

evident in implementing new laws and a lack of transparency. Nevertheless, the transition from a command economy to the new market economy has started. DFAIT's Renaissance Program for Eastern Europe assists the setting up of joint ventures, and can share the Canadian private sector's costs in determining the feasibility of entering the market.

Russian Federation: Export opportunities exist in a number of sectors, including:

- **Oil and Gas:** This sector probably provides the best opportunities for Canadian firms. The Russian oil and gas sector needs Western exploration and production companies, well make-over firms and suppliers of oilfield equipment, services and technology to stem its nearly 50 percent production decline since 1989.
- **Mining and Metallurgy:** Many Russian mines are unsafe and inefficient, and in many instances, antiquated equipment is still in use. There is considerable potential for sales of Canadian expertise, technology and equipment in mining, especially in the coal mining sector. Similarly, blast furnaces at Russian steelworks often date from the 1930s, so there is scope for sales of both metallurgical equipment and services for Canadian suppliers.
- **Forestry and Forest Products:** Opportunities exist for sales of equipment, technology and services, and for licensing agreements for the technology to manufacture equipment.
- **Construction:** With the return of some 750 000 military personnel from Central and Eastern Europe, the Russian Federation is facing a severe housing shortage. A considerable need exists for construction equipment, building materials, technology and services, and related training.
- **Telecommunications:** Russia's telephone system needs to be modernized. There are therefore important opportunities in the area of telecommunications products, technologies and services.

Ukraine: Canadian export opportunities in Ukraine exist in several sectors, including agriculture and food processing, energy, mines, metals, mineral products and services, pharmaceuticals, medical and health-care products and services, telecommunications and electronics, construction and environment. Canada has initialled a double taxation agreement with Ukraine, and signed a foreign investment protection agreement and an economic co-operation agreement. A line of credit for \$20 million (non-concessional) for capital and quasi-capital goods and services is being provided to Ukraine through the Export Development Corporation.

Kazakhstan: The following sectors currently offer the greatest prospects for Canadian companies in Kazakhstan: oil and gas exploration and production; mining and metallurgy; agri-food production, storage and processing (including farm machinery); transportation, distribution and other services; construction and building materials; telecommunications; tourism; business and professional services; and environmental protection.

Additional opportunities for Canadian firms arise from the conversion and/or diversification of defence industry facilities to high technology or other civil production, together with housing construction and municipal planning and services, rehabilitation of existing industrial facilities, computer informatics, medical device manufacturing, consumer goods production (such as footwear) and retail distribution.

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