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**Committee on Regional Trade Agreements**

**FACTUAL PRESENTATION**

PARTNERSHIP TRADE AND COOPERATION AGREEMENT BETWEEN THE  
UNITED KINGDOM AND ALBANIA  
(GOODS AND SERVICES)

*Report by the Secretariat*

This report, prepared for the consideration of the Partnership Trade and Cooperation Agreement between the United Kingdom and Albania, has been drawn up by the WTO Secretariat on its own responsibility and in full consultation with the Parties. The factual presentation reproduces as closely as possible the terminology used in the Agreement and in the comments provided and does not imply official endorsement or acceptance by the Secretariat of such terminology. The report has been drawn up in accordance with the rules and procedures contained in the Decision for a Transparency Mechanism for Regional Trade Agreements (WT/L/671) and thus does not imply any value judgement by the Secretariat regarding the contents of the Agreement.

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### Key Facts

<b>Parties to the Agreement:</b>	United Kingdom and Albania
<b>Date of Signature:</b>	5 February 2021
<b>Date of Entry into Force:</b>	3 May 2021
<b>Date of Notification:</b>	3 May 2021
<b>Full implementation:</b>	<b>2021</b>

This factual presentation describes the Partnership, Trade and Cooperation Agreement ("the Agreement") between the United Kingdom and Albania. The Agreement entered into force on 3 May 2021 and directly incorporates (with some modifications noted below) the Stabilisation and Association Agreement between the European Union and Albania ("EU-Albania Agreement"), which was considered by the Committee on Regional Trade Agreements (CRTA) on 20 May 2008<sup>1</sup> (goods, WT/REG226/M/1) and on 4 November 2011 (services, in WT/REG/226/M/2).

## 1 TRADE ENVIRONMENT

1.1. The Agreement between the United Kingdom and Albania is one of 39 RTAs in force notified to the WTO by the United Kingdom and the 5<sup>th</sup> RTA in force notified to the WTO by Albania.

### 1.1 Merchandise trade

1.2. In 2020, the UK's merchandise exports amounted to USD 468.2 billion and its merchandise imports to USD 693.8 billion. In the same year, Albania's merchandise exports amounted to USD 3.6 billion and its merchandise imports to USD 7.7 billion.

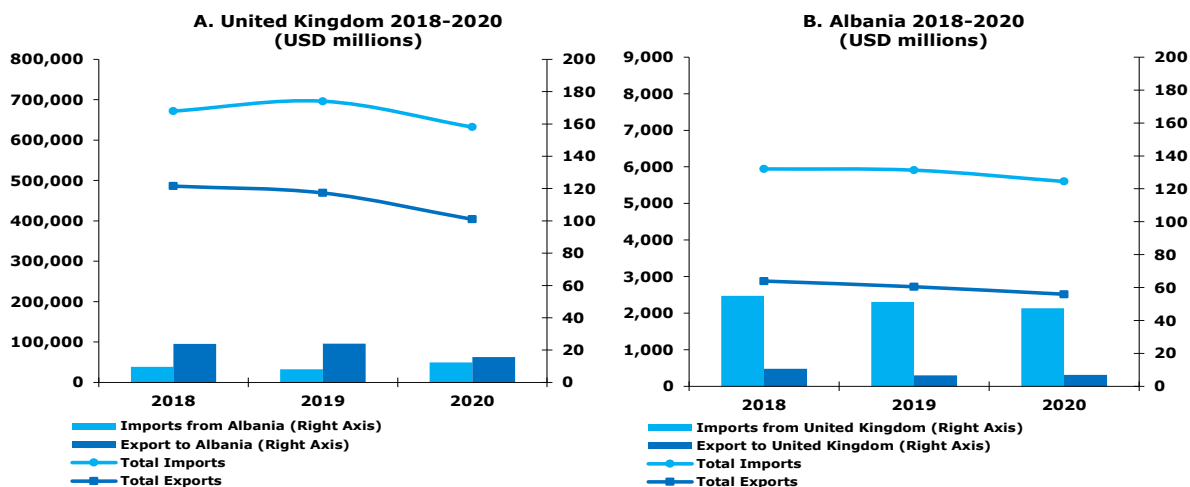
1.3. Based on 2021 trade data, the UK was the 10<sup>th</sup> largest exporter and the 6<sup>th</sup> largest importer of merchandise in the world excluding intra-EU trade (respectively 2.10% of world total exports and 3.1% of world total imports). In comparison, Albania was the 104<sup>th</sup> largest global exporter and the 91<sup>st</sup> largest global importer of merchandise excluding intra-EU trade (respectively 0.02% of world total exports and 0.03% of world total imports). In 2021, the UK was Albania's 14<sup>th</sup> largest source of imports (0.8% of Albania's total imports) and 15<sup>th</sup> largest destination for exports (0.2% of Albania's total exports). Albania was the UK's 113<sup>th</sup> largest source of imports (0.001%) and 107<sup>th</sup> largest export destination (0.006%).<sup>2</sup>

