



Return on investment for most projects will be close to 35 to 45%.

Both Ukraine and Russia have substantial economic potential for the future. Despite the political uncertainty, the economic confusion of transforming to a market economy, and a legislative morass, both countries are increasingly generating interest for new investment from abroad.

Russia stretches over 11 time zones, makes up more than 75% of the territory of the former Soviet Union, possesses close to 90% of the oil and has retained most of the former USSR's scientific establishment.

Ukraine, with a population almost as large as France, has a strong agricultural base coupled with a broad scientific and technological complex which, in many cases, is world class and is limited only by a lack of investment capital.

Both countries, with a large well-educated population are substantially behind other industrialized nations in meeting every day consumer requirements. Consumerism is poorly developed because of the previous focus on military and defence development. Nevertheless there is a latent demand for better quality, choice and availability. Meeting this demand cost effectively with the right products and services represents excellent investment potential.

To this end, Canbear has focused its activities on the consumer with developments in both countries. Canbear believes that there is a three year window where solid business opportunities and investments can be realized and developed inexpensively. The company also is confident that although the environment is risky, the nature of the investment is not risky, as it addresses some of the fundamentals of everyday living; food and transportation.

In Dnipropetrovsk, Ukraine, projects include a number of retail stores, automobile sales and service centres, and an office/apartment development.

Special to the Monitor

FX1: PRODUCT POTENTIAL FOR BOTH CANADA AND UKRAINE

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It was reported in the March/April issue of Ukraine-Canada Policy and Trade Monitor, By Dr. David Marples in his commentary to CBC radio, that the price of oil imported into Ukraine from Russia has risen 300 times over the past year. In an article written by Oleksander Shandruk, First Secretary at the Ukrainian Embassy in Ottawa, he confirmed that nearly 40% of Ukraine's imports are from Russia. In his article, Shandruk spoke further of the urgent need to radically increase the competitiveness of Ukraine's national enterprises, and indeed those of Canada, in the global market of production.

If a country were able to do so, by a figure of even 8% to 10%, and were also able to increase the efficiencies of its governmental and industrial operations by a similar figure, the positive jolt that this would provide to its economy would be massive. Governments, in any country in the world, would have little difficulty utilizing the monies made available, and the other benefits they would reap from reducing imports.

There is hardly any machinery or engines that can be operated without the need to minimise or reduce wear. Attention to this is important, especially in industry as there are severe economic penalties for not paying attention to friction and wear in engineering systems. Wear reduces machine operating efficiencies through power losses and increased fuel and oil consumption. Components need to be replaced more often, resulting in increased maintenance. Metal surfaces are not perfectly flat; consequently, when metal to metal contacts occurs, the surfaces only touch on a few microscopic high points. When one surface slides or rotates over the other, a rise in temperature takes place at these high points. Minute local welds are formed and then torn apart; this is referred to as friction weld. Various forms of lubrication

are used between the surfaces to reduce the number of contact points; however, these do, after time break down. The study of these interacting surfaces in relative motion is called Tribology. Most industrialized countries now have established facilities to test and analyze the problems associated with lubrication breakdown.

There exists today a product that has been proven in tests conducted by government and independent testing facilities, and by industry in several countries, to significantly reduce heat, friction and wear at loads not even advanced oils can sustain. The product is called FX 1. It has been developed in the United Kingdom and is manufactured at the internationally recognized and respected Carless refinery. It will be brought to market this fall in both Canada and Ukraine.

Available in liquid form, or further blended into a high temperature, high pressure grease, FX 1 is a unique hydrocarbon based monomolecular surface modifier that combines advanced lubrication technology with metal reactivity. A purely liquid formulation, free from harmful solidifying agents such as polymers or metallic compounds, FX 1 is carried to friction surfaces by the existing lubricants. Its tiny electropolar molecules react under loads to form a synergistic bond with the metal surfaces through low temperature bonding which creates a very slippery film between the contact surfaces. Once ingrained it becomes part of the metal and is almost impossible to break down. The host surface is made denser, smoother and more stable. Friction is reduced and terminal wear prevented at vastly higher loads than with mineral or synthetic oils alone. The almost immediate and most significant reduction of friction and the heat that it generates allows the moving parts of engines and machinery that are impeded by friction to operate more efficiently. It extends their work-life, allows for a reduction in planned maintenance programs by up to 50%, and it reduces noxious emissions dramatically. Tests to the