

WORLD TRADE ORGANIZATION

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Working Party on the Accession of Albania

REPORT OF THE WORKING PARTY ON THE ACCESSION OF ALBANIA TO THE WORLD TRADE ORGANIZATION

Introduction

1. In November 1992, the Government of Albania requested accession to the General Agreement on Tariffs and Trade (GATT 1947). At the 48th Session in December 1992, the GATT 1947 CONTRACTING PARTIES established a Working Party to examine the application of the Government of Albania to accede to the General Agreement under Article XXXIII, and to submit to the Council recommendations which may include a draft Protocol of Accession. Membership of the Working Party was open to all contracting parties indicating the wish to serve on it. Having regard to the Decision adopted by the General Council on 31 January 1995, the GATT 1947 Accession Working Party was transformed into a WTO Accession Working Party. The terms of reference and the membership of the Working Party are reproduced in document WT/ACC/ALB/5/Rev.2.

2. The Working Party met on 29-30 April and 29 October 1996; 27 January, 30 April, 9 July, 30 July, 17 September and 6 October 1999 and on 3 July 2000 under the Chairmanship of Mr. A. Pinto de Lemos (Portugal).

3. The Working Party had before it, to serve as a basis for its discussions, a Memorandum on the Foreign Trade Regime of Albania, the questions submitted by Members on the foreign trade regime of Albania, together with the replies thereto, and other information provided by the authorities (WT/ACC/ALB/3, 4 and 8; WT/ACC/ALB/23; WT/ACC/ALB/25; WT/ACC/ALB/26 to WT/ACC/ALB/42), including the following legislative texts:

1. Law No. 8417 dated 21 October 1998 "For the Approving of the Constitution of Albania";
2. Law No. 8449 dated 27 January 1999 "On Custom Code of the Republic of Albania";
3. Decision No. 205 dated 13 April 1999 of the Council of Ministers (COM), "Implementing Provisions of the Custom Code";
4. Decision of the COM No. 516 dated 14 October 1999 "For some Changes on the Implementing Provisions of the Custom Code, Decision of the COM, No. 205 dated 13 April 1999";
5. Decision of the COM, No. 435 dated 9 September 1999 "For Approving the Rules of Origin Agreement of the WTO";
6. Law No. 8464 dated 11 March 1999 "On Standardisation";
7. Decision No. 242 dated 28 May 1999 of the COM "For the Approval of the Code of Good Practice for Adoption, Approval and Application of Standards";
8. Decision of the COM, No. 372 dated 4 August 1999 "For the Preparation, Adoption and Application of Technical Regulation and the procedures for assessment of Conformity for Standards and Technical Regulation";

9. Decision of the COM, No. 371 dated 4 August 1999 "For the Exchange of Information for Standards and Technical Regulation";
10. Decision of the COM, No. 323 dated 8 July 1999 "For the Criteria and Competencies in the Field of Standardization, Certification and Accreditation";
11. Decision of the COM, No. 472 dated 6 October 1999 on "The Approving of the Sanitary and Phyto Sanitary Measures Agreement of WTO";
12. Law No. 8466 dated 24 March 1999 "On Anti-dumping";
13. Law No. 7819 dated 27 April 1994 "For Industrial Property";
14. Law No. 8477 dated 22 April 1999 "On some Changes and Supplements on the law No. 7819 dated 27 April 1994, For Industrial Property";
15. Law No. 8488 dated 13 May 1999 "On the Protection of Topographies of Integrated Circuits";
16. Law No. 7564 dated 19 May 1992 "On Copyright";
17. Law No. 7923 dated 19 April 1995 "On some Changes in the law No. 7564 dated 19 May 1992, "On Copy right";
18. Law No. 8594 dated 6 April 2000 "On Some Changes to the Law on Copyright, No. 7564 dated 19 May 1992, changed with the Law No. 7923 dated 19 April 1995";
19. Law No. 8517 dated 22 July 1999 "On the Protection of the Personal Data";
20. Law No. 8503 dated 30 June 1999 "On the Right of Information over the Official Documents";
21. Law "On Custom Tariffs", is changed by the new law "On Custom Tariff Nomenclature", No. 8477 dated 14 April 1999;
22. Law No. 7609 dated January 1993 "On Priority Tourism Development Zones" and the amendments;
23. Law No. 8083 dated November 1995 "For the Telecommunications" and the amendments;
24. Law No. 8288 dated 18 February 1998 "On the Telecommunications Regulatory Body";
25. Law "On Telecommunications" dated 14 June 2000.
26. Law No. 8084 dated 7 December 1995 "On Competition";
27. Law No. 8308 dated 18 March 1998 "For Road Transports";
28. Law No. 8081 dated 7 March 1996 "On Insurance and Re-insurance Companies";
29. Law No. 8606 dated 27 April 2000 "On Some Changes on the Law on Insurance and Re-Insurance Companies, No. 8081 dated 7 March 1996"
30. Law "On Excise Taxes" (Law No. 7678) and amended by the law "On Excise Tax in the Republic of Albania", No. 8437 dated 28 December 1998.
31. Law No. 8437 dated 28 December 1998 "On Excise Tax in the Republic of Albania";
32. Law No. 8507 dated 7 July 1999 "On Some Changes in the Law on Excise Tax in the republic of Albania, No. 8437 dated 28 December 1998"
33. Law No. 8445 dated 21 January 1999 "On Value Added Tax";
34. Law No. 8269 dated December 1997 "On the Bank of Albania";
35. Law No. 8365 dated 2 July 1998 "Banking Law of the Republic of Albania";
36. Strategy on Privatization, March 1998;
37. Law "On Privatization", March 1998;
38. Law No. 8306 dated 14 March 1998 "On Privatization Strategy of Primary Importance Sectors";
39. Law No. 8334 dated 23 April 1998 "On the Privatization of Commercial Enterprises which Function in Non-Strategic Sectors";
40. "Privatization Strategy of State Owned Companies in Primary Importance Sectors";
41. Report on Maritime Legislation;
42. Law No. 8080 dated 7 March 1995 "On Securities";
43. Law "On Protection of Topographies of Integrated Circuits";
44. Law No. 7980 dated 27 July 1995 "On Sales and Purchase of Sites";

45. Law No. 7908 dated 5 April 1995 "On Fishery and Aquaculture";
46. Law No. 7074 dated 23 February 1993 "On Veterinary Service and Inspectorate";
47. Law No. 8312 dated 26 March 1998 "On Undistributed Agricultural Lands";
48. Law No. 8318 dated 1 April 1998 "On Leasing Agricultural Land, Forest Land, Meadows and Pastures which are State Property";
49. Law No. 8337 dated 30 April 1998 "On the Transfer of Ownership of Agricultural Land, Meadows, Pastures and Forest";
50. Law No. 7827 dated 31 May 1994, changed by the Law No. 8428 dated 14 December 1998 "For the Legal Profession in the Republic of Albania";
51. Law No. 7829 dated 1 July 1994 "On Notary";
52. Law No. 8578 dated 10 February 2000 "On Theatres";
53. Law No. 8576 dated 3 February 2000 "On Libraries";
54. Law No. 7810 dated 6 April 1994 "Of Higher Education in the Republic of Albania"; is abrogated by the new Law No. 8461 dated 25 February 1999 "On Higher Education In the Republic of Albania";
55. Law No. 8492 dated 27 May 1999 "On the Foreigners in the Republic of Albania";
56. Law No. 7971 dated 26 July 1995 "On Public Procurement";
57. Law No. 8301 dated 12 March 1998 "On some Changes in the Law 7971 dated 26 July 1995 "On Public Procurement";
58. Law No. 8112 dated 28 March 1996 "On some Changes in the Law 7971 of 26 July 1995 "On Public Procurement" Amended with Law 8074 of 22 February 1996";
59. Decision No. 12 dated 1 January 1996 of the COM "On the Rules of Public Procurement";
60. Decision of the COM "On Some Changes in the Decision of the COM, On Rules on Public Procurement, No. 12 dated 1 January 1996". This Decision expected by end of 2000 will approve the following documents:
61. Documents "On General Conditions of Contract";
62. Documents "On Procurement of Work";
63. Documents COM "On Request for Quotations of Goods";
64. Documents "On Invitation to quote for Small Works";
65. Documents "On Standards Bidding Document for Procurement of Goods";
66. Documents COM "On Standards Bidding Documents Approved by the Decision of the COM No. 12 dated 1 January 1996".

4. The representative of Albania said that membership in the WTO was one of Albania's most important economic policy objectives. From 1944–1992, Albania was the antithesis of a market economy. Private ownership was completely forbidden and all economic activity was controlled by the State, without exception. For much of this period, Albania's economic, political and cultural ties with the rest of the world were reduced to an absolute minimum. Albania's case was unique in terms of the intensity of the economic centralization and isolation. The present situation was strikingly different. The Albanian Government had passed laws providing for private ownership, entrepreneurial activity, open competition, bankruptcy, foreign investment, protection of consumers, privatization of small, medium and large enterprises, and many other elements of a modern commercial legal regime. The steady growth of domestic and foreign investment was a vote of confidence by the private sector in Albania's commercial law reforms. The Albanian government had dramatically reduced its role in almost all fields of economic activity. The public share of GDP was declining, the private sector's share stood at 80 per cent of GDP. The trade share of GDP had increased: in 1998, the share was 20 per cent. The private sector accounted for 78 per cent of exports and 82 per cent of imports. Approximately 76 per cent of Albania's workforce was engaged in private business. Price controls had been completely eliminated on goods, although a price reference scheme existed for pharmaceuticals. A limited price control system existed of services, a full and complete listing of which was provided to members of the Working Party in document WT/ACC/ALB/25. Albania's national currency, the Lek, was internally convertible and had been floating freely since

1992. The relative stability of the Lek was one sign, among others, that Albania's efforts to exercise fiscal and monetary control, and more generally to ensure macro-economic stability, had been successful. Albania had turned its back on isolationism and pursued a program to strengthen its ties with the rest of the world, concluding bilateral economic, trade and industrial agreements with 30 countries and 15 other agreements were under negotiations. Albania was a member of the International Monetary Fund, the World Bank, the European Bank for Reconstruction and Development, the Black Sea Economic Initiative and the Organization of Islamic States. Albania was working towards an Association Agreement with the European Union, and, membership in the World Trade Organization. Over the past years, Albania had vigorously pursued a program to establish a market economy and to become a full participant in the international community. The areas of tax reform and privatization were the most important problems of economic reform. More than 75 per cent of national wealth had been privatized including: 96 per cent of the agricultural land, 100 per cent of the services, 100 per cent of agricultural mechanics, 100 per cent of road transport. A great deal of progress had been made in a relatively short time, and the most important elements of a market-based economy had been established.

5. The representative of Albania said that trade liberalization had been one of the main pillars of economic stabilization and reform along with price liberalization, exchange liberalization, fiscal control, monetary restraint and rapid privatization of agricultural land and small enterprises. The choice was made early in the reform process to pursue rapid trade liberalization rather than slow, step-by-step liberalization. This choice was partly dictated by the severity of Albania's economic and social crisis at the time. The collapse of Albanian production meant that Albania had to open its trade regime in order to ensure the supply of consumer goods and other commodities needed to rebuild the economy. The Government of Albania recognized that an open trade regime made important contributions to Albania's economic and social well-being. The representative of Albania highlighted the main characteristics of Albania's trade regime: a simple import tariff structure comprised of only three *ad valorem* tariff levels: five, ten, and twenty per cent; no tariff peaks, only *ad valorem* tariffs were applied, no specific tariffs, no tariff rate quotas, and no combined duties; the maximum tariff was 20 per cent; 29 per cent of all tariff line items have rates that were 20 per cent; 37 per cent of all items have rates that were 10 per cent, and 34 per cent of all tariff line items had rate offers that were 5 per cent or less; no import surcharges; no quantitative restrictions on imports or exports, except to protect the environment or assist in infant industries; no export subsidies; no restrictions on current transactions; no trade-related investment measures; no internal taxes or other charges that are higher for imports than for domestic products. In addition, the role of State foreign trading enterprises had been reduced dramatically. Despite recent disturbances, macroeconomic developments had been broadly on track. An episode of civil disorder, together with the situation in Kosovo, had reduced economic and investor confidence, but the government estimated that the momentum from earlier in the year would result in real GDP growth of 8 per cent for the year 1999, only slightly below the targeted 10 per cent and still implying a return of output to the level prevailing before the devastating crisis of spring 1997. Also, it was forecasted that Albania would have the same level of the GDP growth rate for the period 2000-2003. Other important indicators showed that the macroeconomic stability program had been successful: relatively stable and low rates of inflation, 8.7 per cent in 1998 and a forecast of 7 per cent for 1999; and during the year 2000 the inflation figure would be at 2-4 per cent; exchange rates were stable and had modestly strengthened the Lek vis-à-vis the US dollar with average exchange rates in 1997 at lek 151.5; lek 149 in 1998, and lek 135.3 in 1999. Budget revenues had increased in 1998-1999 as a result of tax collection. In 1998 the tax revenue as a share of GDP had increased to 12.5 per cent; for the first time current expenditures (not counting interest payments) were covered by revenues, during 1999 this figure was at 12.9 per cent and was forecasted to be at 15.3 per cent in 2000. The government was firmly committed to continue macroeconomic stabilization and structural reform.

6. In the expectation that the accession negotiations would be finished expeditiously in 1999, permitting Albania to take part in the new series of multilateral trade negotiations, the representative of Albania submitted to the Working Party a Chart On Conformity of the New Albanian Legislation

concerning the WTO and Status of Draft Legislation and Amendments in document WT/ACC/ALB/40/Rev.2.

7. In their opening remarks, members of the Working Party welcomed and supported the request from Albania to accede to the WTO. In acknowledging the huge impact in Albania of the difficult situation in the Balkans, where large populations had been uprooted, productive structures destroyed and employment possibilities curtailed by the lack of capital, technology, training and markets, some members emphasized that adherence to the multilateral rule-based system would consolidate Albania's reforms and transitions towards a free market economy system, enhance the universality of the WTO, and bring mutual benefits to Albania and Members of the WTO. Members expected Albania's accession to proceed expeditiously.

8. The Working Party reviewed the economic policies and foreign trade regime of Albania and the possible terms of a draft Protocol of Accession to the WTO. The views expressed by members of the Working Party on the various aspects of Albania's foreign trade regime and on the terms and conditions of Albania's accession to the WTO are summarized below in paragraphs 9 to 166.

ECONOMIC POLICIES

Monetary and Fiscal Policy

9. In response to requests for information on the government's economic policy objectives, the representative of Albania stated that the main objective of the Bank of Albania was to achieve price stability and to maintain this stability over time. The monetary policy of the Bank of Albania was elaborated to serve the achievement of price stability. The proper monetary instruments were chosen for the same purpose. The Bank of Albania was committed to following a course of prudential and relatively strict monetary policy, keeping the control over the growth of broad money. The results of the monetary policy of the Bank of Albania were measured through the realization of three quantitative monetary objectives, i.e:

- maintaining a floor on net international reserves of the Bank of Albania;
- maintaining a ceiling on the net domestic assets of the Bank of Albania; and
- maintaining a ceiling on the net credit of the banking system of the government.

10. She added that to implement the monetary policy, Bank of Albania used direct and indirect instruments. The direct instruments were used to define the minimum level of interest rates for time deposits at the state-owned banks and the limit of credit for the economy. The indirect instruments which were used to set the percentage rate for refinancing and the rate of required reserves. The Bank of Albania used the direct instruments more intensively than the indirect means. In determining the interest rate for deposits, the Bank of Albania accounted for the rate of growth in inflation to maintain stable real and positive interest rates to retain the public's confidence in the banking system. The rate of growth in the money supply was a second instrument that was used to determine the interest rates.

11. She noted this was the framework of monetary policy that had been implemented in Albania since 1993 and it was foreseen to be implemented during three other future years. The policy and monetary program were compiled in cooperation with the IMF (in the framework of ESAF 1 and 2 Agreements). In 1998, the Bank of Albania's main objective for 1998 was realized, even better than it was forecasted. The annual level of inflation was 8.7 per cent compared with the 10 per cent level that was anticipated. (During 1997, the rate of inflation was 42.1 per cent.) In 1999 this level was at 7 per cent and during 2000 it would be 2-4 per cent. The realization of the money supply objectives of the Bank of Albania was also at levels better than those foreseen. It was forecasted that money growth would be 23 per cent at the end of 1998; however, the growth in money was only 20.7 per cent. In 1999 the growth in money supply was at the same level and it was forecasted to be at 15.3 per cent during the first six months of 2000. The net international reserve was US\$ 5 million

over the limit of the ceiling, providing a cover for the demand for imports. (It was foreseen that the level of reserves was to be 3.8 months of imports compared with 4.7 months of imports). Net domestic assets of the Bank of Albania and net credit of the banking system for the government were realized at less than the ceiling.

12. The representative of Albania noted that the monetary program for 1999 was compiled in such a manner to provide broad money growth in accordance with the objective of inflation, which was foreseen to be 7 per cent on an annual level. The level of inflation for 1999 showed that in spite of the situation in the region the 7 per cent target was realized. Broad money growth was expected to be increased by about 15 per cent.

13. Concerning fiscal policy, since 1998, the Albanian Government had implemented its macroeconomic stabilization package. The Government has used financial and economic measures respecting its fiscal targets, reducing the domestically financed deficit through the combination of measures focused on an increase in budget revenue and tightening the increase of primary expenditures. All the domestic fiscal efforts support the monetary policy objectives, reducing the rate of inflation to 2-4 per cent in 2000, compare with 7 per cent in 1999, 8.7 per cent for 1998 and 42 per cent in 1997. This is because of a very large increase in private transfers and the stabilization of the domestic currency. The Government of Albania has guaranteed further fiscal consolidation to keep its growth in inflation in line with its principle trading partners by 2001. During the first 6 months of 1999, the government's fiscal deficit was stable. For the remainder of 1999, the fiscal deficit, financed from domestic sources, was reduced to 5.1 per cent of GDP and 3 per cent of GDP by 2000, 1 per cent less than in 1998, and less than half of the level in 1997. This reduction will support an increase of private sector credit and will facilitate an increase in domestic savings.

14. She noted that necessary measures to meet the deficit targets had been accomplished. Government revenue as a percentage of GDP had increased, primarily from tax revenue, as a result of the implementation of 10 per cent tax on earned interest income, receipts from excise taxes, the solidarity tax (a supplementary income tax to finance the additional expenditures for public order after the civil disorder of September 1998), tariff revenues, and improvements in anti-smuggling measures at the border. The general increase was at 0.6 per cent of GDP in 1999. From the expenditure side, there would be savings in all areas of budget expenditures which serve as future sources to finance the increase in operation and maintenance expenditures and government investments as well. To increase the expenditures in infrastructure, health, education, etc. above the average levels and to reach fiscal consolidation, it was necessary to reduce tax rates and to broaden the tax base. The growth rate in GDP was 8 per cent in 1999 and would be the same level in 2000. The public sector contribution to GDP will be reduced through privatization and through the improvements due to efficiencies of the government's public administration program through a reduction in the number of employees in the public sector and increase in the salaries of technically skilled staff in the public sector. Albania would implement a well functioning market for agricultural land by maintaining the full productive capacity of the agricultural sector.

15. With regard to the foreign debt, Albania had maintained its target. At the end of 1998, the medium and long-term foreign debt, including the arrears, was at 30 per cent of GDP. In 1999, the service of foreign debt was about US\$ 26 million, or 8.5 per cent of exports on goods and services and less than 1 per cent of GDP. Albania has had very positive results in the payments of arrears. Albania would continue its efforts to improve its relations with foreign creditors. Albania aimed to terminate the bilateral agreements with Russia and Italy for renegotiating the terms of its debt, and had begun the negotiations with other creditors to make payments of arrears at least in line with competitive conditions with those of the Paris Club Convention. Finally, Albania aimed to improve the control over foreign debt and foreign aid, and to improve measures to utilize the sources of aid funding.

Foreign Exchange and Payments

16. The representative of Albania said that exchange control authority was vested in the Bank of Albania. Foreign exchange for payments abroad could be obtained freely subject to documentation requirements (application, contract and invoice, and repatriation). The repatriation requirements are imposed with regard to capital controls which apply only to Albanian residents. Albanian residents are not allowed to transfer capital abroad. Payments for and proceeds from invisible transactions were not restricted. Travellers could bring in or take out any amount in domestic or foreign currencies. Albania had Article XIV under the Article of Agreement of the IMF. There were controls on capital transactions. The currency of Albania (Lek) floated independently and the current exchange rate in 1999, was US\$1 = lek 135.3. The Bank of Albania calculated the daily average exchange rates for the US dollar and 22 other currencies. Government and commercial bank rates were based on market rates. In response to further questions the representative of Albania clarified that its legislation did not apply any restrictions on foreign exchange related to any type of investment, the quantity of an investment, the amount of foreign currency that can be exchanged, and the ability of foreign investors to repatriate their profits in foreign currencies or in Lek which were earned through their investment (e.g., every type of investment including deposits) and/or the initial capital invested. There were no restrictions on the access to foreign exchange to an amount of foreign exchange attributable to a foreign enterprise. That is, there were no provisions in the Law that restrict foreign exchange such that imports are, in effect, restricted or limited.

17. In response to questions from a member of the Working Party concerning the controls and requirements on foreign exchange acquisition and use, the representative of Albania said that individuals, juridical and physical persons, who were Albanian or foreign, when entering the territory of the Republic of Albania, had to declare to the Albanian Customs Authorities the value of foreign exchange in cash and traveller's checks equal to or more than US\$ 10,000 or its equivalent in any other foreign currency(ies). In such cases, individuals, juridical and physical persons, had to fill a declaration form which had to be stamped by the Albanian Customs Authorities. This declaration provided information on the source and the scope of the use of this foreign exchange. She added that Albanian individuals were allowed to carry out of the territory of the Republic of Albania in cash or traveller's checks the amount of US\$ 10,000 or its equivalent in any other foreign currency. Individual foreign citizens that visit or stay temporarily in Albania could carry out of the territory of the Republic of Albania foreign exchange in cash or traveller's checks an amount equal to the amount declared when they entered into Albania which could be verified by the declaration mentioned in the previous paragraph. Albanian importers and exporters who were physical or juridical persons were not allowed to carry out of the territory of the Republic of Albania "in the customs border" the amounts in cash or traveller's checks equal to or more than US\$ 25,000 or its equivalent in any other foreign currency(ies). Individuals, juridical and physical persons, Albanian or foreign, could not carry out of the territory of the Republic of Albania more than 100,000 lek per person denominated in Albanian banknotes or coins in circulation. The representative of Albania further added that there were controls on capital transactions which were imposed mainly on capital outflows, but only those made by residents. There were no capital controls on non-residents' transactions or on foreign investors in Albania.

Investment Regime

18. The representative of Albania said that the Government promoted private sector investment, foreign and domestic, with a view to achieving diversification by gradually reducing dependence on agriculture as the dominant source of income by promoting the development of manufacturing, fisheries and tourism and other services. Other investment objectives included job creation for the expanding local workforce, gaining access to foreign markets through foreign private-sector marketing channels, and foreign equity participation in large, capital-intensive projects. Repatriation of capital and profits was allowed freely. In response to questions concerning the application of national treatment and most-favoured-nation treatment to foreign direct investment, he added that the

Law No. 7764 "On Foreign Investment" provided equitable and fair treatment to foreign investors. Except the right to buy agricultural land which was provided only to Albanian nationals, national treatment and most-favoured-nation treatment were accorded to foreign direct investment. Foreigners could in certain conditions lease agricultural land up to 99 years, but they cannot buy agricultural land in Albania. Article 8, (points 1 and 2) of Law No. 7764 "On Foreign Investment" provided for the right to impartial dispute settlement. According to this Article, foreign investors had the right to choose the domestic appeal procedures as well as international procedures.

19. The representative of Albania confirmed that according to the new Law "On Income Taxes", No. 8438 dated 28 December 1998, equal treatment is given to all persons, being individuals or firms, in regard to their personal or company taxes, and that this applies to Albanians and foreigners in a non-discriminatory manner.

