# Trading between Russia and Canada

**Иванова Анна Владимировна**
ученица гимназии №4
г. Курск

The first contact of Canadians with Russians was in 1918 when, at the suggestion of Britain, Canada sent its forces to Russia to participate in foreign intervention. The intervention of Canadian troops in Russian affairs during the civil war, the subsequent intensification of the actions of the Communist Party of Canada and the persecution of religion in Russia did not contribute to the development of communications. They began to develop only in 1920 Canada was interested in Russia as a promising economic partner. On the other hand, Russia, devastated by civil war and foreign intervention, needed industrial equipment, agricultural machinery and, especially, food. Russia has realized its interests in the elimination of diplomatic isolation of the country, as well as in the field of foreign trade. For Canada, opened a huge Russian market.

But the relationship between Canada and the Soviet Union was unstable. In 1927 Canada followed Britain and severed its relations with the USSR. For the next fifteen years, the countries did not have trade with each other. In 1931, the Canadian government established a ban on the importation of coal and other goods from the USSR. Moscow quickly took retaliatory measures, imposing an embargo on all Canadian imports. Canada and the USSR could not get closer and establish diplomatic relations until the outbreak of World War II. Obviously, the Canadian government, in the general interest of fighting fascist Germany, supported the USSR.

The official signing of the agreement on the establishment of consular relations took place on February 5, 1942 in London.

| Russia exports to Canada | |
|---|---|
| Mineral fuel, oil and products of their distillation | 39.5% |
| Ferrous metals | 27.9% |
| Rubber | 17.4% |
| Products of inorganic chemistry | 6.4% |

| Russia imports from Canada | |
|---|---|
| Nuclear reactors | 56.0% |
| Vehicles and their parts | 5.8% |
| Electric machines and equipment | 4.5% |

Russia and Canada are not in any common trading blocs. But in the last couple of years, Canada, like many countries in North America and Europe, has imposed sanctions against Russia. So in the near future the volume of trade between these countries may decrease, although over the past few years it has only increased

· Absolute advantage

Canada and Russia have an absolute advantage in the export of fuel raw materials. These countries are rich in natural resources and have large oil deposits, which are so necessary for the whole world. Canada and Russia have the required knowledge and equipment for the extraction and export of oil and they border with their consumers. Canada exports fuel resources to America, and Russia supplies them to Europe.

· Comparative advantage

Canada and Russia have a comparative advantage in many branches of the agrarian industry. Despite the fact that these countries are rich in land, national conditions do not allow to grow many varieties of plants throughout the year. So it’s much more profitable not to

spend huge amounts on

greenhouses and fertilizers,

but to import finished

products from other countries.

Canada and Russia are very similar countries, but nevertheless they have an absolute advantage in different industries. Therefore, it is very important for them not to stop trading among themselves.