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Chair

The Honourable Mark Eyking

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• (1205)

[English]

The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)):
Hello, everyone, and welcome.

It's an honour for me to be here. My name is Mark Eyking. I'm the chair of the Standing Committee on International Trade.

We have our special guests here with us at the House of Commons for this special meeting. We're going to discuss the Canada-Ukraine relationship.

We welcome the Prime Minister of Ukraine, His Excellency Volodymyr Groysman, along with his Vice Prime Minister, His Excellency Stepan Kubiv, and the Ukrainian ambassador in Canada, His Excellency Andriy Shevchenko.

We welcome you and the people who are travelling with you to the House of Commons for this very special meeting.

Around the table and in the audience, we have our colleagues from the Standing Committee on Foreign Affairs and International Development and members of the Standing Committee on National Defence, with their chair, Mr. Fuhr. In addition, of course, the members of our committee, the international trade committee, are amongst us. Everyone would love to ask a question, of course, but we have certain time constraints.

Our wonderful country of course was first inhabited by our indigenous first nations community, and that was the start of our country, I guess, but many different diasporas have come to our country, and there's none more important than the Ukrainian community. Almost all of us have people of Ukrainian origin.... I'm from Cape Breton, Nova Scotia, where the community of Whitney Pier has a vibrant Ukrainian community. They came over in the early 1900s to work in the steel plant. It's the best place to get perogies and cabbage rolls right in our area.

I was just talking to Mr. Bezan, who said there are over a million and a half people of Ukrainian origin in this country. It doesn't matter if they're in Cape Breton or on the Prairies, we see Ukraine well represented.

We have only until one o'clock, so without further ado I'm going to start the meeting by of course giving the floor to the Prime Minister of Ukraine, His Excellency Volodymyr Groysman.

Go ahead, sir. You have the floor.

His Excellency Volodymyr Groysman (Prime Minister of Ukraine, Parliament of Ukraine (Verkhovna Rada))(Interpretation): Thank you, dear members of Parliament and chairs of committees.

First of all, I want to thank you on behalf of our delegation, and on behalf of our country of 45 million, for the initiative to hold this joint meeting.

I want to stress that, for us, Canada is an extremely special partner. It's a country with which we have very close ties, ties lasting over 100 years. It's 125 years since the first Ukrainians landed in Canada. We are proud that Ukrainians who live in Canada, who are Canadian citizens, and who are born in Canada have made contributions to the strengthening of your state.

Today, we face a lot of global challenges. I am deeply convinced that together we can be efficient in protecting our democracy globally. The fact that today there is a joint meeting of three committees—foreign affairs, defence, and international trade—is something that...dedicated to a special issue.

We attach paramount importance to the co-operation between our countries. Today, we face absolutely new opportunities. This is my first visit ever to Canada as the Prime Minister of Ukraine, as well as personally. I am discovering this wonderful country for myself.

I see that we have wonderful opportunities to deepen our co-operation in many areas, from culture to the international arena. As a country of 45 million, as a large nation, we have experienced very difficult times in establishing ourselves. In the difficult times over the last three years, we have felt your support, the support of Canada. We know that in regard to the issue of Ukraine, there is unity in the Parliament of Canada. We highly appreciate this as a sign of support for democracy and democratic values.

For the last three years, we have been defending our independence. We have been restoring our territorial integrity. In these difficult times, we have also conducted reforms in our country, which are related to all areas of our lives. I want to stress that in 2014, we faced an unprecedented aggression by the Russian Federation. Let me provide you with some facts and figures.

There was the annexation of Crimea, and the temporary occupation of a part of eastern Ukraine. Overnight, we lost our traditional markets, because Ukraine's economy was very dependent on Russia. It was Russia's policy to make Ukraine dependent. We faced interruption of energy supply, interruption of gas supply to Ukraine. We were 93% dependent on Russian gas. We also faced information attacks by Russia, as well as cyber-attacks, which remain a challenge for us today.

As a result of the actions of the previous regime, the national economy was very weak. The aggression led to the loss of 17% of our GDP. All of that was an extremely important challenge for us. We started restoring our country, including through co-operating with our international partners. Once again, I want to express our appreciation of the fact that in these difficult times you were—and you are—standing by our side.