State Ownership and Privatization

20. Some members of the Working Party requested details concerning progress in Albania's privatization program and plans to retain State ownership in enterprises or sectors. Further questions addressed relations between the State and company management, the application of competition legislation to State-owned enterprises, enterprise transformation provisions in Albanian legislation and general or exclusive funds available for State-owned enterprises. A member requested a report on enterprises remaining in Government hands, the nature of goods they consumed, exported or distributed; and a report on plans, as appropriate, to complete the privatization process. A member of the Working Party asked for a clear statement from Albania on the right of competing firms to establish in the banking and telecommunications sectors. To ensure full transparency, Albania was asked to keep WTO Members informed about progress in privatization, and provide periodic reports on developments in privatization and economic reform issues as relevant to its obligations under the WTO.

21. In response the representative of Albania said that the main objectives of privatization were to provide long-term economic development, improved economic efficiency, increased effectiveness of market efficiency through the promotion of competition and continued deregulation, and the attraction of foreign capital to important sectors of the Albanian economy, including the strategic sectors (e.g., oil and gas, banking, telecommunications, utilities, mining and transport). She added that Albanian law permitted the right of competing firms (domestic or foreign) to establish in each of these sectors. The privatization of strategic enterprises was carried out in three stages – a preparatory stage, a promotional stage, and a decision-making stage. The privatization process was conducted on a case-by-case basis and therefore enterprises were at different stages in the process. The Council of Ministers approved the decisions resulting from approved laws and adopted the final decision on the privatization of an asset or enterprise. The Ministry of Public Economy and Privatization was the institution responsible for the economic policy of privatization and decided on which assets or companies were to be included in the privatization programmes. The National Privatization Agency was the body responsible for implementation of the process of privatization from the technical point of view.

22. She further noted that Article 7 of the Law "On the Privatization Strategy of Sectors of Primary Importance", stated that the privatization of the strategic sector would be accomplished with the participation of strategic investors, to whom would be offered not less than 30 per cent of the shares. The privatization process of all strategic sectors was opened to foreign capital participation, and in each case, there was foreign participation. With reference to the privatization methods and the formulas for the strategic sectors, the representative of Albania said that the strategic sectors of the economy would be transformed into commercial enterprises. In the implementation of privatization, three kinds of rights were transferred to the private sector: the right of ownership, the right of exploitation and the right of development. The partial or total transfer of the ownership right was approved on a case-by-case basis by the Council of Ministers. In each case it was necessary to

determine the shares to be held by the State, the shares to be held by the strategic investor(s), and the possible participation of the vouchers. The parts of shares to be held by the State would be specific for different sectors. The State would maintain certain control over the enterprise only regarding issues related to public and strategic interest and not for the day-to-day operations. For partial or total transfer of the right for exploitation and development method, Albania applied management contracts, leasing arrangements, concession contracts, etc. as a precondition for the transformation of State-owned enterprises into commercial companies. The State would transfer the development rights for the exploitation of natural resources such as oil, gas, minerals, water, etc.

23. The strategic sectors that were privatized consisted of banking, telecommunications, electro-energetic sector, oil and gas, mining sector, transport and water supply for the population. The State part of the Albanian banking sector was composed of three main banks: the Rural Commercial Bank (RCB), the National Commercial Bank (NCB) and the Savings Bank (SB). Bank privatization was underway with some major deals to be completed in 2000, including the National Commercial Bank and the Savings Bank. In the oil and gas sector, full restructuring of ALBPETROL had been completed through the establishment of a holding company (Albanian Petroleum Corporation, APC) and three subsidiary companies: ALBPETROL, involved with upstream operations; ARMO, involved with downstream operations; and SERVCOM, for petroleum services. ALBPETROL's activities included research-extraction, processing-marketing and special service branches. For the mining sector, the Government of Albania made considerable progress with the parliamentary approval of legislation authorizing the privatization procedures. ALBCOPPER and ALBCHROME were restructured. ALBCOPPER was privatized with its transformation into a joint-stock company and with a recent concession contract concluded with a foreign company. Legislation supporting ALBCHROME's privatization called for the sale of shares through an open international tender process and the use of concession contracts. Both forms of privatization were expected to proceed in 2000. The two main entities exercised their activity in the mining of chromium and copper, but there were some other mines such as coal, iron-nickel, nickel-silicate, bauxite, etc. Their activity was in conducted according to the Law "On Mining". In order to develop this sector, it was of special interest to apply the form of transferring rights of exploitation and development rights, by using all possible forms to attract foreign capital, such as self-financing projects as well as other concessionaire forms. In addition, 66 small chromium mines and 15 small copper mines were privatized through licensing arrangements with private operators. For those mines in which investors expressed no interest, the mines were either liquidated or the assets were sold. In the energy sector, the Government undertook important legislative efforts in 1999. The electro-energetic system was composed of three main elements (production, transmission, distribution) and was represented by the Albanian energy corporation (KESH), a joint-stock company. KESH, was currently under an operational and financial restructuring process. A foreign company would provide management assistance to KESH until 2002. Under consideration was a restructuring process that would separate the company into two companies, one that generates and transmits energy and the other that performs the distribution activities. For small, local hydro-electric power plants (those producing less than 2 MW) the government was preparing the legal framework for their privatization. For water supply companies the Strategy of Privatization called for managing or concession contracts. The legislation for this purpose was drafted and most of the water supply enterprises were converted into joint-stock companies. There were 50 water enterprises supplying water to the population. In the transportation sector, including seaports, privatization involved the transformation of State enterprises into joint-stock companies. The telecommunications sector included the activities of the State-owned enterprise, TELECOM, as well as the joint-stock company AMC (Albanian Mobile Corporation). The laws for privatizing this sector included: the Law "On Telecommunication in the Republic of Albania" and the Law on "Regulatory Entity of Telecommunications". Due to the events in Kosovo, the privatising of AMC (Albanian Mobile Telecom) had been delayed. However, in 2000, the privatization of telecommunications was proceeding rapidly with AMC having been sold. For ALBTELECOM, the government was preparing the privatization procedures assisted by a program financed by the World Bank with the aim of preparing the company for sale by the end of 2000. Only air transport, ports and railways were considered as strategic sectors within the transport sector.

Albtransport and Air Traffic National Agency (ATNA) were the main players. These enterprises were involved in the reconstruction project of Rinas Airport.

24. According to the Strategy of Privatization, a program had been compiled for preparing the privatization of strategic sectors, in agreement with the World Bank and European Bank for Development and Reconstruction. This agreement was supported financially by these institutions. There were five foreign trade State-owned enterprises involved in the process of privatization and transformation into commercial companies: (i) Enterprise of Agroeksport Tirane, (ii) Enterprise of Industrialimpeks Tirane, (iii) Enterprise of Arteksporimport Tirane, (iv) Enterprise of Makinaimpeks Tirane, (v) Enterprise of Albkoopi Tirane. They were divided into two groups, according to the form of privatization: those enterprises prepared for direct privatization (Makinaimpeks Tirane and Albkoop Tirane), and those enterprises that were to be transformed into joint-stock companies (Agroexport Tirane, Industrialimpeks Tirane, and Artexport Tirane). The legal framework for privatization had been approved by Amendment No. 8237 of the Law "On Transformation of the State Owned Enterprises into Commercial Companies" and the Decision of the Government No. 192 dated 20 March 1998 "On Estimation of the State Owned Property to be Privatised and the Procedures of Selling".

25. Concerning the right of competing firms to establish in the telecommunications and banking sectors, the representative of Albania noted that it had achieved greater liberalization in the telecommunications sector. In Albania data communication services, including internet access and VSAT networks, value-added services and paging services were fully open to competition. For those services a general licence was needed. The number of licenses granted was unlimited. Independent rural telephone networks were already authorized by the Law entitled "On some Changes on the Law No. 8083 dated November 1996" dated February 1998. To provide this kind of service, a licence was needed. The number of licenses that would be limited to service providers was unlimited. The number of terrestrial mobile telephony operators was defined by a Decision of the Council of Ministers No. 288 dated 18 June 1999. Licensing procedures for a second mobile operator had started and a second licence was expected to be issued in July 2000. Individual licensing would be done through an international tender. Urban, long distance and international telephony services provided over fixed network would be open to competition by 2003.

26. Some strategic agribusiness enterprises had not been privatised, i.e. some of the enterprises of the water supply system, the enterprise of the seeds and agricultural inputs, the scientific development institutions related to the agricultural system. About 95 per cent of all agricultural and food production was from the private sector. In the framework of economic reform for transformation of a centralised economy into a free market economy, the privatization procedure of State-owned enterprises in the agricultural field had proceeded through three stages. The first stage (from November to December 1992) had began the privatization of the agricultural land from 79 agricultural enterprises; the second stage (from April 1993 to the present) had involved the privatization of agricultural enterprises and assets; and the third stage (from October 1993 to the present) had involved the privatization of dairy complexes.

27. Concerning the privatization of food enterprises, the representative of Albania noted that they had undergone three stages: the first stage (from 1992 to April 1993) had involved the privatization of bakeries, dairy processors, factory lines for producing alcoholic drinks and other beverages, and other assets (1,000 assets in total); the second stage (from May 1993 to February 1994) had involved the sale of 1,300 small and medium sized enterprises; and the third stage (from March 1994 to the present) had involved the privatizing of 6,000 assets.

28. The representative of Albania confirmed that there were 80 enterprises and assets currently in the process of privatization. For all 80 remaining enterprises and assets in the process of privatization all the necessary documents had been prepared and submitted to the National Agency of Privatization for sale through auctions. The number of employees in these enterprises by June of 1999 had been only

250 persons. After 1997, the legal framework of privatization had been improved by Amendment No. 8237 of the Law on "Transformation of State-owned Enterprises into Commercial Companies" and a Decision of the Council of Ministers, No. 192 dated 20 March 1998 "On Estimation of the State-owned Property to be Privatized and the Procedures of Selling". There were eight limited liability agribusiness food companies that were involved in production of goods such as dairy, cigarettes, and wine. It was foreseen that with their consolidation they would be privatized. In 1998, five of these enterprises had been put forward for privatization but none of them were sold. Restructuring of these enterprises was presently on-going to improve the sale of these enterprises. For non-privatized assets, a leasing arrangement was to be applied.

29. The total number of State enterprises covered by the Central Agency for Restructuring and Privatization had been 341 and included about 70,000 assets to a total value of 5 billion lek. Only 300 assets had remained (by the end of June 1999) non-privatised and it was foreseen that all of them would be privatised within 1999. According to the Law "On Privatization of Commercial Enterprises Which Function in Non-Strategic Sectors" the privatization of these enterprises would be made by auctions which would be organized by the National Agency of Privatization or by tender open to foreigners. The 300 assets were in rural areas and include mostly stores and warehouses all of which are semi-destroyed and/or abandoned. There was no economic activity performed with these assets. The total number of the enterprises with State-owned capital was 469. They were divided according to the type of entity as follows: State enterprise for sales of assets 255, State enterprises under the procedure of transformation 67, companies with 100 per cent State capital 29, companies with State capital less than 100 per cent 15, and 103 joint venture companies. In 1998, the procedure of transformation and privatization had started with 332 objects and up to now 194 objects were privatised. The procedures of privatization of State enterprises that represented 297 objects continued during 1999. Privatization was an ongoing process and Albania would continue to provide new data in the future. In response to further questions, the representative of Albania provided the following tables detailing the current status of the privatization program.

Table 1. State-Owned Enterprises, by Sector, 1991 and 1998*

	Number of Enterprises Left to be Privatized		Deadline for privatization or expected completion
	1991**	1998	
Service and trade	623	48	End of 1999
Agriculture	365	93	End of 1999
Food processing	292	41	Second half of 1999
Construction and construction materials	247	31	Second half of 1999
Transportation	142	56	After 2000
Miscellaneous (pharmaceuticals, education)	107	49	Second half of 1999
Wood and paper	98	29	Second half of 1999
Handicraft production	89	10	Second half of 1999
Mechanic industry	85	31	Second half of 1999
Textiles and clothing	60	23	Second half of 1999
Tourism	44	1	Second half of 1999
Typography	29	4	Second half of 1999
Chemical and plastics industry	28	20	Second half of 1999
Metallurgic industry	14	5	Second half of 1999
Leather industry	12	4	Second half of 1999
Oil and gas	69	4	End of 2000
Mineral industry	66	17	First half of 1999
Energy	64	4	End of 2000
Telecommunications	2	2	2000
Total	2,436	472	

Notes:

* Data are not available for a year-by-year presentation.

** The data in 1991 have been aggregated in such a manner that they are consistent with those from 1998. For example, the postal enterprise for each region was counted as a separate state-owned enterprise in 1991; however, for the purposes of privatization, the postal enterprise has been converted into one in the 1998 data.

1. This table does not include a few service enterprises and firms owned by the Ministry of Defense which produce military equipment. These are not subject to privatization.

2. Some of the enterprises have been entirely reconstructed and now belong to the strategic sector.

3. The privatization of the strategic sectors has not started yet and shall be performed.

4. From the above tabled enterprises, about 40 non-strategic, small enterprises are excluded from the process of privatization in compliance with the request for order, health and other social enterprises. These provide unique state services and are not involved in commercial activities.

Table 2. Production of Goods and Services by State-Owned Enterprises, by Industry
(Million Leke)

	1992	1993	1994	1995	1996	1997	1998
Production of Goods	14,852.9	21,268.2	20,693.8	25,728.7	27,864.3	24,112.3	24,142.8
Oil: Albpetroli	5,402.2	7,933.8	9,154.6	11,093.6	9,873.5	9,611.0	10,886.9
Electricity: KESH	2,116.9	2,870.5	2,885.1	4,433.3	11,231.0	8,648.1	7,753.1
Mining:	3,452.6	4,662.6	4,286.1	6,888.6	4,599.7	3,663.1	3,293.4
Chromium: Albchromium	1,578.3	2,377.3	2,547.2	4,761.7	3,286.6	3,434.1	2,854.5
Copper: Albcooper	1,342.8	1,660.4	1,199.4	1,642.6	972.4	112.9	296.7
Coal	531.5	624.9	539.5	484.3	340.7	116.1	142.2
Other industries	3,881.2	5,801.3	4,368.0	3,313.2	2,160.1	2,190.1	2,209.4
Metallurgy	342.8	685.8	858.2	974.5	1,079.2	1,111.9	1,119.3
Mechanics	513.2	811.5	837.0	587.0	82.6	66.3	80.5
Polygraphs	164.9	345.9	321.9	298.3	57.0	77.7	184.9
Chemicals, glass, porcelain, rubber	645.1	1,085.4	820.0	495.4	407.3	320.7	207.6
Textiles and clothes	1,390.1	1,739.0	758.7	303.5	297.8	301.5	315.3
Leather and shoes			350.6	85.5	225.5	300.5	290.4
Wood and paper products	521.2	811.3	280.0	465.2	10.7	11.5	11.4
Arts and crafts	303.9	322.4	141.6	103.8			
Production of Services	77.9	2,216.4	2,632.0	3,294.1	5,038.2	6,331.4	6,213.9
Postal enterprise	77.9	192.3	253.0	340.8	570.4	701.1	547.9
Telecommunications		2,024.1	2,379.0	2,953.3	4,192.8	4,932.3	4,661.1
Albanian Mobile (phone) Company					275.0	698.0	1,004.9
Gross Domestic Product	50697	125334	184393	229793	280998	341716	456766

Table 3. The Contribution to GDP by State-Owned Enterprises, by Industry

	1992	1993	1994	1995	1996	1997	1998
Contribution by Sector:	Percentage Share of GDP						
Total Contribution in the Goods Sector	29.3	27.5	11.2	11.0	9.7	6.9	5.1
Oil: Albpetroli	10.7	6.3	5.0	4.8	3.5	2.8	2.4
Electricity: KESH	4.2	2.3	1.6	1.9	4.0	2.5	1.7
Total from mining industries:	6.8	3.7	2.3	3.0	1.6	1.1	0.7
Chromium: Albchromium	3.1	1.9	1.4	2.1	1.2	1.0	0.6
Copper: Albcooper	2.6	1.3	0.7	0.7	0.3	0.0	0.1

	1992	1993	1994	1995	1996	1997	1998
Contribution by Sector:	Percentage Share of GDP						
Coal	1.0	0.5	0.3	0.2	0.1	0.0	0.0
Total of other industries	7.6	4.6	2.3	1.3	0.6	0.5	0.3
Metallurgy	0.7	0.5	0.5	0.4	0.4	0.3	0.2
Mechanics	1.0	0.6	0.5	0.3	0.0	0.0	0.0
Polygraphs	0.3	0.3	0.2	0.1	0.0	0.0	0.0
Chemicals, glass, porcelain, rubber	1.3	0.9	0.4	0.2	0.1	0.1	0.0
Textiles and clothes	2.7	1.4	0.4	0.1	0.1	0.1	0.1
Leather and shoes							
Wood and paper products	1.0	0.6	0.2	0.2	0.0	0.0	0.0
Arts and crafts	0.6	0.3	0.1	0.0	-	-	-
Contribution of Selected Services							
Postal enterprise	0.2	0.2	0.1	0.1	0.2	0.2	0.1
Telecommunications	-	1.6	1.3	1.3	1.5	1.4	1.0
Albanian Mobile (phone) Company					0.1	0.2	0.2

The privatization process was preceded by serious restructuring efforts, involving the separation of fringe activities that could be sold independently from the core business. In Table 4, the status of privatization is presented for strategic and non-strategic enterprises.

Table 4. The Status of Privatization in the Strategic and Non-Strategic Sectors, by Industry

Sector	Stage of Privatization	Expected Completion	Legislation Defining Procedures	Limitations on Competition in the Industry
Strategic sector:				
Banking <ul style="list-style-type: none"> Rural Commercial Bank National Commercial Bank Savings Bank 	Initial stage Final stage Intermediate stage	Not yet defined. 2000 2001-2002	The legislation for NCB has been approved; the strategy for the SB has been drafted and the plan RCB was being drafted.	There were no limitations on the number of operators involved in the banking sector. Foreign banks have already been established in Albania.
Oil and gas	Initial stage	2000-2003	Legislation was approved.	There were no limitations on the number of operators involved in upstream or downstream activities for providing petroleum services.
Mining	Final stage	2000	Legislation was approved.	There were no limitations on the number of operators.
Energy	Pre-initial stage	Not defined.	Draft legislation was pending.	There were no limitations on the number of operators.
Water supply	Case-by-case; some were in the pre-initial stage and others in the final stage.	Not defined as it was done on a case-by-case basis for the 50 enterprises.	Legislation has been approved for some regions and has not yet been drafted for other regions.	Water in each region will be supplied by the regional supplier.
Transport <ul style="list-style-type: none"> Airport Seaports Railroad 	Pre-initial stage.	Not defined.	Legislation had not yet been drafted.	For airport services there will be a limited number of operators. There were no limitations on competition for the following seaport services: pilotage; towing and tug assistance; provisioning, fueling and watering; garbage collection ballast waste disposal; port Captain's services; navigational aids; shore-based services essential to ship operations; emergency repair facilities; anchorage, berth and berthing services. For the other sectors, limitations on competition were not defined.

Sector	Stage of Privatization	Expected Completion	Legislation Defining Procedures	Limitations on Competition in the Industry
Telecommunications <ul style="list-style-type: none"> • AMC • Albtelecom 	Final stage. Initial stage.	2000 2001	Legislation was approved. Legislation was being drafted and approval was expected in 2000.	There was limited competition in basic telecom services; other telecom services (e.g., data transmission, internet, paging) had no limitations on the number of operators.
Non-strategic sector:				
Remaining industries (agribusiness and pharmaceutical)	Final stage for the four remaining firms.	2000	Legislation was approved.	There were no limitations on the number of enterprises in operation.

30. The representative of Albania confirmed her country's readiness to ensure the transparency of its ongoing privatization program and to keep WTO Members informed of its progress in the reform of its transforming economic and trade regime. The representative of Albania stated that her Government would provide annual reports to WTO Members on developments in its program of privatization as long as the privatization program would be in existence along the lines of that provided to the Working Party. She also stated that her Government would provide annual reports on other issues related to its economic reforms as relevant to its obligations under the WTO. The Working Party took note of these commitments.

Pricing Policies

31. Some members of the Working Party requested information on the process of price liberalization in Albania and the extent of any remaining controls on prices for goods and services. Albania was requested to provide a description of existing price controls; list the products by HS tariff line with reference to the legal provisions under which controls were applied; border charges that would increase import prices; and the conditions under which the authority to control prices was to be exercised. The representative of Albania said that price controls had been eliminated for goods. For pharmaceutical products (medicine), the government set a reference price for each of the 278 pharmaceutical products listed in the INN. The reference price for each medicine was computed as follows: reference price equals the lowest CIF import price plus a wholesale margin of 12 per cent plus a retail margin of 27 per cent). The reference price was the price upon which reimbursement to the retailer was based. The consumer paid a co-payment, which was a specified percentage of the reference price, and the State Health Care Insurance Institute paid the remainder of the payment. The reimbursement list and the lowest import price was published once a year (prior to the end of the first quarter of the year) stating the percentage of the reference price the consumer was required to pay. This list was disclosed to the consumer at all retail outlets. The reference price and reimbursement scheme was based on the Law on "Health Insurance", No. 7870 dated 13 October 1994. For medicines that had a higher price relative to the reference price, the consumer was required to pay the additional expense over the reference price. Retail prices of these medicines on the INN list were not directly affected. The category of drugs which were subject to the reference price was 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; salbutamololum; sulfamethoxazololum + trimethoprimum; testosteronem; thiaminum; tetracyclinum; thioridazinum; timololum; trihexyphenidylum; and verapamilum. The co-payment by the State on these drugs ranged from 38 per cent to 99 per cent of the cost of the drugs. The representative of Albania provided the Working Party with a complete listing of products subject to price controls, including, where appropriate, HS numbers, in document WT/ACC/ALB/25.

32. Concerning price controls on the services sector, the representative of Albania also noted that electricity, water, and transport services were subject to price controls. Full details of the price controls applied were provided to the Working Party in document WT/ACC/ALB/25. The pricing of electrical power was controlled. Rates were set according to different categories as follows: (i) residential households, (ii) main sectors of the economy, (iii) other producer entities, (iv) services sector providers and (v) wholesale rate for State institutions. The rates on drinkable water were applied by the water supply stations according to different types of users of water. The rates were set according to a similar scheme. Public transportation rates were set for some modes of internal transport. For example, railroad passenger transportation was not liberalized. However, rail cargo rates were liberalized. For bus transportation, urban and inter-urban passengers rates were set by the government. Other modes of transportation had liberalized rates. For price control on telecommunications services, the following applies. Operators providing services under monopoly conditions will be subject to tariff regulation based on a price cap mechanism. The price cap ensures that the price for basic telephone services remains affordable while being gradually adjusted to reflect more accurately costs of provision. For Altelecom (the operator defined as with relevant market power), the price cap will apply to all elements of basic telephones services. The price for communications services other than basic telephone services are not subject to price control.

33. In response to further questions, the representative of Albania stated that Albania did not have any other legal authority for the application of price controls, and does not contemplate to use such controls in the future. When the electricity sector and water works are privatized, price controls would be lifted. Inter-urban and urban transportation will be liberalized as the standard of living of the population improves.

34. The representative of Albania confirmed that prices for goods and services in Albania, other than for the items listed in paragraphs 31-32 above and in document WT/ACC/ALB/25 were not subject to any price controls or reference prices. She confirmed that Albania would apply its current price regulation system and any other state-mandated prices or price controls applied from the date of accession in a WTO-consistent fashion, and would take account of the interests of exporting WTO members as provided for in Article III.9 of the GATT 1994. Albania would publish the list of goods and services subject to State pricing or price controls in its Official Journal, including any changes in the list provided in WT/ACC/ALB/25 of current requirements in place. The Working Party took note of these commitments.

Competition Policy

35. Some members of the Working Party requested information on Albania's competition policy, including the agreements restricting competition and whether and in which form reorganisation plans provided for in Chapter III of Law No. 8017 "For Bankruptcy Procedures" involved, directly or indirectly, any financial support from the State. In response, the representative of Albania said that the reorganization plans provided for in Chapter III of the Law "On Bankruptcy Procedures" did not involve any direct or indirect financial support from the State. Additional competition legislation was under preparation.

