



CANADA – UKRAINE ECONOMIC RELATIONS

While still relatively modest, Canada-Ukraine economic relations have the potential for steady growth in the years ahead. In the past two years, several bilateral agreements have been signed which hold many promises for both the mid term and the long term.

In July 1992, Canada and Ukraine signed a Joint Declaration of Economic Co-operation. Many Ukrainian products now benefit from General Preferential Tariff treatment as they enter Canada.

In March 1994, Foreign Minister André Ouellet signed the Canada-Ukraine Agreement on Trade and Commerce during his visit to Kiev. In the Agreement, the two countries extend most favoured nation status to each other. It also establishes a framework of General Agreement on Tariffs and Trade (GATT)-compatible rules for the conduct of trade and commercial relations between the two countries.

The Renaissance Eastern Europe program, administered by the Department of Foreign Affairs and International Trade, has financed 34 trade development initiatives between the Canadian private sector and Ukrainian partners.

The first Western country to do so, Canada also extended to Ukraine an Export Development Corporation \$50-million line of credit, which has been fully utilized.

Canadian companies are taking advantage of the new opportunities developing in the Ukrainian market by establishing joint ventures or investing directly. Joint ventures have been established with a large Ukrainian research institution to develop methanol and related technologies, and with Ukrainian producers to produce beverages in L'viv and market them throughout Ukraine. Other Canadian companies are working on the rehabilitation of Ukrainian thermal power plants, and a satellite communications station has been opened. As well, Canadian companies are exploring, among others, opportunities in oil and gas; food processing; and light manufacturing.

Total trade between Canada and Ukraine stood at over \$44 million in 1993. Leading Canadian exports included cheque forms and banknotes; textiles, clothing, yarn and footwear; purebred breeding cattle; pharmaceuticals; and computers and components. Leading imports from Ukraine included textiles, clothing and footwear; petroleum oils and other oils; steel products; and metals.

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