

Canadian Investment in Russia

In 1989, Canada and the U.S.S.R. signed the Foreign Investment Protection Agreement. The agreement, which was ratified in 1991, supports the establishment of joint ventures and wholly foreign-owned subsidiaries. Russia remains obligated to the terms of the treaty.

While the historic political and economic changes still underway have increased the complexity of the Russian market, they have led to a wider scope for diversification of Canada's investment relationship with one of the world's largest economies.

Russia is the main target for Canadian joint venture investment in the former Soviet Union, particularly in the oil and gas sector; construction and building materials (especially for cold weather and rugged conditions); telecommunications; agro-food production; storage and processing; mining/metallurgy and other resource development sectors.

Over the last few years, some 80 Canadian joint ventures have been established in Russia. Twenty of Canada's top 100 companies are either active in the Russian market or interested in it.

Total Canadian investment in Russia has been estimated at over C\$300 million, with Gulf Canada Resources and McDonald's Restaurants of Canada Ltd. being the leading investors.