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The Ministry of Economic Cooperation and Trade of the Republic of Albania has submitted the following information concerning the economy and the foreign trade regime.

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I. MACROECONOMIC SUMMARY OF THE SITUATION IN 1997

A. THE REAL SECTOR

During 1997, the Albanian economy suffered a substantial reduction in output. The macroeconomic statistics clearly demonstrate (section II, part A) that the interruption of economic activity was particularly severe across all sectors: industry (-16 per cent), agriculture (-11 per cent), construction (-17 per cent), transportation (-18 per cent), and services (-26 per cent). As a result of the reduction in production and damages sustained during the civil unrest in 1997, two problems in particular have oriented governmental action during 1998. First, the government has focused its support on the most affected sectors. The damage has been assessed and foreign financing has been a principal source of covering such costs. Second, governmental action is required to correct the structural problems which still exist in various sectors of the economy. Before the start of 1998, the government had a stated objective to increase GDP by 10 per cent.

B. SHORT-TERM ECONOMIC RECOVERY PROGRAM

In the short term, the government has the stated objectives of fostering the economic recovery and maintaining economic stability. The economic recovery program involves adopting concrete measures to lower the evasion of taxes and customs duties through the improvement of technical and organizational work. In addition, considerable effort is being focused on the allocation of budget expenditures to help those sectors disproportionately affected in 1997. Rather than reduce budget expenditures to maintain fiscal discipline (especially given the economic slump from 1997) the government is wanting to find ways to improve the efficiency of public administration, to increase the State support of adversely affected segments of society (e.g., the unemployed, the homeless, etc.), and to increase the amount of public investment in the economy. These measures are expected to support the objective of economic recovery and maintaining economic stability.

C. MEDIUM-TERM ECONOMIC PROGRAM

In the medium term (i.e., 1999-2000) the government is targeting an annual growth of 7-8 per cent per year on average and to reduce inflation to 5 per cent from the 33 per cent experienced in 1997. The government also intends to guarantee a level of reserves commensurate with almost four months of imports. In 1997 the budget deficit as a percent of GDP was 40 percent. The target for the deficit by the year 2001 is 3 per cent of GNP. Other structural reforms such as a liberal investment regime, privatization of large-scale enterprises and the creation of a functional market for agricultural lands should support the achievement of these medium-term goals.

A more detailed report summarizing economic policies is attached (see WT/ACC/ALB/24). Title of supplementary material: "Economic Policies and Development Tendencies of Albania in the Short and Medium Terms", Department of Macroeconomy, Ministry of Economic Cooperation and Trade, 1998, 60 pages in total. Note: This report is not provided electronically.

II. SELECTED STATISTICAL DATA

A. GROSS DOMESTIC PRODUCT, TOTAL AND BY PRINCIPAL ECONOMIC SECTORS

	1990	1991	1992	1993	1994	1995	1996	1997
Million dollars, constant prices of 1990								
GDP	1,681	303	150	120	140	163	186	103
Industry	625	97	25	16	18	19	19	13
Agriculture	76	29	1	6	7	9	1	58
Construction	111	20	11	11	15	17	18	11
Transportation	55	10	4	4	5	6	7	3
Services	214	47	27	23	28	32	35	18
Dollars of 1990								
GDP/capita	510	93	46	38	44	50	48	31
Million dollars, current								
GDP	1,681	410	676	1,228	1,947	2,476	2,689	2,264
Industry	625	132	114	170	244	290	336	281
Agriculture	676	174	337	671	1,064	1,352	1,419	1,267
Construction	111	27	52	111	187	255	307	255
Transportation	55	13	20	38	66	87	88	62
Services	241	64	124	238	386	492	538	399
Current dollars								
GDP/capita	510	128	212	388	608	762	819	686

Sources: Original data sources from DEDAC, Unit of Macroeconomy; also from the Statistical Institute of Albania, *Albania in Figures*, INSTAT, 1997.

B. CONSUMER PRICE INDEX AND ANNUAL INFLATION RATES

	1991	1992	1993	1994	1995	1996	1997	1998 ^a
Consumer Price Index, Total and by Sector ^b								
Total	04.1	236.6	30.9	5.8	6.0	17.4	42.1	6.2
Food, beverage, and tobacco	11.1	56.4	27.0	7.3	6.4	20.0	5.8	5.6
Clothing and footwear	15.1	69.8	11.8	4.9	8.7	5.6	1.8	5.4
Utilities	15.1	74.7	16.3	22.1	3.1	1.4	9.1	3.4
Household goods and maintenance	17.4	88.6	0.6	-1.3	0.6	5.3	6.6	0.9
Medical care	0.0	83.3	20.6	8.2	4.4	9.5	9.0	6.3
Transportation and communication	2.9	25.1	41.1	44.7	5.3	3.7	3.6	7.6
Recreation, education and culture	02.9	56.3	54.6	-2.1	3.8	7.0	7.2	2.3
Personal care and effects	94.9	47.3	19.1	7.5	5.9	6.0	8.4	3.7
Inflation Rate, average annual change in the CPI								
Annual rate	35.5	226	85	2.5	7.8	2.7	3.2	1.3

^a First half of 1998.

^b Consumer price index, annual growth in percentage terms, based on December 1993 = 100.

Sources: Statistical Institute of Albania, *Albania in Figures*, INSTAT, 1997; Bank of Albania.

C. EMPLOYMENT BY SECTORS

	1991	1992	1993	1994	1995	1996	1997
Employment, total in public and private sector (1000)							
Total employment	n/a	n/a	n/a	1,162	1,138	1,116	1,107
Agriculture and fishing	n/a	n/a	n/a	780	778	785	771
Mining	n/a	n/a	n/a	20	21	18	16
Processing	n/a	n/a	n/a	81	65	57	98
Electricity	n/a	n/a	n/a	9	9	10	14
Construction	n/a	n/a	n/a	18	21	22	15
Trade	n/a	n/a	n/a	32	51	58	47
Hotels and restaurants	n/a	n/a	n/a	10	11	20	10
Transportation and communication	n/a	n/a	n/a	8	30	27	27
Education	n/a	n/a	n/a	55	53	46	49
Health	n/a	n/a	n/a	32	26	23	28
Other sectors	n/a	n/a	n/a	96	73	51	75

Note: n/a is not available.

Source: Statistical Institute of Albania, *Albania in Figures*, INSTAT, 1997; Bank of Albania.

D. BALANCE OF PAYMENTS AND NATIONAL BUDGET STATISTICS

	1992	1993	1994	1995	1996	1997	1998 ^a
Balance of Payments, million dollars							
Current account	-50.8	14.7	-42.7	-14.6	-107.1	-271.2	-46.0
Trade balance	-470.5	-489.9	-459.7	-475.0	-687.3	-534.9	-137.6
Services balance	-68.9	-84.5	-88.4	-59.3	-59.8	-50.8	-20.5
Foreign Exchange, million dollars ^b							
Foreign exchange	-24.9	-114.9	-54.8	-30.6	-39.5	-28.3	-6.6
National Budget, million dollars							
Revenues	177.4	327.9	494.5	586.3	506.3	405.0	225.1
Budget deficit	-114.9	-113.8	-206.0	-336.6	-366.4	-676.0	-100.8
Deficit as per cent GDP	15.8	13.7	7.7	8.6	12.3	40.4	-3.4

^a Balance of payments and foreign exchange are from the first quarter; national budget data are from the first half of 1998.

^b Total change in reserve assets.

Source: *Balance of Payments: Quarterly Statistical Bulletin*, December 1997, Bank of Albania; *Albania in Figures*, INSTAT, 1997 using data from the Ministry of Finance.

E. VALUE OF EXPORTS AND IMPORTS, BY REGIONS

	1991	1992	1993	1994	1995	1996	1997	1998 ^a
Exports by region, million dollars								
Total Exports	91.4	72.9	122.4	137.3	201.9	207.1	140.1	39.9
Europe ^b	57.1	32.9	90.5	101.8	158.9	200.1	138.9	n/a
EU-15	36.0	29.0	88.2	101.7	157.1	178.1	122.5	n/a
Imports by region, million dollars								
Total Imports	220.8	392.2	581.8	577.9	653.2	923.2	632.6	182.7
Europe ^b	135.1	146.9	486.0	10.0	554.8	87.3	26.7	n/a
EU-15	97.7	108.3	431.8	436.6	480.8	711.8	527.3	n/a

^a Includes first quarter only.

^b Includes member countries of the EU-15.

n/a: not available.

Source: Ministry of Trade and Tourism, Statistical Division, *Statistical Data for 1997*; Institute of Statistics (INSTAT); *Albania in Figures*, INSTAT, 1997; and Directorate of Customs.

F. VALUE OF EXPORTS AND IMPORTS, BY COMMODITY

	1994	1995	1996	1997	1998 ^a
Exports by category, million dollars					
Total Exports	137.3	201.9	07.2	40.1	39.9
Food, beverages, tobacco	5.7	27.0	35.1	8.0	3.4
Minerals, fuels, energy	12.2	30.4	20.1	8.1	4.1
Chemicals, plastics, etc	1.2	2.4	3.2	1.4	0.6
Leather and products	1.8	4.8	8.2	7.7	1.7
Textiles and footwear	37.2	77.7	01.8	0.0	24.6
Construction materials and metals	6.9	24.5	22.9	4.2	2.0
Wood and paper products	2.5	14.3	8.4	9.1	1.2
Machinery, equipment, spare parts	-	3.2	3.3	7.4	1.2
Other products	2.3	17.5	3.8	4.2	1.9
Imports by category, million dollars					
Total Imports (including aid)	577.9	650.9	923.3	632.6	178.6
Food, beverages, tobacco	n/a	195.6	319.5	174.2	47.9
Minerals, fuels, energy	n/a	67.5	49.2	50.4	14.5
Chemicals, plastics, etc	n/a	54.5	65.5	56.4	22.8
Leather and products	na/	7.5	19.4	14.3	3.7
Textiles and footwear	n/a	98.0	141.0	100.4	30.8
Construction materials and metals	n/a	47.6	45.0	41.1	17.9
Wood and paper products	n/a	11.2	20.8	18.9	7.6
Machinery, equipment, spare parts	n/a	145.7	148.6	101.1	26.6
Other products	n/a	23.1	109.3	75.8	6.9

n/a : not available

^a Includes first quarter only

Sources: Ministry of Trade and Tourism, Statistical Division, *Statistical Data for 1997*; Institute of Statistics (INSTAT); *Albania in Figures*, INSTAT, 1997; Directorate of Customs.

G. PRODUCTION OF SELECTED AGRICULTURAL AND FOOD PRODUCTS

	1994	1995	1996	1997
Production of selected agricultural and food products, metric tons				
Meat	n/a	1,453	2,236	n/a
Jams, compote, marmalade, jellies	n/a	228	394	n/a
Edible oils	n/a	6,944	3,899	n/a
Industrial greases	n/a	11	555	n/a
Soap, detergents, cleaning soap	n/a	3,042	1,637	n/a
Processed liquid milk	n/a	n/a	1,669	n/a
Butter	n/a	274	147	n/a
Cheese	n/a	6,067	3,652	n/a
Curd	n/a	1,048	264	n/a
Yoghurt	n/a	5,122	3,481	n/a
Chocolate and sugar confectionery	n/a	n/a	1,747	n/a
Refined sugar beet	n/a	1,023	9	n/a
Fresh pastry goods and cakes	n/a	n/a	723	n/a
Prepared/preserved pastry goods	n/a	6	352	n/a
Spaghetti and pasta production	n/a	4,200	1,515	n/a
Selected Products, 1000 tons				
Wheat flour and bran	n/a	144	889	n/a
Fresh bread	n/a	172	147	n/a
Beverages, hl				
Spirits and other distilled alcoholic	n/a	32,181	5,733	n/a
Ethyl alcohol	n/a	2,948	242	n/a
Sparkling wines	n/a	16,922	1,508	n/a
Beer	n/a	108,507	8,828	n/a
Mineral and carbonated waters	n/a	12,743	3,910	n/a
Other non-alcoholic beverages	n/a	104,009	22,525	n/a
Tobacco products				
Cigars, cigarettes, etc.	n/a	685	4,830	n/a
Other tobacco products	n/a	1,723	41,407	n/a

n/a: not available.

Source: Ministry of Trade and Tourism, Statistical Division, *Statistical Data for 1997*; Institute of Statistics (INSTAT); *Albania in Figures*, INSTAT, 1997.