FRAME WORK FOR WORKING AND ENFORCING POLICIES

Power of the executive, legislative and judicial branches of government

36. The representative of Albania said that according to Law No. 8417 dated 21 October 1998 "On the approval of the Constitution of the Republic of Albania" and Articles 121-123 of the "Constitution of Albania", the accession of Albania to the WTO would be ratified by a special law in the Albanian Parliament. The Council of Ministers Decision No. 492 dated 29 July 1998 had approved the setting up of the Albanian Secretariat for Co-ordination of Relations with the WTO and the Albanian Negotiators Group, which was composed of the members of all ministries and institutions related to WTO issues. Based on the Law No. 8371 dated 9 July 1998 "On Concluding of International Treaties and Agreements", all agreements accepted by the Government of Republic of Albania, were approved in principle by the Council of Ministers, and the authority on discussions and signing was the competence of the Prime Minister. The Council of Ministers Decision No. 749 dated 27 November 1998, "Strategy on the Third Round of Negotiations for the Accession of Albania to the WTO", had approved the Albanian Offer on Goods and Services. She further added that specific legislation required to fully implement WTO provisions was passed separately and would be in force by the time of accession. The ratification of the special law would take place according to Articles 121 and 122 of the Constitution, Chapter II "International Agreement". She further noted that ratification and denunciation of international agreements by the Republic of Albania was lawful if they have to do with (a) membership of the Republic of Albania in international organizations (Article 121, 1/c) and (b) the undertaking of financial obligations by the Republic of Albania (Article 121, 1/d). According to Article 122 of the Constitution of Albania, Chapter II of "International Agreements", in the event of conflict between an international agreement that has been ratified by law and any domestic Albanian law, the international agreement prevailed to the extent of the conflict (Article 122/2), (Article 122/3). She noted that accordingly it would not be necessary to repeal conflicting laws and regulations to ensure enforcement of the WTO Agreement.

Division of authority between central and sub-central governments

37. In response to questions concerning the sub-central governments' authority to enact measures covered by the WTO Agreements, and the authority of the Government to override decisions by sub-central authorities that conflict with WTO provisions, the representative of Albania said that as part of the trading system, foreign trade policy was under the jurisdiction of the Ministry of Economic Co-operation and Trade, as well as of all related ministries. Implementation was carried out by the relevant ministries and institutions of the public sector in Albania. The Albanian Secretariat for Relations with the WTO, was the structure responsible for supervising the implementation of all commitments resulting from the accession of Albania in the WTO, and exercising the rights derived by such membership. The members of the Albanian Negotiators Group were responsible for fulfilling, within the ministries' structure, the implementation of the accession obligations. She further added that Albania's sub-central authorities could not enact measures on issues subject to WTO Agreements, e.g., taxes, fees, and price controls applied to imports, investment requirements, subsidies or any other measure. Sub-central authorities could also not enact measures on issues subject to WTO Agreements.

38. The representative of Albania confirmed that sub-central entities had no autonomous authority over issues of subsidies, taxation, trade policy or any other measures covered by WTO provisions. She confirmed that the provisions of the WTO Agreement, including the Albanian Protocol, would be applied uniformly throughout the customs territory of Albania and other territories under its control, including regions engaging in border trade or frontier traffic, special economic zones, and other areas where special regimes for tariffs, taxes and regulations were established. She also stated that the central authorities would eliminate or nullify measures taken by sub-central authorities in Albania that were inconsistent with WTO provisions from the date of accession. She further stated that if the Government of Albania was informed of a specific situation where WTO provisions were not being

applied or where applied in a non-uniform manner, central authorities would act to enforce WTO provisions without requiring affected parties to petition through the courts. The Working Party took note of these commitments.

Description of Judicial, Arbitral or Administrative Tribunals

39. In response to further questions from members of the Working Party concerning the administrative appeals process for customs and other issues covered by WTO provisions and the right of appeal to an independent tribunal, whether or not judicial, by traders, the representative of Albania said that in Albania there were three levels of appeal within the judicial system. The first level was composed of *Court of First Instance*, which function in all districts of Albania. These had relevant sections for different complaints (penal, civil, administration, family section, etc.). The second level consisted of the *Appeals Court*, with branches in five districts in Albania, having under their jurisdiction the relevant territory defined by the Law approved by Parliament. The third level consisted of the appeal to the *Supreme Court*, with its centre in the capital of Albania. This Court was composed of three colleges: Penal, Civil and Administrative, which were responsible for reviewing and analysing complaints by relevant areas. The Constitutional Court was the Head of the judicial system, which guaranteed the primacy of the Constitution of the Republic of Albania, and was the final interpreter of and was subject only to the Constitution.

40. In response to further questions the representative of Albania stated that the Customs Code of the Republic of Albania, Law No. 8449 dated 27 January 1999, Articles 19, 20 and 289, set out the process by which an aggrieved party could appeal a decision of the Customs. If a trader did not agree with a customs administrative decision, he or she could appeal to the regional Chief of the Customs Office. A subsequent appeal could be made within ten days from the day of notification to the General Directorate of Customs. The Director General was required to take a decision within 20 days from the date the appeal was received. In the event the Director General of Customs does not reply within this term, the request shall be presumed to have been accepted. According to Article 289, which relates to verification of customs valuations, if the Director General rejected the appeal, the trader could take the appeal to the courts, pursuant to the procedures set out in the Civil Code of the Republic of Albania and the Code of Civil Procedures. The complaint against an administrative decision was made to the Administrative Division of the Court of First Instance. Parties had the right to appeal the administrative decision of the Court for First Instance to the Appeals Court. Such an appeal was required to be reviewed by the Administrative Division of the Court of Appeals. Finally, a final appeal could be made to the Supreme Court. Its decision was final.

41. Concerning appeals from other types of administrative decision, a trader could appeal to the head of the administrative office. If the appeal was unsuccessful, the trader could appeal to the General Director of the administrative body within the applicable Ministry. A third appeal at the administrative level could be made to the Appellate Committee. In addition, the trader could go to the Court system described in the preceding paragraph.

POLICIES AFFECTING TRADE IN GOODS

Registration Requirements For Trading

42. In response to questions the representative of Albania stated that there were no State-trading enterprises as defined by Article XVII of the GATT 1994, because previous monopoly on import and export activities enjoyed by certain enterprises had ended in 1991 with the passage of the Law "On State Enterprises". From 1991 all enterprises in Albania had acquired the right to import and export freely in accordance with the principles of a market-based economy. Amendments to the Law "On State Enterprises" after 1991 had transformed the remaining State enterprises into commercial or share-holding companies for privatization and asked whether, all enterprises, public or private, had the right to import or export and to purchase and sell goods on the international market without

respect to origin. She further added that in accordance with Law No. 7638, "On Commercial Companies" dated 19 November 1992 following registration with the Court of First Instance and the local Tax Office, all enterprises could engage in international trade.

43. The representative of Albania confirmed that the former state foreign trade monopoly had been abolished and that no restrictions existed on the right of foreign and domestic individuals and enterprises to import and export goods within Albania's customs territory, with the exception that the importation and exportation of goods under licence could be undertaken only by registered firms, and with the exception of a requirement to register for the right to engage in a trading activity listed in document WT/ACC/ALB/35/Rev.1 - Memorandum on Import Licensing and Prohibition on Importable Products. In her opinion, the requirement to register for the right to engage in a trading activity was consistent with the WTO Agreement. The requirement to register for the right to engage in a trading activity did not restrict foreign participation as they applied equally to foreign and domestic businesses.

44. The representative of Albania noted that all importers had to be registered with the Court of First Instance to become a natural or juridical subject and with the proper Tax Office. After the individual or firm was established and registered with the Court, the Tax Office provided them with a Certificate of Exercising an Activity which was at the same time an identification number for tax purposes. If the following conditions held, i.e., when:

- (a) the annual turnover was more than 5 million lek; and/or
- (b) the individual or firm was going to be engaged in importing or exporting activities,

then the Tax Office would provide them with a second identification number which is used only for VAT purposes. If condition "b" was met, but not "a", then the individual or firm might choose to be taxed as a small business at a fixed amount or as a large business subject to the VAT and the profit tax. When a natural and juridical subject registered with the Tax Office, that subject was then registered to engage in some trading activity(ies), i.e., import, export, transport, wholesaling and/or other marketing activities. This applied to imported and domestic products in exactly the same manner. The criteria for engaging in import and export trade in the restricted sectors were consistent with generally applicable restrictions placed on trade in similarly domestically produced goods. The availability to register for the right to engage in a trading activity was not restricted nor was the licensing applied to restrict imports, production, wholesale or retail trade in any product.

45. The representative of Albania further noted that the request for registration to the Court of First Instance had to be directed by the responsible officers of the corporation or partnership. The law defined some general requirements such as the obligation to declare and register the type and terms of the company's activity, the official trade name, the headquarters, the object of the company, the amount of basic assets, the date of its statutes. Different types of companies, had some additional requirements, such as information on the composition of the company, shareholdings, the articles of association and the names of directors etc.. The requests for registration had to be accompanied, in the case of Limited Liability Companies and Public Companies, with the certificate of the depositor of the funds, which result from the reimbursement of the basic part of the assets, or from signing shares for cash contributions. In cases when an activity was subject to an official authorization, a copy of this authorization would be necessary for registration. The company was registered when its statutes were in accordance with the law and when all documents required by the law had been completed. The law also provides that these provisions were equally applied to Albanian and foreign persons establishing a branch or a representative office in Albania.

46. The representative of Albania confirmed that from the date of accession Albania would ensure that its laws and regulations relating to trade in goods and all fees, charges or taxes levied on such rights would be in full conformity with its WTO obligations, including Articles VIII:1XI:1 and III:2

and 4 of the GATT 1994 and that it would also implement such laws and regulations in full conformity with these obligations. The Working Party took note of this commitment.

Import Regulations

Customs Tariff

47. The representative of Albania presented an initial offer for market access negotiations on goods in May 1997 and submitted a revised offer for market access negotiations on goods in January 1999. A number of members of the Working Party entered into market access negotiations with Albania. The commitments agreed between Albania and members of the Working Party will be annexed to Part I of the Protocol of Accession of Albania which is reproduced in the Annex to this Report.

Customs Duties

48. In response to questions concerning the current status of "special duties" and Albania's Law "On Development of the Priority Zones in Tourism", No. 8163 7 November 1996 exempting goods imported for investment from customs duties, the representative of Albania said that the Government of Albania was committed to trade reform and to the maintenance of a liberal trade-regime. The new Law "On Customs Tariff Nomenclature", No. 8477 dated 14 April 1999 was approved by Parliament. The steps taken were to reduce the average tariff rates over the medium term, through reductions in the number of tariff rate scales from five to three. The aim of the changes was to create a simple and transparent tariff structure with relatively low maximum tariff lowered from 30 to 20 per cent. All customs tariffs were *ad valorem*; there were no products on which Albania applied specific or combined duties.

Tariff Quotas

49. In response to questions from members of the Working Party the representative of Albania confirmed that Albania had no tariff quotas. With the adoption of the Customs Code on 15 May 1999, all tariff exemptions were provided in Article 199 and explained in Article 477-560 of the Implementing Provisions of the Customs Code. The Customs Code (Title VI, Chapter 1, Article 199, paragraphs 1, 2) outlined the conditions for all relief from import duties. Paragraph 3 of Article 199 provided that relief from import duties could be permitted if provided for in bilateral or multilateral agreements.

Other duties and charges

50. The representative of Albania confirmed that there were no other duties or charges on imports on goods other than normal customs duties and fees and charges for services rendered. Charges and fees applied for services rendered had nothing to do with the importation of goods and so Albania bound such charges at zero. All other duties and charges were bound at zero. She further stated that Albania would not list any other charges in its Schedule of Concessions on Goods under Article II:1(b) or GATT 1994, binding such charges at "zero".

51. The representative of Albania stated that any other duties or charges applied to imports other than normal customs duties and fees and charges for services rendered would be in accordance with WTO provisions from the date of accession. She further confirmed that Albania would not list any other charges in its Goods Market Accession Schedule under Article II:1(b) of the GATT 1994, and would bind such charges at "zero". The Working Party took note of these commitments.

Fees and Charges for Services Rendered

52. In response to questions from members of the Working Party, the representative of Albania provided members of the Working Party with the following table that listed the range of services and activities, including fees for harbour use and consular services.

Table 5 The levels of harbour charges in the Republic of Albania

The type of charges	For each net ton of ships register	Total for each ship
	Charges in US Dollars	
1. Harbour charges on ships		
(a) For ships that load and unload general goods	0.4	
(b) For ships that load and unload liquid goods	0.6	
(c) For freighters RO/RO and passenger freighters	0.35	
(d) For sportive ships, yachts		
- up to 30 TRN		15
- from 31 up to 70 TRN		30
2. Charge for the beacon		
- for ships up to 200 TRN	0.10	
- for ships from 201 up to 500 TRN		20
- for ships above 501 TRN		50
3. Charge on the formalities carried out by the health authorities, capiteniery and other authorities		
- for ships up to 200 TRN	0.25	
- for ships from 201 up to 500 TRN	100	
- for ships from 501 up to 2000 TRN	180	
- for ships from 2001 to 4000 TRN	210	
- for ships above 4001	300	
4. The ships that load water for export in places outside the harbour, pay harbour charges total US\$300 for each supply.		
5. Foreign ships pay the harbour charges on hard currency, whereas the juridical and natural persons registered in the Republic of Albania pay in hard currency or Lek in a value equal to the harbour charges at the prevailing exchange rates.		
6. Harbour charges are paid at the first entrance of any Albanian harbour, independent of whether the ship will go for other commercial transactions in other Albanian harbours during the same cruise.		
7. Charges are not based on an <i>ad valorem</i> basis.		

The following Table lists the charges for consular services, including those charges by its consulates overseas.

Table 6: Charges for Consular Services

Type of consular service charges	Fee in \$US or Leke
1. Charges for issuing of visas and other travel documents	
(a) For issuing travel passports	2000 lek
(b) For issuing travel passports for diplomatic purposes	US\$100
(c) Extension of the passport term by diplomatic groups	US\$30
(d) For entrance concession	200 lek
(e) Entrance concession issued by diplomatic groups	US\$30
(f) Visa for foreigners	Reciprocity
(g) Entrance in the territory of the Republic of Albania for foreigners who do not a visa	Reciprocity

Type of consular service charges	Fee in \$US or Leke
2. Charges for issuing, verification and legalization of documents	
(a) Any type of certification issued by missions for Albanian citizens	US\$ 30
(b) Any kind of certification issued by the missions for foreign citizens	Reciprocity
(c) Any type of attestation issued by the missions for Albanian citizens	US\$30
(d) Any type of attestation issued by missions for foreign citizens	Reciprocity
(e) Verification of documents by missions	US\$10
(f) Legalization of documents for Albanian citizens by the Ministry of Foreign Affairs	200 lek
(g) Legalization of documents by missions for Albanian citizens	US\$30
(h) Legalization of documents for foreign citizens	Reciprocity
3. Charges for issuing and drafting of other notary acts and translation of documents by the missions	
(a) Drafting of declarations, authorizations, wills, contracts, guarantees and special proxies by missions	US\$20/page
(b) Certification of duplicates and copies	US\$20/page
(c) Translation of documents	US\$10/page

Note: The term mission refers to diplomatic or consular missions outside the country. The fee may be paid also in the local currency according to the prevailing exchange rate.

53. In response to requests for clarification of the information contained in the preceding tables, the representative of Albania stated that none of the consular fees listed were for authentications or certification required for the importation of goods into Albania. She also confirmed that the fees listed in Tables 4 and 5 above were for services rendered and were the only fees or charges for services applied to imports into Albania. The representative of Albania stated that any duties and charges other than ordinary customs duties and charges applied to imports after accession would be in accordance with the provisions of the WTO Agreement. The representative of Albania also stated that, from the date of accession, Albania would not apply, introduce, or reintroduce customs or other fees for "services rendered" that were applied to imports on an *ad valorem* basis. Fees applied for import processing or other purposes on imports would be applied in conformity with WTO obligations, in particular Articles VIII and X of the GATT 1994. Information regarding the application and level of such fees, revenues collected and their use, would be provided to WTO Members upon request. The Working Party took note of these commitments.

Application of internal taxes on imports

Excise tax

54. Some members of the Working Party referred to Law No. 7678 dated 3 March 1993 "On Excise Taxes in the Republic of Albania" revised by Law No. 8247 dated 2 October 1997 "On some changes to Law No. 7678" and to the new "Law on Excise Taxes", No. 8437 dated 28 December 1998 and "On Some Changes in the Law On Excise Tax, No. 8437 dated 28 December 1998", No. 8507 dated 7 July 1999. They noted, however, that Albania's proposed excise tax amendments left discriminatory rates in place for the following products: tobacco and cigarettes, soft drinks, mineral and carbonated water, alcoholic beverages and some petroleum by-products and that Albania had stated that it would equalise the level of excise tax on foreign and domestic goods. They asked Albania to submit a comprehensive report on the scope, level, and status of its current excise taxes, listing the products subject to these taxes by product and by HS number; to explain the method of excise tax calculation for each product; to explain the steps to bring the discriminatory excise taxes into conformity with GATT 1994 Article III prior to accession, and the time table Albania had for taking such measures. They also asked for information on Albania's plans to eliminate the tax level differences among various distilled alcoholic beverages and cigarettes in conformity with the requirements of GATT 1994 Article III.

55. In response the representative of Albania said that Albania had eliminated the discrimination in excise tax rates between foreign and Albanian products in January 1999, according the Law on "Excise Tax" No. 8348 dated 28 December 1998. Sub-categories of excise taxes still existed; however, within the Government of Albania, a professional commission with experts from the Ministry of Agriculture and the Ministry of Finance, was in the process of defining such subcategories. Albania confirmed that there was conformity with Article III of GATT 1994. The calculation of the excise tax based on the transaction value plus customs duty was a simple way of calculation suggested by the IMF, in order that the unification of excise taxes would not be accompanied by budgetary implications. On the other hand, the calculation of excise tax for domestic products based on retail price without VAT and excise, was considered as a relatively hard measure for those domestic industries, which were either degrading, or at the infant stage.

56. In response to further questions the representative of Albania stated that the new excise rates were implemented by the Law on "Excise Taxes", No. 8437 dated 28 December 1998 (effective on 1 January 1999 - made available to members of the Working Party). Legislation entitled "Some Changes to the Law No. 8437 dated 28 December 1998" had been enacted as Law No. 8507 of 7 July 1999. The law had entered into force on 10 August 1999, and had introduced the following excise tax rates:

Table 7: Excise Tax Rates

Harmonized System Code	Description of Item	Rate of Excise (per cent)	Tax per Unit
Chapter 24	Tobacco and Manufactured Tobacco Substitutes		
24.03	Tobacco for consumption	60	
24.02	Cigarettes		11 lek/pack
24.02.10.00	Cigars		2240 lek/kg
Chapter 22	Beverages, Sprits and Vinegar		
22.03.00	Beer	50	
24.04	Wine with a value up to 300 lek/liter		50 lek/liter
	Wine with a value more than 300 lek/liter		150 lek/liter
22.08	Whiskeys, brandies, and similar distilled alcohol, including Raki (grappa)		
	With a value up to 400 lek/liter		80 lek/liter
	With a value more than 400 lek/liter		400 lek/liter
22.09, 22.02	Non-alcoholic beverages	5	
22.01	Bottled natural mineral waters	5	
Chapter 9	Coffee, Tea, Mate, and Spices		
09.01	Coffee	20	
Chapter 27	Mineral Fuels, Mineral Oils and Products of their Distillation		
27.10	Petroleum sub-products		
	Gasoline up to 89.9 octane	77	
	Gasoline more than 90.0 octane	90	
	Unleaded gasoline	90	
	Gasoil	50	
	Kerosene	80	
	Motor oil	50	
	Lubricating oils	50	
	Other oils	5	
	Other products such as bituminous oil, solvents, etc.	20	
	All other petroleum sub-products*	90	
Chapter 40	Rubber and Articles Thereof		
40.11	New pneumatic tires of rubber		
	Of a kind used on motor cars (including station wagons)		4000 lek/tire
	Of a kind used on buses and trucks		3000 lek/tire
	Other		2000 lek/tire

Harmonized System Code	Description of Item	Rate of Excise (per cent)	Tax per Unit
Chapter 33	Essential Oils and Resinoids; Perfumery, Cosmetic or Toilet Preparation		
33.03.00.10	Perfumes	50	
33.03.00.90	Deodorants	50	
Notes:* Liquid gas for household use is exempt from excise taxes.			

57. In response to statements from some members of the Working Party that the coverage of products could operate in a manner that would subject imported products to higher rates of excise taxation than comparable domestic products, the representative of Albania stated that through the changes in the law, Albania considered that it had taken into account WTO and GATT principles related to discrimination in the application of differential excise tax rates based on distinctions within the product groupings. It was now evident that Albania had included Raki, its national spirit, in the alcoholic beverage group and it was listed as separate. This was a technical improvement in the law. For cigarettes, by including all types in one category, Albania had also complied with WTO and GATT 1994 principles.

58. The representative of Albania stated that from the time of accession, Albania would apply its domestic excise taxes in strict compliance with Article III of the GATT 1994. The Working Party took note of this commitment.

Value-added tax

59. With reference to the Law No. 7928 "On Value Added Tax", some members noted that Article 26 provides that the taxable value of imported goods included tariffs, taxes and duties payable upon importation, and asked Albania to provide information as to what was included in the taxable value of domestically produced goods in respect of value-added tax and to confirm that there was no difference of treatment. In response, the representatives of Albania said that the Law "On Value Added Tax" was in compliance with GATT 1994 and the WTO Agreement. According to Article 28 of the Law, there was no discrimination between imported and domestic goods and services. This Article was similar to Article 11:A (2.a), of Title VIII of Directive VI of the European Communities, which was compatible with Article III of GATT 1994. Based on the abovementioned laws and articles, Albania confirmed that there was no difference in the treatment of imports and domestic goods and services. In response to further questions the representative of Albania stated that the VAT was the final tax applied to imports. It was a broad base tax which was applied on all sources of goods and services. There were very few exemptions such as the Bank of Albania, Albanian Post, humanitarian organizations, diplomatic corps, financial services, and the import and sale of drugs and medicines. The representative of Albania stated that the value of the import to which the VAT was applied was the transaction value as stipulated for excise taxes as discussed in the preceding paragraph plus insurance, transport, tariffs etc. There were two methods by which the taxable base was determined:

- (a) In the case of a good that was not subjected to an excise tax, the taxable base for value-added purposes is applied as follows:

$$\{(V_t + Sh_t + S) * \text{per cent } T_D + |TD| \} * \text{per cent VAT.}$$

- (b) In the case of a good that was subjected to an excise tax, the taxable base with the value-added tax is applied as follows:

$$\{[(V_t + Sh_t + S) * \text{per cent } T_D + |TD|] * \text{per cent } A + |A| \} * \text{per cent VAT.}$$

The abbreviations are defined as:

V_t - value of transaction
 Sh_t - transport expenses
S - insurance
per cent T_D - percentage of customs duty
 $|TD|$ - absolute value of the customs duty
per cent VAT - percentage of the value-added tax
per cent A - percentage of excise tax
 $|A|$ - absolute value of the excise tax.

60. She also confirmed that the taxable value for collection of VAT on locally produced goods included the value of goods plus any other obligations such as taxes, tariffs, etc. (established by law) with the exception of the VAT, which was applied on the taxed value of the good.

61. The representative of Albania stated that from the time of accession, Albania would apply the VAT in strict compliance with Article III of the GATT 1994. The Working Party took note of this commitment.

Quantitative Import Restrictions Including Prohibitions, Quotas and Licensing Systems

62. Some members of the Working Party said that the list of prohibited imports of Albania made it clear that Albania operated an import licensing regime to address concerns related to threats from imports to plant, animal and human health and safety, even though Albania had stated that it had abolished all import licence requirements along with quantitative restrictions. These members asked Albania to indicate how the legislative regime for granting import permits and licenses met the requirements of the WTO Agreement on Import Licensing, and Albania's plans for enacting provisions in law or regulation.