Just as in 1991, when Canada was the first western country to recognize our independence, we feel the same sort of support today. We can also mention the numerous technical missions operated in Ukraine and our defence co-operation. I also consider a tremendous breakthrough the agreement on free trade between our countries.

●(1210)

We would like to see the beginning of dialogue on the simplification of a visa regime between our countries, and we have had positive experience. We have a visa-free regime with the European Union and with Israel. We have quite a liberal visa regime with the United States, and I am convinced that the time has come for us to start the dialogue to bring our nations even closer to each other.

During that period of time, we managed to stop the economic downfall. We started economic recovery, and now the economic growth is a bit more than 2% of GDP. We also started the total reformation of the country in many areas that remained unreformed for over 23 years. We started the decentralization of the country. We launched a large-scale reform of the public service and a reform of the energy sector. We started developing new legislation to fight corruption efficiently. We now need to establish a new Ukrainian anti-corruption court that will be trusted by the public.

In just the past few weeks, we passed a very important decision by Parliament to create a new modern system of education as well as to reform the health care system. This October, we also approved a new large-scale reform of the pension system of Ukraine. We are preparing for large-scale privatization, and we have also planned many other reforms that will change the life of our country. We are not going to stop. On September 1, 2017, the Association Agreement with the European Union came fully into force. This means that we have to align our legislation with the European legislation and we have to make Ukraine a democratic country with a powerful economy.

Once again, I want to stress that we appreciate your continuing support, and today we can speak about our vision of the future, because I'm the kind of man who believes that everything that is done today is already history; it is important to discuss what we are going to do tomorrow.

Thank you.

●(1215)

The Chair: Thank you, Mr. Prime Minister, for those opening remarks. I had the honour, as did many of us here, to visit Kiev a few years ago. You have a country full of resources and vibrant people, and it is a shame that they always seem to face so many challenges. I wish you good luck.

We have a system within our committee and we try to keep to five minutes per speaker, but we're going to be flexible. I would ask my colleagues to ask just one question and to cut it short so that the Prime Minister or the people with him can have time to answer.

Without further ado, we're going to go right to the Conservatives.

Mr. Bezan, you have the floor.

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Thank you, Mr. Chair.

I want to thank your excellencies for being with us today to talk about everything that's going on in Ukraine and how we're going to move it forward. As you know, we've had consecutive governments here in Canada, Conservative and Liberal, with the support of the NDP, all standing united with Ukraine. We want to ensure that the people's aspirations that were expressed on Maidan through the Revolution of Dignity are fulfilled.

You talked about the privatization of certain sectors in Ukraine. One of the areas I've been concerned about, as someone who has an agricultural background, is ensuring that the lands of the farmers of Ukraine can be sold and transferred. In your proposals, have you made any provisions to allow or not allow for the sale of agricultural lands to foreign owners?

H.E. Volodymyr Groysman (Interpretation): Indeed, it's a very important question, because agriculture today in Ukraine forms 17% of our GDP, so we see huge opportunities for growth, and an important element of this growth is an opportunity to trade lands.

As you know, it's a very sensitive issue for Ukrainians, and it requires greater discussion and greater communication with the Ukrainian public. But I want to stress that for us, as the government, this topic is among our priorities. Today we communicate with the public and we look for a format that will satisfy the needs of our national economy, as well as protecting the rights of Ukrainians. Indeed, we decided that the first step we can take is to support national farming in Ukraine. In the initial stage, this mechanism does not provide the opportunity to sell Ukrainian land to foreign citizens. The land will be sold only to small farms. We believe that this step will facilitate the introduction of the circulation of land and it will also boost the development of Ukrainian farms.

Thank you.

●(1220)

Mr. James Bezan: Thank you very much. I appreciate that.

As Prime Minister, you have also been leading the anti-corruption measures that are taking place in Ukraine. When we were there as the national defence committee, we heard about reform that's happening within the Ukraine military as well as in other avenues of government. I also understand there has been some public protest over the last month or so about the speed of those reforms.