III. REVIEW OF THE LIST OF PROHIBITED TRADABLE PRODUCTS

A. PROHIBITED IMPORTABLE PRODUCTS

1. Previous List

The previous list of items that was submitted is still valid.

Items that are prohibited from import include: military toxic materials, and toxic materials which are out of date; other dangerous waste materials; infected herbs and herb products; seeds and seedlings which can be used to produce narcotics; infected animals (fishes) and related products; infected liquid, gas or solid materials; food commodities which are infected or out of date; narcotic drugs or raw materials used for the production of narcotic drugs, as well as other psychotropic materials; and materials, such as emblems, maps or writings, that pose a threat to national or social security. Items that are subject to licence or special authorization include: all kinds of fire arms; radioactive materials and strong poisons; explosives, charges and bullets; pesticides; medicines; and seeds and seedlings for agricultural use.

2. Update to previous list

An update of the list of prohibited importable products with greater detail is provided.

Dangerous waste materials which are prohibited into Albania are defined as follows: clinical waste from medical service in hospitals and in other health centers or clinics; waste from the production and preparation of pharmaceutical products; expired pharmaceutical products; pharmaceutical waste from drugs and medications; waste from the production, formulation and usage of biocides and other phytopharmaceutical materials; waste from the production, formulation and usage of chemicals for the storage of wood; waste from the production, formulation and usage of organic solvents; waste from heat-treatment or tempering operations containing cyanogen; waste from mineral lubricating oils which are not suitable for certain original usage; waste from the mixture of oil emulsions with water and hydro carbonates with water; waste of matters and articles contaminated with polychlorinated biphenyl (PCB), with polychlorinated terfenile (PCT), or with polychlorinated (PBB); waste of tar remaining from the processing, distilling and treatment with pyrolize; waste from the production, formulation and usage of inks, pigments in paints for white-washing and varnishes; waste from the production, formulation and usage of resins, latexes, plastificators, glues and mastics; waste of chemical products remaining from research activities and during the implementation of unidentified and new activities whose effects are not yet known to human health, plants and animals, and the environment; waste of an explosive nature which are not subject to other legislation; waste from the production, formulation and usage of photographic chemicals and processed materials; waste remaining from the surface treatment of metals and plastic materials; waste from extermination operations of industrial wastes.

Waste is defined as that material which contains the following: carboniles of metals; beryl and beryl components; components of sixvalent chromium; components of copper; components of zinc; arsenic and arsenic components; selen and selen components; cadmium and cadmium components; antimony and components of antimony; tellurium and tellurium components; mercury and mercury components; lead and lead components; inorganic components of fluor, except calcium fluor; inorganic cyanides; acid solutions or solid acids; basic solutions and solid basics; asbestos in powder or fibers; organic components of phosphorous; organic cyanides; phenol and phrenic components including chlorophenol; ether; organic solvents halogenated; organic solvents except halogenated solvents; any derivatives of polychlored dybenzo-phuran; an derivatives of polychlored dybenzo-p-dyocsin; organic components, halogfated and others, except the materials mentioned previously; the residuals remaining from burning urban waste; used tires (except retreaded tires, those

imported by subjects having a license to deal with retreading of tires, and those tires which are mounted to imported vehicles).

Those products which are prohibited to import and used in the health sector in Albania include the list of narcotic and psychotrope substances which is included in Law Number 7975, dated 26 July 1995 "On Narcotic Drugs and Psychotrope Substances" drafted in accordance with the Conventions of 1961 and 1971 and the Adjournments of 1993. The updating of the list is based on the updating of this list by international organizations. There are no other prohibited substances (narcotic or psychotropic).

The classification of narcotic drugs and psychotropic substances include the following. From List IV of the Convention of 1961 the following items are included: Acetyl - Alfa - metilfentanil; Acetorfine; Alfa-metyfentanil; Alfa-metiltofentanil; Beta-hydroksifentanil; Beta-hidroksi - 3 metiyfentanil; Dezomorphyne; Etorphyne; Heroin; Cannabis, cannabis raisin, extracts and tinctures of cannabis; Cetobemidon; 3 - metylfentanil; 3 - metiytiofentanil; MPPP; Pre - fluorfentanil; PEPAP; Tiophentanil. From List I of the Convention of 1971 the following items are included: Brolamphetamyn; DET; DMA; DMHP; DMT; DOET; Eticiklidyn; Catinon; (+) - Lizergid; MDMA; Mescaline; 4- metyl - amynorex; MMDA; N- etyl-tenamphetamine; Parheksyl; PMA; Psylocyn, Psylotsyn; Psylocybyn; Roliciklidyn; STP, DOM; Tenamfetamyn; Tenocyclidyn; Tetrahydrocanabinol; TMA.

For chemical substances and products deemed having military application, there is an additional list of prohibited products which may require authorization for importation. There is no specific law on the application of the Convention on the Ban on Chemical Weapons and the Government of Albania has not yet determined a way to treat harmful chemical substances (i.e., chemical weapons). In accordance with the legislation of neighbouring countries and international conventions, trade in those materials and chemical components specified under List Numbers 2 and 3 of the annex of the above mentioned convention can only with be conducted with the approval of the Ministry of Defense. The Ministry of Defense allows the licensed trade of the following materials: munitions such as bullets of different calibers, missiles, grenades, mines, fireworks of 180 mm, etc.; and military explosives and powder such as TNT, egzogyn, dynamite, ammonite, different powders, etc.

B. PROHIBITED EXPORTABLE PRODUCTS

1. Previous list

The previous list of items that was submitted is still valid.

Export prohibitions include: firewood, unprocessed wood; sawed wood and beams; waste and scrap precious metals; waste and scrap iron, steel, copper, nickel, lead, zinc, tin, and copper; waste and scrap aluminum (except for waste aluminum packaging, such as aluminum cans for soft drinks which had been imported); and ingots. There are no commodities which are subject to an export license.

Firewood (44.01 - 44.01.22) is defined as being in the form of chunks, cudgels, branches or twigs or other similar forms; chips of wood and saw-powder, being agglomerated or not in the form of chumps, bricks or other similar forms. Unprocessed wood (44.03.01 - 44.03.99) is defined as stripped or not, either rounded or not (except the elements of wood details). Sawed wood and beams (44.07.10 - 44.07.99) is defined as bars or sheets, planed and polished, spiked together with joints thicker than 6mm (except the planed or polished beams, and joined pieces which are allowed to be exported). Other items include: waste and scraps of precious metals (71.12); scraps of iron and steel (72.04) except the scraps of stainless steel and waste of iron remaining from the buckets of furnaces; copper and copper articles (74.01 - 74.19) except copper rust, electrolytic copper and small copper handicraft

products which are not produced from copper molds; waste and scraps of nickel (75.03); waste and scraps of aluminum (76.02) except imported aluminum packaging; waste and scraps of tin (78.02); waste and scraps of zinc (79.02); waste and scraps of lead (80.02).

2. Update to previous list

An update of the list of prohibited exportable products with greater detail is provided.

New items added to the list include hides of cattle (41.01) defined as fresh, dried, limed, salted, stretched or otherwise treated but not tanned or pergamined, prepared, and cleaned (these are for hides of cattle other than those of horses); raw skins of sheep and lambs (41.02) defined as fresh or salted, dried or limed, pointed or otherwise treated, but not tanned or prepared (including skins with wool, stretched or unstretched); other hides and skins (41.03) defined as fresh or salted, dried, limed in salted water or otherwise treated, but not tanned and pergamined or processed further (including wool or hair and stretched or unstretched).

IV. REVIEW THE LIST OF GOODS OR SERVICES SUBJECT TO PRICE CONTROLS

A. ELECTRICITY

Electrical power is a product whose price is controlled; rates are set according to different categories is as follows:

Category	Rate
1. Residential households	4.0 leke + VAT
2. Main sectors of the economy	2.4 leke
For some specific sectors	
- Bakery	1.2 leke
- Sidurgy, geology, copper, water supply stations, water reservoirs, railway stations, production of flour	2.4 leke
- Oil, metallurgy, ferrochromium, mining of chromium and coal, fertilizer production, production of sodium and PVC, cement production and the state facilities	3.0 leke
3. Other producer entities	
Supply from the TL net (35 and 110 kw)	4.1 leke
Supply from the TM net (6.10 and 20 kw)	
- Measuring in the sub-station	5.3 leke
- Measuring in the primary of the transformer	5.4 leke
- Measuring in the secondary of the transformer	5.6 leke
Supply for the TU net	6.3 leke
4. Services sector providers	
During the period of April to October	
Supply from the TL net (35 and 110 kw)	0.0 leke
Supply from the TM net (6.10 and 20 kw)	
- Measuring in the sub-station	5.1 leke
- Measuring in the primary of the transformer	5.3 leke
- Measuring in the secondary of the transformer	5.5 leke
Supply for the TU net	6.3 leke

Category	Rate
During the period of November to March	
Supply from the TL net (35 and 110 kw)	0.0 leke
Supply from the TM net (6.10 and 20 kw)	
- Measuring in the sub-station	7.4 leke
- Measuring in the primary of the transformer	7.7 leke
- Measuring in the secondary of the transformer	8.1 leke
Supply for the TU. net	10.1 leke
5. Wholesale rate for State institutions	3.0 leke

B. WATER

The tariffs on drinkable water are applied by the water supply stations according to different types of users of water. The rates are set according to the following scheme:

Type of Household, Enterprise or Institute	Rate
Residential households with a water meter	15 leke/m ³
Residential households without a water meter in the building	60 leke/month per person; not to exceed 300 leke per family
Medical institutions	15 leke/m ³
Educational institutions	30 leke/m ³
Bread producing enterprises	45 leke/m ³
Private companies	60 leke/m ³
Water supplied by public fountains	80 leke/month per family
State institutions	52 leke/m ³

In cases where the verification of water consumption is above the normal use according to the categories of consumers, the additional consumption is charged at a rate of 60 leke/m³.

C. TRANSPORT

Public transportation rates are set for the following modes of internal transport:

1. Railroad transportation.

Passenger rates are set by the government. Rail cargo rates are liberalized.

2. Bus transportation.

For urban and inter-urban passengers rates are set by the government. For urban public transport (lines up to 9 km) of passengers and baggage are set at: 15 leke per passenger for a one-way ticket; 330 leke for a monthly ticket for citizens; 180 leke for a monthly ticket for pupils and students.

3. Other modes of transportation.

All other modes of transportation have liberalized rates. Taxi rates are completely liberalized; there is no legislation on internal air transportation and none exists in practice.

D. PHARMACEUTICALS

For a selected group of medicines, prices are liberalized; however, the government provides a consumption subsidy set according to a reference price. The reference price for a drug is set according to the following scheme: domestic producers are permitted a 17 per cent margin above their costs of production; wholesalers are permitted a 12 per cent margin and the retailing pharmacy a 27 per cent margin. For an imported drug, the reference price is set according to the following scheme: the import price, a wholesale margin of 17 per cent and the retailing margin of 27 per cent.

The sum of the production costs (import price) and the various margins is equal to the reference price. It is upon the reference price that the subsidy is based. Direct payments are made to the retailing establishment. The category of drugs which are subjected to the reference price is listed as follows: acidum ascorbicum; acidum valproicum; aluminii hydroxydum; aminophyllinum; amoxicillinum; ampicillinum; aqua bidestillata; atropini sulfas; beclometasonum; betamethasonum; calcii folinas; captoprilum; carbamazepinum; chlorambusilum; chloramphenicolum; chlorpromazinum; clonazepamum; desmopressinum; diazepamum; erythromycinum; fluphenazinum; furosemidum; gentalmuicinum; haloperidolum; hydrocortisonum; hydroxocobalaminum; ibuprofenum; indometacinum; insullinum; isoniazidum; isosorbidi dinitras; levodopum + benserazidum; levothyroxinum natricum; medroxyprogesteronum; melphalanum; metamizolum; meoclopramidum; metronidazolum; morphini hydrochloridum; nystatinum; papaverini; paracetamolum; phenobarbitalum; phenoxymethylpenicillinum; phytomenadionum; pilocarpini hydrochloridum; prednisolonum; pyridoxinum; rifampicinum; salbutamolum; sulfamethoxazolum + trimethoprimum; testosteronum; thiaminum; tetracyclinum; thioridazinum; timololum; trihexyphenidylum; and verapamilum. The co-payment by the State on these drugs ranges from 38 per cent to 99 per cent of the cost of the drugs.