63. Some members of the Working Party noted that the Memorandum on Import Licensing and Prohibition on Importable Products (included as Appendix II to this Report) described the licensing system and the procedures necessary to obtain a licence, together with Albania's justifications for the restrictions. Some members noted the requirement that imported medicines and drugs must have an import licence, and requested that Albania clarify whether these were automatic or non-automatic licenses, the time-frame within which they must be granted, the criteria that the imported medicines and drugs must meet to qualify for the licence, and whether Albania had a similar registration and licensing system in place for the sales of domestic production of similar articles. Those members also requested similar information in relation to the licensing regime for pesticides, seeds and seedlings, the conditions to be met in order for seeds to be imported, on what basis importation would not be allowed, why the European Communities had special treatment, the status for varieties originating in Asia and North America, and for new varieties of seeds and seedlings. In their view, this process appeared to be inconsistent with GATT 1994 Article I since it afforded preferential treatment for the importation of seeds and seedlings from the European Communities and discriminated against products from other origins. It also appeared to be inconsistent with GATT 1994 Article XI by effectively imposing a ban on seeds and seedlings not listed in the catalogue. In their view, this process constituted a form of non-automatic licensing as described in Article 3 of the Agreement on Import Licensing Procedures. Those members also requested that Albania establish a transparent licensing system that identified the products covered, the reasons for restrictions and the criteria for obtaining an import licence. Lacking justification consistent with the requirements of the SPS Agreement, such as conducting an appropriate risk assessment, demonstrating scientific evidence, and ensuring that measures are applied in a non-discriminatory manner, Albania's restrictions or requirements on seeds and seedlings were not justified. Albania was also asked whether the licensing procedures for imports and exports of live animals and for imports of seeds and seedlings were statistical or restrictive and if there were any quantitative criteria; if permission was denied how could applicants appeal the decision, etc. Finally, Albania was asked to provide an exhaustive list of

products that are submitted upon importation to quantitative restrictions, licensing or special authorisation requirements, or special technical requirements.

64. In response the representative of Albania submitted a Memorandum on Restrictions and Prohibitions for Importable Products (WT/ACC/ALB/35/Rev.1) which listed the products requiring import licensing, together with the respective justifications and the process to obtain licenses. These products included arms and munitions (and parts or accessories thereof); explosives, pyrotechnic products, matches, pyrophoric alloys; nuclear materials; non-dangerous waste; narcotic drugs and psychotropic substances; pharmaceutical products; seeds and seedlings; pesticides; live animals and livestock products; fish and seafood products; eggs; wool; and leather. The registration process (and the right to engage in some trading activity) with the Tax Office was a one-time process and was applied to both foreign and domestic firms or individuals. Prior to applying for a licence a person or enterprise was required to be registered with the Court of First Instance to become a natural or juridical subject, and then to be registered with the proper Tax Office. The tax registration process also registers the individual/firm as having the right to engage in specific trading activity (i.e., import, export, transport or other marketing activities). For those items listed above, licensing was required each time one imported (rather than multiple imports during the course of a specified period, e.g., one year). These cases applied only to livestock and livestock products; pesticides; and fish and seafood products. The tables therein also listed prohibitions on importable products. The items concerned included dangerous waste, poisons, narcotic drugs, psychotropic substances, certain animal products, seeds and seedlings etc. She reconfirmed that there were no quotas on imports of live animals, seeds and medicines/drugs and added that there were no non-tariff measures other than those measures described in the Memorandum on import licensing and prohibitions on importable products.

65. In response to further questions, the representative of Albania stated that members' concerns would be addressed by the amendment of the following legislation: "On Seeds and Saplings" (No. 7659 12 January 1993); "Law on Veterinary Services" (No. 7674 23 February 1993); "Law on Plant Protection Services" (No. 7662 19 January 1993); and an Order of the Minister on "Creation of Inter-Agency Working Group for the Decisions of the Council of Ministers for the Approving of the Import Licensing Agreement of the WTO" (No. 55 dated 24 August 1999); "Decision of the Council of Ministers for the Approving of the Import Licensing Agreement of the WTO" No. 468 dated 6 October 1999. The Decision was a word-for-word copy of the WTO Agreement on Import Licensing Procedures. Therefore, all the necessary amendments had been enacted. The representative of Albania confirmed that, after accession, Albania would have recourse to quantitative import restrictions only in situations permitted by the WTO Agreement, and in particular, from the date of accession, Albania would not introduce, re-introduce or apply quantitative restrictions on imports, or other non-tariff measures such as licensing, quotas, prohibitions, bans and other restrictions having equivalent effect that could not be justified under the provisions of the WTO Agreement. If balance-of-payment measures were ever necessary in the future, Albania would impose them in a manner consistent with the relevant WTO provisions, including Article XII of the GATT 1994 and the Understanding on Balance-of-Payments Provisions of the GATT 1994. The Working Party took note of these commitments.

Customs Valuation

66. Some members of the Working Party asked Albania to give a status report on the efforts to bring the customs valuation regime into line with the WTO Agreement on the Implementation of Article VII of the GATT 1994, in particular, to list all relevant legislation and regulations in place, to indicate when minimum import prices were fully abolished and replaced by use of the transaction value and the hierarchy of alternative valuation methods listed in the Agreement, and to confirm that the seven prohibited valuation methods provided for in Article 7 of the Agreement had been abolished in Albania's customs valuation regime. In response the representative of Albania said that according to the Law "On the Customs Code of the Republic of Albania", No. 8449 dated 27 January 1999, the practice of minimum pricing had ceased. In Chapter 3, Article 33-40 customs valuation was defined

in compliance with WTO procedures. A copy of the Customs Code had been submitted to the WTO. An earlier "Customs Procedures Code" had been replaced by a Decision of the Council of Ministers, "Implementing Procedures of the Customs Code", No. 205 dated 13 April 1999. A copy of the "Implementing Procedures of the Customs Code" was made available to members of the Working Party. The representative of Albania stated that from 15 May 1999, Albania had been in full conformity with the requirements of the Agreement on Implementation of Article VII of the GATT 1994, with the entry into force of the Customs Code and the Implementing Provisions of the Customs Code.

67. The representative of Albania noted that the appeals process for customs valuation decisions apply to Articles 19 and 20 of the Customs Code. If a trader did not agree with a customs administrative decision, the trader could appeal to the Chief of the Customs Office in the Field. A subsequent appeal could then be made within 10 days from the day of notification to the General Directorate of Customs. The Director General was required to take a decision within 20 days from the date the appeal was received. In the event that the Director General of Customs failed to take a decision, the request was presumed to have been accepted. According to Article 289, if the Director General rejected the appeal, the trader could appeal to the Courts, subject to the usual procedures based on the relevant articles of the Civil Code of the Republic of Albania and the relevant articles of the Code of Civil Procedures described earlier in this Report.

68. Some members of the Working Party asked Albania to alter its domestic law and regulation to provide that in implementing the WTO Agreement on the Implementation of Article VII of the GATT (Customs Valuation), the customs value for duty purposes of cinematographic films so that it would not include royalties or licensing fees paid by the buyer for the right to distribute or reproduce these imports. The Representative of Albania noted that Albania would amend Article 37 of the Law "On the Customs Code of the Republic of Albania", No. 8449 dated 27 January 1999, and Chapter II of the Decision of the Council of Ministers, "Implementing Procedures of the Customs Code", No. 205, 13 April 1999 to reflect that Albania would not include royalties or licensing fees in the customs valuation of cinematographic films.

69. The representative of Albania further noted that the provisions of the Agreement on the Customs Valuation had been fully enforced in Albania from 15 May 1999 and were used to determine the value of imported goods when they cannot be determined under Articles 34 or 35. She added that Albania was committed to applying the Interpretive Notes of the Customs Valuation Agreement in Annex 6 of the Implementing Provisions of the Customs Code. She noted also that provisions related to the determination of customs value of carrier media for use in data processing equipment and bearing data or instructions were set out in Article 39 of the Customs Code and in Article 79 of the Implementing Provisions of the Customs Code, copies of which were also made available to members of the Working Party. In addition, she confirmed that Albania did not intend to include royalties or licensing fees for the right to reproduce or distribute cinematographic films imported into Albania in the calculation of the price paid or payable in determining the transaction value. Prior to the date of its accession, Albania would enact and implement legislation amending the "Law on Customs Code of the Republic of Albania", No. 8449 dated 27 January 1999 and the "Implementing Provisions of the Customs Code", Decision of the Council of Ministers, No. 205 dated 13 April 1999 to provide that such charges would not be added toward the dutiable value of the imported films.

70. In response to further questions, the representative of Albania clarified that the Customs Code provided the following provisions. Article 38 of the Customs Code did not deal with deductive value, rather it concerned elements that should not be included in the customs value when the transaction value method was used. Article 64 of the Implementing Provisions of Customs Code implemented the Interpretive Note of Article 5 of the Customs Valuation Agreement. She further noted that the implementing provision for Article 7.3 of the Customs Valuation Agreement was found in the "Implementing Provisions of the Customs Code". Article 81 (2) of those Provisions defined "related parties" and when the "fall-back" method should be used because the declared customs value was not

acceptable. Article 9 of the Customs Valuation Agreement was reflected in Article 40 (3) of the "Implementing Provisions". This Article provided that the exchange rate to be used was that applying when the goods were declared for import.

71. Concerning the taking of a security, the representative of Albania stated that Article 111 of the Customs Code did not require that the guarantee be deposited to ensure any customs debt that may result because of the differences in defining the customs value. Article 111 provided that a security could be requested as a condition for the suspension of customs clearance of the goods. Guarantees of debts were covered in Article 99 of the Customs Code. The Code stated that imported goods could be released only if the importer guaranteed the customs office that he can pay all debts for customs purposes in the future.

72. In response to further questions from members of the Working Party, the representative of Albania stated that Albania would modify its Implementing Provisions of the Customs Code to include the word-for-word text of the WTO Customs Valuation Agreement so that the importer would be informed in writing of the customs value determined under the "fall-back method" and the method to be used to determine the value as set forth in Article 7.3 of the WTO Customs Valuation Agreement. In addition, an amendment to the Customs Code had included the word-for-word text of Article 9 of the WTO Customs Valuation Agreement. This ensured that Albania met the transparency obligations with regard to currency conversions by confirming a trade at the time of importation. In the Implementation Provisions of the Customs Code, the representative of Albania noted that there were conditions for when the customs authorities required a security. These conditions were published, and were the responsibility of the 300 lawyers who worked as Customs Agents who were to report on these documents as described in the Customs Code and the Implementing Provisions of the Customs Code. This practice fulfilled the transparency obligations under Article 12.

73. The representative of Albania committed that Albania had implemented a Decision of the Council of Ministers, Decision No. 516 dated 14 October 1999 entitled "On Some Changes to the Decision of the Council of Ministers On the Implementing Provisions of the Customs Code, No. 205 dated 13 April 1999". This legislation would ensure that the Implementing Provisions of the Customs Code would be in compliance with The Interpretive Note to Article 5.8 of the WTO Valuation Agreement; Article 7.3 of the WTO Valuation Agreement; Article 9 of the WTO Valuation Agreement. Albania would provide confirmation that it had published the implementing provisions explaining when "the customs authorities require the provision of a security" in order to fulfill its obligations under Article 12 of the Customs Valuation Agreement. The Working Party took note of these commitments.

74. The representative of Albania confirmed that, from the date of accession, Albania would comply with the WTO provisions concerning customs valuation, including in addition to the Agreement on the Implementation of Article VII of the GATT 1994, the Interpretive Notes to that Agreement, and the provisions for the Valuation of Carrier Media Bearing Software for Data Processing Equipment. In accordance with these latter provisions, only the cost of the carrier medium itself would be accounted for in the customs value (Decision 4.1). She added that, as an international agreement, the provisions of the WTO Agreement on the Implementation of Article VII of the GATT 1994 would supersede domestic law upon accession. The Working Party took note of these commitments.

75. The representative of Albania stated that Albania approved a Decision of the Council of Ministers entitled "On Some Changes to the Decision of the Council of Ministers On the Implementing Provisions of the Customs Code, No. 205 dated 13 April 1999", No. 516 dated 14 October 1999 which served as an amendment to the Implementing Provisions of the Customs Code. The modification in the implementing provisions of the Customs Code included a word-for-word text of the Interpretive Note to Article 5.8 of the WTO Customs Valuation Agreement, which provided that local taxes payable by reason of the sale of the goods for which a deduction was not made under Article 5.1(a) (iv) (deduction for customs duties and national taxes by reason of importation) shall be made under Article 5.1(a) (i) (deductions for commissions or profit and general expenses). She

further confirmed that prior to Albania's accession to the WTO, both the Law on Customs Code of the Republic of Albanian, No. 8449 dated 27 January 1999 and the Decision of the Council of Ministers, No. 205 dated 14 April 1999 would be amended to provide that the transaction value of cinematographic films imported into Albania would not include royalties and licence fees for the right to reproduce or distribute them, and that such changes would not be added toward their dutiable value. The Working Party took note of these commitments.

Rules of Origin

76. Some members of the Working Party requested information about the elaboration of rules of origin in Albania. In response the representative of Albania said that with regard to rules of origin, the Customs Code, Law No. 8449 of 27 January 1999, Chapter 2, Article 29-32, described the procedures to define origin of imported and exported products into and out of the Republic of Albania.

77. The representative of Albania further added that the Implementing Provisions of the Customs Code dealing with customs valuation (Articles 54-81); rules of origin for non-preferential trade (Articles 44-46 and Annex 3); and rules of origin for preferential trade (Articles 47-53 and Annex 4) had been enacted and were made available to members of the Working Party.

78. Some members of the Working Party requested information on how the implementing provisions incorporated, either for non-preferential or preferential rules of origin, the requirements of Article 2(h) and Annex II, paragraph 3(d) respectively of the Agreement on Rules of Origin, which require that the Customs provide an assessment of the origin of the import upon the request of an exporter, importer or any person with a justifiable cause. Those members noted that those provisions also required that requests for such assessments be accepted before trade in the goods concerned begins and that their assessments be binding for three years. The representative of Albania stated that with the approving of the Decision of the Council of Ministers entitled "For Approving the Rules of Origin of the WTO", No. 435 dated 9 September 1999 Albania had achieved full conformity with the WTO Agreement on Rules of Origin. That Decision was a word-for-word copy of the WTO Rules of Origin Agreement, and would serve as an approved amendment to the Implementing Provisions of the Customs Code (No. 205 of 13 May 1999).

79. The representative of Albania stated that from the date of accession Albania preferential and non-preferential rules of origin would comply fully with the WTO Agreement on Rules of Origin. The requirements of Article 2(h) and Annex II, Paragraph 3(d) of the Agreement would also be fully implemented prior to accession. She also stated that in any event, from the date of accession the Customs would provide an assessment of the origin of the import upon the request of an exporter, importer or any person with a justifiable cause. Any request for such an assessment would be accepted even before trade in the goods concerned began. Any such assessment would be binding for three years. The Working Party took note of these commitments.

Pre-shipment Inspection

80. With reference to pre-shipment inspection, some members of the Working Party asked Albania to describe what services were provided, whether or not mandatory, how the Government of Albania contracted these services and disciplined these activities, the cost structure for traders making use of any mandated PSI services and whether Albania was prepared to take responsibility for the activities of the PSI enterprises that operated in its name and to ensure that they observed WTO provisions. In response the representative of Albania said that Albania did not currently use the services of any pre-shipment inspection firm. However, she noted that the "Law on Customs Code of the Republic of Albania", No. 8449 dated 27 January 1999, Articles 11(4) and 25 permitted the Government of Albania to engage such a service, if required. She noted however, that Albania had no current intentions to use the services of a pre-shipment inspection firm.

81. The representative of Albania stated that if Albania in the future engaged the services of a pre-shipment inspection service provider Albania would ensure that the requirements of the Agreement on Preshipment Inspection were implemented in full. Albania would take full responsibility to ensure that such enterprises operating on its behalf complied with the provisions of WTO Agreements. Decisions by such firms could be appealed by importers in the same way as administrative decisions taken by the Albanian government. Any pre-shipment inspection regime would be temporary and would only operate until such time as the Albanian Customs authorities were able to carry out such functions. The Working Party took note of these commitments.

Anti-Dumping, Countervailing Duties

82. Some members of the Working Party asked for information on the status of Law No. 7609 "On Customs Tariffs" which provided for special customs duties, anti-dumping duties and countervailing duties and asked Albania to provide an update of the legislation on anti-dumping and countervailing duties. In response the representative of Albania said that the Law on Anti-Dumping was before the Parliament and was enacted as the Law "On Anti-Dumping", No. 8466 dated 24 March 1999. Some members of the Working Party stated that they considered that the Law "On Anti-Dumping" was not in conformity with the requirements of the WTO Agreement. The representative of Albania stated that further subsidiary implementing legislation was in the course of preparation, including Decisions on: "The Organization and Function of the Anti-Dumping Office"; "The Definitions and Fulfilment of the Application Forms"; "The Content of the Public Notice for the Initiation of the Investigation"; "The Confidential Information"; "The Public File (Registry) of the Anti-Dumping Office"; and "The Notice of the Final Decisions". All those decisions were expected to be enacted by the end of 2000.

83. The representative of the Government of Albania also noted that work on the drafting of legislation on countervailing duties had been suspended.

84. The representative of Albania confirmed that Albania would not apply any anti-dumping, or countervailing measures until it had notified and implemented all appropriate laws in conformity with the provisions of the WTO Agreements on the implementation of Article VI, and on Subsidies and Countervailing Measures. Albania would ensure that any legislation concerning anti-dumping or countervailing duties was in full conformity with the relevant WTO provisions, including Article VI of the GATT 1994 and the Agreements on the Implementation of Article VI and the Agreement on Subsidies and Countervailing Measures. After such legislation was implemented, Albania would also apply any anti-dumping duties, countervailing duties and safeguards measures in full conformity with the relevant WTO provisions. The Working Party took note of these commitments.

Safeguards Regime

85. Some members of the Working Party asked for information on any legislation concerning the imposition of safeguard measures. In response the representative of Albania said that work on the drafting of legislation for safeguard measures had been suspended.

86. The representative of Albania confirmed that Albania would not apply any safeguard measure until it had notified and implemented appropriate laws in conformity with the provisions of the WTO Agreements on Safeguards. Albania would ensure that any legislation concerning safeguard measures was in full conformity with the relevant WTO provisions, including XIX of the GATT 1994 and the Agreements on Safeguards. If such legislation was implemented, Albania would also apply any anti-dumping duties, countervailing duties and safeguards measures in full conformity with those same WTO provisions. The Working Party took note of these commitments.

Export Regulations

Customs tariff nomenclature, types of duties, etc.

87. Some members of the Working Party asked whether Albania had export taxes, requested the WTO justifications for maintaining export prohibitions on wood and wood products and on metal waste and scrap. They asked Albania to confirm that there were quantitative export restrictions on firewood, unprocessed wood, sawed wood and beams; waste and scrap precious metals; waste and scrap iron, steel, nickel, lead, zinc, tin and copper, waste and scrap aluminium (except for waste aluminium packaging, such as aluminium cans for soft drinks which had been imported); and ingots and to give a WTO-compatible justification for the restrictions or to indicate how Albania intended to amend these measures to bring them into conformity with WTO provisions. The representative of Albania said that Albania had no export taxes. She noted that Albania's Memorandum on Export Licensing and Prohibitions on Exportable Products (WT/ACC/ALB/34/Rev.1), the export prohibitions on wood and wood products were related to the implementation of the Law "On Forestry" and the establishment of the responsible institutions for the forestry's administration, control and services. The export prohibitions on all kinds of metal waste and scrap were aimed to prevent the exportation of these commodities before the privatization of all the industrial enterprises was concluded. However, Albania eliminated export prohibitions with passing Decision of the Council of Ministers "For the Export-Import of Goods from and into the Republic of Albania, No. 450 dated 16 September 1999. The items still subjected to export licenses were arms and ammunitions, explosives, pyrotechnic products, pyrophoric alloys, firearms, modern works of art etc. The ban on the export of works of art and antiques would not be phased out in order to protect the cultural heritage and integrity of the Republic.

88. The representative of Albania later stated that the export prohibition on preparation of fish products, crustaceans, molluscs, etc. was due to the International Organization for Epizootics listing of Albania on countries with diseases from List A. The ban was not a unilateral measure taken by the Government of Albania. The same explanation applied to the prohibition related to the residue and waste from prepared animal food.

89. The representative of Albania stated that all decisions of the Council of Ministers on export prohibitions related to tariff lines under HS Chapters 41.01-41.03, Chapter 72.04 and Chapter 74.01-74.19 would be repealed by the end of September 1999, in order to comply with WTO provisions on export restrictions. The representative of Albania confirmed that from the date of accession the following products would be subject to export licensing: 93.01 - 93.07 (arms and munitions, parts and accessories thereof); 36.01 - 36.06.90.90 (explosives, pyrotechnic products, matches, pyrophoric alloys); 97.01 - 97.06 (modern works of arts). The export licensing regime for the above-mentioned goods was in place for the following purposes, adherence to international commitments related to non-proliferation, mass destruction and production of technologies thereof; to prevent trade of said products to hostile nations subjected to international bans; to protect the cultural integrity and heritage of the Republic.

90. The representative of Albania confirmed that at the time of accession any remaining export control requirements in place would be fully consistent with WTO provisions, including those contained in Articles XI, XVII, XX and XXI of the GATT 1994. In this regard, Albania had lifted the export bans on items listed in the document WT/ACC/ALB/34/Rev.1, with the Decision of the Council of Ministers "For the Export-Import of Goods from and into the Republic of Albania", No. 450 dated 16 September 1999. The representative of Albania stated that from the date of accession export restrictions would only be imposed in conformity with the WTO Agreement. The Working party took note of these commitments.

Export Subsidies

91. Some members of the Working Party asked Albania to confirm that Albania had no export subsidies. In response the representative of Albania said that Albania did not maintain export subsidies of any sort on industrial products or agricultural commodities.

92. The representative of Albania stated that from the date of accession Albania would not maintain subsidies including export subsidies which met the definition of a prohibited subsidy, within the meaning of Article 3 of the Agreement on Subsidies and Countervailing Measures and that it would not introduce such prohibited subsidies in the future. The Working Party took note of these commitments.

Internal Policies Affecting Trade in Goods

Industrial policy, including subsidies

93. The representative of Albania informed members of the Working Party that Albania did not administer any subsidies prohibited by the WTO Agreement.

94. The representative of Albania confirmed that any subsidy programmes provided by the Government after accession would be administered in line with the Agreement on Subsidies and Countervailing Measures and that all necessary information on notifiable programmes would be notified to the Committee on Subsidies and Countervailing Measures in accordance with Article 25 of the Agreement upon entry into force of Albania's Protocol of Accession. The Working Party took note of these commitments.

Technical Barriers to Trade

95. Some members of the Working Party asked Albania to provide an update on progress in implementing the TBT Agreement and a commitment that the Agreement would be fully implemented as from the date of Albania's accession to the WTO. In response the representative of Albania provided the following table in document WT/ACC/ALB/32/Rev.3:

Table 8

1. The Law on Standardization provides for Standstill: the introduction of new standards, technical regulations and conformity assessment procedures should be fully compatible with the TBT Agreement principles.	1. Generally agreed principle in WTO accession negotiations.
2. The Law on Standardization and the four Decisions of the Council of Ministers that follow assure compliance with TBT: (1) the "Code of Good Practice for the Adoption and Application of Standards", Decision of the Council of Ministers, No. 242 dated 28 May 1999; (2) Criteria and Competencies in the Fields of Standardization, Certification, and Accreditation, No. 371 dated 4 August 1999; (3) Exchange of Information on Standards and Technical Regulations, No. 372 dated 4 August 1999; and (4) the Preparation, Adoption and Application of Technical Regulations and the Procedures for Assessment of Conformity with Technical Regulations and Standards, No. 323 dated 8 July 1999	2. Article 15.2 and TBT Committee Decision (G/TBT/1)
All Decisions of the Council of Ministers have been approved and are in force.	