Could you elaborate to committee as to how things are going in reform and how you're dealing with corruption and getting it out of the Government of Ukraine?

H.E. Volodymyr Groysman (Interpretation): It is very important to fight against corruption that has existed in Ukraine for many years. It was cultivated in Ukraine and it's a very serious challenge, so here we decided to take a systematic approach. There is a two-fold answer to this question. On one hand, we have to fight in criminal terms. We should bring to justice everyone who commits corruption-related offences. On the other hand, there are the institution-related changes that allow us to eliminate the roots of corruption.

As far as the first part is concerned, in 2015, when I was the Speaker of the Parliament, we started amending the national legislation. We created quite open national legislation that demonstrates its efficiency to date. We needed to detect corruption-related offences. All the necessary laws have been approved and they have come into force.

The second step was the creation of anti-corruption institutions that are designed to fight corruption. For the first time in the history of our state, we created an absolutely independent national anti-corruption bureau that investigates corruption. Also, we have created a national agency for the prevention of corruption. Its mission is to analyze situations and to conduct scrutiny and monitor the way of life of public officials. We have opened all the public registries now, so it's easy to obtain information about the beneficiaries and owners of property. Previously, this data was closed. We introduced the electronic declaration system, which is quite meticulous and which raises the bar for officials and for those who hold public positions. In addition, we have created an independent anti-corruption prosecutor's office. There was a special procedure for creating this office. Today, it is established and unfolding.

Now we need to resolve the third problem. That is the creation of a fair and just judiciary. In this context, we need to rework the Supreme Court system. We are recreating the Supreme Court in accordance with the constitutional amendments approved last year. Now there is a new initiative to create anti-corruption courts. The President's position—and this is his constitutional mandate—is to introduce a bill to establish the new anti-corruption courts in the near future. All the institutions will be created, will be in place, and then we'll have to fight corruption.

With regard to the institutional changes, as I said, we are working to pass systematic decisions to eliminate the roots of corruption. For example, in August of 2016 we launched a system of transparent public procurement. By the way, the agreement on free trade with Canada allows Canadian companies to take part in Ukraine's public procurement, so now we spend billions in an absolutely transparent manner. Previously, it was a very corrupt and closed system.

We eliminated corruption in energy with regard to gas pricing. It used to be a very corrupt system. We also implemented large-scale deregulation and we removed various obstacles to the development of a national economy and business. In addition, back in 2015 we launched an important reform, for the decentralization of power, which is another important anti-corruption change.

Today—

• (1225)

The Chair: Thank you, sir.

I'm going to try to get as many questions as possible from the MPs. I apologize for interrupting you, but I have to move on.

I'm going to ask the members of Parliament to ask just one question, so we can get as many members of Parliament as possible to ask a question to the Prime Minister and the people who are with him.

Without further ado, we are going to move over to the Liberal Party now, to Mr. Wrzesnewskij. We call him "Borys", and he is a great ally for both countries.

Borys, you have the floor.

Mr. Borys Wrzesnewskij (Etobicoke Centre, Lib.): Thank you, Chair.

Prime Minister Groysman, the Donbass was historically an industrial powerhouse. Today it's a war-ravaged wasteland with almost two million IDPs who have fled into free Ukraine. Many millions within the occupied territories are facing a very cold winter, with grave shortages of food and medicines.

In the Donbass, we clearly see the harvest of Putin's war: death, destruction, hunger, and millions of refugees. Putin's intent is to transform a democratic Ukraine, with a growing economy integrated into the west, into a failed state. The Kremlin clearly is not averse to militarily invading independent Ukrainian territory.

Now let's envision the devastation of the Donbass throughout eastern and southern Ukraine, and the resultant tens of millions of refugees. It's an incredibly chilling scenario.

