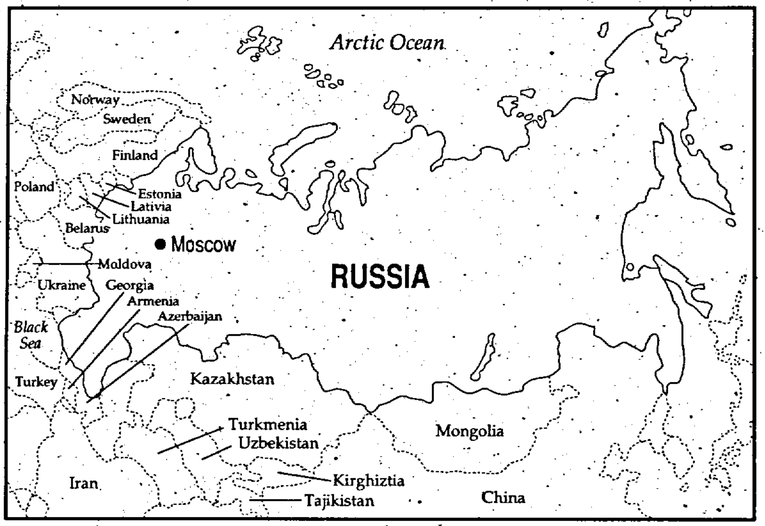
RUSSIA

HEAD OF STATE: President Boris Yeltsin
HEAD OF GOVERNMENT: Prime Minister Viktor Chernomyrdin
POPULATION: 149 300 000

GROSS DOMESTIC PRODUCT (GDP): $700 billion (1993)
1994 GDP DECLINE: 16%
PER CAPITA GDP 1993: $4,154

FORECAST 1995 UNEMPLOYMENT RATE: 3-4% (1993)
INFLATION RATE: 203% (1994)
EXPORTS AS A PERCENTAGE OF GDP: 8.3% (1992)



TRADE AND INVESTMENT

Since 1991, more than $200 million has been invested by Canadian companies in Russia, mostly in the oil and gas industries. Canadians are taking advantage of their expertise in operating under difficult northern conditions. In 1993, Canadian exports to Russia ($430 million) and imports from Russia ($432 million) almost balanced exactly. Services to the Russian energy sector accounted for most of the Canadian exports while commodities such as diamonds, platinum, nickel, and uranium dominated our imports. The market remains a challenging one, however, and preliminary Statistics Canada figures show that exports for 1994 will fall well short of 1993's record levels. Bilateral trade continues to expand in regions such as Russia's far east where significant new opportunities are emerging.

BILATERAL RELATIONS

Canada and Russia are northern neighbours. Together, we share responsibility for most of the Arctic landmass. An active exchange program brings together Native peoples, scientists, businesspeople, and government representatives to find new solutions for sustainable development of the North. With the end of the Cold War, Canada and Russia have worked together in UN peacekeeping and have participated in joint military exchanges. Canada has supported Russia's participation in NATO's Partnership for Peace. Canada has also played a key role in bringing Russia into membership in the International Monetary Fund (IMF), the World Bank, and the European Bank for Reconstruction and Development (EBRD).

> Russia and Canada are the world's largest and second largest nations geographically.

CURRENT ISSUES

As a member of the G-7, Canada is working with its Western partners to provide more effective support for Russia's political and economic reforms. The tragic conflict in Chechnya highlights the challenges Russia faces in making the transition to democracy and a market economy. Canada and its G-7 partners have expressed concern over the bloodshed and violations of human rights in Chechnya, and have urged President Yeltsin to seek a peacefully negotiated settlement.