<p>3. By Order of the Prime Minister, No. 36 dated 6 May 1999, (Paragraph 7) it is officially established that Albania will have one enquiry point for information on standards and technical regulations to be in compliance with SPS and TBT. The location of the enquiry point is as follows:</p> <p style="text-align: center;">Directorate for Standardization Rr. "Mine Peza", Nr. 143/3 Tirana, ALBANIA + 355-42-47176 telephone + 355-42-26255 fax dsc@icc.al.eu.org e-mail</p>	<p>3. Articles 10</p>
<p>The Directorate of Standardization, with its authority and responsibility to operate a single unit enquiry point, was a fully operational single unit enquiry point. Notifications on SPS and TBT had been submitted to the WTO and circulated.</p>	
<p>4. Relevant ministries (Ministry of Agriculture and Food, Ministry of Health, Ministry of Labor and Immigration, Ministry of Public Works and Transportation, Ministry of Education and Science) will be the authorities responsible for notification, publications and other internal procedures to ensure that transparency obligations are met on an ongoing basis:</p>	<p>4. Article 2,3,5,7,10,15.2, Annex 3 and G/TBT/1</p>
<p>(A) the Decision of the Council of Ministers on the Preparation, Adoption and Application of Technical Regulations and the Procedures for Assessment of Conformity with Technical Regulation and Standards will define the publications where notices of proposed technical regulations and conformity assessment procedures will appear;</p>	<p>(A) Articles 2.9.1,3.1,5.6.1,7.1,10.1.5</p>
<p>(B) the Directorate for Standardization will be the authority responsible for making the notifications to the WTO, Order of the Prime Minister, No. 36 dated 6 May 1999, (Paragraph 7);</p>	<p>(B) Articles 2.9.2, 2.10.1, 3.2,3.3,5.6.2, 5.7.1,7.2,7.3,10.7,10.10</p>
<p>(C) the Decision of the Council of Ministers on the Preparation, Adoption and Application of Technical Regulations and the Procedures for Assessment of Conformity with Technical Regulation and Standards will give guidance for ensuring non-discrimination consideration of comments in the preparation of a final regulation and will define the responsible authority; and</p>	<p>(C) Articles 2.9.4,2.10.3,3.1,3.35.6.4,5.7.3, 7.1,7.3</p>
<p>(D) the Decision of the Council of Ministers on the Preparation, Adoption and Application of Technical Regulations and the Procedures for Assessment of Conformity with Technical Regulation and Standards will define a reasonable period of time between the final publication of a technical regulation and conformity assessment procedure and its entry into force so that suppliers can adapt;</p>	<p>(D) Articles 2.11,2.12,3.1,5.8,5.9, 7.1</p>
<p>(E) with regard to standards, the adopted code, letter "J", will be published by the Directorate of Standardization will provide notification of draft standards and provide an opportunity for public comment.</p>	<p>(E) Article 4, Annex 3 (J,K,L,N,O); Article 8.1</p>

5. Development and Application of Technical Regulations and Conformity Assessment Procedures: existence of legal and/or administrative underpinnings (or "reasonable measures" as appropriate) to ensure ongoing compliance with provisions of the agreement concerning, in particular:	5. Articles 2, 3, 5, 6, 7
(a) the Albanian Law on Standardization, Article 4, provides for non-discrimination with respect to treatment of products and the Decision of the Council of Ministers on the Preparation, Adoption and Application of Technical Regulations and the Procedures for Assessment of Conformity with Technical Regulation and Standards;	(a) Articles 2.1, 3.1, 5.1, 5.2, 7.1
(b) the Albanian Law on Standardization, Article 4, and the Decision on the Preparation, Adoption and Application of Technical Regulations and the Procedures for Assessment of Conformity with Technical Regulation and Standards provides for the prohibition of unnecessary obstacles to international trade and the consideration of less trade-restrictive alternatives to fulfilling legitimate objectives;	(b) Articles 2.2, 3.1, 5.1, 5.2, 7.1
(c) the Decision on the Preparation, Adoption and Application of Technical Regulations and the Procedures for Assessment of Conformity with Technical Regulation and Standards will provide for ongoing review of technical regulations to ensure they are appropriate to achieve the desired legitimate objective;	(c) Articles 2.3, 3.1, 7.1
(d) the Law on Standardization, Article 4, and the Decision on the Preparation, Adoption and Application of Technical Regulations and the Procedures for Assessment of Conformity with Technical Regulation and Standards provides for the consideration of appropriate international standards, guides and recommendations as a basis for technical regulations and conformity assessment procedures;	(d) Articles 2.4, 3.1, 5.4, 7.1
(e) the Decision on the Preparation, Adoption and Application of Technical Regulations and the Procedures for Assessment of Conformity with Technical Regulation and Standards will provide for the consideration of equivalent technical regulations of other Members;	(e) Articles 2.7, 3.1, 7.1
(f) relevant ministries can take the decision to accept the results of conformity assessment procedures conducted by bodies in an exporting Member country as well as the Decision on the Preparation, Adoption and Application of Technical Regulations and the Procedures for Assessment of Conformity with Technical Regulation and Standards; and	(f) Articles 6, 7.1
(g) relevant ministries will implement a non-discriminatory and a cost-based fee structure as well as the Decision on the Preparation, Adoption and Application of Technical Regulations and the Procedures for Assessment of Conformity with Technical Regulation and Standards.	(g) Articles 5.2, 7.1, 10.4

6. Development and Application of Standards and Conformity Assessment Procedures: Existence of legal and/or administrative underpinnings (or "reasonable measures" as appropriate) to ensure ongoing compliance with provisions of the agreement concerning, in particular:	6. Article 4 and Annex 3, Article 8
(a) the Law on Standardization, Article 4, and the Adopted Code provide for non-discrimination with respect to the treatment of products;	(a) Annex 3 (d), Article 8.1
(b) the Law on Standardization, Article 4, and the Adopted Code provide for the prohibition of unnecessary obstacles to international trade;	(b) Annex 3 (e), Article 8.1
(c) the Law on Standardization, Article 4, and the Adopted Code provide for the consideration of appropriate international standards, guides, and recommendations as basis for standards;	(c) Annex 3 (f), Article 8.1
(d) the Adopted Code provides non-discriminatory and cost-based fee structure.	(d) Annex 3 (m), Annex 3 (p), Articles 8.1, 10.4

96. The representative of Albania noted the passing of the new Law "On Standardisation", No. 8464 dated 11 March 1999 and the Decisions of the Council of Ministers, "The Preparation, Adoption and Application of Technical Regulations and the Procedures for Assessment of Conformity with Technical Regulations and Standards", No. 323 dated 8 June 1999. In the new Law "On Standardisation" the definitions of standards and technical regulations were those given in Annex 1 of the TBT Agreement "Terms and their Definitions for the Purpose of this Agreement". All standards would be voluntary and technical regulations mandatory. In accordance with the Albanian Constitution, when a treaty or international agreement such as the WTO Agreement was ratified by the Parliament of Albania, the provisions of the international agreement (i.e., the WTO Agreements) will supersede the Law "On Standardization". This implied that the Albanian standards would become voluntary. Only up until the time of accession can ministries or other regulatory bodies, during the drafting of technical regulations, declare mandatory those standards which deal with health and safety. Standards would be applied to foreigners and local producers in compliance with national treatment. Technical regulations would be used to protect human, animal or plant life or health or environment without being more trade-distorting than necessary.

97. The representative of Albania stated that the work of the General Directory of Standardisation (GDS) would 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 of Albania had adopted 52 ISO, 4 IEC, 147 EN, and 62 standards from other States. The goal was to reduce the creation of national standards and to increase the adoption of international standards. Accreditation would be based on European standards series 45,000. For certification, however, foreign certification bodies could carry out certification activities in Albania. The GDS was a full member in ISO and an affiliate member in CEN. In the future, the GDS would be a member of IEC and CENELEC. In the preparation of standards, the emphasis was on product performance requirements rather than on design or descriptive requirements. The process of preparation of standards was open, transparent and free from commercial influence.

98. The representative of Albania noted that an Information Centre for Standards had been created in compliance with the TBT Agreement requirement of an enquiry point. By an order of the Prime Minister of Albania, No. 36 dated 6 May.1999, paragraph 7, the enquiry point for TBT and SPS was at the General Directorate for Standardization. The addressed was as follows:

Rr."Mine Peza", Nr.143/3,
Tirana, Albania,
Tel. + 355 42 47176,
Fax. + 355 42 26255,
E-mail: dsc@icc.al.eu.org.

Albania had notified the WTO Secretariat of this decision and provided all the relevant information. The Information & Sale Center of this Directorate would act as the enquiry point. This point was thus already operational.

99. The representative of Albania added that the Code of Good Practice for Preparation, Adoption and Application of Standards had been translated into Albanian and had been adopted through the Decision No. 242 dated 28 May 1999. All of the WTO requirements on TBT had been enacted as set out in Table 7 above. She noted in particular the passing of the "Law on Standardization", No. 8464 dated 11 March 1999 and the passing of the Decisions of the Council of Ministers listed in WT/ACC/ALB/40 and WT/ACC/ALB/32/Rev.3: No. 323 dated 8 July 1999, entitled "Preparation, Adoption and Application of Technical Regulations and Procedures for Assessment of Conformity with Technical Regulations and Standards"; No. 371 dated 4 August 1999, entitled "Criteria and Competencies in the Fields of Standardization, Certification, and Accreditation"; and No. 372 dated 4 August 1999, entitled "Exchange of Information on Standards and Technical Regulations". Finally, she noted that Albania had its single unit enquiry point fully operational and in place and had submitted notifications on TBT measures.

100. The GDS had prepared the Decision of the Council of Ministers Council of Ministers "For the Approval of the Code of Good Practice for Adoption, Approval and Application of Standards" to ensure that all remaining activities would be in compliance with the requirements of the Agreement on TBT. She added that accreditation would be a separate activity in the future and this was linked with the starting of the accreditation of certification bodies, in addition to testing laboratories. For separating these activities Albania would need about two years, depending on economic developments and Albania's situation. Standardisation was a separate activity from certification. The standards process was open and every natural or juridical subject could participate in the technical committee for standards, if interested. Some foreign companies participated in the technical committee. Draft standards were published and the comments period was from three to six months.

101. Regarding certification, the representative of Albania noted that the market was open for other third party certification bodies. The Law "On Standardisation" had charged the national standards body to carry out certification, but did not forbid other certification bodies from carrying out this activity in Albania. The national standards body would become independent from the Government when the economic operators in Albania were interested in supporting this body financially. The goal of Albania was to adopt as many international and European standards as possible and this process was well under way. The national standards would be used only for some local products not subject to international trade. Having only voluntary standards, these would not create a technical barrier to trade. In Albania, the technical regulations would be established only by the national authority. Standards would be issued by the national standards body in the fields of ISO/IEC or CEN/CENELEC and by the Albanian Office for Telecommunications Regulation in the field of ITU or ETSI.

102. In response to requests for further updates on the progress towards compliance with the requirements of the Agreement on TBT, the representative of Albania stated that to ensure full compliance with the TBT Agreement, the Government of Albania had prepared four Decisions. The first one is the Decision which would adopt Articles 2, 5, 6, 8 and 9 of the TBT Agreement. Articles 3 and 7 were not included because in Albania the technical regulation were prepared by ministries or central public institutions and not by the local administration. The first Decision, "Code of Good Practice for the Preparation, Adoption and Application of Standards" was approved by the Council of

Ministers (No. 242 dated 28 May 1999). That Decision reflected Annex 3 of the TBT Agreement. The second Decision, "Criteria and Competencies Related to Standardization, Certification and Accreditation" (No. 371 dated 4 August 1999) mainly dealt with the three activities covered by the General Directorate of Standardization. The third Decision, "On Exchange of Information on Standards and Technical Regulations" (No. 372 dated 4 August 1999) covered Articles 10.1, 10.1.1, 10.1.2, 10.1.3, 10.1.4, 10.1.5, 10.1.6, 10.4, 10.7, 10.8, 10.9, 10.11, of the TBT Agreement. The fourth Decision, "Preparation adoption and application of Technical Regulations and the Procedures for Assessment of Conformity with Technical Regulations and Standards" (No. 323 dated 8 July 1999) covered Articles 2.11, 2.12, 3.1, 5.8, 5.9 and 7.1 of the TBT Agreement. Copies of each Decree were made available to members of the Working Party.

103. The representative of Albania stated that Albania had provided for the "notification, publication, and other internal procedures", e.g., publication prior to enactment for public comment, that would implement the provisions of the TBT Agreement. Such provision was contained in the Decree "On Exchange of Information on Standards and Technical Regulation". Concerning the requirement that a decision to accept the results of conformity assessment procedures be conducted by bodies in an exporting Member country; and relevant ministries will implement a non-discriminatory and cost-based fee structure", the representative of Albania stated that those were included in the Decree of government which would implement Articles 2, 5, 6, 8 and 9 of the TBT Agreement. Regarding self-declaration for regulated products Albania had included it in the Decree for Criteria and Competencies for Standardization, Certification and Accreditation, Chapter II, point 9.

104. The representative of Albania confirmed that Albania would apply all obligations under the WTO Agreement on Technical Barriers to Trade from the date of accession without recourse to any transition period. The Working Party took note of this commitment.

Sanitary and Phytosanitary Measures (SPS)

105. Some members of the Working Party asked Albania to outline how the provisions of the WTO Agreement on Sanitary and Phytosanitary Measures were implemented in Albanian Law. In response the representative of Albania said that Albania had supplemented the documentation on SPS, and had indicated that it was in compliance with WTO principles in the Memorandum on Conformity with SPS (document WT/ACC/ALB/31/Rev.2). The Memorandum reviewed WTO compliance article by article as follows:

Table 9

Albanian Compliance	Requirements under the WTO
1. Standstill: the introduction of new standards, animal health regulations and food safety regulations shall conform to SPS Agreement principles. The current regulations include: "Law on State Sanitary Inspectorate", No. 7643 dated 2 December 1992; "The Law on Food"; No. 7941 dated 31 May 1995; "Law on Seeds and Saplings", No. 7659 dated 12 January 1993; "Law on Albanian Veterinary Services", No. 7674 dated 23 February 1993; Decision of the Council of Ministers, "On Pesticides", No. 584 dated 6 December 1993; Decision of the Council of Ministers, "On Approving the Regulation for the Production, Reproduction, Treatment, Assessment, Trade, Control of Seeds and Saplings and for Protection and Treatment of Genetic	1. Generally agreed principle in WTO accession negotiations.

Albanian Compliance	Requirements under the WTO
<p>Material of Plants", No. 552 dated 14 November 1994; "Law on Plant Protection Services", No. 7662 dated 19 January 1993</p>	
<p>2. Article I, Section 1 and 6, of the Law on State Sanitary Inspectorate states that the Ministry of Health serves as the information point for the WHO and related international organizations. The Directory of Veterinary Service and Plant Protection in the Ministry of Agriculture and Food serves as the information point for questions related to animal and plant inspection, control, etc. By Order of the Prime Minister, No. 36 dated 6 May 1999, (Paragraph 7) it is officially established that Albania will have one inquiry point for information on standards and technical regulations to be in compliance with SPS and TBT.</p> <p style="text-align: center;">Directorate for Standardization Rr. "Mine Peza", Nr. 143/3 Tirana, ALBANIA + 355-42-47176 telephone + 355-42-26255 fax dsc@icc.al.eu.org e-mail</p>	<p>2. Article 7 and Annex B.3</p>
<p>The Directorate of Standardization, with its authority and responsibility to operate a single unit enquiry point, had a fully operational single enquiry point at the time of accession.</p>	
<p>3. Transparency: notification and access to documentation: (a) The Directorate of Standards is the authority responsible for making notifications to the WTO and ensuring transparency obligations are met on an ongoing basis, Order of the Prime Minister, No. 36 dated 6 May 1999, (as provided in Paragraph 7);</p>	<p>3. Articles 7 and Annex B, Also G/SPS/7 (a) Annex B.5.(b) and Annex B.10</p>
<p>(b) An Order of the Prime Minister, No. 129 dated 18 September 1999, on "Creation of the Inter-Agency Groups for Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary Measures (SPS)". This Order creates an inter-agency SPS working group. The working group will improve coordination among agencies in the drafting of future SPS measures. This ensures that drafts of legal and sub-legal texts related to SPS are provided to the Albanian enquiry point so that these drafts can be submitted to the WTO Secretariat as early notification to Member countries for their comment.</p>	<p>(b) Annex B.5(a)</p>
<p>(c) An Order of the Prime Minister, No. 129 dated 18 September 1999, on "Creation of the Inter-Agency Groups for Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary Measures (SPS)" require that copies of proposed measure be provided to WTO Members; and</p>	<p>(c) Annex B.5(c)</p>
<p>(d) An Order of the Prime Minister, No. 129 dated 18 September 1999, on "Creation of the Inter-Agency Groups for Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary Measures (SPS)" specify a reasonable period of time for comment from Members and the public, and</p>	<p>(d) Annex B.5(d)</p>

Albanian Compliance	Requirements under the WTO
establishment of a process to take comments into account without discrimination .	
For points in No. 3. (b), (c), and (d) Albania had already amended legislation in order to ensure conformity with the Agreement on SPS. The Decision of the Council of Ministers "On the Approval of the SPS Agreement of the WTO", No. 472 dated 6 October 1999 and the Order of the Prime Minister, No. 129 dated 18 September 1999, required that drafts be provided prior to publication for comments at an early stage and notification of new measures for all existing laws related to SPS (i.e., those listed in 3. (a) and any other that may have relevance to SPS). The Order also applied to future laws affecting SPS.	
4. The Law on State Sanitary Inspectorate (Article I, Sections 5-8, and Article II) defines measures that apply only to protect human, animal an/or plant health. All inspectors (chemical and physical laboratories, toxicological, bacteriological) operate according to this law and inspections are based on scientific criteria.	4. Article 2.2
5. The Law on State Sanitary Inspectorate (Article I, Sections 5-8, and Article II) defines measures that apply only to protect human, animal an/or plant health. All inspectors (chemical and physical laboratories, toxicological, bacteriological) operate according to this law and inspections are based on scientific criteria.	5. Articles 2.2, 3.3 and 5.2
6. The Law on State Sanitary Inspectorate (Articles I-III) provides for harmonization, i.e., will follow international standards, guidelines, and recommendations in establishing SPS measures.	6. Articles 3.1, 3.3 and 3.4
7. The State Sanitary Inspectorate (Articles I-II) provide for equivalence, i.e., recognizes different measures that achieve the same level of protection.	7. Article 4
8. The Law on State Sanitary Inspectorate (Articles I-III) provides for risk assessment by developing scientific evidence and conducting risk assessments to ensure that measures are based on science and applied only to the extent necessary to protect human, animal, plant health.	8. Article 5.1, 5.2 and 5.3
9. The Law on State Sanitary Inspectorate (Article I) and the provides for consideration of regional conditions, i.e., measures that take into account the regional characteristics both of the areas from which products originate and the areas for which they are destined.	9. Article 6 and Annexes A.6 and A.7
10. The Law on State Sanitary Inspectorate (Articles I-II) provides for non-discrimination, i.e., measures do not arbitrarily or unjustifiably discriminate between different members or between domestic and foreign suppliers. Sub-legal acts define how samples are taken, and the procedures of an examination and its duration. The practices are transparent for all subjects that are under control.	10. Article 2.3, and Annex C.1(a) and (d)
11. The Law on State Sanitary Inspectorate provides for the control, inspection and approval procedures, e.g., to ensure that procedures, including systems for approval of the use of additives or for establishing tolerances for contaminants in foods, beverages or feedstuffs comply with the Agreement.	11. Article 8 and Annex C

106. In response to further questions the representative of Albania stated that the Ministry of Agriculture and Food and the Ministry of Health were the authorities responsible for making notification and ensuring transparency obligations regarding SPS measures to the Directorate of Standardization, and it was the Directorate of Standardization which was the authority responsible to making the notifications to the WTO to ensure transparency obligations are met on an ongoing basis. The address, phone and fax numbers, and e-mail address appeared in the preceding table.

107. She further added the passing of an Order of the Minister of Economic Cooperation and Trade "On the creation of the Inter-Agency Working Group for the Drafting of Decisions of the Council of Ministers on approving the WTO Agreement on SPS" (No. 55 dated 24 August 1999). A Decision of the Council of Ministers has been enacted entitled on the Approving of the WTO SPS Agreement", No. 472 dated 6 October 1999 to ensure compliance with the requirements of the Agreement on SPS and to ensure that publication of proposed measures at an early stage for comment was required, that copies of proposed measures would be provided to WTO Members by the time of accession and that a reasonable period of time for comments from Members and the public, and the establishment of a process to take comments into account without discrimination.

108. The representative of Albania confirmed that Albania would apply all obligations under the WTO Agreement on Sanitary and Phytosanitary Measures from the date of accession without recourse to any transition period. The Working Party took note of these commitments.

Trade-Related Investment Measures

109. In response to questions concerning trade-related investment measures (TRIMs), the representative of Albania said that Albania did not maintain any TRIMs. The Albanian Investment Law, No. 7764 of 11 February 1993 was compatible with the national treatment requirements of the WTO. She confirmed that there are no local content requirements imposed on foreign or domestic firms to purchase or use products of Albanian origin or from any Albanian source, nor did Albania require that a firm's, foreign or domestic, purchases or use of imported products be limited to an amount related to the volume or value of the local products it exports. She recalled that a document on TRIMs (WT/ACC/ALB/30) noted all restrictions on investment applied also to Albanian firms. She further added that Albania confirmed that there were no provisions that restricted imports, by foreign or Albanian firms, to an amount related to the quantity or value of the product exported; that there were no export performance requirements of any sort for foreign or Albanian firms; and that there were no trade-balancing requirements in the Law, neither in its intention nor in practice, which apply in the case of a foreign or Albanian firm.

110. The representative of Albania stated that Albania would not maintain any measures inconsistent with the TRIMs Agreement and would apply the TRIMs Agreement from the date of accession without recourse to any transition period. The Working Party took note of this commitment.

State Trading Practices

111. Some members of the Working Party asked Albania to list the major State-owned enterprises and the products covered, whether Albania considered that any of the enterprises should be notified under Article XVII of the GATT 1994, or Article VIII of GATS, if these enterprises were subject to any form of Government control, including directives in relation to their operation, if these enterprises were free to purchase and sell goods on the international markets and to acquire imports from any origin, and whether the persons working for these enterprises were Government employees and to describe the role of agroexport in the trade and internal distribution of agricultural products in Albania. Noting that important sectors of the Albanian economy appeared to be dominated by sole enterprises, including: research with minerals – GJEOALBA corporation; chrome mining, processing and smelting – ALBCHROME corporation; copper mining, smelting and production – ALBCOPPER;

and production of electric energy by hydro and thermal plants – the Albanian Electroenergetic Corporation (KESH), some members of the Working Party asked Albania to provide the profile of the Albanian trading enterprise Arteksport-Import and similar profile reports for the following enterprises: ALBPETROL, GJEOALBA, ALBCHROME corporations, ALBBAKER and KESH. In their view these enterprises had an effective monopoly, granted by the licence, to dominate the level and direction of imports and exports of fuel and gas services. Albania was requested to provide detailed information on these enterprises in accordance with the requirements of the Questionnaire on State-trading. A Member asked Albania to name the petroleum firms and the other state trading firms that trade in products under licence as state trading enterprises. In its response, the representative of Albania named SH.A. Armo that is 100 per cent owned by the state, and SH.A. Petrolimpeks, which is 51 per cent state-owned. All other companies are private.

112. In response the representative of Albania said that Albania did not consider that any of the enterprises should be notified under Article XVII of the GATT 1994 or Article VIII of GATS. None of the enterprises listed were subject to any form of Government control, including directives in relation to their operation. None of the enterprises, including those considered "strategic enterprises" and no private firms had any exclusive right of importation or exportation of any products. All the enterprises were free to purchase and sell goods on the international markets and to acquire imports from any origin. She confirmed that none of the State-owned enterprises, including firms labelled "strategic enterprises", and no private firms had an exclusive right of importation or exportation of any product. Seventy eight per cent of exports were generated by privately owned enterprises. The persons working for these enterprises were considered Government employees only because the enterprises were State-owned but were paid from the company and not the state budget. Agroexport in the trade and internal distribution of agricultural products did not have any advantage or privileges over the State-trading enterprises. The operations of KESH, ALBCHROME, ALBCOPPER, ALBPETROL corporation were based on the Law on "Commercial Enterprises", No. 7638 dated 19 November 1992, which provided the same conditions and rules for public and private enterprises. Based on that Law, there were no exclusive rights for these enterprises. Commercial enterprises were under the reconstruction process, and preparing to be privatised. These enterprises were not operating under licence that could affect the export-import regime, except in respect of the items prescribed in the Memoranda on Import Licensing and Prohibitions on Importable Products and Export Licensing and Prohibitions on Exportable Products.

113. She further noted that in November 1998, with a joint action plan with the Ministry of Public Economy and Privatization (MPEP), Albania had defined the schedule of actions needed to accelerate the privatization in the trade sector. Only ten enterprises and five branches of NSHPN in the districts remained under the supervision of the Ministry. According to the privatization platform, they were subdivided into: Enterprises in direct privatization, which shall proceed according to the Decision of the Council of Ministers No. 195 dated 20 March 1996 "On the privatization of enterprises that cannot be transformed", this group included: Durres Trade Enterprise; Tirana Albcoop, Machinery-impex in Tirana as well as the branches in Bulqiza, Fier, Kukes, Sarande and Tirana. These enterprises had already interrupted their activity, underwent big damage and looting during the unrest of 1997, losses that could not be covered by them. For the above-mentioned enterprises, the valuation of State-owned property had concluded and further privatization procedures were being followed through MEPP. Enterprises that would be transformed into commercial associations and later privatised were Agro-export, Industrial-Impex, Artexport and the Fridge Unit No. 2 in Tirana and the Fridge unit in Durres. These enterprises were in a good economic and financial condition. The fridge unit in Durres and the fridge unit No. 2 in Tirana, had been registered as share holder companies. The privatization of these enterprises would start in June 1999. The enterprise of Albcontrol Durres would be transformed into shareholder company according to the Decision of the Council of Ministers No. 78 dated 21 January 1999. The Law on State Enterprises of 17 July 1992 provided in Article 15 that the State does not guarantee the obligations of State enterprises towards third parties.

