

05-002106-e



"Grabareva, Inna"
<IGrabareva@WNISEFK.com
>

06/03/2005 09:48 AM

To "CGutierrez@doc.gov" <CGutierrez@doc.gov>

cc

bcc

Subject Email for the Secretary

Please find attached a letter from Natalie A. Jaresko, President and CEO of Western NIS Enterprise Fund.

Inna Grabareva
Executive Assistant and External Relations Coordinator
Western NIS Enterprise Fund

4 Muzeyny Provulok, 3rd Floor
Kyiv 01001, Ukraine
38-044-490-5580
38-044-490-5589 fax
www.wnisef.org



Market Economy status letter 0605.DOC

Western NIS Enterprise Fund

4 Muzeyny Provulok
3rd floor
Kyiv 01001, Ukraine
Tel: (380) (44) 490-5580
Fax: (380) (44) 490-5589

27 Sfatul Tarii
4th Floor
2012 Chisinau, Moldova
Tel: (373)(22) 23-7141
Fax: (373)(22) 23-7136

150 N. Martingale Road
Suite 830
Schaumburg, IL 60173
Tel: (1) (847) 517-2550
Fax: (1) (847) 517-2551

June 3, 2005

The Honorable Carlos M. Gutierrez
Secretary of Commerce
14th and Constitution Avenue, NW
Washington, D.C. 20230

Dear Secretary Gutierrez:

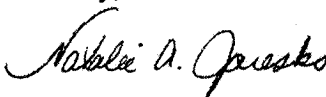
On behalf of Western NIS Enterprise Fund, the largest private equity fund operating in Ukraine, I wish to express our support for the revocation of Ukraine's no-market economy (NME) status under section 771(18) of the Tariff Act of 1930, as amended ("the Act").

Our fund, capitalized initially by the U.S. Congress with \$150 million, has been investing in small and medium sized companies in Ukraine since 1995. We have followed the development of the economy closely and our portfolio companies have felt the impact of the positive changes over the past few years. Market forces have taken hold in this country and the private sector dominates the economy. Entrepreneurs enjoy a great deal of freedom and with each month the red tape and bureaucracy they faced in the early 1990's recedes. Based on the criteria applied by the U.S. government to other former Soviet republics, we believe that Ukraine's transition warrants revocation of its classification as a non-market economy.

Since the Orange Revolution some 100 days have passed. Within that time period specific changes to the business environment have been implemented reducing corruption (due to reduced customs tariffs and an anti-smuggling campaign), broadening the tax base (reduction of politically motivated privileges and discontinuation of special economic zones), and improving the transparency of government decision-making. These changes are welcomed by domestic and foreign investors alike. President Yushchenko and his government have clearly defined their priorities with regard to WTO accession and EU integration. They are taking unilateral steps to ease business travel for Europeans and Americans. There is a real commitment to moving the country toward the common values of market and democracy; and this commitment is translating into deeds with each new day.

Recognizing that a great deal of work remains, we believe that market economy status for Ukraine is warranted today given the revolutionary political and economic changes that have occurred over the past few months and the political will that exists to complete the necessary reforms. Lifting this barrier will further improve the U.S. – Ukraine trade relationship and enable a sounder, more mutually beneficial relationship between the countries.

Sincerely,



Natalie A. Jaresko
President and CEO