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Ladies and Gentlemen:

Reference is made to ITA case A-451-801 regarding the Inquiry into the Status of Lithuania as a Non-Market Economy Country etc. In this regard I should like to submit the following comments:

Lithuania has regained its independence from the Soviet Union in 1990. Since that time it has made a notable progress in becoming a free market oriented developing country. Since my retirement as the International Treasurer for Kraft Foods Inc. and formerly International Banking at the Continental Bank, I have worked as a volunteer in Lithuania as a member of the International Executive Service Corps, funded by U.S. AID in various areas in that country for the last ten years, central banking, commercial banking, private enterprises and education.

Today the country has a convertible, stable currency, a very low inflation, privatized banking system and production/trading entities, international rating for the country's debt instruments and is a leading candidate for acceptance into NATO and the European Union. About two years ago the U.S. AID has classified Lithuania as a sufficiently developed country, no longer needing assistance from that U.S. government agency. The country is a member of the IMF and World Bank.

I have provided more specific details regarding Lithuania's current status and should like to recommend that its status be promptly changed to a Market Economy Country with the Department of Commerce of the United States of America.

With best regards

Anthony K. Grina

Lithuania's Currency Litas was introduced in 1993 as a fully convertible solid and stable currency (the current annual inflation rate is on the par with the U.S.). In 1994 its value was fixed in terms of the U.S. Dollar until the year 2002 at which time it was tied to the value of the Euro.

The currency is today fully convertible and exchangeable into any other currency. Lithuania has no restrictions for capital movement into and out of the country and the country's commercial banking system is fully privatized. The current laws permit internal settlement of financial obligations in both its own or foreign currencies. Lithuania has a rated international status for the country's financial obligations thus having access to international capital markets, The country's international reserves have been stable and increasing, the current account deficit being offset by increasing foreign investments.

Summary Comment:

Lithuania's currency is fully convertible stable and solid and the financial system sound.

Lithuania's Wage and Salary structure is determined by market forces. Inasmuch as practically the total economy is privatized (with some exceptions in the energy and railroad ownership which is in process of privatization), the determination of wages and salaries is

a function of free market forces. There are some organized labor unions which represent their members in collective bargaining. With the exception of rates of remuneration for the government offices (as is the case in the US) no prescribed government wage limits exist.

Summary Comment:

Wages and Salaries in Lithuania are determined by free market forces

Investments into Lithuania are open and unrestricted.

Based on the country's laws foreign capital is free to enter Lithuania without restrictions. There is substantial international investment in the country in the form of Joint Ventures, wholly owned subsidiaries, foreign owned public or private entities, banks. Until recently when Williams Companies sold their share of the investment in an oil refinery to a Russian owned entity, the U.S. with Phillip Morris, IBM and various other companies was in effect probably next to the largest investor in the country. Equally, Lithuania allows free movement of capital out of the country. Foreign investors are required to comply with local laws as is the case in the U.S. Over the last number of years the foreign investment has effectively covered the current account deficit in terms of international reserves.

Summary Comment:

Investment in Lithuania is free of any restrictions as is capital outflow out of Lithuania

Lithuania's government does not control means of production or allocation of resources.

During the last ten years the country has made a concerted effort to shed its ownership of production and resources through the process of privatization. Today aside from some segments of the energy, transport (railroad) and education virtually all the industry, agriculture, trade, banking is in private hands. As such the government no longer controls prices, allocates resources or owns any significant part of the country's economy. The free market very much determines the economic directives, prices and utilization of resources.

Summary Comment:

Lithuania today is very much a free market economy