114. The representative of Albania confirmed that after accession to the WTO Albania would observe the provisions of Article XVII of the GATT 1994, the WTO Understanding on that Article, and Article VIII of the GATS regarding state trading, in particular abiding by the provisions for notification, non-discrimination, and the application of commercial considerations for trade transactions for any firms covered by these provisions.

115. The representative of Albania confirmed that her Government would apply its laws and regulations governing the trading activities of State-owned enterprises and other enterprises with special or exclusive privileges as defined in Article XVII of the GATT 1994 and the Understanding on that Article and Article VIII of the GATS in conformity with the provisions of the WTO Agreement. She further confirmed that Albania would notify any enterprise falling within the scope of Article XVII. The Working Party took note of these commitments.

Free Zones, Free Economic Zones

116. Some members of the Working Party noted Albania had a 1996 Government Decision providing for the establishment and organisation of the National Entity for the Development of Free Zones, which would have direct dependence on the Government, requested a description of its provisions, whether any free zones have been established and asked Albania to explain what was meant by direct dependence from the Government, could foreign enterprises locate in the zones on the same basis as domestic enterprises, how would the operation of the free zones be administered, directly by the Government or through an exclusive licence granted by the Government, and whether there would be trade-related investment measures applicable to enterprises operating in the free zones. In response the representative of Albania said that a new draft law and a draft regulation on "Free Zones" had been presented to the Parliament for approval. A copy of this draft law would be made available to the WTO. According to these drafts the Council of Ministers would decide from which institution would depend the National Agency for Free Zones.

117. The representative of Albania stated that establishment of a free zone, the determination of its borders and the legalisation of activities to be performed by the zone, could only be done by the Council of Ministers, following approval from the Head Council of the National Agency for Free Zones and the General Directory of Customs. The selection of the companies was made according to the procedures defined in the Regulation of Free Zones based on measurable economic criteria: capital, time and rent. Free zones could be established in private or State sites and could be administered by a private or State operator, who would be granted a licence after application to the National Agency for Free Zones and the approval of the Parliament. Free zones were not considered outside the customs territory. All the goods entering the zone from the internal market were not considered as exported goods and all the goods going out from the zone to the internal market were not considered as imported goods. All juridical or physical persons, domestic or foreigners, had equal possibilities to operate in a free zone, if they fulfilled the criteria defined in the application procedures specified in the draft regulations of the free zone. Up to now Albania had not established any free zone, but there were feasibility studies for establishing two free zones.

118. The representative of Albania stated that any free zones established within the territory of Albania would be fully subject to the coverage of Albania's commitments taken in its Protocol of Accession to the WTO Agreement, and that Albania would ensure enforcement of its WTO obligations in those zones. In addition, goods produced in these areas under tax and tariff provisions that exempt imports and imported inputs from tariffs and certain taxes will be subject to normal customs formalities when entering the rest of Albania, including the application of tariffs and taxes. The Working Party took note of these commitments.

Mixing regulations

119. In response to questions from Working Party members, the representative of Albania confirmed that it had no law or regulation requiring the use of domestic and imported goods in certain proportions or any other sort of mixing regulations applied to imports.

Government-mandated counter-trade and barter

120. Some members of the Working Party asked whether Albania maintained government-mandated counter-trade or barter and, if barter trade has permitted under Albanian Law, whether duties, taxes and other restrictions and requirements applied to imports and exports conducted as barter or counter-trade. In response, the representative of Albania stated that although Albania did not have any provisions in its Customs Code or any other law regarding non-mandated barter, it was permitted. However, imports and exports conducted as barter or countertrade could not benefit from exemptions of duties, taxes, and other restrictions and requirements that applied under the trade regime.

Government Procurement

121. Some members of the Working Party asked for information on statistics on procurement, the overall value of public sector purchasing in Albania, a breakdown of the public procurement market both by contracting entity and product type, whether all foreign suppliers received the same treatment as national suppliers when participating in tenders, if there was an offset policy and, if so, how often were offset arrangements negotiated on a case-by-case basis, whether Albania's law made provision for a system of domestic and price preferences, if the procurement of certain products was reserved for local industry, if Albania had any trade agreements with other countries which covered public procurement, if so which countries. Finally, they asked if Albania would intend to accept the Agreement on Government Procurement. In response the representative of Albania referred to the laws, decisions and guidelines on government procurement listed in document WT/ACC/ALB/41 and to the Memorandum on Compliance with the Agreement on Government Procurement (WT/ACC/ALB/42). She said that the following documents would be approved by the Council of Ministers: Law "On Some Changes to the Law on Public Procurement"; Draft Decision of the COM "On Some Changes in the Decision of the COM, On Rules on Public Procurement, No. 12 dated 1 January 1996". This Decision should approved the following documents: 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 of 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). The preparation of an amendment to the Public Procurement Law would provide the collection of procurement statistics was under consideration. She further noted that the following legislation would be put in place by the end of 2000: "The Standard Tender Document for the Pre-Qualification of Goods"; "The Standard Tender Document for the Pre-Qualification of Construction"; and "The Standard Tender Document for the Procurement of Goods (Those which are Large and Complex)". In addition, the following Decisions would be enacted to provide for transparent rules in relation to the submission of tenders in the opened sectors: 4. "The Standard Tender Document for the Procurement of Systems (Those which are Large and Complex) for Telecommunication, Information Technology"; 5. "The Standard Tender Document for the Procurement of Construction (Those which are Large and Complex)"; "The Standard Tender Document for the Procurement of Whole Services (Those which are Large and Complex)"; "The Standard Tender Document for the Procurement of Complex Services (for which the Value and Duration are Specified); and "The Standard Tender Document for the Procurement of Basic Services (for which the Value and Duration are Specified)".

122. She further noted that the overall value of public sector purchasing in Albania for 1996 was about US\$365.8 million. This amount represented about 13 per cent of the GDP. Currently the Government of Albania could not provide a breakdown of the public procurement market. This would be possible only when the law provided the collection of statistics on procurement. According to Article 9 of the Public Procurement Law No. 7971 of 26 July 1995 no discrimination was allowed on the basis of nationality. Procurement proceedings were open for all tenderers on equal terms, regardless of nationality, type of ownership and juridical form. National treatment meant that a foreign supplier, foreign products or services must be treated no less favourably than domestic suppliers and products. There was no offset policy or any other offset arrangements negotiated on a case-by-case basis. Albania's procurement law did not make any provisions for a system of pricing, therefore there were no mandatory or optional price preferences. The procurement regime did not reserve certain products to local industry, consequently there were no lists of products reserved for local industry. Albania did not have any trade agreements with other countries which covered public procurement. According to Article 43 of the Albanian Public Procurement law, in case a tenderer was not satisfied with the decision by the procuring entity, or the decision was not made within the time-limit, the tenderer could challenge the decision and file a complaint with the Public Procurement Agency. The Albanian Government would amend the existing law on public procurement to provide the right for further appeal. Upon accession Albania would initiate negotiations to join the Agreement on Government Procurement by tabling an entity list and would intend to conclude the negotiations within a year of that date.

123. The representative of Albania confirmed that, upon accession to the WTO, Albania would initiate negotiations for membership in the Agreement on Government Procurement by tabling an entity offer. She also confirmed that if the results of the negotiations were satisfactory to the interest of Albania and the other members of the Agreement, Albania would complete negotiations for membership in the Agreement by 31 December 2000. The Working Party took note of these commitments.

Agricultural Policies

124. Some members of the Working Party, whilst recognising that Albania might have good policy reasons for the export prohibitions on firewood and other unprocessed wood, cattle hides, raw skins of sheep and lambs and other hides and skins, they noted that export bans were prohibited under Article XI of GATT 1994 unless justifiable under WTO provisions and asked Albania to find WTO-consistent measures to achieve its policy goals. Noting that Albania had not used agricultural export subsidies in the past they sought confirmation that Albania would bind export subsidies at zero. Albania was asked to prepare tables on domestic support and export subsidies and to present data for a recent base period, normally the most recent three years, for which complete and final data in the form of actual expenditures were available. For each table, data should cover each of the three years, not just the average. Expenditures relating to fisheries should not be included. Expenditures relating to the upkeep of buildings and other administrative costs, unless directly related to the provision of a specific service, should also be omitted. Although there were no expenditures listed, Albania should be aware that Programmes funded by international projects did not need to be included in the domestic support submission. The support for flour for making bread, which functioned as a price control on flour rather than as a market price support for grain producers, did not have to be included in the AMS. If Albania set an applied administered price for wheat or other grains, or provided any other product-specific subsidy, the support should be included in the AMS. Albania was also asked to provide information concerning the purchase and sale of grain.

125. Albania had supplemented the documentation on export licensing with HS codes, and had indicated that it would comply with WTO principles. Albania eliminated all export prohibitions with the approval of the Decision of the Council of Ministers "On the Export-Import Regime of Goods for and in the Republic of Albania", No. 450 dated 16 September 1999. Albania bound export subsidies for agricultural commodities at zero as indicated in the revisions to the Schedule of agriculture,

(document WT/ACC/SPEC/ALB/4/Rev.4). The figures in the schedule on agriculture referred to actual expenditures. Albania did not maintain subsidies of any sort on agricultural commodities. The revised schedule on agriculture had provided greater detail in the descriptions of the green box measures (including the 12 research institutions) and the data had been disaggregated into the last three years (1996-98). The programmes related to fisheries had been excluded from the revised schedule. The restoration of public buildings referred to the civil unrest of 1997 where Government buildings were looted and had suffered physical structural damage requiring reparations. Albania maintained buffer stocks of grain, but the volume of grain had been decreasing steadily. The volume kept under State reserves represented less than one per cent of 1998 domestic consumption and the program did not affect prices because the grain was sold at auction. The quantity kept under State reserves was being reduced as a commitment taken in the framework of the Enhanced Structural Adjustment Facilities (ESAF) program of the IMF. Input subsidies generally available to low income or resource-poor producers were made in each of the years 1996-98 and were included in the revised schedule on agriculture. The program was discontinued in 1998 and no water subsidies were provided in 1999. No other input subsidies existed. The computations of AMS data covered each year 1996-98. Since the price ceiling for bread was removed in 1996, there was no support for agriculture and the AMS calculations were zero.

126. Albania's commitments on agricultural tariffs, on domestic support and export subsidies for agricultural products are in the Schedule of Concessions and Commitments attached to the Protocol of Accession to the WTO.

Trade-Related Intellectual Property Regime

127. Some members of the Working Party requested details about legislation and the enforcement of intellectual property rights protection in Albania and the compatibility with the requirements of the TRIPS Agreement. Specific questions were addressed regarding exceptions from national or MFN treatment, right holders' exclusive rights, terms of protection, compulsory licenses, judicial review, copyright, trademarks, industrial designs, patents and competition. In response, the representative of Albania noted that Albanian borders were controlled by the central customs authorities of the Albanian State. In Albania there was already an established system of border measures for the prohibition of counterfeit or pirated goods that infringe and violate intellectual property rights. This system was based on "The Implementing Provisions on Customs Code" set out in the Decision No. 205 of the Council of Ministers, points 118-120 dated 13 April 1999, and was aimed at an effective guarantee of the enforcement of intellectual property rights in Albania in compliance with the TRIPS Agreement.

128. The representative of Albania said that Albania was a member of the Convention Establishing the World Intellectual Property Organisation, the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, the Madrid Agreement Concerning the International Registration of Marks, and the Patent Co-operation Treaty, the Extension Agreement between EPO and Albanian Patent Office. On 16 February 2000, the Parliament of Albania approved the law No. 8579 "On the adherence of the Republic of Albania in the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations" (Rome, 26 October 1961) and, on 15 March 2000, it approved the law No. 8585 "On the adherence of the Republic of Albania in the Convention for the Protection of the Producers of Phonograms against Unauthorized Duplication of their Phonograms" (Geneva, 29 October 1971). The representative committed Albania to ensure domestic ratification of WIPO Treaties by October 2000, and to deposit the instrument of ratification to WIPO immediately thereafter. Procedures for the deposit of the relevant instruments were processing. Article 1 of Albania's Law on Industrial Property identified the following as objects of the Law: patents for inventions and utility models, trademarks and service marks, industrial designs, and appellations of origin. In document WT/ACC/ALB/36 Albania submitted a detailed Memorandum on the Conformity of Albania's Intellectual Property Regime with the provisions of the TRIPS Agreement. Albania accorded national treatment to the

citizens of member countries of the Paris Convention or to those citizens who have an industrial or commercial enterprise in a member country. In Law No. 8477 dated 22 April 1999, "On Some Changes and Supplements to Law No. 7819 dated 27 April 1994, For Industrial Property", there was an additional Article that determines the above-mentioned treatment. On a more general basis, this right was set forth in Articles No. 50 and 100 of the current Law on Industrial Property. The Albanian Law On Competition included a No. of Articles that deal with the regulation of competition (Articles 24-26) or with the prevention of illegal actions in competition with the purpose of gaining advantages (Articles 37-42). According to point 3 of Article 10bis of the Paris Convention, the Albanian Law "On Competition" foresaw the prevention of the actions that intend to create confusion (Articles 43 and 27.1 and 27.3); the prevention of the false allegations that intend to discredit the competitor (Articles 42,30.2 and 27.1) and the prevention of false allegations that created a false image about the characteristics of the goods of the competitor (Articles 27.2, 5 and 6).

Substantive Standards of Protection

Copyright and related rights

129. In response to questions concerning the administrative formalities requirements for the enjoyment of copyright, whether free uses of computer programs were restricted to back-up copies and decompilation, the preparation of legislation on layout designs of integrated circuits and on border enforcement, the representative of Albania said that the Albanian Law on Copyright foresaw no formal administrative requirements for the enjoyment of copyright. According to Article 7 of the Law No 8594 dated 6 April 2000 "On some Supplements and Changes on the law No. 7564 dated 19 May 1992, On Copyright", article 51 of the Law on Copyright was changed and its points a), b), c) foresaw that the provisions of this law shall apply to:

- a) Works the author of which has Albanian citizenship or lives permanently in the Republic of Albania, regardless of the country where they were published for the first time;
- b) Works published for the first time in Albania or in a country that is a member of an international Copyright treaty or convention to which Albania is also a signatory;
- c) Works published for the first time in a country that is not a member of an international Copyright treaty or convention, to which Albania is a signatory, when the works are published simultaneously in the territory of this country and in the Republic of Albania or in another country which is a signatory to the international Copyright treaty or convention.

The representative of Albania said that computer programs were included in the Albanian Law "On Copyright". Article 13 of that law defined the right of the lawful owner of a computer program to make a copy or an adoption of such a program without the author's authorization, in cases where this adoption was necessary for the use the computer program for the purposes for which the program had been lawfully obtained; and for archival purposes and if necessary for the replacement of the copy lawfully obtained. Article 14 of that law defined the conditions in which authorization of the author was not required.

130. Albanian Law "On Copyright" provided the protection to computer programs and data compilations required by Article 10(2) of the TRIPS Agreement and it fully complies with "whether in machine readable or other form". Chapter III of the Albanian Law "On Copyright" defined the exceptions and limitations of a copyright as well as related rights. In accordance with Article 6 of the law, free reproduction for private purposes shall be permitted, without the author's authorization and without payment or remuneration, to reproduce a lawfully published work exclusively for the users' own private use (including use for scientific and research purposes). This provision shall not be applied in respect of : the reproduction of works of architecture in the form of buildings or similar constructions; the reprographic reproduction of works of fine arts of restricted edition, of graphic

presentation of musical works (sheet music) and of exercise books or other one-use publications; the reproduction of computer programs except for cases mentioned in Article 13 of the Albanian Law; any other reproduction that would conflict with the normal exploitation of the work or would prejudice the legitimate interests of the author.

131. According to Article 8 of the Albanian Law "On Copyright", the free use for teaching was permitted without the author's authorization and without payment of remuneration, but subject to the obligation to indicate the source and the name of the under specified conditions. Article 9 defined the rights and exceptions of the free reproduction by Libraries and Archives. Article 10 of the Albanian Law "On Copyright" dealt with the rights and exceptions of the free reproduction for legal and administrative purposes. It defines that such reproduction was permitted without the author's authorization and without remuneration to reproduce a work for court or administrative proceedings to the extent justified by the purpose. Article 11 of this law also defined the rights and exceptions of the free use for information purposes. Article 12 of the law defined the limitations of the free use of pictures of works permanently located in public places. According to this Article, it shall be permitted, without the author's authorization and without payment of remuneration, to reproduce broadcast or communicate to the public by cable a picture of a work of architecture, a work of fine art, a photographic work or a work of applied art that is permanently in a public place (square, street, park, etc) except if the picture of the work is the main subject of such reproduction, broadcasting or communication and if it is used for commercial purposes.

132. In response to further questions, the representative of Albania stated that the Albanian Law "On Copyright" provided for terms of protection of different works. Concerning the retroactive effect of the Law, the representative stated that in the Constitution of the Republic of Albania, Article 122/1, it is set forth that any international agreement, that has been ratified, constitutes a part of the internal juridical system of Albania. In addition to this, point 2 of this Article sets forth explicitly: "An international agreement that has been ratified by law has superiority over laws of the country, that are not compatible with it." Within this framework, by the Decree No. 487 dated 9 March 1993 of the President of the Republic of Albania, Albania has adhered to the Berne Convention for the Protection of Literary and Artistic Works. Consequently, the application of the Convention is superior to the Albanian Law on Copyright. Moreover, in conformity with Article 18 of the Berne Convention, Albania, with its Law "On some Supplements and Changes on the law No. 7564 dated 19 May 1992, on Copyright", has specified that the provisions of the law "On Copyright" shall apply also to "works created before the moment this law came into force but have not yet fallen into the public domain through the expiry of the term of protection afforded under this law" which is in full conformity with Article 18 of the Berne Convention. With regard to whether the issue had been explored in court since Albania's adherence to the Berne Convention, the Albanian representative answered no.

133. She further added that Articles 13 and 14 of the Law "On Copyright" defined the limitations and exceptions for the free reproduction and adaptation as well as free decompilation of computer programs. The provisions of this section may not be interpreted in such a way as to allow its application to be used in a manner which conflicts with a normal exploitation of the computer program or that unreasonably prejudices the legitimate interests of its author. Article 15 of the Albanian Law defined that a broadcasting organization can record for temporary use, by its own means, a work on which it enjoys this right without the author's authorization and without special remuneration. Article 16 of the law defined the limitations on the free public performance.

Trademarks

134. In response to questions concerning the registration of well-known trade marks and the protection of trade names, the representative of Albania said that Article 76 of the Law on the Industrial Property refused to register a trademark when it infringes the rights of a well-known trademark. The definition of a well-known trademark as such was done by the Office of Patents according to the information received by the consumer as well as information received by the

International Bureau of the Registration of Trademarks in Geneva, the Office of the Trademark Registration of the European Community in Alicante, Spain, and homologue offices in Europe and elsewhere, with which the Albanian Office of Patents kept regular contacts. In accordance with Article 8 of the Paris Convention, the Albanian Law "On Industrial Property" included no provision that obliges the registration or the depositing of a commercial name. Article 18 of the "Law on the provisions that regulate the first part of the Commercial Code" sets forth that within one month from the day of the beginning of a commercial activity, the trader should announce his or her name and should deposit his or her original signature at the court appointed to keep the commercial register.

135. With reference to the five years period before allowing a mark to be cancelled for non-use, the representative of Albania said that when use was required to maintain a registration, the registration may be cancelled only after an uninterrupted period of non-use for at least three years, (amended by Article 12 of the Law No 8477 dated 22 April 1999 "On some Changes and Supplements on the law No 7819 dated 27 April 1994, For Industrial Property") unless there was a valid reason to explain the inactivity, such as the existence of some obstacle in production or marketing encountered by the owner of a registered item. The legal use of a trademark by a third party would be recognized as use of the trademark for the purpose of maintaining the registration. The representative of Albania added that a sign shall not be protected as a mark, if its use as a mark would be in conflict with earlier rights. The following, in particular shall be considered as earlier rights: an identical or similar mark of a third party, in respect of identical or similar goods or services; in respect of goods or services which are neither identical nor similar which have an earlier filing date or priority date, and which have been registered or subsequently will be registered; a well-known mark of a third party within the meaning of Article 6 *bis* of the Paris Convention for the Protection of Industrial Property. For the definition of a well-known mark, the information of the consumers about the mark will be taken into consideration. The trademark registrar had the same responsibilities as the Patent Office.

Geographical Indications

136. In response to questions from members of the Working Party, the representative of Albania stated that Chapter XXVI, Article 93 of the Albanian Law "On Industrial Property" deals with appellations of origin. In this Article were mentioned when the appellations of origin were used and what could be protected. Articles 13, 14 and 16 of the Law "On some Changes and Supplements on the Law No. 7819, 27 April 1994, On Industrial Property" made clear that such appellations could not be used by persons who were not authorized even if those persons added the words "Type" "Style" etc., or when, although literally true as to the territory, region or locality in which the goods originated, those appellations of origin falsely represented to the public that the goods originate in another territory.

Industrial Designs

137. The representative of Albania said that the Albanian Law "On Industrial Property" Part II, Article 59 gives the definition and conditions of protection for industrial designs, explaining that textile designs are included in this protection. Articles 60-69 provide the right of protection, the procedures for registration, the temporary protection of industrial designs exhibited at international exhibitions, etc.

Patents

138. The representative of Albania noted that the Law "On Some Changes and Supplements on the Law No. 7819 dated 27 May 1994 for Industrial Property", No. 8477 of 22 May 1999, had created the Albanian Directorate of Patent and Trademarks.

139. In response to questions concerning compulsory licenses, Albania's implementation of the TRIPS rules on enforcement of intellectual property rights and whether inventions relating to plants and animals were excluded from patentability in Albania, the representative of Albania said that in order to be patentable, an invention shall be novel, shall involve an inventive step and shall be industrially applicable. The following, in particular, shall not be regarded as inventions within the meaning of paragraph (1): discoveries, scientific theories and mathematical methods; aesthetic creations; schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers; presentations of information. A patent shall not be granted in respect of an invention of which the publication or exploitation would be contrary to public order or morality. No patents shall be granted for substances obtained through internal nuclear transformations for military purposes. No patents shall be granted for inventions of surgical, diagnostic or therapeutic methods practised on the human or animal body, as they shall be regarded as inventions that are not susceptible to industrial application. This provision would not apply to inventions relating to substances and devices for use in any of these methods. The new varieties of plants and the new breeds of animals were excluded from the patentability, when their creation had to do with essential biological processes for their production. This was not valid for microbiological processes or their by products.

140. The representative of Albania added that on the request of any person who proves ability to work the patented invention in the Republic of Albania, made after the expiration of a period of four years from the filing date of the application for the patent or three years from the grant of the patent, whichever is later, the Patent Office may grant a non-exclusive, non-voluntary licence if the patented invention was not worked or was insufficiently worked in the Republic of Albania. The grant of a non-voluntary licence shall be subject to the payment of equitable remuneration to the owner of the patent. A non-voluntary licence shall not be granted if the Patent Office was convinced that circumstances exist to justify the non-working or insufficient working of the patented invention in the Republic of Albania. In deciding whether to grant a non-voluntary licence, the Patent Office shall give both the owner of the patent and the person requesting the non-voluntary licence an adequate opportunity to present arguments. Any non-voluntary licence shall be revoked when the circumstances which led to its granting ceased to exist, taking into account the legitimate interests of the patent owner and of the licensee. The continued existence of these circumstances shall be reviewed upon request of the patent owner. The new Customs Code as well as the dispositions passed for its implementation, the Code of the Civil Procedure and the Penal Code, in separate Articles foresaw a strict defence of the interests of the owners of intellectual property objects.