V. STATUS OF PRIVATIZATION

A. PRIVATIZATION IN THE AGRICULTURAL AND AGRIBUSINESS SECTOR

In September 1997, around 89 per cent of all agribusiness enterprises and agricultural marketing were privatized, while 11 per cent still remained to be privatized and are going through various stages of the privatization process. There were 288 agricultural enterprises that were split into 4,194 independent units to attract more investment and facilitate the privatization process. Of the 4,194 units, 3,735 were fully privatized, 459 remain unprivatized and were under the privatization process outlined by the Ministry of Public Economy and Privatization.

The GOA confirmed in October 1997 the privatization plan of the World Bank, which called for privatizing eight large-scale enterprises by 1998. Of the eight large-scale SOEs in the food industry five are expected to be fully privatized and have been converted into commercial companies (i.e., shareholding companies whose shares are owned by the state). These include: the Bread Factory of Tirana, the Flour Mill of Tirana, Beverages Factory (Canteen in Durres); the Sugar Factory in Korca; and the Cigarettes Factory in Shkodra. For two other SOEs, Birra Tirana (a brewer) and a Milk Factory (Ajka) documentation has been submitted to the Ministry of Public Economy and Privatization as a first step to transform the enterprises into commercial companies. The Cigarette Factory in Durres has ownership conflicts which have not been sorted out, prohibiting any new developments in its privatization.

In June 1998, the agribusiness complex had only 30 enterprises that have not been privatized. These enterprises employ about 2,100 persons. About 20 of these enterprises have no economic activity and they have been proposed for privatization. An update of the other ten are described below:

- (i) The enterprise for beer and yeast production of Tirana produces and sells beer locally. The plan is to transform the enterprise into a commercial company. The enterprise imports about US\$910,000 in raw materials, packaging material and other additional inputs. Its market share is about 25 per cent of the beer market and employs some 150 persons.
- (ii) The food factory in Elbasan is involved with processing. Documentation is being submitted to have the enterprise transformed into a private company. It employs 34 persons.

- (iii) The "Ajka" milk factory deals with milk processing and the production of its by-products. Documentation for privatization is in process and the enterprise has 34 employees.
- (iv) The Beverages Canteen in Durres produces alcoholic drinks such as wine, raki, etc. It is a commercial company which imports a value of US\$13,300 worth of packaging material and the exports cognac.
- (v) "Alimpex" is involved with the import/export of machinery and equipment for the food industry and food products, etc. It is a trading company which has been proposed for privatization. It has only a limited range of activity in export-import of agricultural commodities.
- (vi) The mill flour factory of Tirana produces wheat flour and its by-products. It is a joint-stockholding company which has been proposed to be privatized. It imports about US\$1,000,000 worth of wheat and employs 72 workers.
- (vii) The Tirana Bread Factory produces bread. It is a trading company which has been proposed for privatization. Its sales of bread account for 6 per cent of the market and employs 178 workers.
- (viii) The Durres Factory for importing wheat mainly deals in foreign aid food products. It imports some 3,000 tons of wheat. It is a SOE which has neither been proposed for privatization nor transformed into some other business entity.
- (ix) The Tobacco Cigarette Factory of Durres is involved in assembly, processing and production and marketing of tobacco and domestic cigarettes. It is a SOE which has not been proposed for privatization. There are shareholders of the former "Stamlesit" enterprise who claim ownership in this factory. Its cigarette sales account for 10 per cent of the market. Its imports accounted for more than US\$1,000,000 and it employs about 500 persons.
- (x) The Tobacco and Cigarette Factory of Shkodra is involved in assembly, processing, production and marketing of tobacco and local cigarettes. It has been proposed for privatization, but the proposal has not yet been endorsed by the Ministry of Public Economy and Privatization.
- (xi) The Sugar Combinat in Maliq is a trading company which has been proposed for privatization.

B. PRIVATIZATION IN THE STRATEGIC SECTOR

Parliament approved the strategy for privatization of strategic sectors as well as the relevant laws needed to support the process of privatization. Separate laws shall be approved for privatization of each specific strategic sector.

The strategic sectors (i.e., telecommunications, energy, mining, transportation, and water utility) are the only sectors left to be privatized. Privatization in these sectors will follow at least one of three methods:

- a partial or complete transfer of shares to the private sector,
- the transfer of use rights for natural resources, and/or
- the use of management contracts.

The first phase of privatization will begin during the second quarter of 1998 in which the remaining State-owned enterprises (SOEs) of economic importance shall be transformed into joint-stockholding companies. By the end of the first half of 1998 all necessary amendments and new legal acts shall be completed to support this process.

The second phase is scheduled to begin during the second half of 1998, whereby the shares will be offered for sale. For larger companies, an international tender will be arranged. The screening criteria will include the bid price as well as a development plan offered by the prospective investor.

The privatization process for strategic sectors will be coupled with other measures such as training of people to compensate for the decrease in the labour force during privatization. The detailed plan for privatization will depend on the specific sector of the economy. These processes are described in turn.

1. Telecommunications Sector

Of the strategic sectors, telecommunications is expected to be the first that is privatized. There are two companies operating in the telecommunications sector: Telekom, which operates the fixed cable system, and Albania Mobile Cellular company (AMC). The time schedule foresees the privatization of AMC, by the second half 1998 and privatization of Telekom during 1999. During the first quarter Telekom will be transformed into a private company and an international tender is expected. It will be possible to merge Telekom and AMC to exploit existing or potential synergies. The State may ask for the golden share (details still pending). No more than 20 per cent of the shares will be sold to the public in exchange for vouchers. Prices in the telecommunications sector are international rates and cover economic costs. The law on "Telecommunications" has been amended and the law on "Regulatory Entity of Telecommunications" has been passed. The process of organizing this entity has begun. A copy of each of these pieces of legislation is included in the supplementary material.(WT/ACC/ALB/24)

2. Oil and Gas Sectors

The State-owned oil and gas company, Albpetrol, is a vertically integrated company whose activities include exploration, drilling, refining marketing and servicing. To partly offset the negative effect of its financial position, Albpetrol has entered into cooperation with foreign companies. Privatization of gas and oil is expected to occur during 1999.

Laws will be amended to permit the sale of shares to investors, foreign or nationals. Less than 20 per cent of the shares shall be exchanged for vouchers through a public offering. The State will keep the golden share (to be specified at a later date) and use it only for issues of national importance and not for those related to the commercial activity of the company. The golden share will be limited in time, but the duration will depend on a number of internal and external factors (to be specified later).

3. Electrical Energy Sector

The only supplier of electricity (of which 95 per cent is hydro-powered production) is the Albanian Energetic Corporation (KESH), a vertically integrated company. Privatization will aim at

improving service, quality and corporate efficiency. The legal framework for privatization is being prepared and the commencement of the process of privatizing local hydro-power stations is expected to begin in September 1998.

The privatization of KESH will pass through two phases, the first being through the use of management contracts. During this first phase two projects will continue to be implemented: the rehabilitation of existing hydropower plants, and transmission and distribution networks; and the improvement of corporate financing. The most probable approach for the privatization of KESH will begin with a management contract and after a period of three to five years, in a second phase, it will be sold to private investor(s). The State intends to keep the golden share, in particular, for the issues concerning the transmission network (details are forthcoming). No more than 20 per cent of the shares will be sold to the public in exchange for vouchers. Privatization will be coupled with price liberalization in which electricity rates will approach marginal cost pricing in a step-by-step approach (i.e., first recovering full economic cost and then marginal cost pricing). All other prices in the energy sector are liberalized.

4. Mining Sector

Privatization in this sector, expected to begin in August 1998 and continue through 1999, will aim at improving the efficiency of exploitation of mineral resources.

(a) Chromium

Albkrom is the SOE operating the chromium industry which includes mines, enrichment plants and ferrochromium facilities. The sale of Albkrom to investors (foreign or national) is planned. The State has no intention to maintain interests in the privatized company. The government is to arrange an international tender to begin negotiations with potential investors. A number of non-effective mines in the chromium sector will be privatized during the fourth quarter of 1998.

(b) Copper

Albbaker is the SOE operating in the copper industry. The plan is to first transform the SOE into a joint-stockholding company during the first phase and to offer the firm for sale. The procedures of the transformation of this enterprise is continuing despite the legal problems of an ex-joint venture arrangement.

5. Transportation Sector

In this sector only the airline companies, ports and railways will be qualified as strategic.

(a) Airlines

As a first step Altransport and the National Agency of Airlines (ANTA) will be transformed into commercial companies in October 1998.

(b) Ports

The ports will be transformed into commercial companies and possible scenarios include the transformation of ports into land and yard ports, where the State will retain ownership of the portal infrastructure. This process is expected to begin in October 1998.

(c) Railways

The railway enterprise will be transformed in a commercial company during 1998. Some auxiliary sectors will be offered for sale. Possible scenarios of privatization are still under consideration.

6. Water Utility Sector

The water supply sectors of Durrës, Tirana, and the rural area of Tirana have been studied and are being prepared for privatization. In the water utility sector, the first step, after transforming existing SOEs into commercial companies, will be to arrange management contracts. A draft decision has been prepared for the Council of Ministers which calls for the implementation of management contracts in the above mentioned subsectors and the subsector of Elbasan. The management contracts are expected to be implemented by the end of 1998. The process of transforming State-owned water stations into stockholding companies has started for 18 stations. Privatization will be coupled with price liberalization.

7. Privatization in the banking sector

There is no specific legislation applied to privatization in the banking sector. The World Bank, the Ministry of Finance and the Bank of Albania have started to develop a small strategy on privatization of banks. Some banks have been broken up into the solvent and insolvent components to facilitate their transfer to the private sector. A two-year period has been set aside to deal with the banking situation, i.e., to decide whether to liquidate or find another solution.

Technical assistance is being provided for auditing the three State-owned commercial banks and to get the balance sheets up to date. An action plan is being developed with the assistance of the World Bank.

8. Other Economic Sectors

All the other economic units that are not qualified as strategic shall be privatized through auctions either as going-concerns or by liquidation. There are some 600 enterprises and the majority of them will be sold during 1998.

The existing joint-venture companies where the State has participation have proved to be very problematic. The intention is to immediately offer for sale the State's interests respecting the right of the first refusal.

A copy of the Law on the "Privatization Strategy of Sectors of Primary Importance" is provided in the supplementary material.

C. PRIVATIZATION IN THE NON-STRATEGIC SECTOR

For the non-strategic sectors, a one-year period is provided to accomplish the following tasks:

- preparation of legal and sub-legal acts to support the process;
- review of inventories of the SOEs and State commercial companies;
- completion of an information base on the State-owned capital in these enterprises at the local and national level;

- re-training of staff to prepare them with an understanding of new concepts and the program;
- categorization and the division of enterprises according to their economic state and size;
- establishment of groupings of enterprises which have similar profiles to ensure a consistent transfer of State-owned properties.

The process of privatization follows the application of the legal framework which classifies enterprises into four categories:

- SOEs with no economic activity (of which there are 220 enterprises)
- SOEs with stable economic activity (of which there are 100 enterprises)
- State commercial companies (of which there are 51)
- joint venture enterprises (with limited liability) between commercial enterprises and the State (of which there are 100 of these ventures, some with problems between partners).

The transfer of SOEs with no economic activity is defined in the Decision of the Council of Ministers Number 195 (20 February 1998), and aims at maximizing the value of State capital. Privatization is achieved through a tests of the value of the market through direct sales, sales by reserves or conditional sales, leasing contracts and rental contracts. For SOEs with no economic activity, the form of privatization is determined after an analysis is made to evaluate and classify the enterprise taking into consideration the objective to maximize revenues and the effectiveness of the process. There are 89 enterprises which will undergo direct sales or conditional sales, 22 which will be sold through leasing contracts (mostly buildings), and contracts are being prepared for another 30 enterprises.

The second category of SOEs must go through a process of transformation to become a commercial enterprise and then to be privatized with the state commercial companies of the third category of enterprises. This is in conformity with Law Number 8334 (23 April 1998) "On the Privatization of Commercial Companies Which Act in Non-strategic Sectors" and the relevant Decisions of the Council of Ministers. There have been 46 SOEs converted into commercial companies and during July 1998 the rest of the enterprises of the second category will be converted into the third category. The commercial companies will be privatized starting in July 1998 (51 firms in particular) and during August-September 1998 the procedures for the new companies will be initiated (i.e., those that will have been transformed from SOEs).