Prime Minister, how many tanks has Russia moved into the Kremlin puppet statelets of the so-called Donetsk People's Republic and the Luhansk People's Republic? How many Russian soldiers are based along Ukraine's northern and eastern borders? How many Russian soldiers are based in militarily invaded and occupied Crimea in Ukraine's south? How many Russian soldiers are based in the Kremlin puppet statelet of Transnistria in Ukraine's southwest? Finally, if we are to help Ukraine to build a credible military deterrence to give Ukraine a real chance to rebuild their economy and integrate into the west, besides training Ukrainian soldiers, what else needs to be done?

The Chair: Go ahead, sir.

H.E. Volodymyr Groysman (Interpretation): Indeed, Russia started its invasion only when our country decided on its integration path towards the European Union and the united European family. Russia didn't like all that, and they started their attack.

However, I believe that today the question is much broader than Ukraine alone. I will provide you with just one example. The Ukrainian Crimea, before annexation, was a resort that could be used by residents of countries all over the world. It temporarily hosted a Russian naval base that was to be withdrawn in 2017. Today it is turned into an extremely powerful Russian army base. It is too powerful to threaten Ukraine alone. Accordingly, it threatens NATO countries as well.

As regards our future actions, we will, of course, fight, and we will do everything possible to make sure that the enemy withdraws from our territory. The numbers are tremendous. If we speak about the military component, that's more than 60,000 personnel and more than 700 tanks. There are several thousand armoured personnel vehicles that are deployed at Ukraine's borders, and also inside Ukraine in the occupied regions. All of this is a threat to us. We support a political and diplomatic resolution, but we also know for sure that our military capacity will represent a very important argument for withdrawing Russian troops from Ukraine.

Indeed, we need to improve our military capacity. We speak about defensive weapons. The greater and the better our defence, the better an argument there will be against any aggression by the Russian Federation. We highly appreciate the Canadian contribution to the training of our military, and we believe it will be absolutely the right step to providing us with high-tech defensive weapons which will be a symbol and a system of containment of the aggression by the Russian Federation.

Thank you.

• (1230)

The Chair: Thank you.

We're going to move over to the NDP now.

Ms. Duncan, you have the floor.

Ms. Linda Duncan (Edmonton Strathcona, NDP): Thank you very much.

Welcome, Prime Minister. It's nice to have you here in Canada. I've been fortunate enough to go to your country a number of times, and it's a beautiful place.

I get only one question, so I'm simply going to start by congratulating you on your national renewable energy action plan. I know you've had a struggle with accessing gas and fossil fuels and so forth. I congratulate you on the actions taken and the awards you're winning for tech development. One thing I would think you should think about is Canadian expertise. A lot of countries are helping you; think about asking for Canadian expertise.

Related to that, I understand there are negotiations under way for visa-free access for Ukrainians to Canada. One of the things you could benefit from would be to have your experts come here to meet with our experts. I'm wondering how negotiations are going on the visa-free access.

H.E. Volodymyr Groysman (Interpretation): I believe that the topic of visa-free access or of waiving visas for Ukrainians is a very important topic that will contribute to the development of our bilateral relations. We only now have put on the table the initiative to launch this dialogue and, with Canadian consent, our experts are

ready to start a comprehensive dialogue and to create a road map that will lead us to achieving this goal. We highly respect your national legislation, and we would like to make this process very efficient to ensure that our bilateral interests are preserved, so we are open for co-operation.

With regard to technical co-operation, we know that there is a review under way of a new program for technical co-operation with Canada, and we highly expect that Ukraine will take a proper place in terms of technical support, the support of reforms, and the expert support of Ukraine.

Thank you.

The Chair: Thank you.

I'd just like to recognize that we have two parliamentary secretaries here with us also today, Pam Goldsmith-Jones and Mr. Leslie.

Welcome.

Ms. Pam Goldsmith-Jones (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Omar Alghabra and Kerry Diotte are also here.

The Chair: Yes, sorry. Now I'm almost out of order, because I didn't recognize them all here. Anyway, I'd just like to welcome all parliamentary secretaries here also.

I don't want to cut into the time for the members, so we're going to go right to Mr. Peterson.

Go ahead, sir.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Thanks, Mr. Chair.

We have a lot of parliamentary secretaries here, and those working hard to join them—

Voices: Oh, oh!

An hon. member: That's an inside joke.

