



## ECONOMIC COOPERATION

*by Mykhaylo Tytarenko  
First Secretary, Trade and Economy  
Ukrainian Embassy in Ottawa*

At the present time, Canada-Ukraine relations have reached a special level of cooperation that will enable us to tackle the pressing issues between our two countries. New companies are entering into economic, scientific and technical co-operation. Already, around 100 joint ventures involving Canadian capital have been established in Ukraine, and numerous Canadian companies have opened representative offices in Ukraine. A number of enterprises are in the process of registering in such priority sectors for Ukraine as energy (Canadian partner: Northland Power) and agriculture and food processing (Canadian partner: Ault Foods Ltd.).

In order to promote this close cooperation, our two governments are working actively to strengthen our ties at the highest levels. The visit of the President of Ukraine, Leonid Kuchma, to Canada, and the arrival of a delegation of Ministers and Deputy Ministers from various departments of Ukraine -- both scheduled for the second half of October of this year -- will give a substantial impetus to this process. Canadian assistance to Ukraine is vital to the resolution of important issues, such as the creation of favourable conditions to facilitate the establishment of joint ventures. At this time, the Business Opportunities Sourcing System (BOSS) project in Ukraine, which will provide business and government with the means to use business data, is beginning to take shape through the assistance of both the Ministries of Foreign Affairs of Ukraine and Industry Canada. Canadian experts in Ukraine have already begun initial work to define the potential and scope of this system.

On October 25th a conference will be held in Toronto, entitled "Doing Business with Ukraine", with the participation of members of government and business sectors of both countries.

The upcoming "Partnership for Economic Reform in Ukraine" conference, on the initiative of the Canadian

government, will take place with the participation of G-7 members, world financial organisations, and Ukrainian representatives. Constructive international influences which can accelerate economic reform in Ukraine are exceptionally important at this stage, and their implementation within the framework of Ukraine's domestic policies, should bring tangible positive results.

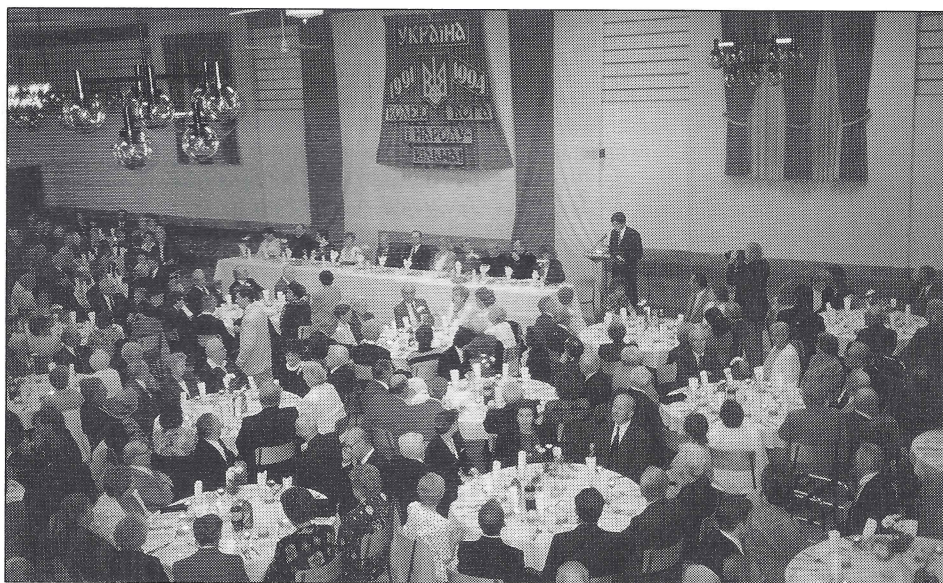
As mentioned in a previous *Monitor*, it is important to take into consideration the role of the diaspora in Canada-Ukraine relations. Its role is crucial and cannot be underestimated. The development of small business in Ukraine, in these initial stages of privatisation, can be accelerated with the experience and resources of Ukrainian Canadians. With the expectation that market reforms will move ahead under the new government, it is fair to assume that the privatization process will open up the business opportunities throughout Ukraine.

An important element in the establishment of small enterprises in Ukraine -- and a challenge for the diaspora

-- should be the creation of an investment fund, realistically based on small-sized contributions, as was done in Poland. This concept has already found support among representatives of the Diaspora, businessmen in the West, and the speedy implementation of such a project would be invaluable to Ukraine. It would also be useful to study the possibility of issuing bonds for the purpose of raising investment capital, as is done in many other countries of the world.

And lastly, we now have access to a vast data base of investment opportunities in Ukraine, information which the Embassy can provide to serious investors. Canadian investments in the form of new technologies, equipment, marketing and management skills, on the one hand, combined with Ukrainian material resources and a relatively cheap, but highly qualified local labour force on the other, could form partnerships to generate products and services that would not only be successful in Ukraine, but competitive in international markets. The Ukrainian Agency for International Cooperation and Investments (*See Monitor, Volume 2, No. 2*), has created a foreign investment brokerage network that actively searches for foreign investment so badly needed by Ukraine.

Financial and banking institutions are a prerequisite to full economic co-operation, and will give rise to other aspects of Canada-Ukraine relations. ■



*Gala Anniversary celebrations in Montreal. Speaker Evhen Czolij, President of the Ukrainian Canadian Congress, Montreal Branch, addresses the gathering. Guests included Ambassador Viktor Batyuk.*