The State capital in joint venture enterprises will be privatized in conformity with Law Number 7638 (19 November 1992) "On Commercial Companies" and the Decision of the Council of Ministers Number 230 (4 April 1998) "On the Privatization on the Part of State Capital of Companies with Joint Venture Capital". The objective is to offer to the non-state partner the right to pre-purchase the final value of the auction. This process will be initiated for 31 companies with jointly-owned capital.

Until now, there has neither been a Government decision nor a specific law on the privatization of commercial SOEs. The main obstacle is the foreign debt that these enterprises inherited from the past system which averages US\$70 million. However, a memorandum was approved by the GOA where the methods to solve the problems and create possibilities for the privatization of these enterprises were outlined. Suggestions for their privatization are various, but the following methods are the most likely:

- (i) For SOEs which initially need to be transformed into commercial enterprises, it is proposed that the process should start with the privatization of the assets of the firm. However, some of the warehouses and offices located in Shkozë and the harbour of Durrës should not be included in the foundation capital of these enterprises. In such cases the property should remain that of the state. Enterprises which initially will be transformed into commercial enterprises and later proposed privatization include: the enterprise of Albkoop in Tirana; Agroexport in Tirana; Artsexport in Tirana; Industrialimpex in Tirana; Albacontrol in Durrës; and Machineimpex in Tirana.
- (ii) Some SOEs are proposed to be transformed into stockholding commercial enterprises in which the state initially maintains controlling interest in the shares. These SOEs include: Refrigerator Enterprise Number 2 in Tirana; Refrigerator Enterprise of Durrës; and the Commercial Wholesale Enterprise in Durrës.
- (iii) Some SOEs fall under the decision of the Council of Ministers (No. 195, dated 20 February 1998) "On the Privatization of Enterprises Which Cannot Be Transformed". These include Distribution of Spare Parts Enterprise in Durrës; Machinery and Commercial Appliances Plant in Tirana; and Printing House of the Commercial Chamber in Tirana.

A copy of the Law on the "Privatization of Commercial Enterprises which Function in Non-strategic Sectors" is provided in the supplementary material. (WT/ACC/ALB/24)

VI. REVIEW OF ALBANIA'S CONFORMITY WITH THE SPS AND TBT AGREEMENTS

A. SUMMARY OF COMPLIANCE WITH THE SPS AND TBT AGREEMENTS

Based on the fact that the EU system to a large degree complies with the SPS and TBT Agreement, the ongoing approximation and alignment of Albanian legislation to that of the EU secures that Albania complies with the SPS Agreement and Article 2.7 of the TBT Agreement which deals with the recognition of equivalence concerning the labeling of food.

The present Albanian philosophy of the import control system has to be modified to comply with WTO's SPS provision that member States shall give positive consideration to consider equivalence of the control system of other states. In such cases, there is a need to reduce the extent of control by importation to Albania, and replace it by other means giving the same security for public, animal and phytosanitary health. What follows is the status of each of the relevant areas covered by the SPS Agreement. The information provided in section B is taken from a memorandum from a report from the Policy Advisory Unit in the Ministry of Agriculture and Food.

B. REVIEW OF LEGISLATIVE AREA FOR CONFORMITY

Several areas have been evaluated under a study entitled: "Alignment and approximation of Albanian Legislation and Enforcement Services Related to Veterinary Control, Plant Health, Animal Nutrition, Food Control, Quality Standards and Labeling Requirements". In particular, the study evaluated the following areas: (1) Plant health and animal nutrition legislation (DG VI) which covers seeds and propagating material; plants or plant products; animal nutrition; plant protection products; pesticide residues; community plant variety rights; organic farming; (2) Agricultural markets (DG VI) which covers beef and veal; sheep meat and goat meat; fruit and vegetables; wine and derived products; pork, poultry and eggs; (3) General food legislation (DG III unless otherwise specified) which covers food labeling; food additives; flavourings; materials and articles in contact with food; official control; hygiene; contaminants; numerous vertical directives; radioactive; contamination of

foodstuffs (DG IX); product safety legislation (DG XXIV); and (4) Veterinary legislation (DG VI unless otherwise specified) which covers trade in live animals, semen, ova and embryos; trade in animal products; control measures; marketing of animal products; measures covering more than one sector; import from third countries of live animals and animal products; control and protection system; breeding stock and pure-bred animals; animal welfare; medicines or veterinary use (DG III).

C. RELEVANT LAWS ADOPTED DURING THE LAST YEARS

During the last years numerous laws have been adopted, based on international recommendations and standards. They include the following: (1) Law Number 7850, on the Civil Code; (2) Law Number 7630, on Standards—new law not yet approved; (3) Law Number 7659, on Seeds and Seedlings; (4) Law Number 7662, on Plant Protection Service; (5) Law Number 7627, on Zootechnical Service; (6) Law Number 7908, on Fishery and Aquatic Culture; (7) Law Number 7674, on Veterinary Service and Inspection; (8) Law Number 7643, on State Sanitary Inspection; and (9) Law Number 7941, on Food.

D. AN ADDITIONAL LIST OF LEGISLATION AND SUBLEGAL ACTS DRAFTED FOR THE LAW ON FOOD

These include: (1) "Law on Viticulture and Wine"; (2) Decision of the Council of Ministers, (3) "On the Construction Expansion Permit of Food Facilities; (4) Order, "On the technical-technological permit for the Construction and Expansion of Food Facilities"; (5) Order, "On the Technical-technological Permits and Professional for the Production of Foodstuffs"; (6) Regulation, "On Technical and Technological Requirements to be Met by Food Facilities"; (7) Directive, "On Requirements and Control of Raw Materials for Industrial Processing"; (8) Directive, "On Production Documentation"; Directive, (9) "On quality and Safety Control of Foodstuffs by Producers"; (10) Directive, "On Storage Schedules of Food Products and Procedures for Their Re-evaluation; (11) Regulation, "On General Requirements for the Storage and Transportation of Fresh and Processed Foodstuffs"; (12) Decision, "On Distribution and Marketing of Foodstuffs"; Regulation, "On the Procedures of the Taking of Samples and Conducting Tests on Foodstuffs"; includes appendices for the certification model of the taking of samples, a model of the test certificate, and the methods of taking and delivery of samples to the laboratory for grains and grain products; milk and its products; meat and meat products; plant and animal fats and oil; oilseeds; wine and alcoholic drinks; coffee, tea, and cocoa; and tobacco and its products; (13) Regulation, "On the Duties and Rights of Food Inspectors"; (14) Regulation, "On Cases of the Blocking of Imports and the Exchange of Information with Exporting Countries"; (15) Decision of the Council of Ministers, "On the Division of Competencies and Responsibilities amongst Food Control State Bodies"; (16) Decision of the Council of Ministers, "On Competences of National Board for Food Control"; (17) Regulation, "On the Case of Blockage of Food Products and Exchange of Information with Exporting Countries"; (18) Decision of the Council of Ministers, "On the Division of Competence, Tendencies and Responsibilities of State Authorities of Food Control"; and (19) Decision of the Council of Ministers, "On the Competence of the National Board of Food Control".

E. THE ALBANIAN FOOD CODEX

Parts of the Albanian food codex include: (1) Food additives; (2) packaging and labeling of food products; (3) permitted norms of pesticides in food products; (4) microbiological norms allowed in raw materials and food products; (5) regulation for the vine industry and its by-products; and (6) regulation on the alcoholic beverages industry.

F. UPDATE ON TBT COMPLIANCE

The Law on "Standards" is still in the process of approval at the ministerial level. An updated copy of the draft under review by the various ministries is included in the supplementary materials. There are very minor changes in this version of the legislation relative to the version previously submitted to the WTO. (WT/ACC/ALV/24) The legislation as drafted with foreign assistance is consistent with the WTO and the TBT Agreement.

All standards are to be voluntary and technical regulations mandatory. Standards will be applied to foreigner and local producers in compliance with national treatment. Technical regulations will be used to protect human, animal or plant life or health or environment without being more trade-distorting than necessary. All DSC work will be based on the adoption of international (ISO) and regional (EN) standards. In 1990, Albania had not adopted any foreign standards; in 1998 the Republic has adopted 52 ISO, 4 ICE, 87 EN and 21 from other States. The goal is to reduce the creation of national standards and to increase the adoption of the above mentioned. Accreditation will be based on European standards series EN 45000 for certification; however, other foreign certification bodies can carry out certification activities in Albania. The DSC is a full member in ISO and an affiliated member in CEN. In the future, the DSC will be a member in IEC and CENELEC. In the preparation of standards, the emphasis is on product performance requirements rather than on design or descriptive requirements. An Information Center for Standards has been created in compliance with the TBT Agreement's call for an enquiry point.

The Code of Good Practice for the Preparation, Adoption and Application of Standards has been translated into Albanian and will be adopted as it is once the Law on Standards is approved. The Directory of Standards is preparing the decree of the Albanian Government to assure that all remaining activities will be in compliance with the TBT Agreement.

VII. COMPLIANCE WITH TRIPS

A. PROPOSED AMENDMENTS TO THE LAW ON INDUSTRIAL PROPERTY

Respective articles of the Law on Industrial Property	Respective suggestions from the TRIPs Agreement	Proposed amendments to the Law on Industrial Property
Article 68 The registration period is 5 years	Sec. 4/ Industrial Design Art.25 The time period for the protection is needed ten years	Designs are protected for a ten-year period against a maintenance payment at the conclusion of the first period.
Issue is not covered	Sec.4/Industrial Design Art. 25; Protection esp. of textile designs	Add a specific article in the Law of the Author's Rights
Article 93 Designations of origins	Sec 3/Geographic Indications/Art.22	Article 93 The designation of origins and geographical indications Add point 1 and 2 a) of TRIPs as well as 3)
Issue is not covered	Article 23 Additional protection for geographical indications for wines and spirits	Article 94 (amendment) Compile it in accordance with point 1 of Art 23 of TRIPs
Article 92 Invalidity as a result of non-usage is 5 years	Art. 19/Requirement for use Invalidity period is 3 years	Article 92 The non-usage period should be reduced to 3 years after the day of registration Add point 2/e: The mark is not invalidated if during the 3-year period it is used by a third party under authorization by the owner of the trademark.

Respective articles of the Law on Industrial Property	Respective suggestions from the TRIPs Agreement	Proposed amendments to the Law on Industrial Property
Article 86 The deadline of the registration and its kind	Art.18/ Term of protection The registration of mark shall be renewable indefinitely	Article 86 The registration of the commercial and service mark is done for a ten years period and can be renewed once in 10 years with the request of its owner
Article 76 Inconsistency with previous rights	Art 16/3 Rights conferred	Article 76, point 2/b In accordance with Art. 16, point 3 of TRIPs

Summary: The agreement on TRIPs mainly affects three Albanian pieces of legislation: (1) Law on Industrial Property, (2) Law on Copyrights and (3) Law on Competition. It should be noted that two challenges related to TRIPs compliance are foreseen: (a) enforcement of border control measures and (b) the improvement of juridical proceedings in order to expedite cases. UNDP has financed a technical science information center which will contain a computerized library in the field of patents and trademarks. More detailed information is provided in the next table.

B. COMPLIANCE WITH THE TRIPs AGREEMENT

TRIPs AGREEMENT	ALBANIA'S COMPLIANCE
<i>General Obligations</i>	<i>IP Agreements to which the country adheres.</i>
Compliance with Articles 1 through 12 and Article 19 of the Paris Convention for the Protection of Industrial Property in respect of Parts II, III, and IV of the TRIPs Agreement. TRIPs Article 2.	Paris Convention; Madrid Agreement; Patent Cooperation Treaty (PCT)
Under Paris, Article 1(2), industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition.	Article 1 of Albania's Law on Industrial Property identifies as objects of the Law: - patents for inventions and utility models; - trademarks and service marks; - industrial designs; and - appellations of origin.
In Paris, Article 1(3), industrial property applies not only to industry and commerce proper, but to agricultural and extractive industries and to all manufactured or natural products, e.g., wines, grain, tobacco leaf, fruit, cattle, minerals, mineral waters, beer, flowers, and flour.	
Under Paris, Article 2, nationals of Members are to enjoy in other Members the advantages that their respective laws grant to nationals, and shall have the same protection and the same legal remedy against any infringement of their rights if they conform to the conditions and formalities imposed upon the Member's nationals.	In WT/ACC/ALB/8/Add.8, Albania responds that Albanian intellectual property law provides national treatment, except that foreign nationals must be represented before the Patent Office by an Albanian patent and trademark agent. Article 2(2) of the Law on Industrial Property provides national treatment for legal and natural persons that are foreign nationals either on the basis of international treaties and conventions to which Albania is a Party or on the basis of reciprocity.
Paris, Article 3, requires that nationals of non-Member countries domiciles or that have "real and effective" industrial or commercial establishments in a Member country be treated as nationals of a Member country.	It is not clear from the Law on Industrial Property whether domiciliaries of WTO Members or that have "real and effective" industrial or commercial establishments in a Member country will receive national treatment.