Mr. Kyle Peterson: Mr. Prime Minister, Mr. First Vice Prime Minister, Mr. Ambassador, thank you so much for being with us today. It's an honour to be here. I'm one of the several members of Parliament with Ukrainian heritage, so I'm particularly proud to be here today.

I harken back to December 2, I think it was, in 1991, when I was a university student, and I recall vividly how Canada was the first western country to recognize Ukraine. I think that was a monumental date in the history of both of our nations. Continuing in that vein, we ratified the Canada-Ukraine Free Trade Agreement last year. I believe it was unanimous. Every member voted for that. I think also it was a monumental day for the relationship between our two countries.

I just want to touch on that agreement a little bit, and on international trade between our two countries in general, from the perspective that I think trade and a strong economy are the best ways to strengthen democracy as well. I think Ukraine is ranked 70th among Canada's trading partners right now.

What obstacles are there to trade? How can we work together to increase trade? It's fundamental, not just for the relationship between our two countries, but to helping you strengthen the democracy in your country, and frankly to show the world that Canada and Ukraine have been friends for a long time, and that we remain friends. I think that would be a good way of indicating that friendship globally. I just wonder if there are ways in which we can remove obstacles and improve the trade between our two countries.

●(1235)

H.E. Volodymyr Groysman(Interpretation) Thank you.

First of all, I want to thank you for the unanimous support of this decision. One of the important components of my working visit to Canada is searching for opportunities to deepen our co-operation in the economic sphere. Yesterday we had a business forum in which Canadian and Ukrainian entrepreneurs participated. Our delegation includes a large number of economy-related ministries including the government representative on international trade. We have created high-quality foundations to ensure that the trade turnover is growing between our countries. Now we need to broaden the contacts among our businesses. We see that the turnover grew by 70% but we know this is still not in line with our potential. Several hundred million dollars is not the level we can achieve in trade between our two economically strong countries.

I expect that every year we'll see growth in our bilateral trade. Also, we're ready to begin dialogue on expanding the free trade area into the services area. I think this will provide us with very serious opportunities, especially in view of our already existing co-operation in the area of services. There is yet another area for co-operation, and that is protection of bilateral investments. We need to open our countries and provide businesses with better information on our legislation and logistics, and then we'll see new contacts between businesses and new growth in our trade.

Thank you.

The Chair: Thank you, Mr. Peterson.

We're doing quite well here, folks. I think we have time for another round.

Madam Lapointe is next.

Madam Lapointe, you have the floor.

[*Translation*]

Ms. Linda Lapointe (Rivière-des-Mille-Îles, Lib.): Thank you, Mr. Chair.

Good afternoon everyone. Welcome to the committee. We are glad to have you here today.

As my fellow member was saying, this is the first free-trade agreement between Canada and Ukraine. He asked you whether any aspects of the agreement could be made better. Which economic sectors do you think will benefit?

You spoke earlier about improving services and cooperation. What should we focus on, in your view, to make sure both countries get the most they can out of the agreement?

[*English*]

H.E. Volodymyr Groysman(Interpretation) We have had very good experience with co-operation. We should use our experience in creating our free trade agreement to enter into a new agreement on the protection of investments and trade in services. I think we should proceed from the balance of interests within Ukraine's economy. Our team is fully prepared to launch this natural process. In trade and services, we already see co-operation between our businesses, so there is a lively demand for these sorts of exchanges.

Thank you.

●(1240)

The Chair: Thank you, Prime Minister.

We're going to move over to the Conservatives now.

Mr. Carrie.

Mr. Colin Carrie (Oshawa, CPC): Thank you very much, Mr. Chair.

First of all, Prime Minister, it's wonderful to have you here.

I'm proud to come from Oshawa, which is the home of the first Ukrainian Canadian cabinet minister, Michael Starr. We have a very active Ukrainian community.

I want to ask you about some of the sectors we have in common. We had the pleasure of visiting your country with former Prime Minister Harper a couple of years ago. I was really impressed with the opportunities we saw in the oil and gas sector, the aviation sector, defence, and industrial co-operation.

