

KOREAN POSITION

Korea regards Canada as a secure and stable supplier of uranium. Like all purchasers of uranium, Korea will continue to seek to diversify supplies. The Koreans have told us that the USA has not put political pressure on them to favour U.S. uranium and that market and commercial factors will govern their uranium supply and conversion contracts.

CANADIAN POSITION

Canada is a reliable and competitive uranium supplier to the Korean market and looks forward to receiving additional Korean contracts for the period beyond 1993. Canadian producers have made initial contacts with the Koreans but, in the current context of depressed uranium prices, may not conclude new contracts soon.

Canada continues to be the largest producer and exporter of uranium in the western world. Canadian production was about 11,400 tonnes U in 1989, accounting for over one-third of the western world production. The merger of Eldorado Nuclear with Saskatchewan Mining and Development Corporation to create CAMECO (a Canadian Mining and Energy Corporation), which is the largest uranium producing company in the world, will enhance Canada's capacity as a reliable and competitive supplier of uranium. CAMECO is to be privatized in stages and there will be opportunities for foreign participation in single amounts of five percent up to a total of 20%.

Canada's uranium foreign ownership policy was revised in 1988 to increase the permissible non-resident ownership limit in individual uranium mining properties from 33% to 49%. In cases where it can be clearly established that a project is Canadian controlled, greater than 49% non-resident ownership may be permitted. In addition, exemptions to the policy may be granted, subject to Cabinet approval, where it can be demonstrated that Canadian partners cannot be found. The objective of this policy change is to encourage more foreign investment in Canada's uranium industry. The sale of a 2% interest in the Cigar Lake Joint Venture to KEPCO was approved under the umbrella of this revised policy.