TRIPS AGREEMENT	ALBANIA'S COMPLIANCE
Under Paris, Article 4.a right of priority is to be given an applicant for a patent, for registration of a utility model, an industrial design, or of a trademark who has filed the equivalent of a regular national filing under the domestic legislation of a Member country. The periods of priority are to be 12 months for patents and utility models, and 6 months for industrial designs and trademarks. The Article discusses the technical details of granting priority in depth.	Article 18 of the Law on Industrial Property provides for a right of priority as required by the Paris Convention.
Article 4 ^{bis} states that patents obtained for the same invention in various members of the Paris Union are independent of each other.	
Article 4 ^{ter} requires that inventors have the right to be named as such in the patent.	Article 10 of the Law on Industrial Property requires that the inventor be named in the patent for his invention unless the inventor files a declaration with the Patent Office asking not to be so named.
Under Article 4 ^{quater} restrictions or limitations on the sale of a patented product or a product produced by a patented process cannot be the grounds for refusing a patent or invalidating one already issued.	There does not appear to be anything in the Law on Industrial Property that would permit a patent to be refused or invalidated based upon restrictions or limitations on the sale of a patented product or a product produced by a patented process.
Under Article 5(A)(1), importation of a patented product manufactured in a Paris Union country cannot be the basis of forfeiture of the patent.	There does not appear to be anything in the Law on Industrial Property that would permit a patent to be forfeited based on the fact that the patented product is imported.
Article 5(A)(2) and (3) authorize countries to use compulsory licensing as a means to prevent abuses, such as the failure to work, but they may not forfeit a patent unless the grant of a compulsory license would not be sufficient to prevent the abuse. Proceedings for forfeiture or revocation cannot be institute until two years after the grant of the first compulsory license.	Article 39 of the Law on Industrial Property authorizes the grant of a compulsory license for non-working or insufficient working after a period of the greater of four years from the filing date or three years from grant of the patent, so long as the Patent Office is not convinced that circumstances justifying the non-working or insufficient working exist. Article 40 authorizes the Minister to authorize a government agency or a person to make, use, or sell a patented invention or one for which an application for patent has been filed where the national security or public safety so require. The patentee is to be paid equitable remuneration and the Minister's decision is appealable.
Article 5(A)(4) prohibits application for a compulsory license for failure to work until four years have passed since the application was filed or three years from date of grant and no compulsory license is to be granted if the patentee justifies the failure to work. Licenses are to be non-exclusive, and may not be transferred except with the enterprise or goodwill that exploits the license.	Article 39 of the Law on Industrial Property authorizes the grant of a compulsory license for non-working or insufficient working after a period of the greater of four years from the filing date or three years from grant of the patent, so long as the Patent Office is not convinced that circumstances justifying the non-working or insufficient working exist. The Law is silent regarding the nature of the license and the conditions under which it might be transferred.
Article 5(B) prohibits forfeiture of industrial designs for failure to work or for importing articles corresponding to those that are protected.	There does not appear to be anything in the Law on Industrial Property that would authorize forfeiture of an industrial design for failure to work or for importing products protected.

TRIPS AGREEMENT	ALBANIA'S COMPLIANCE
Article 5(c) prohibits cancellation of a mark for unjustified non-use before a reasonable period of time has passed and permits the proprietor to use differing elements that do not diminish the distinctive character of a mark without invalidating the registration or diminishing the protection granted the mark. Concurrent use of the mark by co-proprietors is permitted so long as the public is not misled.	Article 92 of the Law on Industrial Property authorizes revocation of registration of a trademark only after a period of five years or unjustified non-use. A mark may not be revoked if, during the period, there has been use by a licensee under a contract recorded in the register of marks; use of the mark in a modified form that does not alter its distinctive character; or use of the mark in publicity and business correspondence.
Under Article 5(D), protection of patents, registered trademarks, and industrial designs cannot	The Law on Industrial Property does not condition protection for industrial property on any marking.
Article 5 ^{bis} requires that a grace period of at least six months be provided for the payment of maintenance fees for industrial property, but a surcharge is permissible. Countries are authorized to restore patents that lapsed for non-payment of fees.	Article 28(3) of the Law on Industrial Property provides for a six-month grace period for patent maintenance fees to be paid, with a supplementary fee for the delay.
Article 5 ^{ter} prohibits a Paris Member from making use of patented devices aboard a vessel, aircraft, of land vehicle temporarily or accidentally in the territory or the Member.	The Law on Industrial Property does not appear to provide for such an exception.
Article 5 ^{quater} requires that process patent owners have all the rights against an imported product produced by the patent process that they would have with respect to products manufactured at home.	Article 27(2)(b) of the Law on Industrial Property gives the patent owner the right to prevent the offering or putting on the market of a product directly obtained from the patented process, the using of such product, or the importing or stocking of such product for offering or putting the product on the market.
Article 5 ^{quinquies} requires that Paris Members protect industrial designs.	Part II of the Law on Industrial Property provides for protection of industrial designs and Article 2(1) states that such protection "shall not exclude any other rights provided for in the law, in particular, rights based on the Law of Copyright.
Article 6 makes the conditions for filing and registration of trademarks subject to domestic legislation but also makes filing and registration independent of those in other countries, including the country of origin.	The Law does not appear to contain any provision that so specifies.
Article 6 ^{bis} requires parties, ex officio if legally possible or at the request of an interested party, to refuse to register or, for a period of at least 5 years, to cancel the registration of a trademark confusingly similar to a well-known mark. No time limit is placed on a mark used in bad faith.	Article 76(2)(b) provides that a sign shall not be protected if it is a well-known mark within the meaning of Article 6 ^{bis} , but does not explain further.
Article 6 ^{ter} requires Members to refuse to register or to invalidate the registration that includes, without authorization, armorial bearings, flags, state emblems, official signs and hallmarks, etc. An exception is provided for owners of rights acquired in good faith before the Convention entered into force for that country.	Article 75 prohibits registration as a mark or as an element of a mark, state names (complete or abbreviated); state emblems; official hallmarks adopted by states; abbreviations and emblems of intergovernmental organizations; and religious symbols.

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Article 6 ^{quater} makes the assignment of a mark valid if the portion of the business or goodwill of the business together with the exclusive right to manufacture and sell the goods bearing the mark are also transferred.	Article 85 of the Law on Industrial Property provides only for the recordation procedure but does not impose limitations on the ability to assign a mark.
Article 6 ^{quinquies} requires that trademarks duly registered in a Member be accepted for filing in other Members, with certain reservations, and establishes the conditions under which a trademark may be denied registration or may be invalidated.	Article 78(5) of the Law on Industrial Property provides for priority filing dates. The provisions of Articles 73-77 appear to comply with Paris Article 6 ^{quinquies} .
Article 6 ^{sexies} states that Paris Members "undertake" to protect service marks without being required to provide for their registration.	Part III of the Law on Industrial Property provides for protection of both trademarks and service marks.
Article 6 ^{septies} requires that trademark owners be able to oppose or request cancellation of a registration of their trademarks applied for by their agent or representative without their authorization "unless the agent or representative justifies his action".	Article 91 provides for invalidation of a mark if there are earlier rights, which, under Article 76(2)(a) would include the rights of a trademark owner which will be registered by that trademark owner.
Article 7 states that the nature of the goods to which a trademark is applied may in no case be an obstacle to the registration of the trademark. (Duplicate language is in TRIPs Article 15 .4.)	Nothing in Articles 74, 75, or 76 of the Law on Industrial Property, which provide the basis for refusal of registration would authorize refusal based on the nature of the goods to which the trademark applies.
Article 7 ^{bis} requires that Members permit registration of collective marks belonging to associations the existence of which is not contrary to the law of the country of origin, even where the association is not established in the country where protection is being sought.	Article 73 of the Law on Industrial Property authorizes registration of collective marks used to designate the goods or services of an industrial or commercial cooperative or an association or like organization of several enterprises.
Article 8 requires that trade names be protected by Members without the necessity of registration, whether or not the names are part of a trademark.	
Article 9 requires seizure on importation or exclusion of goods bearing a trademark or trade name without authorization, unless a country's laws provide for neither remedy, in which case domestic actions and remedies must be available.	
Article 10 applies the obligation of Article 9 to the direct or indirect use of false indications of source of goods, or false indication of the producer, manufacturer, or merchant of such goods.	
Article 10 ^{bis} requires Members to provide protection against unfair competition, including against acts that create confusion of various kinds about the goods or activities of a competitor, that consist of false allegations about a competitor, or that are apt to mislead the public regarding a competitor's goods.	

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Article 10 ^{ter} requires that Members undertake to assure to foreign nationals effective legal remedies to repress actions referred to in Articles 9, 10 and 10 ^{bis} , and to allow federations and associations representing foreign businesses, on the basis of reciprocity, to take action in court and before administrative authorities to repress such acts.	
Article 11 requires that temporary protection, consistent with domestic legislation, be afforded to patentable inventions, utility models, industrial designs and trademarks in respect of goods exhibited at official or officially recognized international exhibitions held in their territory.	The Law on Industrial Property does not appear to provide such temporary protection for patentable inventions related to goods exhibited at official or officially recognized international exhibitions held in their territory. Article 64 of the Law provides for temporary protection on industrial designs in such circumstances. Article 79 of the Law provides for temporary protection for trademarks in such circumstances.
Article 12 requires Members to establish industrial property offices for patents, utility models, industrial designs and trademarks for the communication to the public through publication of a periodic journal of the names of patent owners with a brief designation of their inventions, and the reproduction of trademarks.	The Patent Office of the Republic of Albania is created in Part IV of the Law on Industrial Property and given responsibility for implementing the provisions of the Law on Industrial Property. Patent applications for inventions and utility models are published after 18 months under Article 18 and granted patents are published under Article 21(5). Article 66(2) provides for the publication of industrial designs. Article 83(3) provides for the publication of registered trademarks.
Article 19 authorizes Members to enter into separate and special industrial property agreements among themselves, so long as those agreements do not contravene the provisions of Paris.	
National treatment, with exceptions allowed in the Paris, Berne and Rome Conventions. Article 3.	In WT/ACC/ALB8/Add.8, Albania responds that Albanian intellectual property law provides national treatment, except that foreign nationals must be represented before the Patent Office by an Albanian patent and trademark agent. Article 2(2) of the Law on Industrial Property provides national treatment for legal and natural persons that are foreign nationals either on the basis of international treaties and conventions to which Albania is a Party or on the basis of reciprocity.
Most favoured nation treatment, with enumerated exceptions. Article 4.	It is not clear whether Albania provides most favoured nation treatment in connection with intellectual property. Another consideration is how this obligation will be implemented.
<i>Copyright and Neighbouring Rights</i>	<i>Citation to copyright and related laws.</i>
Compliance with Articles 1 through 21 of the Berne Convention with the exception of Article 6 ^{bis} . Article 9.1.	Albania is a Party to the Berne Union.
Article 2 defines "literary and artistic works" as "every production in the literary, scientific and artistic domain whatever may be the mode or form of its expression," giving examples. Limitations related to speeches are provided in Article 2 ^{bis} .	The Law on Copyright protects the literary, artistic, public and other works including any original intellectual creation of this nature, regardless of their form of expression (examples). The protection does not depend on the manner and form of expression, quality or aim of the work. No limitations related to speeches are foreseen in the Law.