141. The representative of Albania noted that the registration and pharmaceutical products is carried out according to the relevant legislation. The registration of plant protection products is done in accordance with the Law No. 7662 dated 19 January 1993, "On Plant Protection Service" and the Decision of the Council of Ministers No. 584 dated 6 December 1993 "For the Approval of the Regulation for pesticides used in agriculture" according to which, each product, despite the bioequivalence, must equally undergo the registration procedures. Therefore, each applicant, in order to obtain the marketing right, must register the product by submitting the registration file with its original data. The duration of the registration lasts ten years. All applicants for registration are approved if criteria are met. The duration of the registration for pharmaceutical products lasts five years. Each pharmaceutical product despite the bioequivalence, must equally undergo the registration procedures. Each applicant, in order to obtain the marketing right, must register its product by submitting the registration file including its original data. All applicants for registration are approved if the criteria are met. The registration file for agricultural and pharmaceutical products registered through the abovementioned procedures, remain confidential. Their data are only disclosed to the registration commission members. In the case of fertilizers, the registration process does not involve a commission or formal procedures, only to provide information related to the quality, the sort of product and the relevant characteristics

142. Concerning data submitted to obtain marketing approval of pharmaceuticals, the representative of Albania stated that the procedure was provided in the regulation "On the Registration of Drugs in the Republic of Albania" as follows: each pharmaceutical company submitted the dossier for any drugs to be marketed along with the bioequivalent studies. All this information was protected and other applicants or third persons were not allowed to consult this information.

Layout Designs of Integrated Circuits

143. The representative of Albania said that the Albanian Government had done extensive work on developing a law on layout-designs of integrated circuits based on Articles 35-38 of the TRIPS Agreement. The Patent Office would be the authority that administered the legislation. A law "On Protection of Topographies of Integrated Circuits had been enacted (No. 8488 dated 13 May 1999) and had brought Albania's trade regime into conformity with the above-mentioned requirements.

Business Secrets

144. Regarding trade secrets, the representative of Albania stated that Article 49 of Law No. 8044 dated 7 December 1995, provided protection for business secrets. According to this article the providing of business or operative secrets on the activity of the competitors in an illegal manner or encouraging their employees in order to use or to sell them was prohibited. It was forbidden, to give to others or to use business or operative secrets, knowledge which were provided during the relations of employment or other confidential relations, during the term of these relations in order to gain some advantages in the competition for oneself or for another third party or to damage the owner of any commercial company. This obligation was valid for a period of two years after the termination of the employment or the confidential relation if the owner of the business activity had a justified interest and if it did not lead to any unreasonable restriction of the business or the professional activity of others.

145. She further added that Albania protected data submitted to obtain marketing approval for pharmaceuticals or agricultural chemicals which used a new chemical entity. For the protection of their confidentiality, Point 12 of the Regulation of the Commission of the Verification of Manufacturing Conditions on Pharmaceuticals stated: "After the verification from the Commission, the documentation, which is confidential, is deposited in the National Center of Drugs Control together with a copy of the authorization. The authorization to which this refers was that for marketing. This documentation is the exclusive ownership of the Albanian authorities which deal with drug registration." For the registration of pesticides used in agriculture, the State Commission on Pesticides was set up in the Ministry of Agriculture and Food. This Commission did not use confidential data from other enterprises (Article 5 of the Regulation "On Pesticides Used in Agriculture")."

Enforcement

146. The representative of Albania noted that the Law on "The Customs Code in the Republic of Albania", No. 8449 dated 27 January 1999, Article 82, Paragraph 4, gives the customs authorities the competence to intervene, upon request of a holder of an intellectual property right for stopping the free circulation, export, re-export and place under suspension measures goods recognized as counterfeit or pirated. The procedures for such intervention by the customs authorities were set out in a Decision of the Council of Ministers, No. 205 dated 13 April 1999, entitled "The Implementing Provisions on Customs Code". The first part of this decision defined counterfeit and pirated goods according to Article 82 of the Customs Code. Title 9 defined the procedures of action of customs authorities. According to Point 119, the customs authorities took action after an application in written form of the holder of the right, when the counterfeit or pirated goods were released for free circulation export or re-export, placed under a transit procedure or a procedure with economic impact.

147. She further added that the application of the holder of the right was required to be in written form and contain a sufficiently detailed description of the goods to enable the customs authorities to recognize them, a description of the period during which the customs officers were requested to take action and any other useful information to identify the exporter and the importer. The application was required to be accompanied by proof that the applicant was holder of a trade mark, production licence, copyright etc. The customs authorities would then examine the application, and notify the applicant within five days whether it would be accepted. When the application was accepted the decision of the General Directorate was notified promptly to all customs offices. This decision also specified the period within which the customs authorities would intervene. The decision could also require the provision of a repayable deposit to cover any administrative charges occurred by the customs administration for carrying out the action (including storing the goods). If the applicant did not agree with the given amount, the General Directorate was required to review it.

148. She further noted that point 120 of the Decision of the Council of Ministers, No. 205, defined the control procedures for counterfeit and pirated goods according to the description of the rights' holder. When customs authorities proved that the controlled goods correspond with the description of the applicant they suspended their release or seized the goods depending on the circumstances and visible proof. They then had to notify the applicant immediately about the action taken. In accordance with the legislation in force regarding the protection of professional, commercial and industrial secrecy, the customs authorities notified the holder of the right of the name and address of the declarant, and if known, the name of the consignee of the goods, with a view to allow the applicant to take legal action against the consignee.

149. If the applicant asked to inspect the suspended or seized goods, the custom authorities would allow him or her to do so. After notification of the decision of the General Customs Directorate for the suspension of seizure of the goods, the holder of the right had the right to appeal to the competent judicial bodies for damages and to require compensation, but he or she had to notify the customs authorities within 20 days. If the right holder did not notify the customs authorities within 20 days, the customs would suspend the decision for the suspension or seizure of the goods, and release the goods. If the alleged infringement was not proven, and damage has been incurred to the importer or any third party as a result of the intervention of the customs authorities, the applicant was responsible and liable to compensate for damages incurred.

150. In response to questions concerning the compliance of Albanian legislation with Article 61 of the TRIPS Agreement, the representative of Albania stated that, according to Law No 8594 dated 6 April 2000, "On some Supplements and Changes on the law No. 7564 dated 19 May 1992, On Copyright", article 50 of the Law on Copyright was changed as follows: a) the translation, adoption, sound or visual recording, importation, reproduction and circulation, the entry of special instruments for recording sounds and/or images, radio and/or television broadcasting or transmission other than through radio or television, or the transmission of an artistic work by any other means without the authorization of its author or the agency to which the rights have been transferred by the author, which conflicts with the provisions of this law or the international conventions ratified by the Republic of Albania, when the author's moral and economic rights have been infringed, constitutes a criminal work and is penalized by fine or imprisonment up to one year; b) Disputes between the user of an intellectual property work and the author or the agency to which the rights have been transferred by the author, because of a violation of the conditions specified in the contract concluded between them, are submitted by the interested party to the relevant court for civil settlement. Apart from the abovementioned Article, Articles 147, 148 and 149 of the Penal Code are dealing with infringements of the intellectual property rights. In these cases, the prosecutor's office initiated the penal procedures based on the complaint lodged by the right holder.

151. Some members of the Working Party noted that the general civil juridical system in Albania applied to IPR cases and that provisional remedies were available. They asked that Albania confirm explicitly that a right holder is able under Albanian law to seek and receive an order for an ex parte

search and seizure or apply for other appropriate injunctive or provisional relief. In response, the representative of Albania stated that Article 11 of the Law entitled "Some changes and supplements on the Law No. 7819 dated 27 April 1994, for Industrial Property" No. 8477 dated 22 April 1999, provided that:

"In addition to the measures specified in paragraph 2 (a) of article 89 of the "Law on Industrial Property", the court may re-establish the situation that existed before the infringement and to stop infringing actions, to proceed with an effective seizure of the goods and, when necessary, to destroy illegally used marks, tools that could be used to manufacture the goods and the goods themselves in absence of possibility to remove any illegally mark from such goods."

She further noted that Article 19 of the cited Law above provided:

"The judicial authorities shall have the authority to order prompt and effective provisional measures: to prevent an infringement of any industrial property rights from occurring, and in particular to prevent the entry into the channels of commerce in their jurisdiction of goods, including imported goods immediately after customs clearance; and to preserve relevant evidence in regard to the alleged infringement."

152. The representative of Albania confirmed that articles 42, 70 and 89 of the Law "On Industrial Property" authorize the court to enjoin patent, trademark or industrial design infringements. In the Implementation Provisions on Customs Code, approved by the Council of Ministers on 13 April 1999, it is mentioned that the holder of the right may lodge an application in writing at the General Directorate of Customs for action after presenting proof that there are counterfeited or pirated goods. When the General Directorate of Customs is convinced, it may suspend the release of the goods or seize the goods, depending on the situation. In Article 292 of the Code of Civil procedure it is stated "When an evidence on which depends the solution of the dispute or which influences its clarification, is in danger of disappearing or its acquisition to become difficult, on the request of the interested party, it may be ordered its acquisition in advance". Article 294 of the same Code states "in the request for the securing of the evidence, must be shown: the evidence to be taken, the circumstances for whose proving it serves and the reasons which justify its acquisition in advance. The copy of the request is communicated to the other party, except when it is not known or when the acquisition of the evidence does not allow delay. In Article 274 of the "Code of Criminal Procedures" it is stated: "When there is a danger that free possession of an object related to the criminal offence may aggravate or prolong its consequences or facilitate the commission of other criminal offences, the competent court will on demand of the prosecutor order its attachment by reasoned decision.

153. The representative of Albania stated that her Government would apply fully the provisions of the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) by the date of its accession to the WTO without recourse to a transitional period. The Working Party took note of this commitment.

Trade in Civil Aircraft

154. The representative of Albania stated that Albania committed that at the time of accession its imports on civil aircraft and parts will be zero. Furthermore, Albania will be in conformity with the Agreement on Trade in Civil Aircraft and will be ready to sign the Agreement at the time of accession. The Working Party took note of those commitments.

Policies Affecting Trade in Services

155. The representative of Albania submitted Albania's draft schedule of specific commitments in services (WT/ACC/ALB/51/Add.1).

156. In response to requests for information from members of the Working Party concerning the various laws regulating trade in services in Albania, the representative of Albania provided the following Table:

Table 10: Albania's Laws and Legislative Measures Affecting Services

Law or Legislative Measure	No.	Dated	Affected Service or Service Providing Mode
"On Telecommunication Regulatory Body"	8288	18.02.1998	Telecommunication services
"On Telecommunications"	8083	Nov 1995	Telecommunications services
"For Road Transport"	8308	18.03.1998	Liberalizes transportation services
"On Insurance and Re-insurance Companies"	8081	07.03.1996	Liberalizes insurance services
"On the Bank of Albania"	8269	12.1997	Liberalizes banking services
"Banking of the Republic of Albania"	8365	02.07.1998	Liberalizes banking services
"On Sales and Purchase of Sites"	7980	27.07.1995	Liberalizes real estate transactions.
"On Fishery and Aquaculture"	7908	05.04.1995	Liberalizes other business services
"On Veterinary Service and Inspectorate"	7074	23.02.1993	Liberalizes business services
"On Legal Profession in the Republic of Albania"	8428	14.12.1998	Liberalizes professional services
"On Notary"	7829	01.07.1994	Liberalizes professional services
"On Higher Education in the Republic of Albania"	7810	06.04.1994	Liberalizes educational services
"On Foreigners in the Republic of Albania"	8492	27 May 1999	Liberalization of mode 4.
"On Commercial Enterprises"	7953 8108	22.06.1995 28.03.1996	Liberalization of mode 3.
"On Accountancy"	7661	19.01.1993	Liberalizes professional services.
"On Investments Funds"	7979	26.07.1995	Liberalizes financial services

157. The representative of Albania noted that the Law 8081 dated 7 March 1996 "On Insurance and Reinsurance Companies", was amended by the Law "On Some Changes to Law No. 8081 dated 7 March 1999 On Insurance and Reinsurance Companies", No. 8606 dated 27 April 2000 which eliminated the restriction on joint ventures and eased the restriction on experience from ten years to five years for foreign companies that intend to provide services in the Albanian market. The "Law on Investment Funds" would be amended to improve the securities regime and to provide a framework for asset management, within one year of the date of accession. The "Law on Theatres", No. 8578 dated 10 February 2000 was approved by to create market access for private foreign and domestic service providers for theatres, live bands and operas. The "Law on Libraries", No. 8576 dated 3 February 2000 was enacted to create market access for private foreign and domestic library service providers.

TRANSPARENCY

Publications

158. The representative of Albania said that laws, resolutions and decisions related to international trade only became effective after publication in the Official Gazette.

159. The representative of Albania said that, at the latest from the date of accession, all laws and regulations related to trade would be published in the Official Gazette promptly and that no law or regulation related to international trade would become effective prior to such publication. He further stated that Albania would implement fully Article X of the GATT 1994 and the other transparency requirements in WTO Agreements requiring notification and publication.

Notification

160. The representative of Albania said that, at the latest upon entry into force of the Protocol of Accession, Albania would submit all initial notifications required by any Agreement constituting part of the WTO Agreement. Any regulations subsequently enacted by Albania which gave effect to the laws enacted to implement any Agreement constituting part of the WTO Agreement would also conform to the requirements of that Agreement. The Working Party took note of these commitments.

TRADE AGREEMENTS

161. In response to a request from members of the Working Party, the representative stated that Albania had concluded several bilateral Agreements on Economic Cooperation and Trade. These agreements provided the general rules for development of trade and economic cooperation (i.e., trade relations) between parties on the basis of equality and mutual benefit in accordance with their respective laws and regulations, and in compliance with any rules on international trade to which the partner country was a signatory (e.g., GATT or WTO), where applicable. Because Albania did not have relations with most countries of the world, the bilateral agreements served as a mechanism to provide the conditions for international trade.

162. She noted that the conditions of these agreements involve the following principles. The bilateral partners agreed to grant to each other most favoured nation treatment with respect to all matters concerning exports and imports of goods originating from the partner country, in accordance with the principles of the World Trade Organization or GATT (depending on when the bilateral was signed). The parties, in accordance with the laws and regulations in force in their country, provided all possible facility for the transshipment, temporary storage and transit trade of the commodities. In cases where the agreements covered services. The Parties agreed to apply the principles and practices recognized in the world in the financial, banking and insurance sectors and to proceed in accordance with the laws and regulations in force in their respective countries.

163. She further added that the parties usually created a joint commission to cover the implementation provisions of the agreement, to propose measures to solve the observed difficulties in the mutual economic relations, and to find other possibilities for the extension of trade and economic cooperation. In her opinion, these bilateral agreements in no way violate the MFN provisions of the WTO or provide preferential arrangements of any kinds.

164. She also informed members of the Working Party that Albania had concluded several agreements for the promotion and reciprocal protection of investments. These agreements provide for the promotion and reciprocal protection of investments, the encouragement of business initiatives, creation of favorable conditions for investments of investors of one state in the territory of the other state. That is, these agreements served as the fundamental base foreign investment law in Albania. The agreements provide that when investments by investors of either contracting party suffer losses

owing to war, armed conflict, a state of national emergency, revolt, insurrection, riot or similar events in the territory of the other contracting party, they can be accorded by the latter contracting party treatment as regards restitution, compensation or other settlement, no less favorable than that which the latter contracting party accords to its own investors or to investors of any third state. Each contracting party shall in its territory accord investments and returns of investors of the other contracting party, as regards management, maintenance use, enjoyment or disposal of their investments, treatment which is fair and equitable and not less favorable than that which it accords to its own investors or to investors of any third state, whichever is more favorable. The parties guarantee the transfer of payments related to investments and returns. The transfers (capital and additional amount to maintain or increase the investment; profits, interest, dividends, funds in repayment of loans, proceeds of sale liquidation on the investments) shall be made in a freely convertible currency, without any restriction. The bilateral parties shall encourage the development of joint activities between them through the promotion and mutual protection of investments, prevention of double taxation and other measures accepted by them. The investment promotion agreements do not in any way violate the TRIMs Agreement of the WTO. They served as a means of establishing economic relations with countries with which had not formal relations.

165. In response to further requests for information the representative of Albania provided the following list of trade agreements.

Table 11: Albania's Bilateral Agreements for Promotion and Protection of Investments

Agreement by Country	Date of Implementation
Greece	March 1991
Italy	September 1991
Federal Republic of Germany	October 1991
Turkey	June 1992
Switzerland	September 1992
China	February 1993
Poland	March 1993
Austria	March 1993
Croatia	May 1993
Tunisia	October 1993
Malaysia	January 1994
United Kingdom	March 1994
Netherlands	April 1994
Bulgaria	April 1994
Romania	May 1994
Czech Republic	June 1994
Egypt	December 1994
Russian Federation	December 1994
United States	January 1995
Sweden	March 1995
France	June 1995
Denmark	September 1995
Hungary	January 1996
Israel	January 1996
Finland	June 1997
Slovenia	October 1997
Former Yugoslav Republic of Macedonia	December 1997
Portugal	September 1998
Belgium-Luxembourg	February 1999
France	February 1988
Greece	March 1988

Agreement by Country	Date of Implementation
Federal Republic of Germany	June 1988
Romania	May 1989
Italy	September 1989
Turkey	June 1990
Slovenia	May 1992
United States	May 1992
Netherlands	February 1993
China	February 1993
Poland	March 1993
Croatia	May 1993
Malaysia	January 1994
Austria	March 1994
Bulgaria	April 1994
Czech Republic	June 1994
Egypt	1994
Russian Federation	April 1995
Switzerland	October 1995
Former Yugoslav Republic of Macedonia	December 1997

The agreements for promotion and protection of investments are intended to create a legal basis to promote mutual cooperation in the area of investments. These agreements were intended to create a legal basis to promote a favourable investment climate through the passing of legislation that was non-discriminatory and provided national treatment. These agreements were not preferential arrangements and contained no provisions applying advantages or granting privileges to either Party.

Table 12: Albania's Bilateral Agreements on Economic Cooperation and Trade

Agreement by Country	Date of Implementation
Former Yugoslav Republic of Macedonia	Feb 1998
Slovenia	Oct 1997
France	Jun 1995
Netherlands	Mar 1994 – Mar 1995
Egypt	Dec 1994
Russian Federation	Dec 1994
Czech Republic	Jun 1994
Romania	May 1994
Bulgaria	Apr 1994
Malaysia	Jan 1994
Croatia	May 1993
Poland	Mar 1993
Austria	Mar 1993
China	Feb 1993
Switzerland	Sep 1992
Turkey	Jun 1992
United States	Nov 1991
Germany	Oct 1991
Italy	Sept 1991
Greece	Mar 1991

These agreements were intended to create a legal basis to promote mutual economic cooperation on a national treatment basis and without discrimination. The agreements were not preferential arrangements, nor were they free trade agreements. The provisions of these agreements did not apply

advantages or grant privileges (either in terms of market access or in national treatment) to either Party. The representative of Albania also made copies of the above agreements available for consultation by Working Party members.

166. The representative of Albania stated that her Government would observe the provisions of the WTO including Article XXIV of the GATT 1994 and Article V of the GATS in its trade agreements from the date of accession, and would ensure that the provisions of these WTO Agreements for notification, consultation and other requirements concerning preferential trading systems, free trade areas and customs unions of which Albania became a member would be met. The Working Party took note of these commitments.

Conclusions

167. The Working Party took note of the explanations and statements of Albania concerning its foreign trade regime, as reflected in this Report. The Working Party took note of the commitments given by Albania in relation to certain specific matters which are reproduced in paragraphs 30, 34, 38, 46, 51, 53, 58, 61, 65, 73, 74, 75, 79, 81, 84, 86, 90, 92, 94, 104, 108, 110, 115, 118, 123, 153, 154, 160 and 166 of this Report. The Working Party took note that these commitments had been incorporated in paragraph 2 of the Protocol of Accession of Albania to the WTO.

168. Having carried out the examination of the foreign trade regime of Albania and in the light of the explanations, commitments and concessions made by the representative of Albania, the Working Party reached the conclusion that Albania be invited to accede to the Marrakesh Agreement Establishing the WTO under the provisions of Article XII. For this purpose, the Working Party has prepared the draft Decision and Protocol of Accession reproduced in the Appendix I to this report, and takes note of Albania's Schedule of Concessions and Commitments on Goods (document WT/ACC/ALB/51/Add.1) and its Schedule of Specific Commitments on Services (document WT/ACC/ALB/51/Add.2) that are annexed to the Protocol. It is proposed that these texts be adopted by the General Council when it adopts the Report. When the Decision is adopted, the Protocol of Accession would be open for acceptance by Albania which would become a Member thirty days after it accepts the said Protocol. The Working Party agreed, therefore, that it had completed its work concerning the negotiations for the accession of Albania to the Marrakesh Agreement Establishing the WTO.

APPENDIX I

ACCESSION OF ALBANIA

Draft Decision

The General Council,

Having regard to the results of the negotiations directed towards the establishment of the terms of accession of the Republic of Albania to the Marrakesh Agreement Establishing the World Trade Organization and having prepared a Protocol for the Accession of Albania,

Decides, in accordance with Article XII of the Marrakesh Agreement Establishing the World Trade Organization, that the Republic of Albania may accede to the Marrakesh Agreement Establishing the World Trade Organization on the terms set out in the said Protocol.

DRAFT PROTOCOL OF ACCESSION OF ALBANIA
TO THE MARRAKESH AGREEMENT ESTABLISHING THE
WORLD TRADE ORGANIZATION

The World Trade Organization (hereinafter referred to as the "WTO"), pursuant to the approval of the General Council of the WTO accorded under Article XII of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as "WTO Agreement"), and the Republic of Albania (hereinafter referred to as "Albania"),

Taking note of the Report of the Working Party on the Accession of Albania to the WTO in document WT/ACC/ALB/51 (hereinafter referred to as the "Working Party Report"),

Having regard to the results of the negotiations on the accession of Albania to the WTO,

Agree as follows:

Part I – General

1. Upon entry into force of this Protocol, Albania accedes to the WTO Agreement pursuant to Article XII of that Agreement and thereby becomes a Member of the WTO.
2. The WTO Agreement to which Albania accedes shall be the WTO Agreement as rectified, amended or otherwise modified by such legal instruments as may have entered into force before the date of entry into force of this Protocol. This Protocol, which shall include the commitments referred to in paragraph 167 of the Working Party Report, shall be an integral part of the WTO Agreement.
3. Except as otherwise provided for in the paragraphs referred to in paragraph 167 of the Working Party Report, those obligations in the Multilateral Trade Agreements annexed to the WTO Agreement that are to be implemented over a period of time starting with the entry into force of that Agreement shall be implemented by Albania as if it had accepted that Agreement on the date of its entry into force.
4. Albania may maintain a measure inconsistent with paragraph 1 of Article II of the GATS provided that such a measure is recorded in the list of Article II Exemptions annexed to this Protocol and meets the conditions of the Annex to the GATS on Article II Exemptions.

Part II – Schedules

5. The Schedules annexed to this Protocol shall become the schedule of Concessions and Commitments annexed to the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the "GATT 1994") and the Schedule of Specific Commitments annexed to the General Agreement on Trade in Services (hereinafter referred to as "GATS") relating to Albania. The staging of concessions and commitments listed in the Schedules shall be implemented as specified in the relevant parts of the respective Schedules.
6. For the purpose of the reference in paragraph 6(a) of Article II of the GATT 1994 to the date of that Agreement, the applicable date in respect of the Schedules of Concessions and Commitments annexed to this Protocol shall be the date of entry into force of this Protocol.

Part III - Final Provisions

7. This Protocol shall be open for acceptance, by signature or otherwise, by Albania until 31 December 2000.
8. This Protocol shall enter into force on the thirtieth day following the day of its acceptance.
9. This Protocol shall be deposited with the Director-General of the WTO. The Director-General of the WTO shall promptly furnish a certified copy of this Protocol and a notification of acceptance thereto pursuant to paragraph 7 to each member of the WTO and Albania.
10. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this ... day of one thousand nine hundred and ninety nine, in a single copy in the English, French and Spanish languages each text being authentic, except that a Schedule annexed hereto may specify that it is authentic in only one or more of these languages.