1.4. The UK's trade is dominated by manufactured products which in 2020 made up 68.4% and 63.1% of its merchandise exports and imports respectively. Albania's exports and imports of manufactures over the same period were 69.8% and 69.1% of total exports and imports respectively. Chart 1.1 summarizes the trends in global merchandise trade of the Parties as well as their bilateral trade relations. From 2018 to 2020, both the UK and Albania maintained steady global goods trade deficits. At the bilateral level, data show a positive balance in favour of the UK for the entire period. Albania's exports to the UK decreasing to under USD 12 million, and imports reducing to under USD 60 million.

<sup>1</sup> On goods, factual presentation WT/REG226/1/Rev.1 29 April 2008. On services, WT/REG226/3 1 July 2011.

<sup>2</sup> Data for UK from UNSD Comtrade and for Albania from the Trade Data Monitor.

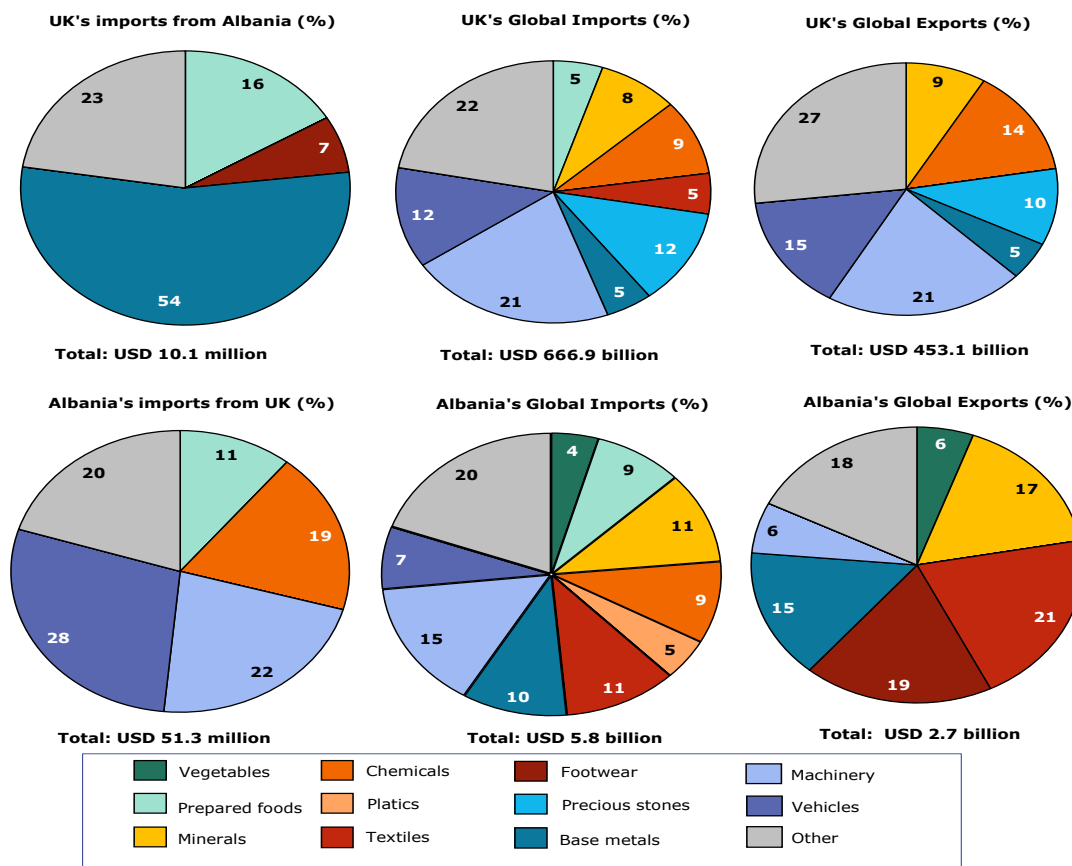
**Chart 1.1 United Kingdom-Albania: Merchandise bilateral trade and with world (2018-2020)**



Source: Based on data provided by the Parties and from UNSD Comtrade database.

1.5. The commodity structure of trade between the UK and Albania, as well as of their global trade in the period 2018-2020, is shown in Chart 1.2 on the basis of Harmonized System (HS) sections. Of Albania's four main global exports of textiles, footwear, minerals and base metals which accounted for 72% of its exports, minerals accounted for over half of the UK's imports from Albania. The UK's three main global exports of machinery, motor vehicles and chemicals which accounted for 50% of its exports, accounted for 69% of Albania's imports from the UK.

