



Two Years and Counting... (continued)

The Ukrainian presidential election held on June 26, 1994, failed to produce a clear winner. A run-off election held on July 10 elected Mr. Kuchma, who promised to undertake major economic reforms. President Kuchma's election and his subsequent visit to Canada in October 1994 was another opportunity to renew the focus on our technical cooperation efforts to assist Ukraine with its economic reform. The Conference on "Partnership for Economic Transformation in Ukraine", held in Winnipeg, was a Canadian initiative to focus world attention on Ukraine. During the president's visit, Canada announced a package of new technical assistance initiatives totalling \$23.8 million designed to support reform.

As a result of these various visits and initiatives, Canada's technical assistance program in 1994/1995 for Ukraine was the largest Canadian package for any country in the former Soviet Union.

In March 1995 the World Bank called a consultative group meeting in Paris on March 21 and 22. This was perhaps the turning point for Ukraine as it represented a firm commitment to undertake a comprehensive reform program. With the IMF and the World Bank programs in place and the economic reform program underway, it was perhaps time to reassess the Canadian technical assistance program. As indicated above, the program focused on areas that were needed in the management of macroeconomic issues in Ukraine and on democratic development. I believe that Canada made an important contribution to Ukraine during those early and often difficult times shortly after independence. There have been tremendous changes in the last two years and despite many difficulties, many aspects of life in Ukraine have improved. Alas much remains to be done.

Our programs need to keep pace with the changing situation here in Ukraine and it is now time to focus more on private sector development and trade linkages and less on government to government assistance. Ukrainians are becoming far more discriminating about what they need and the qualifications of those that might be sent out to assist them. In our view this is a very good sign. Also, we must not forget that our program is responsive to the initiatives of our partners. Given the limited funds available, the program is not involved in the provision of large material inputs, although this type of assistance is often requested. Our efforts have been directed to transfers of technology and policy advice and training.

Finally, we must recognize the limits of technical assistance. It is the private sector that will ultimately generate economic growth, not foreign assistance. The government of Ukraine must give utmost priority to creating a framework for the emergence of a dynamic private sector. It must move more quickly on privatization. Foreign direct investment can play a critical role in providing financial resources and in transferring technology. However to date, much of the potential foreign direct investment has been discouraged by a plethora of unclear, contradictory and overlapping rules and regulations. Regulatory requirements are also an obstacle to the delivery of technical assistance programs. Ukrainians must overcome these problems as soon as possible in the interest of their future development.

Despite the difficulties, there has been a great deal of progress in the last two years. There are still a lot of hard times ahead as this country tries to come to grips with the massive changes it has to make over the next few years. Nevertheless, with a highly educated labour force, the best agricultural land in the world, diverse raw materials, metal and natural resources, Ukraine has all the elements of a bright future. It has been a fascinating time to witness history being made as this country marches towards a market economy and a new prosperity.

NEWS



CANADA-UKRAINE CHAMBER OF COMMERCE

Gerald Fedchun New President

Gerald Fedchun has been elected the new president of the Canada-Ukraine Chamber of Commerce. Fedchun, 48, replaces Bob Onyschuk, who served as the first president of the organization.

Joining Fedchun on the executive are: Jim Temerty, first vice president; Boris Balan, secretary; James Chwartacky, treasurer and Brian Smith, public relations.

Born in Windsor, Fedchun, is the chairman and president of ITT Canada Limited, a diversified product and services company engaged principally in the manufacture and distribution of auto parts and the provision of finance, insurance and hotel management services. Fedchun has served in many functions in the Ukrainian community, including membership on the board of St. Vladimir's Institute in Toronto, member of Ilkrainian Canadian Professional and Business Association of Toronto, member and chairman of the Controlling Commission of the So-Use Credit Union in Toronto and director of the CUCC.

The CUCC is a federally incorporated non-profit corporation that aims to promote trade between Canada and Ukraine, disseminate trade information, counsel government bodies and advise and support Canadian and Ukrainian businesses. The CUCC has organized several seminars on doing business in Ukraine including one held in Toronto during Ukrainian President Leonid Kuchma's visit to Canada in October 1994 as well as several held in western cities this spring.

More recently, on October 24, the Ukraine-Quebec Business Council hosted a Breakfast Conference on "Current Business Developments in Ukraine", where Mr. Fedchun and Ihor Sanin, Head of Ukraine's Trade Mission to Canada, made presentations.