ANNEX

SCHEDULE – REPUBLIC OF ALBANIA

Part I – Goods

[Circulated in document WT/ACC/ALB/51/Add.1]

Part II – Services

[Circulated in document WT/ACC/ALB/51/Add.2]

APPENDIX II of the Report of the Working Party

Memorandum on Restrictions and Prohibitions for Importable products

Products Requiring Import Licensing, By Type: Justification, Licensing And Other Requirements

Article And Description By Harmonized Code Or As Described By Law Or International Convention	Justification/Rationale Of The Restriction	Process To Obtain Licence, Type Of Licence, And Duration
<p>93.01 - 93.07 Arms and Munitions, Parts and Accessories Thereof: Military weapons, munitions such as bullets of all calibers, missiles, grenades, mines, fireworks of 180 mm, etc.</p> <p>36.01 - 36.06.90.90 Explosives, Pyrotechnic Products, Matches, Pyrophoric Alloys: military explosives and powders such as TNT, egzogyn, dynamite, ammonite, etc.; all kinds of firearms</p> <p>Regulation for the "Licensing of Trade and Sale of Armaments" dated 10 September 1994 approved by the Prime Minister;</p> <p>Decision of the Council of Ministers: On the Extermination and Sales of Armaments and Munitions", No. 365, dated 6 June 1994</p> <p>Decision of the Council of Ministers: "For Working with Explosive Materials", No. 257, dated 16 April 1996</p>	<p>To protect the national security of the Republic.</p>	<p>The Ministry of Defence (MOD) has defined the procedures for obtaining export licenses for these products and is authorized to issue such licenses.</p> <p>There are two types of licenses, one for armaments and one for explosive materials. For armaments, the licence is available for juridical, public, private, Albanian, and foreigners. The licence is authorized by the Order by the MOD, No. 402 dated 1998. The licence is transferable and can be automatically renewed in part or whole by the Minister.</p> <p>The licensed enterprises or person(s) must have an Export Authorization by the MOD. The authorization is granted when the following documents are supplied: legal registration of the enterprise or person, the right to excise the activity, and the certificate of the end-user.</p> <p>For explosives, licenses are issued under Order No. 402 by a commission in the MOD. A licence defines the purposes of the activity, the date of issue, validity, the terms of renovation of the licence and the registration number. The licence is issued to professionals and is non-transferable. The licence is for two years and is renewable.</p>
<p>28.44 Nuclear materials, radioactive materials, sources for the radioactive radiation (including radioactive waste), technologies, equipment and plants, special non-nuclear materials</p>	<p>To protect the national security of the Republic, as well as to adhere to international commitments related to non-proliferation, mass destruction and production of technologies thereof.</p>	<p>The Ministry of Defence has defined the procedures for obtaining import licensing for these products.</p>

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<p>Non-dangerous waste: Waste from social and economic activities and physically consumed products that are not included in the definition of dangerous waste (see prohibited section for the definition of dangerous waste); these products include waste from steel, foundry, copper, brass, bronze, glass, paper and card board, wool and cotton fibres, fabrics of wool and cotton ; contemporary productive technology (equipment, methods, or new technologies that are used to prevent or minimize the damage to the environment); and urban waste from houses and social activities.</p> <p>Decision of the Council of Ministers: "On Dangerous and Non-dangerous Waste", No. 26 dated 31 January 1994</p>	<p>To protect the life and health of the population, and to protect the environment</p>	<p>The Ministry of Health and the Committee of Environmental Protection has defined the procedures for obtaining import licensing for non-dangerous waste.</p> <p>To request a licence one must be a physical and juridical person(s), must provide a declaration that contains a list of the waste to be imported, its quality and composition, its destination within Albania, and an explanation of the purposes of its use (i.e., if to be used in productive economic activity or as waste without additional value-added activities). The importer must respect all standards of environmental protection.</p> <p>The importer must have a declaration on waste provided by the authorized institutions of the country of origin, certificates that demonstrate that such waste are not dangerous, and that the exporter have permission from the customs authorities of the country of origin. Finally, all transportation documents must accompany the abovementioned documents.</p> <p>The Ministry of Health or Committee on Environmental Protection must issue or refuse a licence within 30 working days after the submission of the application. Licenses are valid for one year and are non-automatic.</p>
<p>Narcotic Drugs and Psychotropic Substances refer to the list in accordance with the Conventions of 1961 and 1971. See Annex 2 of this table, titled " List of Narcotic Drugs and Psychotropic Substances which require import Licensing and Special Import Authorization to be imported in Albania".</p> <p>Law: "On Narcotic Drugs and Psychotropic Substances, No. 7975 dated 26 July 1995.</p> <p>This law was drafted in accordance with the Convention on "Narcotic Drugs" 1961 and Convention on "Psychotropic Substances" 1971, and the Adjournments of 1993.</p>	<p>To protect the life and health of the population and to adhere to international conventions to which Albania is a signatory.</p>	<p>Narcotic drugs and psychotropic substances for medicinal purposes are permitted to be imported into the Republic of Albania after they have been registered. Both local and foreign products are subject to registration. what follows are the conditions of importing narcotic drugs and psychotropic substances.</p> <p>Prior to applying for a licence to import a narcotic or psychotropic substance, a person or enterprise must be registered in the Court of first degree to become a natural or juridical subject, and then to be registered with the proper Tax Office. The tax registration process registers the individual/firm as having the right to engage in specific trading activity (i.e., import, export, transport, or other marketing activities) or medical/scientific research activities requiring narcotic drugs or psychotropic substances.</p>

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		<p>Having been registered with the Court and Tax Office, natural or juridical subjects can apply for a licence to import pharmaceutical products into Albania. To apply for a licence, natural or juridical subjects must have graduated with a degree in pharmacy from the Faculty of Natural Sciences or have employed a person who is qualified as such. At this point the importer is prepared to present an application for a licence at the Directory of Pharmaceutics in the Ministry of Health. To request for a licence, the importer, either a producer or a party authorized by him, must provide the name and address of the technical director (i.e., the licensed pharmacist registered in Albania), define the scope of the activities, the countries with which trade will occur, and provide a list of the name and quantities of the substances. The licence is non-automatic, non-transferable and valid for one year. Upon expiry of this term, the importing entity should apply for a new import licence.</p>
		<p>Upon issuing of the import licensing, the importer of narcotic or psychotropic medicines may import such medicines only after being issued an authorization from the Ministry of Health, Directory of Pharmaceutics, which is issued within five working days. The importer should present a request that includes the name and address of the exporter, the name of the recipient of the cargo (importer in Albanian), the joint international name, the name of the medicine in the tables included the international conventions, the quantity of each medicine, the time period when the import is due, the mode of transport and the point of destination within the Republic of Albania.</p>

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		<p>The authorization is based on the sample compiled by the Narcotic Medicines Commission of the Economic and Social Council of United Nations. The authorization is passed by the Albanian importer to the foreign producers (the respective exporter) who presents it to the Control Bodies of his country and the latter presents this authorization to the International Board of Narcotic Control (INCB) to carry out the necessary verifications. After approval from the latter, the exporting country issues to the producer the export authorization. This document should be together with the cargo and upon arrival at the destination, a copy of it is sent to the Albanian control authorities, which confirm the arrival of the cargo to the government of the exporting country.</p> <p>Upon the arrival of cargo in Albania, the respective import authorization is issued in same mode as proceeded for other medicines (refer to the following paragraph).</p>
<p>30.00 Pharmaceutical products Law on "Medicaments", No. 7815 dated 20 April 1994</p>	<p>To protect the life and health of the population.</p>	<p>Medicines are permitted to enter into the Republic of Albania after they have been registered. Both local and foreign products are subject to registration. The process for importing a registered pharmaceutical product is first described and then the process for registering a pharmaceutical product is described.</p> <p>Prior to applying for a licence to import pharmaceutical products, a person or enterprise must be registered in the Court of first degree to become a natural or juridical subject, and then to be registered with the proper Tax Office. The tax registration process registers the individual/firm as having the right to engage in specific trading activity (i.e., import, export, transport or other marketing activities for pharmaceutical products).</p>

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		<p>Having been registered with the Court and Tax Office, natural or juridical subjects can apply for a licence to import pharmaceuticals products into Albania. To apply for a licence, natural or juridical subjects must have graduated with a degree in pharmacy from the Faculty of Natural Sciences or have employed a person who is qualified as such. At this point the importer is prepared to present an application for a licence at the Directory of Pharmaceutics in the Ministry of Health. The request for a licence to import must include the list of medicines to be imported, the international collective name (INN) and the commercial name, the quantity to be imported for each separate medicine, and the Albanian CIF price. Upon completion of this procedure, the import marketing authorization issued (which only serves as a document to check the quality and quantity of the medicine) by the Ministry of Health and is presented to the customs authority. If the imported product is what is specified in the import licence, then the import marketing authorization is automatic and shall be issued in five working days. There are no substantive criteria to deny authorization to import; only when the abovementioned conditions are not met will authorization be denied</p>

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		<p><u>Process for registering a pharmaceutical product:</u> The substantive requirements for the registration of medicaments are as defined in the regulation "On the Registration of Drugs in the Republic of Albania". To process to register a medicament, the requirements which apply to natural and juridical subjects whether the product is produced in Albania or abroad, includes the presentation of the Free Sale Certificate in the country of origin; a confirmation that the drug is manufactured according to the Good Manufacturing Practices; the presentation of chemical, pharmaceutical and biological documentation, stability test, toxicological and pharmacological and clinical documentation; and a quality control is performed by the National Center of Drugs Control. Every pharmaceutical manufacturer must present samples of the drugs that its wants to register. If any one of the documentation is not presented or if the drug fails the quality control, then the registration will be refused. The regulation does not provide for an appeal process.</p>
<p>12.00 Seeds and seedlings Law: "On Seeds and Saplings", No. 7659 dated 12 January 1993. Decision of Council of Ministers: "The Setting up of the State Entity of Seeds and Saplings (SESS)", No. 447 dated 3 September 1993 Decision of Council of Ministers "On Approving the Regulations for the Production, Reproduction, Treatment, Assessment, Trade, Control of Seeds and Saplings and for Protection and Treatment of Genetic Material of Plants", No. 552 dated 14 November 1994</p>	<p>To ensure the quality of seeds and saplings. To protect the environment, and the protection and safety/health of humans, animals and plants. To adhere to requirements of international organizations to which Albania is a signatory.</p>	<p>Licenses are issued by the State Entity of Seeds and Seedlings based on the regulation of the Law on Seeds and Saplings" No. 7659 dated 12 January 1993. Licenses are issued to juridical persons, domestic or foreign, who possess the necessary technical qualification (university diploma in agronomy) or have employed in their companies such a qualified person. Licenses are annual and are automatically renewable each year. Prior to applying for a licence to import seeds and seedlings, a person or enterprise must be registered in the Court of first degree to become a natural or juridical subject, and then to be registered with the proper Tax Office. The tax registration process also registers the individual/firm as having the right to engage in specific trading activity (i.e., import, export, transport or other marketing activities for seeds and seedlings). The same requirements apply to domestic production of covered products/similar articles.</p>

Article And Description By Harmonized Code Or As Described By Law Or International Convention	Justification/Rationale Of The Restriction	Process To Obtain Licence, Type Of Licence, And Duration
		<p>Having been registered with the Court and Tax Office, natural or juridical subjects can apply for a licence to import seeds and seedlings into Albania. To apply for a licence, natural or juridical subjects must have graduated from the Faculty of Agronomy or have employed a person who is qualified as such. At this point the importer is prepared to present an application for a licence at the State Entity for Seeds and Seedlings in the Ministry of Agriculture and Food. To obtain the licence, an importer must supply the required technical information of the seeds: technical data of the seeds contingent, the name of the seed, the origin, and the quantity and the quality of the seed.</p>
		<p>Only seeds registered in the official catalogue of the State Entity of Seeds and Seedlings and that satisfy Albanian standards are permitted to be imported to Albania. The Albanian standards, in addition to the international standards such as the DHS test (distinguishing, homogeneity and stability) test include also a test of the agronomic and technological value (Value for Cultivation and Use). The procedures of registration are identical for Albanian and foreign subjects.</p>
		<p>There are occasions when seeds are imported under emergency measures only by a proposal from the State Entity for Seeds and Seedlings (with the approval of the Ministry of Agriculture and Food). Seeds and seedlings which are not registered in the Albanian Catalogue may be registered, on the condition that they are compatible with the climatic and soil conditions of Albania. Registration is applied on a non-discrimination basis.</p>

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<p>31.00 Pesticides Decision of the Council of Ministers: "On Pesticides", No. 584 dated 6 December 1993</p>	<p>To protect the environment, and the protection and safety/health of humans, animals and plants. To adhere to the requirements of international organizations to which Albania is a signatory.</p>	<p>Prior to applying for a licence to import pesticides, a person or enterprise must be registered in the Court of first degree to become either a natural or juridical subject, and then to be registered with the proper Tax Office. The tax registration form also registers the individual/firm as having the right to engage in specific trading activity (i.e., import, export, transport or other marketing activities for pesticides). Once registered to engage in importing activity, the importer must go to the Ministry of Agriculture and Food, Directory of Plant Protection Services (DPSS) to declare the pesticides to be imported. If the pesticide is registered with the Albanian State Commission for the Registration of Pesticides (ASCRP), then an import licence is issued by the DPSS in accordance with the Agreement on Import Licensing Procedures of GATT 1994.</p>
		<p>The licence, issued within two months, specify the time limit as required by the importer up to one year maximum and are issued to an individual who has graduated from the Faculty of Agronomy or a firm which employs such a person. If a pesticide is not registered in Albania, then the pesticide may not be imported.</p>
		<p>The requirements for registering a pesticide with the ASCRP are the same for local and foreign products and are based on the same criteria as the EU's Directive No. 91/414 EEC dated 15 July 1991, Annex 2. The requirements of this Directive were sanctioned by the Albanian government in the Decision of the Council of Ministers No. 584 dated 6 December 1993. Registration requirements comply with the IPPC (International Plant Protection Convention). Every year the requests for registration of new pesticides are attached to the Ministry of Agriculture and Food's special publication on the registered pesticides (Article 62 of the Decision of the Council of Ministers No. 584 dated 6 December 1993).</p>

Article And Description By Harmonized Code Or As Described By Law Or International Convention	Justification/Rationale Of The Restriction	Process To Obtain Licence, Type Of Licence, And Duration
		<p>The licensing process and application for concessions is identical for natural and juridical subjects. The information on the procedures of licensing, application for the concession as well as the registration of pesticides are available at the offices of the central and local administration of the Ministry of Agriculture and Food.</p>
<p>01.00 - 02.00 Live animals and products Law on " Albanian Veterinary Service", No. 7674 dated 23 February 1993 Law on "Food", No. 7941 dated 31 May 1995.</p>	<p>To protect the integrity of breeding stocks, the protection of the environment and safety/health of humans, animals and plants. To adhere to the requirements of the international organizations to which Albania is a signatory.</p>	<p>Prior to applying for a licence to import livestock, a person or enterprise must be registered in the Court of first degree to become a natural or juridical subject, and then to be registered with the proper Tax Office. The tax registration process also registers the individual/firm as having the right to engage in specific trading activity (i.e., import, export, transport or other marketing activities related to livestock or livestock products).</p>
		<p>Once the individual/firm is so registered, then the next step is to go to the Ministry of Agriculture and Food, Directory of the Albanian Veterinary Service, to receive a licence (i.e., to receive "permission" as is stated the Law No. 7074 dated 23 February 1993). The licence must be issued to all juridical and natural subjects, local and foreign, who are registered to import livestock or livestock products and who present the Certificate of the Origin and the Certificate of Sanitation. Licenses are valid for up to 2 months time and specify the quantity to be imported (only as a means for data collecting and statistical information). Each time livestock or livestock products are to be imported, the importer must go the Ministry of Agriculture and Food to receive a new licence. Live animals imported are subject to quarantine conditions which are in conformity with the International Organization of Epizotive (IOE).</p>

Article And Description By Harmonized Code Or As Described By Law Or International Convention	Justification/Rationale Of The Restriction	Process To Obtain Licence, Type Of Licence, And Duration
		<p>For importing livestock for breeding purposes which are not already registered as a breed in Albania, in addition to the above criteria, the importer must have another document from the Central Commission of the Improvement of Breeds (CCIB), Ministry of Agriculture and Food, which will allow the animals to enter Albania. The CCIB takes into consideration the regional policy of breeds in Albania as well as the program of genetic improvement of such breeds. The CCIB allows or does not allow a certain breed based on the breed's characteristics and their ability to adapt to local conditions. In cases where the CCIB refuses the request to import, the importer has the right to appeal the decision in the court of first degree. In the case of a registered and known breed in Albania, a document from the CCIB is not necessary.</p>
<p>03.00 Fish and seafood products Law on “ Albanian Veterinary Service”, No. 7674 dated 23 February 1993 Law on “ Fisheries and Aquaculture”, No. 7908 dated 5 April 1995 Law on "Food", No. 7941 dated 31 May 1995</p>	<p>To protect the integrity of stocks, the protection of the environment and safety/health of humans, animals and plants. To adhere to the requirements of the international organizations to which Albania is a signatory.</p>	<p>Prior to applying for a licence to import fish and seafood products, a person or enterprise must be registered in the Court of first degree to become a natural or juridical subject, and then to be registered with the proper Tax Office. The tax registration form also registers the individual/firm as having the right to engage in specific trading activity (i.e., import, export, transport or other marketing activities for fish and seafood products). Once the individual/firm is so registered, then the next step is to go to the Ministry of Agriculture and Food, Directory of the Albanian Veterinary Service, to receive a licence (i.e., to receive "permission" as is stated the Law No. 7074 dated 23 February 1993). The licence must be issued to all juridical and natural subjects, local and foreign, who are registered to import fish or seafood products and who present the Certificate of the Origin and the Certificate of Sanitation. Licenses are valid for up to 2 months time and specify the quantity to be imported (only as a means for data collecting and statistical information). Each time fish or seafood products are to be imported, the importer must go the Ministry of Agriculture and Food to receive a new licence.</p>

Article And Description By Harmonized Code Or As Described By Law Or International Convention	Justification/Rationale Of The Restriction	Process To Obtain Licence, Type Of Licence, And Duration
<p>04.07 Eggs Law on “ Albanian Veterinary Service”, No. 7674 dated 23 February 1993 Law on "Food", No. 7941 dated 31 May 1995</p>	<p>To protect safety/health of humans.</p>	<p>Prior to applying for a licence to import eggs, a person or enterprise must be registered in the Court of first degree to become a natural or juridical subject, and then to be registered with the proper Tax Office. The tax registration process also registers the individual/firm as having the right to engage in specific trading activity (i.e., import, export, transport or other marketing activities for eggs).</p>
		<p>Once the individual/firm is so registered, then the next step is to go to the Ministry of Agriculture and Food, Directory of the Albanian Veterinary Service, to receive a licence (i.e., to receive "permission" as is stated the Law No. 7074 dated 23 February 1993). The licence must be issued to all juridical and natural subjects, local and foreign, who are registered to import eggs and who present the Certificate of the Origin and the Certificate of Sanitation. Licenses are valid for up to 2 months time and specify the quantity to be imported (only as a means for data collecting and statistical information). Each time eggs are to be imported, the importer must go the Ministry of Agriculture and Food to receive a new licence.</p>
<p>51.00 Wool Law on “ Albanian Veterinary Service”, No. 7674 dated 23 February 1993</p>	<p>To control against contagious diseases thereby protecting safety/health of animals.</p>	<p>Prior to applying for a licence to import wool, a person or enterprise must be registered in the Court of first degree to become a natural or juridical subject, and then to be registered with the proper Tax Office. The tax registration process also registers the individual/firm as having the right to engage in specific trading activity (i.e., import, export, transport or other marketing activities for wool).</p>

Article And Description By Harmonized Code Or As Described By Law Or International Convention	Justification/Rationale Of The Restriction	Process To Obtain Licence, Type Of Licence, And Duration
		<p>Once the individual/firm is so registered, then the next step is to go to the Ministry of Agriculture and Food, Directory of the Albanian Veterinary Service, to receive a licence (i.e., to receive "permission" as is stated the Law No. 7074 dated 23 February 1993). The licence must be issued to all juridical and natural subjects, local and foreign, who are registered to import wool and who present the Certificate of the Origin and the Certificate of Sanitation. Licenses are valid for up to 2 months time and specify the quantity to be imported (only as a means for data collecting and statistical information). Each time wool is to be imported, the importer must go the Ministry of Agriculture and Food to receive a new licence.</p>
<p>41.00 Unprocessed leather Law on “ Albanian Veterinary Service”, No. 7674 dated 23 February 1993</p>	<p>To protect against contagious diseases thereby protecting safety/health of animals.</p>	<p>Prior to applying for a licence to import leather, a person or enterprise must be registered in the Court of first degree to become a natural or juridical subject, and then to be registered with the proper Tax Office. The tax registration process also registers the individual/firm as having the right to engage in specific trading activity (i.e., import, export, transport or other marketing activities for leather).</p> <p>Once the individual/firm is so registered, then the next step is to go to the Ministry of Agriculture and Food, Directory of the Albanian Veterinary Service, to receive a licence (i.e., to receive "permission" as is stated the Law No. 7074 dated 23 February 1993). The licence must be issued to all juridical and natural subjects, local and foreign, who are registered to import leather and who present the Certificate of the Origin and the Certificate of Sanitation. Licenses are valid for up to 2 months time and specify the quantity to be imported (only as a means for data collecting and statistical information). Each time leather is to be imported, the importer must go the Ministry of Agriculture and Food to receive a new licence.</p>

Prohibitions on Importable Products, by Type: Justification, and Phase-out Period

Article and Description by Harmonized Code or as Described by Law or International Convention	Justification/Rationale of the Prohibition	Phase-out Period
<p>Dangerous waste: Dangerous waste are defined as: toxic corrosive, residual waste from explosives, carcinogens and radioactive, catalysts that endanger human, plant and animal and the environment, (see complete list in WT/ACC/ALB/25, pages 6-7) Decision of the Council of Ministers: "On Dangerous and Non-dangerous Waste", No. 26 dated 31 January 1994</p>	<p>To protect human, plant, and animal health and the environment.</p>	<p>To make changes to this list of products (or a change in the definition of dangerous waste) the Council of Ministers must make an approval. The reported changes can be made available by the Ministry of Health and the Committee of Environmental Protection. In the case where an importer is found to be receiving dangerous waste (i.e., prohibited waste) rather than non-dangerous waste, then the importer is required to obtain an export licence provided by the Committee for Environmental Protection so that these prohibited wastes can be returned to the country of origin.</p>
<p>Military poisoning substances, chemical weapons, other strong poisons, and the devices for the protection from such substances and chemicals International Convention on the Prohibition of the Development, Production, Storage, and Usage of Chemical Weapons and Their Extermination (List No. 2 and 3) which has been ratified by the Albanian Government. Narcotic Drugs and Psychotropic Substances, refer to the list provided in WT/ACC/ALB/25, pages 6-7, and the Convention on "Narcotic Drugs" 1961, Convention on "Psychotropic Substances" 1971, and the Adjournments of 1993. Annex 1 of this table titled " List of Narcotic Drugs and Psychotropic Substances Prohibited to enter, to be produced or used in Albania" .Law: "On Narcotic Drugs and Psychotropic Substances, No. 7975 dated 26 July 1995. This law was drafted in accordance with the Conventions of 1961 and 1971, and the Adjournments of 1993.</p>	<p>To protect the national security of the Republic. To control the importing of narcotics in the territory of Republic of Albania. To protect the life and health of the population and to adhere to international conventions to which Albania is a signatory.</p>	<p>There is no specific law on the trade of Chemical Weapons. The government is in the process of developing legislation to define the trade regime of such products. The Ministry of Defence will be the responsible authority for such matters.</p>

Article and Description by Harmonized Code or as Described by Law or International Convention	Justification/Rationale of the Prohibition	Phase-out Period
<p>Animal products of the infected and penalized countries by OIE (Organization International Epizotiv); pesticides which are not registered in the Albanian catalogue on pesticides; seeds and seedlings which are not certified and registered in the Albanian catalogue .Law: "On Seeds and Saplings", No. 7659 dated 12 January 1993.</p> <p>Decision of Council of Ministers Nr.447 dated 3 September 1993 on "The setting up of State Entity of Seeds and Saplings".</p> <p>Decision of Council of Ministers: "On approving of the Regulatory" on " Production, Reproduction, Treatment, Assessment, Trade, Control of Seeds and Saplings and for Protection and Treatment of Genetic Material of Plants" , No. 552 dated 14 November 1994</p>	<p>To control the importing of seeds and saplings. To protect the environment, and the protection of safety/health of humans, animals and plants. To adhere to requirements of international organizations to which Albania is a signatory.</p>	