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Article 3 requires that protection be provided to the works of authors who are nationals of Berne Union members and to works of nationals of non-Union countries if those works are published in a Union member simultaneously with publication in the non-Union country.	This act is applicable also to a) unpublished works or published for the first time in a foreign country from authors with foreign citizenship and with permanent living in a foreign country, in the cases when the country when the author lives, or when the works are published for the first time offers the same protective measures for the authors with Albanian citizenship or living in Albania for their unpublished works or published for the first time in Albania; b) works which will be protected in Albania in accordance with the international conventions where Albania participates.
Article 4 requires that protection be provided cinematographic works not falling under Article 3 if the maker has a headquarters or habitual residence in a Union member and to works of architecture or artistic works incorporated into a building or structure in a Union member.	The works of foreign authors are protected by the dispositions of this Law and the international conventions of which the Republic of Albania is a member.
Article 5 requires that authors enjoy the rights required by Berne and any other rights a country provides works on a national treatment basis without being subject to any formalities.	No special provisions are mentioned in the law.
Article 7 requires that the term of protection for copyright be 50 years following the death of the author. Special terms are authorized for cinematographic works, anonymous or pseudonymous works, photographic works and works of applied art.	Unless otherwise provided in this chapter, the moral rights of the work are protected forever and the economic rights of a work are protected during the author's whole life and 70 years after his/her death. The moral and economic rights of an anonymous or nicknamed work are protected for 70 years from the first day of the first legal publication. The moral and economic rights of collective photographic and audiovisual work are protected for 70 years from the day this work is legally offered to the public or 70 years after its creation. The moral and economic rights of applied arts are protected for 25 years from the day of its production.
Article 8 gives authors of protected works the exclusive right to make or authorize the making of translations of the work.	The author has the exclusive right on his work and he can authorize c) the translation of the work.
Article 9 requires that authors be given the exclusive right to authorize reproduction of the work in any manner or form with only limited exceptions that do not conflict with the normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the author.	The author has the exclusive right on his work and he can authorize the reproduction of the work and has the right to oppose any kind of violation, change or alteration on the work and any other action that would damage his reputation and name. WT/ACC/ALB/23 states that under Section 6 of the Law on Copyright reproduction for private purposes is permitted except for architectural works, works of fine art, musical works, exercise books or other one-use publications; computer programs except as specified in Section 13 of the law; or any other reproduction that would conflict with the normal exploitation of the work or would unreasonably prejudice the legitimate interests of the author. Under Section 9 of the Law, reproduction in connection with administrative or judicial proceedings is possible without authorization or remuneration. Section 12 of the Law provides an exception to the reproduction right for pictures of works permanently located in public places except if the work is the main subject of the reproduction, broadcast, or

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	Section 13 of the Law authorizes the owners of a copy of a computer program to make a copy for archival purposes for use of the program. Section 14 provides an exception to the reproduction right in line with the E.S.'s directive on decompilation.
Articles 10 and 10 ^{bis} define certain authorized "free uses of works."	Free uses of works include: the free reproduction for personal use; the free reproduction in the form of citation; free usage for teaching; free reproduction from libraries and archives; free reproduction for legal and administrative purposes; free use for the purpose of giving information; free use of pictures of publicly exposed works; free reproduction and adaptation for computer programs; free use of computer programs; free temporary registration by broadcasting agencies; and free public showing. Under Section 8 of the Law, use for teaching is permitted with attribution if such use is by way of illustration in publications, broadcasts or sound or visual recordings and xerographic reproduction is permitted for teaching or examination in educational institutions in limited circumstances. Under Section 11 of the Law, exceptions are provided for broadcasting information and reproducing portions of works for the purpose of informing the public. Section 15 of the Law provides an exception for ephemeral recordings of a work by broadcasting organizations that have authorization to broadcast that work. Section 16 provides an exception for public performance of works by educational institutions, by the staff and students of such institutions, if the audience is exclusively staff and students or the institution or students' parents and guardians and others directly connected with the activities of the institution.
Articles 11, 11 ^{bis} , and 11 ^{ter} require that authors of dramatic, dramatico-musical and musical works and any translation thereof and authors of literary and artistic works, the exclusive right to authorize the public performance of their works, including by broadcast, public recitation and any communication to the public.	The author has the exclusive right to his work and he can authorize: the preparation or adaptation, alteration or transformation of the work; the presentation of the work in public; and the transmission of the work to the public by broadcasting and rebroadcasting.
Article 12 requires that authors of literary or artistic works have the exclusive right to authorize adaptations, arrangements and other alterations of their works.	The author has the exclusive right on his work and he can authorize the preparation or adaptation, alteration or transformation of the work.
Article 13 authorizes countries to impose reservations and conditions on the exclusive right granted authors of musical works or written works that are recorded.	Articles 35, 36, 37 of the law are not applied when activities provided by these articles are performed for private use, teaching, scientific research on the condition that the use does not conflict with the normal use (of a show, phonogram or transmission) and always without violating at a large scale the legal interests of the owners the rights provided in this chapter - Protection of Shows, Phonograms and Programmes; for broadcasting the contemporary news; for citation, for other purposes which are included in the limitations for the economic rights of the literary and artistic works, as provided in Chapter III of the Law.

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	The obligation for an authorization mentioned in articles 35, 36 and 37 to register shows and transmissions, to produce them and to reproduce published phonograms for commercial purposes, and not taken into consideration (are not applicable) when the reproduction is done by a broadcasting organization with its own means and for its own programs only in case of broadcasting the registration of a show or of its reproduction; broadcasting the registration of a program or its reproduction or such a registration of a program made according to the conditions of this program.
Articles 14 requires that authors of literary and artistic works have the exclusive right to authorize the cinematographic adaptation and reproduction of their works and the distribution, public performance and communication to the public of the adaptation or reproduction, without the limitations authorized under Article 13(1).	The author has the exclusive right to his work and he can authorize: the reproduction of the work; the import of the work within the country with the purpose of its distribution as selling, leasing, renting, loaning, for/o the public; the preparation of adaptation, alteration or transformation of the work; and the presentation of the work in public.
Article 14 ^{bis} specifies that a cinematographic work is to be protected as an original work without prejudice to any work that is adapted or reproduced and the author of the cinematographic work is to enjoy the same rights as the author of any other work.	This law protects the literary , artistic, public and other works, including any original intellectual creation of this nature, regardless of their form of expression as for example, audiovisual works; and the protection does not depend on the manner and form of expression, quality or aim of the work.
Article 14 ^{ter} requires "droit de suite" in connection with subsequent sales works of art and manuscripts.	The author of a work may issue a license to third persons to perform activities, which are included in his economic rights. These licenses may be exclusive or non-exclusive.
Article 15 requires that ownership of a work, for purposes of litigation, be presumed to be that which appears on the work in the usual manner.	In order that the author of a work is recognized to be as such, and consequently have the right to make a legal complaint in case of procedural violation, in lack of contrary facts, t will be enough that his name appears on the work in the usual manner.
Article 16 requires that infringing copies of a work be subject to seizure whether domestically produced or imported.	The author of the persons who are enjoying their rights to a work according to this law are entitled to challenge in court if they are hindered in exercising these rights or someone else is using them unjustly.
Article 18 requires that copyright protection be applied to all works which, at the moment Berne becomes effective, have not fallen into the public domain in the country of origin through the expiry of the term of protection.	No eventual provisions are cited in the Law.
Article 19 authorizes Union members to provide greater protection than that required by the Convention.	No eventual provisions are cited in the Law.
Article 20 authorizes Union members to enter into special agreements among themselves to provide more extensive rights than those provided by Berne.	No eventual provisions are cited in the Law.
Protect computer programs, whether in source or object code, as literary works under the Berne Convention. Protect compilations of data, whether in machine readable or other form are to be protected as intellectual creations if they constitute such. Article 10.	This Law on Copyright protects written works including computer programs and data compilations as literary works.

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Provide rental rights at least for computer programs and cinematographic works with certain exceptions. Article 11.	The author of an audiovisual work, or any other work such as phonograms, computer programs, data base, and any other work which is read by apparatus, has the exclusive right to allow giving on lease or lending of his work.
Provide a term of protection of fifty years from the death of the author (Berne Article 7.1 and TRIPs Article 9.1) or, for works the term of which is not measured by the life of the author, a term of 50 years from the end of the calendar year of authorized publication, or, if not published within fifty years from making, fifty years from the end of the calendar year of making. Article 12.	The moral rights are protected forever and the economic rights of a work are protected during the whole author's life and 70 years after his death. The moral and economic rights of an anonymous, nicknamed, collective photographic or audiovisual work are protected for 70 years from the day this work is legally offered to the public or in a contrary case, for 70 years from the day of the production of the work, i.e., 70 years after its creation. The protection provided in this chapter lasts to the end of a calendar year.
Confine limitations and exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the right holder's legitimate interests. Article 13.	As previously stated ... Free uses of works include: the free reproduction for personal use; the free reproduction in the form of citation; free usage for teaching; free reproduction from libraries and archives; free reproduction for legal and administrative purposes; free use for the purpose of giving information; free use of pictures of publicly exposed works; free reproduction and adaptation for computer programs; free use of computer programs; free temporary registration by broadcasting agencies; and free public showing.
Provide performers with the right for 50 years from the date of a performance to prevent unauthorized fixation of their unfixed performances and of reproductions of such fixations and to prevent the unauthorized broadcast by wireless means and communication to the public of their live performances. Article 14.1 and 5.	No one can (1) broadcast programs unauthorized by their performers (executors); (2) communication to the public of their show, except for a registration of the program or a broadcast of the show; (3) registration of an unregistered show. The duration of the protection provided for in this article is 50 years, starting from the end of the year in which the show is performed.
Provide phonogram producers with the right for 50 years from the date of first authorized fixation to prohibit unauthorized reproduction of their phonograms, directly or indirectly, and to prohibit rental of copies of their phonograms once sold or otherwise distributed. Article 14.2, 4, and 5.	Without the authorization of the phonogram producers, no one can reproduce directly or indirectly the phonogram; import any copy of the phonogram; lease or loan a copy of the phonogram. The duration of the protection provided for in the first paragraph is 50 years, starting from the end of the year in which the phonogram was produced for the first time.
Providing broadcasting organizations with the exclusive rights for 20 years of fixation, reproduction of fixations, and rebroadcasting by wireless means of their broadcasts and the communication to the public of broadcasts of their broadcasts or provide to the owners of the copyright in the material broadcast the possibility of exercising such rights. Article 14.3 and 5.	No one can do the following activities without the authorization of broadcasting organizations: (1) rebroadcasting of their programs; (2) registering of their programs; (3) reproducing of a registration of their programs when the registration on which basis the reproduction is done, is realized without the authorization of this organization, or the broadcasting is firstly registered in accordance with the provisions of Article 39 of this law, but the reproduction is done for purposes other than those mentioned in that article. As per this Article, protection ends in 50 years, starting from the end of the year, in which the broadcasting is done.
<i>Trademarks</i>	<i>Citation to appropriate law</i>
Provide trademark or service mark protection for any sign, or combination of signs capable of distinguishing the goods or services of one undertaking from those of other undertakings. Article 15.1	Any sign or any combination of the signs capable of distinguishing the goods or services of one natural or legal person from those of another natural or legal person and of being represented graphically may serve as a mark for goods or a mark for services.