My question delves a little bit further into what some of my colleagues said. We have this visa regime and perhaps we could improve it to have a visa-free regime. What industrial sectors do you see as offering the greatest opportunities for co-operation between Canada and Ukraine?

H.E. Volodymyr Groysman(Interpretation): Indeed, we have actually seen growth in all sectors of the national economy. We believe we can achieve good numbers in the development of agriculture and business. There's serious room for growth, including growth in the processing of agricultural products. If you look at the structure of our exports, you can see that we are global leaders in certain positions of agricultural expertise. For example, we are the number one exporter of sunflower seeds globally, but we still lack state-of-the-art technology in agriculture. Here, there's room to improve our GDP contribution.

Also, there's an energy strategy. We plan to develop alternative energy before 2035. We want to increase the share of alternative energy by 10 times. Our goal is also to achieve, by 2020, full coverage of our heating and housing needs with domestically produced natural gas. We have already started to increase domestic production. We expect that this year it will grow by 600 million or 700 million cubic metres, so there's another opportunity for co-operation. I should also mention hydroelectrical energy and the development of national nuclear energy. Here, again, there's great potential.

I should mention aerospace. We have opportunities for co-operation between our countries, and tomorrow in Montreal, we will attend the aerospace forum between our countries. We will sign relevant agreements. There's also construction development, light industry, and machine building. These are all areas in which we need investment, and which have huge potential for growth.

The Chair: Thank you, Prime Minister.

Thanks for the good question, Mr. Carrie.

Mr. Dhaliwal.

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Thank you, Mr. Chair.

Prime Minister, Vice Prime Minister, and Ambassador, welcome.

Recently, Canada passed the Magnitsky legislation. How many Ukrainians have been illegally abducted by Russia from Crimea to face show trials? Would sanctions against the prosecutors and judges in these show trials be effective?

H.E. Volodymyr Groysman (Interpretation): First of all, I want to thank you for the recent approval of the Magnitsky law by your Parliament. This is a very good contribution to support the fight for human rights.

When we speak about the demand for the respect of human rights, and the violations in Crimea, we see political prisoners and prisoners who were illegally abducted by Russia. In some cases we have managed to achieve their release. Recently, two Crimean Tatar leaders were released through international efforts, but the problem is that Russia doesn't respect human rights.

Russia has started oppressing Ukrainian citizens for having Ukrainian passports and for self-identify as belonging to the Ukrainian nation. They have experienced religious persecution, and these are all challenges for us. Therefore, we have seen dozens and hundreds of cases of people being held in custody illegally and only singular cases of people being released.

Of course, the law that you passed provides an opportunity to punish specific individuals for specific violations, and that's a very substantial contribution.

Thank you very much.

• (1245)

The Chair: Mr. Yurdiga, go ahead, sir.

Mr. David Yurdiga (Fort McMurray—Cold Lake, CPC): Thank you, Mr. Chair.

I would like to welcome to our very special guests and friends from Ukraine.

I would like to focus on the economy of Ukraine. It's a concern for everyone, as our economy and your economy are somewhat intertwined. How has Ukraine's economy been affected by the conflict in Crimea and Donbass, and what more can Canada do from an investment perspective?

H.E. Volodymyr Groysman (Interpretation): We lost almost a fifth of our economy because the Russians invaded our territory and illegally seized the assets of our country, including the natural resources. That was a huge challenge. Also, they ignored all

international norms. They imposed limitations on the movement of Ukrainian goods, including the transit of Ukrainian commodities through Russia. It was an unprecedented pressure, but we also viewed the pressure as an opportunity. We've had to retarget the national economy to other markets. Doing that gave us an impetus to introduce new technology. For decades, Russia was holding us at bay in terms of stagnation. They prevented Ukraine by various means from developing technological breakthroughs.

Now I want to stress that we have economic growth. As I said, this year it will stand at 2.2%. Next year it will be more than 3%, but we believe economic growth of 5% to 7% is absolutely a realistic goal, because we see huge potential for the participation of Canadian business in our privatization. We have 3,500 state-owned enterprises. That's the inheritance from an inefficient past.

