



These were the main issues discussed in my recent report to Parliament prior to my state visit to Canada. My first steps as President of Ukraine were directed first and foremost at the creation of the necessary conditions for carrying out cardinal market reforms. However, the Ukrainian government understands that the future social and economic development of Ukraine, as well as its mutually advantageous economic-trade relations with the countries of the world depends not so much on the political will of these states and the wishes of international financial organizations, as on the social-political path that Ukraine will choose and follow.

It is our hope that the Winnipeg conference will carry on the Naples initiative of the G-7 with regard to aid for Ukraine.

I would like to emphasize that assistance from the world partnership would have a tremendous economic influence on the development of events and the success of reforms in Ukraine, and would at the same time show that our efforts to transform the economy are actually being supported. It is important for Ukraine to have the support of the world community not after the fact, but simultaneously with its market reforms.

There is no doubt that the financial assistance of the international partnership is not the only factor that will guarantee economic reforms in Ukraine, but it is extremely important to us today. The total financial assistance required by Ukraine for economic reform measures up to the end of 1994 and throughout 1995 is 7 billion dollars US according to our estimates. I am counting on your understanding and support here. I wish you success in your work. ■

**Andrei Kozyrev**  
Foreign Minister of Russia

This conference is another step in the right direction. Some days ago, Mr. Kuchma together with other leaders of the CIS countries participated in the CIS summit in Moscow which discussed strengthening the Economic Union. Today we make a new step forward in promoting economic reforms, this time - on a border international scale. This is a good sign of the growing international cooperation in support of economic reforms in the former USSR.

The cooperation between the CIS countries themselves is just one dimension of their independence. Peoples of Russia, Ukraine and of other members of the CIS decide for themselves now who will be their president, what will be their economic policy.

I would single out three principals of relations between the CIS countries which, in my view, make the essence of the sovereignty: Independence, and at the same time, responsibility for conducting reforms, for fulfilling international obligations. No lectures to one another, no big or junior brothers;

Equality in political and economic relations. This applies also to our relations with the countries of the so-called near abroad, which are as sovereign as any other country in the world - be that close to Russia or far away.

Solidarity and reform. We need not free gifts for others, we need not fish being given to us. What we need is the right to go in for fishing for ourselves, without discrimination.

Russia, which has close historic, ethnic and family ties with the people of Ukraine. The revival of the Ukrainian economy will become a major factor of social and economic stabilization in the CIS. We also believe that harmonization of tempo and scale of reforms in Russia and Ukraine will contribute to establishing a major integration process which will boost the world economic growth.

Our two countries are closely related in the economic sphere. Russia's share in the Ukrainian foreign trade was 51.3% in 1993, while Ukraine accounted for 40% of our trade with the near abroad in 1993. Russia is the principal creditor of Ukraine. Of \$4.3 bln. of the total external debt of the Ukrainian government Russia's share is \$2.3 bln...

My country is experiencing herself all the hardships of the period of transition. So, we know what it is all about. However, we do our best to alleviate the socio-economic situation in Ukraine and to set up favourable starting conditions for a profound reform there. We are doing this not only for moral and political reasons, but also for solid pragmatic reasons. We are closely related to each other, and the success of economic reforms in Ukraine will mean serious help for the Russian reform.

We are supplying this country with vital energy resources at preferential prices. For instance, Ukrainian consumers pay just 50 dollars for 1 thousand cubic meters of natural gas, while the average world price is 70 dollars. Russia displays understanding of the difficult financial

and monetary situation in Ukraine. Hence we have been paying not only our share of debts of the former USSR but also those of Ukraine for the last two years. These payments for the Ukrainian share amounted to \$320 mln. in 1992-1993. It is with the same comprehension that we approach the problem of the Ukrainian debts to Russia, which are overdue. These debts amount to \$363.3 mln. of the principal sum and \$121.8 mln. of interest as of October 1994.

What can the international community, first of all - the "eight" - do to boost profound economic reforms in Ukraine?

**"We welcome the IMF decision to offer a loan of \$365 mln. to Ukraine. We take this decision as a formal recognition of Ukraine's commitment to reforms."**

First. We expect the conference to achieve its basic goal of mobilizing solid support to the Ukrainian reform on the part of leading industrial nations and international financial institutions. First and foremost this should mean defending concrete contents of Naples "package" of assistance measures. They include \$4 bln. of financial assistance, technical assistance as well as facilitating access of the Ukrainian goods to foreign markets. I hope this "package" will be a little bit more expeditious in translation to practical deeds, than it was in the case of a similar 'package' for Russia.

We welcome the IMF decision to offer a loan of \$365 mln. to Ukraine. We take this decision as a formal recognition of Ukraine's commitment to reforms.

Second. We hope that the conference will help find \$600 mln. that are necessary to ensure critical imports to Ukraine throughout the rest of



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