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Not deny registration for a mark based solely on the nature of the goods or services to which a trademark is to be applied. Article 15.4.	No mentioned of deny is cited in the Law.
Trademarks must be published before or shortly after registration to permit opposition or opportunity to apply for cancellation. Article 15.5	If the application conforms to the requirement of the Law , The Patent Office shall send a written notice to the applicant on the acceptance of the application for examination and shall publish the mark.
Provide trademark owners the exclusive right to prevent unauthorized use identical or similar marks for similar goods or services of other parties if confusion is likely to result. Article 16.1	The owner of a registered mark shall have the right to prevent a third party from using, without his authorization, in the course of trade, as a mark or as a trade name, an identical or similar sign for goods or services which are identical or similar to those in respect of which the mark is registered, where such use would result in a likelihood of confusion.
Presume confusion where an identical mark is used without authorization on identical goods or services. Article 16.1.	Where the use relates to an identical sign for identical goods or services, the likelihood of confusion shall be assumed.
Provide protection for well know trademarks and service marks in accordance with Article 6 ^{bis} of the Paris Convention, even where use is on goods or services which are not similar to those in respect of which a trademark is registered if the latter use would imply a connection with the right holder or would be likely to damage the right holder's interests. Article 16.2 and .3.	A sign shall not be protected as a mark, if its use as a mark would be in conflict with earlier rights, as a well - known mark within the meaning of Article 6 ^{bis} of the Paris Convention for the Protection of Industrial Property, of a third party.
Allow only limited exceptions to the rights conferred by a trademark such as fair use of descriptive terms. Article 17.	No mentioned of limited exceptions is cited in the Law.
Provide a period of protection for registration of at least seven years, renewable indefinitely. Article 18.	The registration of a trademark and service mark is made for 10 years counted from the filing date. No mentioned of indefinitely renewal is cited in the Law.
Allow cancellation for non-use only after a period of three years of uninterrupted non-use unless valid reasons exist for the non-use, including government interference with use. Article 19.1.	The registration of a mark may be revoked if the owner of the registered mark has not used it in connection with the goods or services referred to in the registration during a period of five years, without good reason.
No encumbering of the use of a trademark by special requirements. Article 20.	No mentioned of encumbers for the use is cited in the Law.
May establish conditions for licensing but compulsory licensing not permitted and owner of registered mark must be able to assign it with or without transfer of business. Article 21.	For the purpose of this Law , " license contract " means any contract by which the owner of the registered mark (" the licensor ") gives to the other party ("the licensee") his agreement for that other party to perform any of the acts referred to this Law, in respect of the registered mark. No direct mention of conditions asked are cited in the Law.
<i>Geographical Indications</i>	<i>Citation to appropriate law or laws</i>
Provide means to prevent deceptive use of geographical indications identifying location where a given quality, reputation or other characteristic of a good is attributable to its location. Article 22.1 and 2.	The appellation of origin is used to mark the natural, agricultural products, the industrial and handicrafts products. The appellations of origin protect: geographical names of products, whose distinctive properties are mainly due to the

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	location or region where they are produced , if such properties are a natural consequence of either the climate or soil or of established manufacturing procedures or processes.
Refuse to register or invalidate registrations of trademarks containing geographical indications except in instances in which such marks have been used continuously for at least 10 years or in good faith before April 15 1994. Article 22.3	No direct mention of invalidation for these cases.
Protect against use of geographical indications even when literally true but which falsely represent that the goods originate in another territory. Article 22.4	No measurements are directly cited in the Law.
Protect, with certain exceptions, appellations or origin for wines and spirits even against use accompanied by expressions such	No, special provision and no prohibition for Protection of Geographic Indications for Wines and Spirits are mentioned in the Law. <i>New article to be amended complied with TRIP`s</i>
Protect, with certain exceptions, appellations or origin for wines and spirits even against use accompanied by expressions such as "kind," "type," "style," etc. Article 23.1 and 24.	No, special provision and no prohibition for Protection of Geographic Indications for Wines and Spirits are mentioned in the Law. <i>New article to be amended complied with TRIP`s</i>
Refuse or invalidate, with certain exceptions trademark registrations containing geographical indications for wines and spirits if they do not originate in the place named. Article 23.2 and 24.	A mark shall not be registered as a trademark if it consists exclusively of signs or indications, which may serve in trade , to designate the kind, quality, quantity, intended purpose, value , geographical origin, or the time of production of the goods or of rendering the services, or other characteristics of the goods or services.
<i>Industrial Designs</i>	<i>Citation to appropriate law</i>
Provide, with certain exceptions, protection for new or original, independently created industrial designs. Article 25.1.	In order to be protectable, an industrial design must be new and usable in industrial or handicraft products.
Ensure that requirements for securing protection for textile designs are not prohibitive of such protection. Article 25.2.	No, special provision and no prohibition for Protection of Textile designs are mentioned in the Law. <i>New article to be amended (proposal to be put on Copyright Law)</i>
Protection should last at least 10 years.	Industrial Design is protected for five years, possibility of renewal also for other ten years.
<i>Patents</i>	<i>Citation to appropriate law</i>
Provide patents for any inventions, whether products or processes, in all fields of technology if they are new, involve an inventive step and are industrially applicable. Exceptions are permitted for plants and animals, except for microorganisms and non-biological and microbiological processes. Exemptions are also permitted for reasons of <i>ordre public</i> and morality. Article 27.	The same is described in Article 3 of the Law 1. In order to be patentable, an invention shall be novel, shall involve an inventive step and shall be industrially applicable. 2. The following, in particular, shall not be regarded as inventions within the meaning of paragraph 1. : (a) discoveries, scientific theories and mathematical methods ; (b) aesthetic creations ; (c) schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers (d) presentations of information;

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	<p>3. The provisions of paragraph 2. shall exclude patentability of the subject-matter or activities referred to in that provision only to the extent to which a patent application or patent relates to such subject-matter or activities as such.</p> <p>4. A patent shall not be granted in respect of an invention the publication or exploitation of which would be contrary to public order or morality.</p> <p>5. No patents shall be granted for substances obtained through internal nuclear transformations for military purposes.</p> <p>6. No patents shall be granted for inventions of surgical, diagnostic or therapeutical methods practiced on the human or animal body, as they shall be regarded as inventions which are not susceptible of industrial application within the meaning of paragraph (1). This provision shall not apply to inventions relating to substances and devices for use in any of these methods.</p> <p>7. No patents shall be granted in respect of plant or animal varieties or essentially biological processes for the production of plants or animals ; this provision does not apply to microbiological processes or the products thereof.</p>
<p>Provide patent owners with the right to prevent others from making, using, offering for sale, selling, or importing a patented product or from using a patent process or using, offering for sale, selling or importing a product produced directly using such process. Article 28.1.</p>	<p>The right to a patent shall belong to the inventor or his successor in title. Joint inventors shall, unless they agree otherwise, have equal rights. Where two or more applications have been filed by different persons in respect of the same invention and the inventors concerned made the invention independently of each other, the right to a patent for that invention shall belong to the applicant whose application has the earliest filing date, or, where priority is claimed, the earliest priority date, as long as his application is not withdrawn or abandoned, considered to be withdrawn or abandoned, or rejected.</p>
<p>Give patent owners the right to assign the rights in the patent, or transfer the rights by succession, or license them. Article 28.2</p>	<p>The same as described in Article 32, 33, 34:</p> <p>1. Any contract assigning a patent application or a patent shall be made in writing and shall be signed by the parties to the contract. Otherwise it shall not be valid.</p> <p>2. Any change in the ownership of a patent application or a patent shall be recorded in the patent register on payment of the prescribed fee. The new owner of the application or patent shall be entitled to institute any legal proceedings concerning the patent only if the change in the ownership has been recorded in the patent register. The Patent Office shall publish the change of the ownership of the patent.</p> <p>If a patent application has been filed or a patent granted to a person who is not entitled to the patent under Article 8 or 9, the person entitled to it under this provisions may request the Court to order the assignment to him of the patent application or patent</p>

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	<p>1. Where there are joint applicants of a patent application, each of them may without the agreement of the others separately assign or transfer by succession his share of the application, but the joint applicants may only jointly withdraw the application or conclude licence contracts with third parties under the application.</p> <p>2. Where there are joint owners of a patent, each of them may without the agreement of the others separately assign or transfer by succession his share of the patent or institute court proceedings for an infringement of the patent against any person exploiting the patented invention in the Republic of Albania. The exploitation of the patented invention in the Republic of Albania by one of the joint owners shall not require the agreement of the other joint owners, but the joint owners may only jointly surrender the patent or conclude licence contracts with third parties under the patent.</p> <p>3. The provisions of this Article shall be applicable only in the absence of an agreement to the contrary between the joint applicants or owners.</p>
<p>Require applicants to disclose the invention so that one skilled in the art can carry it out and may require indication of the best mode and information on corresponding foreign applications. Article 29.</p>	<p>The reference as described in Article 3, 4, 5, 7, of the Law.</p>
<p>Ensure that any exceptions to exclusive patent rights do not unreasonably conflict with normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking third party interests into account. Article 30.</p>	<p>A patent shall have no effect against any person who in good faith, for the purposes of his enterprise or business, before the filing date, or, where priority is claimed, the priority date of the application on which the patent is granted, and within Albania was using the invention or was making effective and serious preparations for such use. Any such person shall have the right, for the purposes of his enterprise or business, to continue such use or to use the invention as envisaged in such preparations.</p> <p>The right of the prior user may only be transferred or devolve together with his enterprise or business, or with that part of his enterprise or business in which the use or preparations for use have been made.</p> <p>The rights under the patent shall not extend to the use of the patented invention on any foreign vessel, aircraft or land vehicle which temporarily or accidentally enters the waters, airspace or land of Albania provided that the patented invention is used exclusively for the needs of the vessel or in the construction or operation of the aircraft, spacecraft or land vehicle.</p>
<p>Compulsory licenses can be issued only when enumerated conditions are met, including such things as notice, remuneration, limitations on use and transfer of the license, etc. Article 31.</p>	<p>The same as described in Article 32, 33, 34:</p> <p>1. Any contract assigning a patent application or a patent shall be made in writing and shall be signed by the parties to the contract. Otherwise it shall not be valid.</p>

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	<p>2. Any change in the ownership of a patent application or a patent shall be recorded in the patent register on payment of the prescribed fee. The new owner of the application or patent shall be entitled to institute any legal proceedings concerning the patent only if the change in the ownership has been recorded in the patent register. The Patent Office shall publish the change of the ownership of the patent.</p> <p>If a patent application has been filed or a patent granted to a person who is not entitled to the patent under Article 8 or 9, the person entitled to it under this provisions may request the Court to order the assignment to him of the patent application or patent.</p> <p>1. Where there are joint applicants of a patent application, each of them may without the agreement of the others separately assign or transfer by succession his share of the application, but the joint applicants may only jointly withdraw the application or conclude licence contracts with third parties under the application.</p> <p>2. Where there are joint owners of a patent, each of them may without the agreement of the others separately assign or transfer by succession his share of the patent or institute court proceedings for an infringement of the patent against any person exploiting the patented invention in the Republic of Albania. The exploitation of the patented invention in the Republic of Albania by one of the joint owners shall not require the agreement of the other joint owners, but the joint owners may only jointly surrender the patent or conclude licence contracts with third parties under the patent.</p> <p>3. The provisions of this Article shall be applicable only in the absence of an agreement to the contrary between the joint applicants or owners.</p>
<p>Provide an opportunity for judicial review of decisions to revoke or forfeit a patent. Article 32.</p>	<p>1. The Regional Court of Tirana shall have exclusive jurisdiction for any dispute concerning a patent application or patent, in particular for :</p> <ul style="list-style-type: none"> (a) any action for infringement or a declaration of non – infringement of a patent or patent application ; (b) any action or counterclaim for invalidation of a patent; (c) any action concerning the right to the patent, the ownership or assignment of a patent application or patent ; (d) any action concerning a licence contract ; (e) the grant of non - voluntary licences ; (f) the review decisions of Board of Appeal of the Patent Office. <p>2. Decisions of the Regional Court of Tirana on any type of disputes referred to in this Article, may be appealed to the Court of Appeal.</p>

TRIPS AGREEMENT	ALBANIA'S COMPLIANCE
	<p>1. Within the period of patent duration, an action may be instituted in Court without any time limitation, if the dispute has arisen :</p> <p>(a) on invalidation of patents (Article 46) ;</p> <p>(b) on the grant of licences.</p> <p>2. In other cases of disputes, which are not referred to in paragraph 1. of this Article, the term for instituting an action in Court is limited to three years unless this Law or the legislative acts in force provide for other terms.</p>
<p>Provide a patent term of at least 20 years from the filing date. Article 33.</p>	<p>1. The term of a patent shall be 20 years as from the filing date of the application.</p> <p>2. The maintenance of a patent shall be subject to the payment of the prescribed fees. These fees shall be due each year on the date corresponding to the filing date.</p> <p>3. Any maintenance fee may be paid within a period of six months beginning on the date when it became due, paying in this case a supplementary fee for the delay.</p> <p>4. If a maintenance fee is not paid according to paragraphs 2. and 3., the patent shall lapse on the date when the fee became due.</p> <p>5. The term of a patent for invention related to pharmaceutical products can be extended over 20 years, but no more than five years.</p>
<p>Shift the burden of proof in process patent infringement actions to the defendant in instances in which the product produced by the process is new or where it is substantially likely that the identical product was made using the process and the patent owner has been unable through reasonable efforts to determine the process used. Article 34.</p>	<p>Not mentioned in Law.</p>
<p><i>Integrated-Circuit Layout Designs</i></p>	<p><i>Citation to appropriate law</i></p>
<p>Provide protection for original layout designs of integrated circuits that are registered or have been commercially exploited anywhere in the world. Articles 3, 4, 5, and 7 of the Washington Treaty as incorporated into TRIPs by Article 35.</p>	<p>Nothing is mentioned in Law (the draft of the article is under preparation.</p>
<p>Make unlawful, except in certain circumstances, the reproduction, importation, sale or other distribution of a protected layout design or an integrated circuit embodying such design or an article containing such a microcircuit. Article 6 of Washington and Article 36 of TRIPs.</p>	<p>Nothing is mentioned in Law (the draft of the article is under preparation.</p>
<p>Provide such protection for a term of 10 years from the filing of an application for registration or from first commercial exploitation. Article 38.</p>	<p>Nothing is mentioned in Law (the draft of the article is under preparation.</p>