**Chart 1.2 United Kingdom-Albania: Product composition of merchandise trade, annual average (2018-2020)**



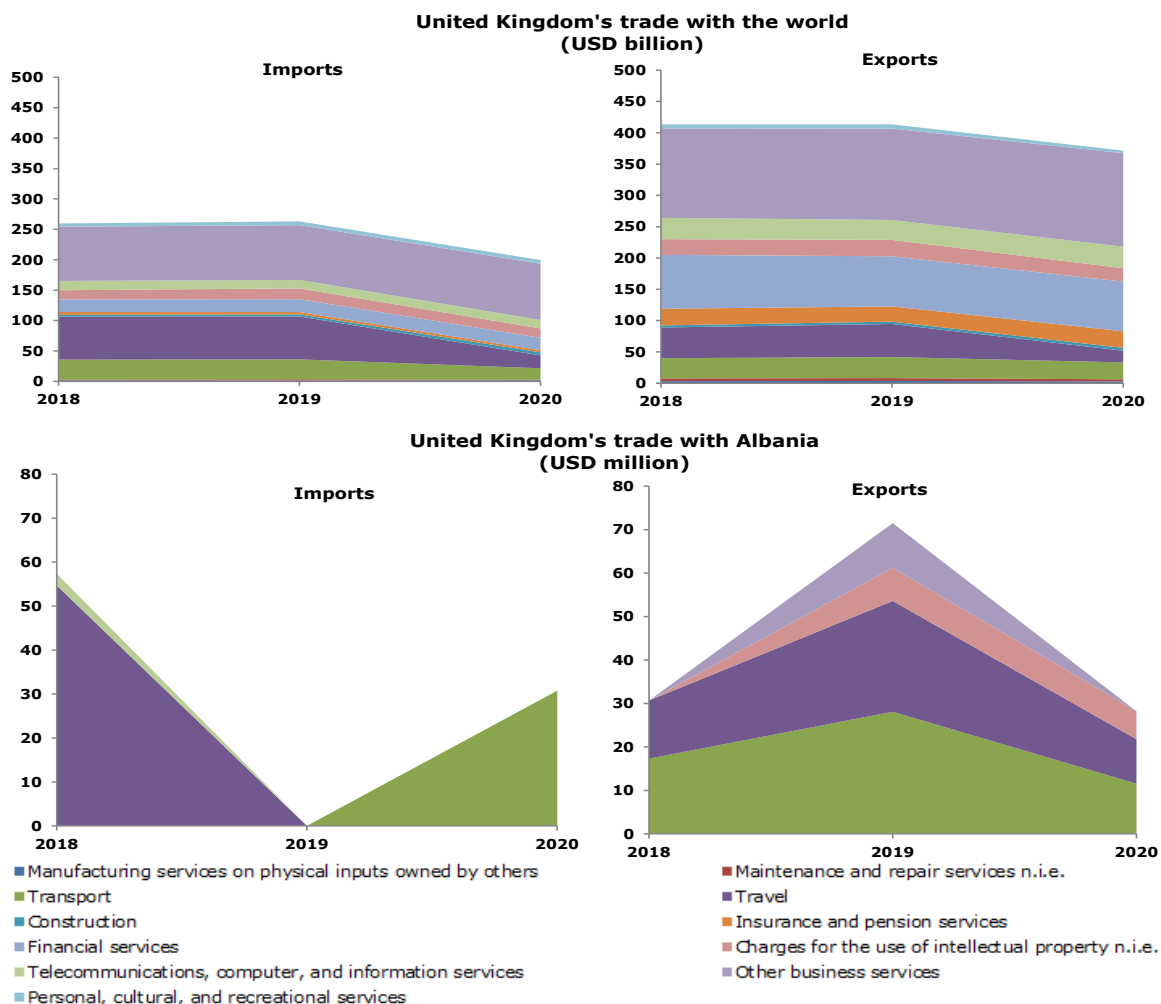
Source: Based on data provided the Parties and from UNSD Comtrade database.

## 1.2 Trade in services and investment

1.6. In 2019, the UK was ranked the world's second largest exporter and 5<sup>th</sup> largest importer of commercial services. Albania was ranked 64<sup>th</sup> largest exporter and 94<sup>th</sup> largest importer of commercial services. The UK's share of commercial services trade was 6.79% of world exports (USD411,794 million) and 4.87% of world imports (279,184 million). Albania's share of commercial services exports amounted to USD 2.4 million (0.05% of world exports) and imports were USD 1.2 million.

1.7. Charts 1.3 and 1.4 show the Parties' global and bilateral trade in commercial services during 2018-20. Globally both the UK and Albania have maintained a trade surplus. The UK's exports are dominated by other business services and financial services, while imports are mainly other business services and travel services. The composition of Albania's trade was broadly stable and dominated by exports of travel, manufacturing services and other business services, while imports were dominated by travel and transport services. Its exports to the UK were dominated by travel and other business services while its main imports from the UK are travel, charges for the use of intellectual property and telecommunications, computer and information services.

