation and reduce a huge budget deficit. But its efforts remain handicapped by large payouts to end a miners' strike and prop up loss-incurring collective agriculture.

#### YORK SYMPOSIUM ON UKRAINE

A Symposium on *Ukraine: Two Years of Independence*, took place on October 8-9, 1993 at York University in Toronto. Invited speakers included: Ihor Yukhnovsky, Member of the Supreme Council of Ukraine and former Deputy Premier of Ukraine (Political Achievements and Challenges of Independent Ukraine), Victor Pynzenyk, Member of the Supreme Council of Ukraine and former Minister of the Economy of Ukraine (Economic Issues), Oleh Hawrylyshyn, Alternate Executive Director of the International Monetary Fund, Gen. Nicholas Krawciw, USA (ret.) (Ukraine's Military Forces), and Ivan Dziuba, Minister of Culture of Ukraine (Cultural Policy and Development). For more information please call: *Ukraine Symposium*, c/o Ukrainian Canadian Research and Documentation Centre at (416) 966-1819.

#### UKRAINE PLANS EXPORT CURRENCY SALES AT MARKET RATE

As of August 16, the value of the karbovanets is no longer to be set by