



12<sup>th</sup> October 2006

Policy Officer  
DG Trade,  
Trade Defence Instruments, Unit B2 – J-79 05/27  
200 rue de la Loi-Wetstraat  
B-1049 Brussels, Belgium

**RE: Ukraine Notification** – *On initiation & conduct of a special investigation on the import to Ukraine, incandescent gas-discharge. Ukraine Foreign Trade Classifier Code: 8539 31 10 and 8539 32 50.*

Dear Ms. Strasser,

Thank you for your email dated 28<sup>th</sup> September 2006. On behalf of our members I would like to thank the Commission for its advice, and support in this matter.

As far as this case is concerned, we have decided to register as an interested party with DG Trade and also with the Ministry of Economy of Ukraine. The ELC will support the Commission in the event of a hearing with the Ukraine Ministry of Economy.

The ELC represents the leading lamp manufacturers in Europe and accounts for 95% of total European lamp production, with approximately 50,000 employees in Europe and a 5 billion EURO European turnover.

In our response to the Ukraine notification we will argue that lamps produced by the ELC member companies, are exported to the Ukraine market to **compliment local production** and to **satisfy the increasing demand** for lamps that are **more energy efficient and provide better light quality**.

The two products in this notification from the Ukraine – **8539 31 10** and **8539 32 50** are for lamps that are used for **commercial and domestic** lighting; and for **street and industrial** lighting, respectively.

Our sources clearly confirm that the Ukraine economy is an emerging free market. Gross domestic product has experienced double-digit growth in recent years. This fact is highlighted in *Chart 1*, in the attached annex. This growth has resulted in a two-fold growth in GDP per capita, which is reflected in *Table 1*, also in the attached annex. Increased consumption is commonly associated with economic prosperity. These consumption trends for both 'State' and 'Households' are highlighted in *Charts 2 and 3* in the attached annex.

The data referred to in the annex indicates the changing positive economic climate in the Ukraine. For example the Ukraine is currently experiencing considerable growth in construction, which is expected to grow by 13.1%. This has been attributed to the 'revival [which] is grounded on partial restoration.'<sup>1</sup> The estimated growth in construction in 2007 is an additional 14.3%. The City of Kyivmiskbud is an example of the results of restoration, where commercial, industrial and street lighting was renovated as part of the Project.<sup>2</sup>

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<sup>1</sup> Source: Ukraine Institute for Economic Research and Policy Consulting, *Forecast No. 1 (9)*, May 2006

<sup>2</sup> Source: [http://www.wumag.kiev.ua/wumag\\_old/archiv/2\\_98/bud.htm](http://www.wumag.kiev.ua/wumag_old/archiv/2_98/bud.htm)

The growing demand for lamps can be correlated to the increase consumption within the 'State' and 'Household' application areas, and through increasing construction activity. As previously stated the two products in this notification from the Ukraine – **8539 31 10** and **8539 32 50** are lamps that are used for **commercial and domestic** lighting; and for **street and industrial** lighting, respectively. To satisfy demand and to compliment local production, the ELC member companies export lamps **8539 31 10** and **8539 32 50** to the Ukraine market.

In addition, to satisfying local demand, employing local skills is important to the ELC member companies. Currently, in the Ukraine; the ELC member companies **employ 409 employees** of which **7% are in lighting**.

*Charts 4 and 5*, attached in the annex, details the ELC member companies response to the growth in demand for **8539 31 10** and **8539 32 50** lamps.

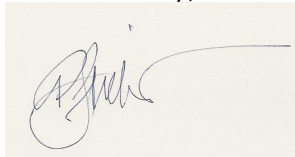
*Charts 4 and 5* reflect a steady growth in both lamp types that are akin to economic growth in the gross domestic product of the Ukraine. This growth should not knowingly cause injury to the applicant – TOV Zavod Gazorozryadnykh Lamp.

Between the period stated **2004 – 2005**, product **8539 31 10** experienced a growth of **only 30%**. In this period 2004 – 2005, the Ukraine was subject to multiple street lighting projects, such as the Emulate Project 2004 – 2005<sup>3</sup> and the US Aid – Ukraine Project<sup>4</sup>. The key deliverable in this period was to renovate and improve street lighting to more energy efficient systems. These Projects resulted in an increased demand of 8539 52 10, and therefore the increased imports of 8539 52 10, to satisfy this demand.

**The ELC member companies are committed to providing a better quality of light that is more energy efficient, and export to the Ukraine market to compliment local production and to satisfy the increasing demand for lamps 8539 31 10 and 8539 52 10.** This stems from the economic growth currently being experienced in the Ukraine and the various projects to assist the Ukraine enjoy a better quality of light that is more energy efficient.

I trust the information we have provided is clear. Please do not hesitate to contact me, should you have any further queries.

