



Ukraine's Prime Minister Bullish on Canada-Ukraine Relations

Will re-visit Canada in June 1997 for the Canada-Ukraine Business Initiative (CUBI '97)

P rime Minister Pavlo Lazarenko was born on January 23, 1953. He was an agronomist, then Chairman of a Dnipropetrovsk oblast (region) farm. In 1984, he joined the Tsarychanka Oblast Committee Agricultural Department; one year later, he moved to the Dnipropetrovsk Oblast Committee of the Communist Party of Ukraine. In 1990, he became Head of the Agrarian-Industrial Union of Dnipropetrovsk oblast, simultaneously becoming First Deputy Chairman of the Dnipropetrovsk Oblast Executive.

From early 1992 until mid-1994, Mr. Lazarenko served as Head of the Dnipropetrovsk Oblast Council. In mid-1995, he was briefly Head of the Dnipropetrovsk Oblast State Administration, before being appointed First Vice Prime Minister of Ukraine. Mr. Lazarenko was appointed Prime Minister in June 1996, and confirmed by the Verkhovna Rada (Parliament) in July.

Ukraine's PM is already familiar with Canada, which he visited in December 1991 under Canada's Executive Program for Ukraine, participating with the first group of Ukrainian Deputy Ministers in a two-week program of the Canadian Centre for Management Development. He has agreed to visit Canada again in June 1997 for the Canada-Ukraine Business Initiative (CUBI '97) (See ad on page 16.)

PM Lazarenko provided the following interview for the Monitor during the October Trade Mission to Ukraine.

- **MONITOR:** How do you see further development of relations following the visit of Foreign Minister Lloyd Axworthy to Ukraine? What are your priorities?

LAZARENKO: The long-awaited visit signifies a qualitatively new level of Ukrainian-Canadian relations. As you know, due to our joint efforts our bilateral relations enjoy the status of special partnership, made official by the Joint Declaration signed in Kyiv on March 31, 1994. Until recently we have been observing one another, and it is only now, I think, that a real partnership is being established. Above all, these changes became possible due to the realistic policy of the current Liberal Government in Canada lead by Jean Chrétien. He began extensive cooperation with Ukraine without hesitation, granted my country real support and assistance, and we thank him for this.

At the same time, it is also a fact that the level of economic relations existing today between our two countries is still in no way proportional to the level of political relations between Ukraine and Canada. The establishment of the Intergovernmental Commission on economic cooperation aims at tackling this problem.

On the Ukrainian side, our main priorities are to create a favourable climate for Canadian entrepreneurs and investors in Ukraine, so that we can develop cooperation in such areas as national administration, the energy sector, agriculture, education, science and technology, geology, ecology, and so on.

There exists one more channel for cooperation: among Ukrainian Canadians there are a lot of entrepreneurs. Who else if not them, connoisseurs of Ukrainian mentality and culture, should return to Ukraine in a new capacity - as investors, thus facilitating the realization of their old dream - to establish an independent Ukrainian state.

- **MONITOR:** What reforms is Ukraine making to simplifying bureaucracy and legislation to facilitate Canadian investments, such as Northland Power's \$180 million Darnytsia Project to Ukraine?

LAZARENKO: Reducing bureaucracy and making Ukraine more accessible to capital investments are two of the key tasks for the Government and for me personally. We want to create conditions under which such investments would be made without the assistance of the Ukrainian Government. We want a multitude of such projects such as Darnytsia to be implemented. To ensure this, we are preparing a number of changes to the legislation, which will make it easier for non-residents to participate in the stock market in Ukraine and enable them to buy and sell shares of Ukrainian companies.

In the near future foreigners will be able to make direct portfolio investments and finance various manufacturing programs without any problem. The most important thing is to enable

them to do so without this formidable bureaucracy. I intend to personally made every effort to dismantle this bureaucratic minotaur.

Despite all the difficulties in the current economic situation in Ukraine the Government has gained full control of the situation. Our



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Ukraine's PM Pavlo Lazarenko.

Cabinet of Ministers has developed a program of activities aimed at solving key internal and external aspects of implementation of economic reforms. In addition, 15 draft laws have been submitted to the Verkhovna Rada (Parliament) for consideration. These laws will finally accelerate the arrival of foreign investors to the Ukrainian market.

Other steps have been already taken. On March 19, 1996 the Law of Ukraine "On the Foreign Investment Regime" was adopted at the initiative of the Cabinet. This law levelled conditions for investment activities of national and foreign investors, and simplified requirements for foreign capital to be invested in Ukraine. It allows for privileged regime of investment and other business activities for single investment projects engaging foreign investments being implemented under Government programs in priority sectors of the economy and social and regional spheres.

This is a good start, and the package of Laws is going through the approval process in the Verkhovna Rada. An infrastructure has also been put in place to effectively facilitate entry for