TRIPS AGREEMENT	ALBANIA'S COMPLIANCE
<i>Undisclosed Information</i>	<i>Citation to appropriate law or laws</i>
Provide protection for undisclosed information that is secret (not generally known or readily ascertainable); has commercial value because of its secrecy; and has been subject to reasonable steps to keep it secret. Article 39.2.	The Law on Competition (Article 49) prohibits the acquisition of enterprise or business secrets in any illegal way or by influencing employees in order to use or to sell them. It is also forbidden to give to others or to use these secrets, knowledge which has been required during relations of employment or other confidential relations, during the duration of these relations to gain advantages in competition for oneself or for a third party or to damage the owner of the enterprise. This obligation is valid for a period of two years after the termination of employment or the confidential relation if the owner of this business activity has a justified interest and if this does not lead to any unreasonable restriction of the business or the professional activity of the other.
Protect data submitted to obtain marketing approval for pharmaceutical or agricultural chemicals utilising a new chemical entity. Article 39.3.	
<i>Enforcement General Provisions</i>	<i>Citation to appropriate law or laws</i>
Provide for effective action against infringement of intellectual property rights without creating barriers to legitimate trade or opportunities for abuse. Article 41.1	Article 89 of the Law on Industrial Property provides a right of action for owners of registered trademarks. It is not clear how rights in appellations of origin are enforced. Article 70 of the Law on Industrial Property provides a right of action for the owners of industrial designs. Article 41 of the Law identifies what constitutes patent infringement and Article 42 gives the patentee the right to institute proceedings against any infringer. Article 43 provides a declaratory judgement action regarding patent infringement. It is not clear how rights in undisclosed information are enforced. Article 101 authorizes Courts to impose a fine on any natural or legal person who knowingly infringes and intellectual property right; the amount of the fine is to be doubled in the event of a repetition of the knowing infringement within 5 years of the original offence. The provision appears to be criminal, but it is not clear who bears responsibility for bringing actions under the provision or whether is a consideration when an infringement suit is brought.
Provide enforcement procedures that are fair and equitable and are not unnecessarily complicated or costly and do not entail unreasonable time-limits or unwarranted delays. Article 41.2	The regional Court in Tirana is given jurisdiction over the specified disputes involving patents by Article 57 of the Law on Industrial Property. Information on the procedures followed by that Court or other courts in Albania is not available for review.
Provide decisions on the merits based upon the evidence presented in the case to the parties, preferably in writing with the reasons explained. Article 41.3.	
Provide for appeals to judicial bodies of final administrative decisions and of at least the legal aspects of initial judicial decisions on the merits of a case. Article 41.4.	Article 57 of the Law on Industrial Property provides for appeal to the Court of Appeal of Decisions of the Regional Court in Tirana on patent disputes.

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<i>Civil and Administrative Procedures and Remedies</i>	
<p>Provide a procedure that allows plaintiffs to bring an action for infringement; requires that defendants be notified; permits both side to present evidence in support of their position; and protects confidential information. Article 42</p>	<p>Article 89 of the Law on Industrial Property provides a right of action for owners of registered trademarks. It is not clear how rights in appellations of origin are enforced. Article 70 of the Law on Industrial Property provides a right of action for owners of industrial designs. Article 41 of the Law identifies what constitutes patent infringement and Article 42 gives the patentee the right to institute proceedings against any infringer. Article 43 provides a declaratory judgement action regarding patent infringement. It is not clear how rights in undisclosed information are enforced.</p>
<p>Authorize judges to order production of evidence necessary to substantiate a party's claims where that party has been unable to obtain such evidence from the opposing party. Article 43.1.</p>	
<p>Authorize judges to enjoin a defendant, except the government, from infringing intellectual property rights. Article 44.1.</p>	<p>Article 89 of the Law on Industrial Property authorizes the court to enjoin trademark infringement. Article 70 of the Law authorizes the court to enjoin infringement of industrial designs. Article 42 of the Law authorizes the court to enjoin patent infringement.</p>
<p>Authorize judges to order the payment of monetary damages adequate to compensate for the injury done by the infringement. Article 45.1</p>	<p>Article 89 of the Law on Industrial Property authorizes the court to award compensation for trademark infringement. Article 70 of the Law authorizes the court to award compensation for infringement of industrial designs. Article 42 of the Law authorizes the court to award damages for patent infringement.</p>
<p>Authorize judges to order infringer to pay right holders enforcement costs and recovery of profits and/or statutory damages. Article 45.2.</p>	<p>Article 89(2)(a) of the Law on Industrial Property appears to limit the court's authority to award enforcement costs in trademark infringement suits. Article 70 of the Law appears to limit the court's authority to award enforcement costs in suits for infringement of an industrial design. Article 42 of the Law does not define "damages" in patent infringement cases but the Article, like the two above, refers to "any other remedy provided in the general law". It is not clear if the latter would include award of court costs.</p>
<p>Authorize additional remedies including seizure of infringing goods, and the materials and implements the predominant use of which is infringement. Article 46.</p>	<p>Articles 42, 70, and 89 all authorize courts to grant "any other remedy provided in the general law". It is not clear whether this would include seizure of infringing goods, and the material and implements the predominant use of which is infringement.</p>
<p>Authorize indemnification of defendant, including attorneys' fees in the event of abuse by plaintiffs. Article 48.1.</p>	
<p>Exempt public authorities and officials from liability in connection with the administration of intellectual property laws only where the actions are taken or intended in good faith within the scope of the relevant authority. Article 48.2.</p>	
<p>Ensure that administrative remedies conform to the principles in the preceding Articles. Article 49.</p>	

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<i>Provisional Measures</i>	
<p>Authorize judges to grant temporary restraining orders and provisional relief to prevent infringement and to preserve evidence. Article 50.1.</p>	<p>Article 42 of the Law on Industrial Property states that have a cause of action against any person who is performing acts that make it likely that infringement will occur ("imminent infringement"). Courts are authorized to grant an injunction to prevent infringement and any other remedy provided in the general law. Article 70 provides similarly for industrial designs. Article 89 provides similarly for trademarks. It is not clear what temporary actions are available in connection with geographical indications and undisclosed information.</p>
<p>Authorize judges to require the complaining party to indemnify the defending party against harm if the decision on the merits finds the provisional relief unjustified. Article 50.3.</p>	
<p>Provide for notice, for formal action by the plaintiff after temporary restraining orders, etc. Article 50.4+.</p>	
<i>Border Measures</i>	<p>WT/ACC/ALB/23 states that Albania currently has no system for border enforcement but that preparation of such a system is under consideration.</p>
<p>Provide for suspension of release by customs authorities of goods suspected of bearing a counterfeit trademark or of being a piratical copyrighted work, either at the request of a right holder. Members are authorized to extend such protection to holders of other forms of intellectual property. Article 51</p>	
<p>Require right holders initiating border measures to provide evidence of a prima facie infringement and a description of the goods sufficient for customs authorities to recognize them. The right holder must be notified within a reasonable time if action will be taken on his behalf. Article 52</p>	
<p>Authorize authorities to require the right holder requesting border measures to post a bond sufficient to protect the defendant and to prevent abuse. Article 53</p>	
<p>Requires prompt notification of the right holder and the importer when action under Article 51 is taken. Article 54</p>	
<p>Requires that customs authorities be notified within a maximum of 20 days of the receipt of notice that proceedings on the merits have begun or the suspension is to be revoked. Article 55</p>	
<p>Authorities must be authorized to require the right holder to compensate the importer or owner of the goods subject to border measures if goods were wrongfully detained or if proceedings leading to a decision on the merits are not begun within the allotted time. Article 56.</p>	

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Right holders must be allowed to inspect the detained goods in order to substantiate the right holder's claims. Importers must be given similar authority. Members may give the right holder the names and addresses of those involved in the importation when infringement is found to exist. Article 57.	
Establishes the conditions that must be in place if customs authorities are authorized to act ex officio, including the ability to ask the right holder for information at any time; the requirement to notify the importer promptly of the suspension; and the requirement that public officials be liable if they act in bad faith. Article 58	
Competent authorities must be able to order destruction or disposal other than by re-export of infringing goods where appropriate. Article 59	
Members are authorized to except from border measures small quantities of infringing goods of a non-commercial nature carried in personal luggage or shipped in small consignments. Article 60	
<i>Criminal Procedures</i>	
Provide criminal procedures and penalties, sufficient to act as a deterrent, for wilful trademark counterfeiting or copyright piracy on a commercial scale. Authorizes extension of criminal actions to other forms of intellectual property where infringements are wilful and on a commercial scale. Article 61.	Article 101 of the Law on Industrial Property appears to provide for fines for intentional infringement of patents, trademarks and rights in industrial designs. It is not clear if these fines are criminal or if they merely can be awarded by a judge in a civil case.

The amendments to the Copyright Law are provided as supplementary materials. (WT/ACC/ALB/24)

VIII. NOTE ON PREVIOUS QUESTIONS AND UPDATE INFORMATION

A. NOTE ON GOVERNMENT PROCUREMENT

A list of the documents prepared with the assistance of foreign consultancies and with the approval of the World Bank, but which are not yet passed for approval by the Council of Ministers is provided below:

- Law on Public Procurement;
- Manual of Public Procurement;
- Document for the Tender for the Pre-qualification of Goods;
- Document for the Tender for the pre-qualification of Construction;
- Document for the Tender for the Procurement of Goods (Big and Complex);

- Document for the Tender for the Procurement of Systems (Big and Complex);
- Document for the Tender for the Procurement of Construction (Big and Complex);
- Document for the Tender for the Procurement of Complex Services (Based on time periods and Their Total Value); and
- Document for the Tender for the Procurement of Simple Services (Based on time periods and Their Total Value).

These documents can be sent upon notice and have not been included with the supplementary materials.

B. DISCRIMINATORY EXCISE TAX

A draft of legislation on excise taxes is presently in the legislative channel for approval. The proposal is to eliminate the discriminatory excise tax between local products and foreign products. A decision has not been made as to whether the new excise tax will conform to the higher rate applied to foreign products or the lower rate applied to local products. Several issues still require discussion, for example: how will tariffs on inputs be changed (i.e., lowered) to compensate for the higher excise tax on foreign products, how will a lower excise tax affect government revenues (i.e., is it possible to maintain budget neutrality), and how will the changes in the excise tax and import tariffs affect the IMF's conditions. The draft legislation is expected to be approved in October 1998 and is intended for implementation on January 1, 1999.

C. UPDATE ON CONFORMITY WITH TRIMS

Albania does not maintain or apply trade-related investment measures (TRIMs). The Law on Foreign Investment provides for national treatment; investment without prior government authorization or case-by-case approval; guaranteed repatriation of profits and capital; security against nationalization, expropriation or other actions with equal effects; and international dispute settlement. The only exception to national treatment involves ownership of land. Foreigners may lease land for 99 years. No sector of the economy is closed to foreign investment except for sectors subject to a national monopoly (e.g., radio and television broadcasting). National monopolies subject to privatization will be allowed to have varying degrees of foreign investment.

D. NOTE ON ANTI-DUMPING

Anti-dumping legislation was being drafted for Albania in July of 1998 with foreign assistance using the draft on anti-dumping produced by the WTO. A copy of the draft will be submitted later in the year.

E. NOTE ON SAFEGUARDS

The Republic of Albania has not yet initiated the study into safeguards; however, when the WTO's draft on safeguards is produced Albania will begin this effort. More details will be provided in the future. Albania is not excluding the possibility of implementing safeguards legislation at this point which is in conformity with the WTO.

F. NOTE ON COUNTERVAILING DUTIES

The Republic of Albania has not yet initiated the study into countervailing duties. More details will be provided in the future as to how Albania will approach CVD. Albania is not excluding the possibility of implementing CVD legislation which is in conformity with the WTO.
