

## **Canadian Investment in Russia**

In 1989, Canada and the U.S.S.R. signed a foreign investment protection agreement. The agreement, which was ratified in 1991, supports the establishment of joint ventures and wholly foreign-owned subsidiaries. The Russian Federation remains obligated to the terms of the treaty.

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

The Russian Federation 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; agri-food production; storage and processing; mining and metallurgy; and other resource development sectors.

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

Total Canadian investment in the Russian Federation has been estimated at over \$100 million, with Gulf Canada Resources and McDonald Restaurants of Canada Ltd. being the leading investors.