Yours sincerely,



Gerald Strickland  
Secretary General

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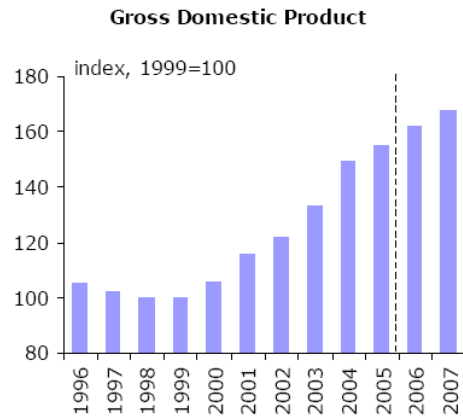
file:///C:/Documents%20and%20Settings/jce/Local%20Settings/Temporary%20Internet%20Files/Content.IE5/JYX67YIA/presentation\_reep\_akopets%5B1%5D.ppt#377,17, EMULATE Project (2004-2005): Software « EnergyPlan 1.0 »

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[http://ukraine.usaid.gov/lib/Fact\\_sheets/business.pdf#search=%22street%20lighting%20projects%20%2B%20ukraine%20%2B%202005%22](http://ukraine.usaid.gov/lib/Fact_sheets/business.pdf#search=%22street%20lighting%20projects%20%2B%20ukraine%20%2B%202005%22)

## Appendix – Referenced Data

**Chart 1: Ukraine Gross Domestic Product – 1996 - 2007**



Source: Derzhkomstat, own calculations

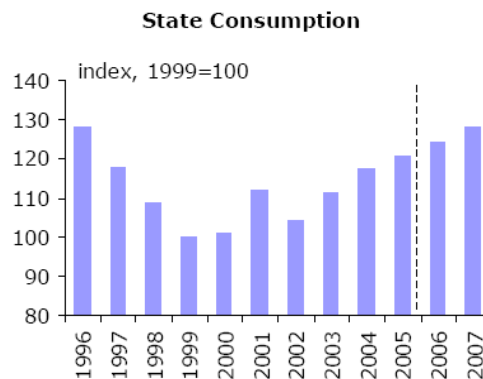
(Source: Ukraine Institute for Economic Research and Policy Consulting - [www.ier.kiev.ua](http://www.ier.kiev.ua) )

**Table 1: Ukraine GDP per capita 2003 – 2006**

Year	GDP per capita US \$ per capita
2003	5,300
2004	6,300
2005	7,200 (estimate)
2006	7,800 (forecast)

(Source: 2003 – 2005: World Fact book – [www.cia.gov](http://www.cia.gov); 2006: Wikipedia – [www.wikipedia.org](http://www.wikipedia.org))

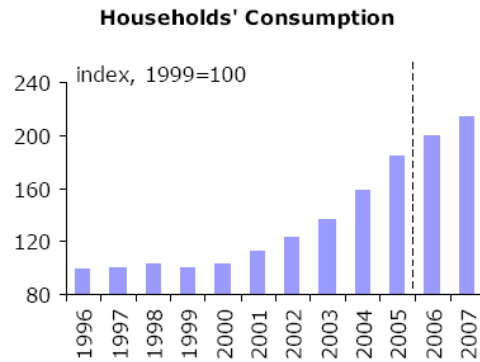
**Chart 2: Ukraine State Consumption – 1996 - 2007**



Source: Derzhkomstat, own calculations

(Source: Ukraine Institute for Economic Research and Policy Consulting - [www.ier.kiev.ua](http://www.ier.kiev.ua) )

**Chart 3: Ukraine Household's Consumption – 1996 - 2007**

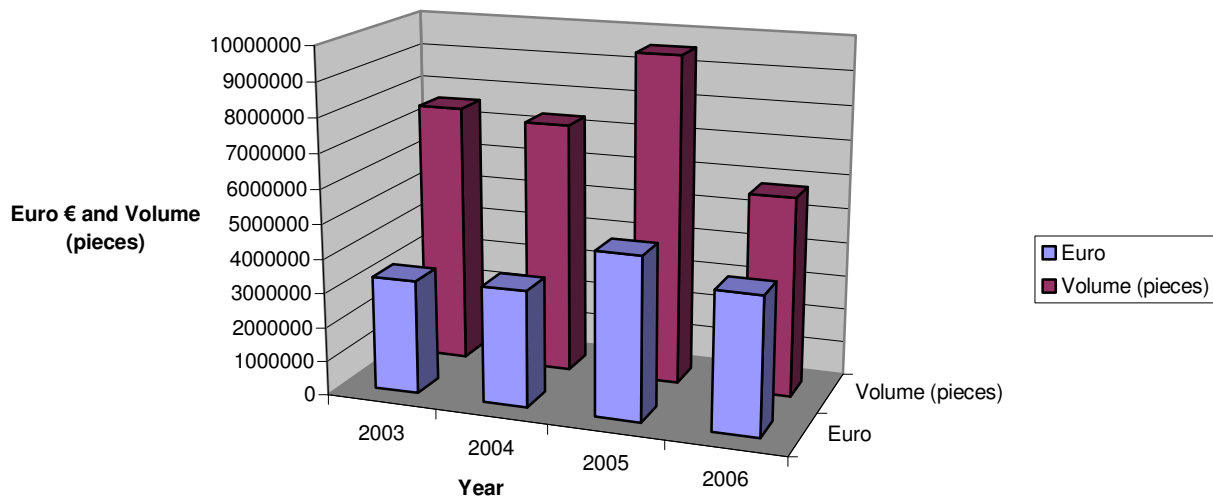


Source: Derzhkomstat, own calculations

(Source: Ukraine Institute for Economic Research and Policy Consulting - [www.ier.kiev.ua](http://www.ier.kiev.ua) )

**Chart 4: 8539 31 10 Sales Data by ELC Member Companies – 2003 - 2006**

**8539 31 10 Sales Data (2003 - 2006) Ukraine**



**Chart 5: 8539 31 50 Sales Data by ELC Member Companies – 2003 - 2006**

**8539 32 50 Sales Data (2003 - 2006) Ukraine**

