

Kazakhstan

In 2006, Kazakhstan's GDP rose 10.6%, fuelled by high oil commodity prices and domestic consumption. Canadian exports to Kazakhstan rose by 5.1% in 2006 to \$122 million. Main exports to Kazakhstan include agricultural equipment, log skidders, boring and sinking machinery, and selected industrial machinery. The stock of Canadian direct investment in Kazakhstan was valued at \$1,461 million in 2005 by Statistics Canada. This level declined in 2006 largely due to the sale of a number of large Canadian oil and gas companies. Remaining Canadian commercial and economic interests include investments in uranium exploration and production, mining and production of gold and non-ferrous metals, and hydrocarbon exploration and production.

Canada is pursuing bilateral WTO accession negotiations with Kazakhstan. Canada's overall objectives are to ensure Kazakhstan's full compliance with WTO obligations and to seek more open, secure and predictable access for Canadian goods and services.

Ukraine

Preliminary data suggest that Ukraine's economy expanded by 7% in 2006. Continued gradual economic reforms, a growing domestic market, proximity to the enlarged EU, low wage rates and near-term WTO accession have led to a recent renewal of Western investment in the real estate, banking, construction, warehousing, chemicals and metals, food processing and energy sectors. Increases in domestic energy prices are expected to dampen growth in certain sectors but also to stimulate more investment in energy conservation and efficiency in the medium term.

Total Canadian merchandise exports to Ukraine rose by 44.2% in 2005 and 29.8% in 2006 to \$106.3 million. Canada's primary exports include fish and pharmaceutical products and assorted industrial parts. There is a significant market

potential for Canadian goods and services firms in agriculture, oil and gas, construction, and ICT.

Ukraine's WTO accession process is at an advanced stage. However, the country still has to address some outstanding multilateral issues, conclude remaining bilateral agreements and pass the required WTO-related legislation. Future WTO accession, continued transparent privatization of large state-owned companies, and new foreign investment should provide a significant boost to Ukraine's economy.

Sub-Saharan Africa

Canadian merchandise trade with sub-Saharan Africa has increased substantially over the years. Two-way merchandise trade for 2006 was approximately \$4.6 billion, with exports accounting for \$1.6 billion and imports for \$3 billion. Merchandise exports to sub-Saharan Africa in 2006 include many high value-added categories. The top export categories were mechanical (\$236 million) and electrical machinery (\$95 million), cereals (\$233 million), aircraft and parts (\$208 million), vehicles (\$147 million), textiles (\$119 million), paper and paperboard (\$46 million) optical and medical instruments (\$46 million), meat (\$39 million), and pharmaceuticals (\$32 million).

Canada has been obtaining service contracts for work in sub-Saharan Africa. For example, Canadian companies are successfully pursuing World Bank and African Development Bank projects that include the provision of engineering and construction, forestry, geomatic, air, educational and other services.

Determining CDIA in sub-Saharan Africa at a country level is difficult, because the data for all but seven countries in the region are aggregated by Statistics Canada. For 2005, Statistics Canada reports approximately \$2.5 billion of CDIA in sub-Saharan Africa.