



**FOR THE RECORD**

# KEY ADDRESSES DURING PRESIDENT KUCHMA'S VISIT TO CANADA

## **G-7 Conference on Economic Transformation in Ukraine, Winnipeg, October 27, 1994**

**Hon. André Ouellet  
Minister of Foreign Affairs**

I am pleased to welcome you to the opening of the Conference on Partnership for Economic Transformation in Ukraine. We share a common goal: a prosperous and democratic Ukraine. It is my hope that the Conference will bring about a greater level of understanding and commitment among those present to the transformation of the Ukrainian economy. The economic and financial linkages that continue to exist with its neighbours make the health of Ukraine's economy essential to the economic health of the region as a whole.

Ukraine occupies a special place in our government's foreign policy. The one million Canadians of Ukrainian origin have left their mark in our country's young history, indeed in all sectors of Canadian life. Canada and Ukraine possess a fantastic advantage, in that we can build on those human ties to foster a fruitful, prosperous relationship between our two countries. I wish to thank the Canadian Ukrainian community in Canada for their efforts in helping us prepare for your visit Mr. President.

When I visited Ukraine last March, I saw first hand the enormous challenges facing that country. But I also witnessed the fantastic will and enthusiasm of Ukrainians for building a free market economy and democratic institutions. Most importantly perhaps, I became even more aware that the international community could not let Ukraine face these enormous tasks alone.

Canada is committed to helping facilitate the integration of Ukraine into the international community. Canada was pleased that its G-7 partners endorsed our proposal to organize this conference. We all agree that stability and independence in Ukraine, as anywhere, must rest on the foundation of economic prosperity.

The Canadian government has sought to provide some of the tools for building a unique partnership between our two countries. Indeed, the political, economic and military cooperation

agreements we signed this week establish a framework for this partnership.

The Foreign Investment Protection Agreement I signed with Foreign Minister Udovenko and the Economic Cooperation Agreement I signed with Foreign Economic Relations Minister Osyka on Monday in Ottawa, are part of our assistance to create a proper environment for business. The Memorandum of Understanding on Technical Assistance I signed with Minister Udovenko is our contribution to assisting Ukraine in its transition towards a democratic society.

Our common goal, all of us here today, is to achieve the full integration of Ukraine into the world economy. The main actors in this partnership will ultimately not be governments, but private entrepreneurs and business people who will build economic ties for mutual advantage. It is these individuals who will realize Ukraine's potential to become a significant player in the international economy, and we must therefore take the appropriate measures to help them.

The role of governments is to establish the framework in which private investment and trade can flourish. This is the endeavour which President Kuchma has taken on with his presentation of a comprehensive economic reform plan earlier this month. I think I can speak for all friends of Ukraine when I congratulate President Kuchma on taking this first important step on the road to economic transformation and growth.

It will not be an easy road. There will be opposition to reforms. However, strength can be drawn from the experiences of other reforming economies in the region. An early and sustained commitment to reforms pays off, in the form of domestic economic growth, including trade and foreign investment.

The international community is ready to assist Ukraine in this courageous effort. International assistance will be necessary, particularly in the early stages, if the reform program is to be viable. Our partnership with Ukraine will be based on the principle of "help for self-help". Our assistance to Ukraine can only be effective if the Ukrainian government takes the necessary steps to put in place the framework in which a market economy can develop.

President Kuchma has committed his government to decisive action on economic

reform with the signing of an agreement with the International Monetary Fund. This will permit Ukraine access to an initial amount of IMF resources. I am pleased to announce that to support the program for the remainder of this year, Canada has agreed to provide \$34 million dollars in credits to Ukraine. The United States government will provide \$70 million US dollars, and other governments are expected to provide credits or, as in the case of Russia and Turkmenistan, defer payments owed to them by Ukraine.

The first task of today's conference will be to discuss the measures which are necessary to implement the economic reform program over the coming year. The Ukrainian government has outlined these in their memorandum to the International Monetary Fund. It will be most valuable for our officials to be able to hear directly from the Ukrainian government as to how they plan to proceed with the implementation of the reform measures.

Full implementation of the economic policy measures outlined in the IMF agreement should help to

create the initial conditions for growth in investment, both domestic and foreign. But this is not enough to assure the economic future of Ukraine. Still broader and deeper reform measures are required if a market economy is to grow and flourish.



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What is missing is the appropriate institutional and legal framework - a framework which in Western economies has been developed over the centuries. Here again is an area where Western Governments are well suited to assist Ukraine. The challenge faced by the Ukrainian government is to step forward decisively to create the environment in which the market mechanism can work to the benefit of all Ukrainians.