We have now registered a bill that will regulate privatization according to the best international standards. After the bill is passed into law, it will provide wonderful opportunities for investment. There are very many areas, from land to space, that can bring good profits for investors.

Last month we returned to the international lending market. We placed our bonds, amounting to \$3.5 billion, so now we see the re-emergence of foreign investors' interest in Ukraine, but we need to move forward and we need to become a country of high standards.

The Chair: Thank you, sir, for the question.

Thank you, Prime Minister, for the answer.

We're going to move over now to the NDP.

Mr. Garrison, you have the floor.

Mr. Randall Garrison (Esquimalt—Saanich—Sooke, NDP): Thank you very much, Mr. Chair.

I also welcome the Prime Minister here. I'm hoping we can use the frequent contacts we've had recently to build closer relations between our parliaments as institutions, as well as government-to-government relationships. I echo my colleagues' comments that we would certainly urge Canada to get on with instituting visa-free access for Ukraine as a complement to our free trade agreement.

As a member of the defence committee, I was privileged to visit Ukraine last month and to see some of the challenges Ukraine faces in trying to reform while facing ongoing Russian aggression. We saw Canadian involvement in military reform, police reform, and other areas. My understanding is that most of those technical agreements expire early next year, and I wonder whether talks have begun or whether you've had any signals from the Canadian government about the importance of continuing those technical assistance programs for reform in areas such as policing, corruption, and the military.

•(1250)

H.E. Volodymyr Groysman (Interpretation): It is very important for us to continue and to deepen our co-operation in technical missions. Indeed, in the course of a policy review for subsequent periods, we are really interested in ensuring that Ukraine has a proper place, and that the things we do in Ukraine are unprecedented. I cannot imagine another country that faces so many structural changes, in areas such as justice, decentralization, education, health care, pensions, national police, national security and defence, energy, and so on.

All these things naturally require experience and technical support. Because we face economic problems that were left unresolved for decades, they became chronic problems, so now, as we look into these problems, they need rapid but weighted professional actions to change Ukraine.

I insist that today we have reached a stage where we can, by means of new changes and transformations, turn into one of the most dynamic economies of Europe. It's an absolutely obvious fact, and such instruments as public privatization, weighted circulation of lands, openness of economy, smart regulations, and the improvement of our energy capacities will provide us with an opportunity to ensure sustainable economic growth.

Today, many business people look for start-ups for other investment opportunities, and Ukraine is exactly the sort of start-up that can bring success to investors. We now see thousands of international companies operating in Ukraine, and not all of them have an easy time because business is never easy. However, it's obvious that these companies are achieving their goals.

We have high intellectual capacity in Ukraine, and we have natural resources. This combination gives us an opportunity to succeed. Your technical assistance will improve our competence, because today we are developing our own institutional strength. We already accumulated our own experience in recent years. We understand that we are a young democracy, a young state, but we face unprecedented challenges, and therefore, we have to move quickly. It's an honour for us to move quickly with you.

Thank you.

The Chair: We'll move now to the Liberals.

Ms. Ludwig, go ahead, please.

Ms. Karen Ludwig (New Brunswick Southwest, Lib.): Thank you, Chair.

Thank you, your Excellencies. I'm very pleased to be collaborating with you and also learning from your experiences.

Mr. Prime Minister, could you speak to the opportunities in terms of scaling up for exports, opening your economy to opportunities for innovation and infrastructure, and what those opportunities may be for Canadian professionals to support you and work with you on the investment side?

H.E. Volodymyr Groysman (Interpretation): Thank you very much.

Indeed, in order to develop our national economy, it is very important to modernize infrastructure. In recent years we have

launched a serious modernization of our country and an overhaul of all life-support systems.

We have unique ports. We have started a modernization of the Ukrainian railways. We have started the rebirth and renewal of Ukrainian roads. We are developing other sorts of infrastructure also, to improve our export and import capacities.

As far as innovations are concerned, this topic is on the agenda because Ukraine is a highly innovative country. You can see that in many innovative projects in the world there are Ukrainian components. Ukrainian experts are known worldwide. I know in particular that in IT there is a lot of co-operation between Canadian and Ukrainian businesses. Ukrainian IT experts co-operate with Canadian business people.

