

Export Development Corporation C\$100 million capital goods and services line of credit for Russia

The line of credit was announced in February 1992 during the visit of President Yeltsin and signed in April 1992. Most of the credit is targeted for the oil and gas sector.

Export Development Corporation C\$50 million line of credit for Ukraine

The line of credit was signed in February 1992.

Export Development Corporation line of credit with Latvia, Lithuania, and Estonia, for C\$10 million each

The line of credit with Latvia was signed in May 1992. The line of credit with Lithuania was initialled in February 1992 and awaits Lithuanian approval. Negotiations with Estonia are in progress.

Support for trade and investment

Canada is taking steps to promote trade and investment with the region through financial and other incentives, the negotiation of appropriate legal frameworks and other initiatives.

The Renaissance Eastern Europe Program of External Affairs and International Trade Canada contributes to pre-feasibility studies for joint ventures, training, and bilateral business councils. Thirty Canadian companies have received support under this program.

More than 60 Canadian joint ventures representing investments of at least \$350 million are under way in the former Soviet Union.

Prime Minister Mulroney announced in June 1992 that the Export Development Corporation would provide up to \$200 million in foreign investment insurance for six more Canadian companies planning investments in Russia.

Foreign investment protection and double taxation agreements signed with the former U.S.S.R. remain in force between Canada and the newly independent states.

During President Yeltsin's visit to Canada, a trade agreement re-affirming mutual "most favoured nation" treatment and introducing certain GATT principles was signed. The agreement also provides equitable access to foreign exchange for Canadian businesses.

To promote exports by the reforming countries, Canada is going beyond most favoured nation treatment and granting the general preferential tariff to Russian imports — as low as zero tariffs in some categories.

Cooperation protocols on energy and nuclear safety consultations were signed in May 1992 during a visit to Russia by Canada's energy minister.

The minister for international trade will lead a delegation of 60 senior business executives to Ukraine, Russia, and Kazakhstan, July 2-11, 1992, to further prospects for Canadian trade and investment in the region. He will also be accompanied by Canadian officials of the Export Development Corporation, the World Bank, and the European Bank for Reconstruction and Development.

Multilateral contributions

Canada has subscribed to a 3.4% share of the capital of the European Bank for Reconstruction and Development. The bank provides loans to the reforming countries of Central and Eastern Europe and the former Soviet Union. The prime minister has called for the bank's capital base to be doubled, from the equivalent of C\$15 billion to C\$30 billion.

As part of the US\$24 billion package for Russia established by the G-7 nations in 1992, Canada will contribute to a stabilization fund for the ruble. This fund is tied to the satisfactory implementation, by Russia, of an economic reform program endorsed by the International Monetary Fund. Discussions are continuing on the fund's mechanics.