Just yesterday, I met a family of Canadian business people who employ 1,000 Ukrainian programmers and software developers, so the context is already there.

If we sign an agreement on free trade in services, we can move on to an agreement on co-operation in IT, to offer our joint products. Also, it is very important for us to upgrade our transportation capacity based on the newest technology.

We also work to protect copyright and to ensure trust in the Ukrainian economy. We also need to improve the efficiency of the management of our national sciences. The science sphere is still unreformed. We invest quite serious money into science, but we could obtain much more. We are working on that, and next year we are going to create a foundation to support innovation in Ukraine.

We will also discuss this topic at the National Council of Ukraine on the Development of Science and Technology, at which we will be looking to create systems that will lead to innovation-based products from Ukraine. Innovation is very important for us in all areas, in particular with the innovations being implemented in agriculture.

Thank you.

•(1255)

The Chair: Thank you, Prime Minister.

Thank you, Ms. Ludwig.

I think we might have time for a couple more quick questions.

Mr. Diotte, you have the floor.

Mr. Kerry Diotte (Edmonton Griesbach, CPC): Mr. Prime Minister, I think Canadians are all struck by the resilience of the Ukrainian people. Congratulations on that.

I'm wondering what you expect next in terms of Russian aggression, and also whether you hold out any hope of getting that territory back some day.

H.E. Volodymyr Groysman (Interpretation): We have no option but to return the temporarily occupied territory. It's about values.

I believe that now there is a fight between two worlds. It's not about a local conflict in Ukraine. First they insisted that it was a domestic conflict, but there is not, and never has been, a domestic conflict in Ukraine. It's a matter of conflict of two worlds—the democratic world that is based on values and respect and another world that is not related to democracy in any way. Unfortunately, the divide between these two worlds is on our eastern border. We protect the western world's values. When we said that we wanted to be a democratic nation and that we wanted to integrate into the west, then the Russians unleashed their military operations to hold Ukraine. I'm certain that in the post-Soviet space, Ukraine will be a successful example of transformation despite all the tragedies that have happened in our history.

I can hardly forecast Russia's future steps, but I believe that the answer to this question is related to the efficiency of reaction of the democratic world to protect its democratic values. Imagine today, for example, had the Ukrainian army not been so heroic, what the limits of Russian aggression might have been. We realize that today it is very important to consolidate the world, and that here and in many parts of the world, there are thoughts that the sanctions against the aggressor should be lifted. But don't we think, dear friends, that this means selling out on our values, values for which we should fight, and the values for which the previous generations fought?

It's really hard to predict Russia's actions, but we need to act ourselves. We should fight. We should push. We should make the Russian leadership respect international law and sovereignty and borders. All these things should mean our victory. I don't remember who said that the aggressor acts until the aggressor believes the price is intolerable. This price should be unbearable for them.

I want to stress once again that your leadership is very obvious. It is value-based and we respect your leadership. We gladly welcome Canadian global leadership.

● (1300)

The Chair: Thank you, Prime Minister.

Thank you for that question. It was a very short question, but it had a big answer, and we're past our time.

I'm going to pass the chair over to my esteemed colleague, the chair of the defence committee, and he'll have closing remarks.

Go ahead, sir.

Mr. Stephen Fuhr (Kelowna—Lake Country, Lib.): Gentlemen, thank you for coming. Ukrainian success is important to the committees represented here, to Canadians, and to Canada in general.

As you know, the defence committee was in Ukraine about a month ago, and we will be tabling a report in the House of Commons in the coming weeks. I fully suspect that our recommendations to the Government of Canada will probably spill outside of our normal defence portfolio given what we've heard here today and what we heard in Ukraine. We look forward to that and to providing some constructive recommendations to the Government of Canada to help you get to where you need to be.

Thank you very much for appearing today. If you would join us for photos outside, we would appreciate that. Thanks.

H.E. Volodymyr Groysman (Interpretation): Thank you very much.

The Chair: The meeting is adjourned.

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