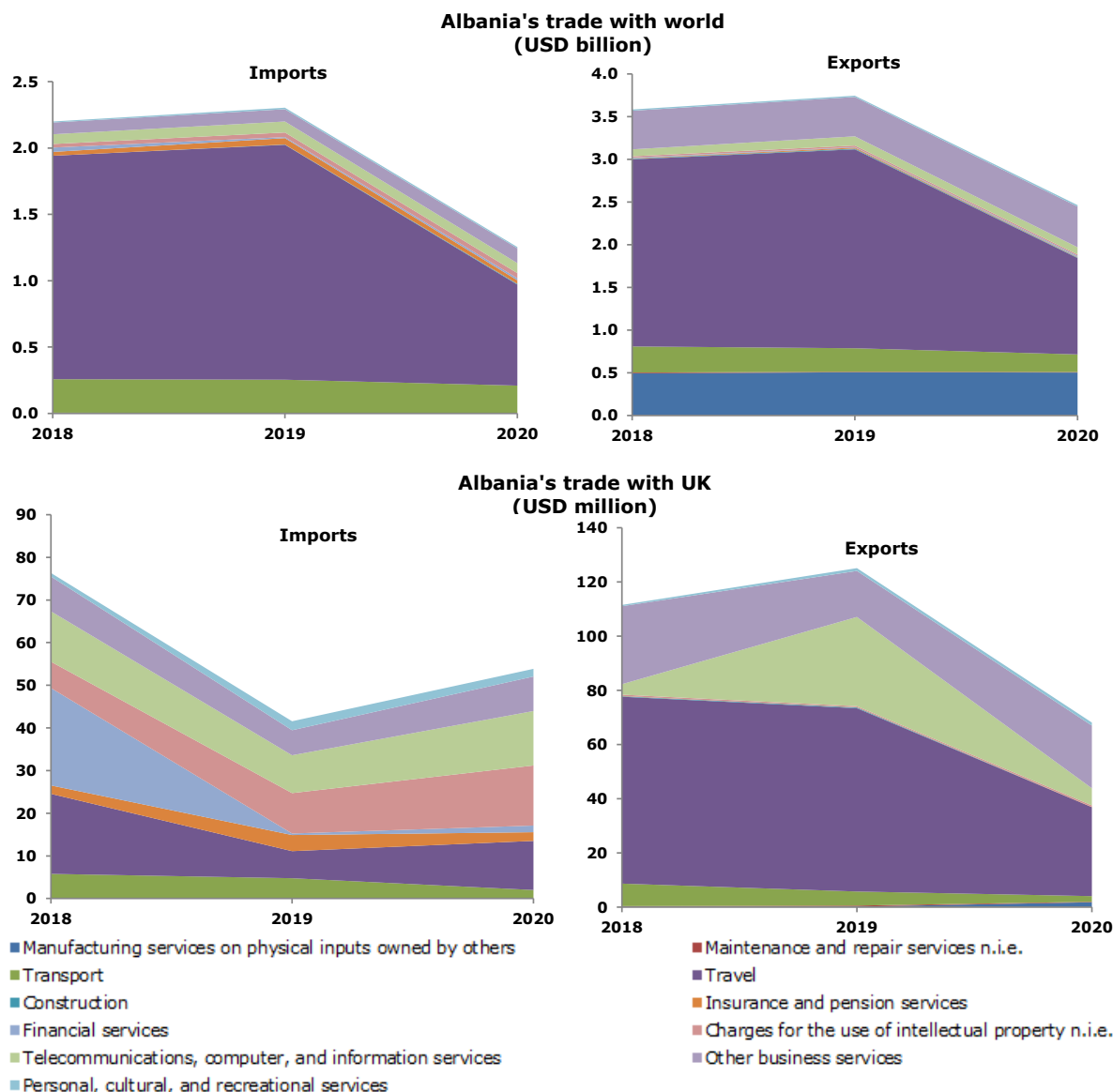
**Chart 1.3 United Kingdom: Trade in commercial services with world (2018-2020)**



Note: No trade data on manufacturing, maintenance and repair services; construction, insurance and pension services; financial services and personal cultural and recreational services; no import data for transport (2018-2019) and travel (2019-2020); for charges for the use of intellectual property, no export data (2018) and imports (2018-20); for telecommunications, no data for exports (2018-20) and imports (2019-20); and for other business services no data for exports (2018 and 2020) and imports (2018-20).

Source: Based on data provided by the UK authorities.

**Chart 1.4 Albania: Trade in commercial services with world and United Kingdom (2018-2020)**



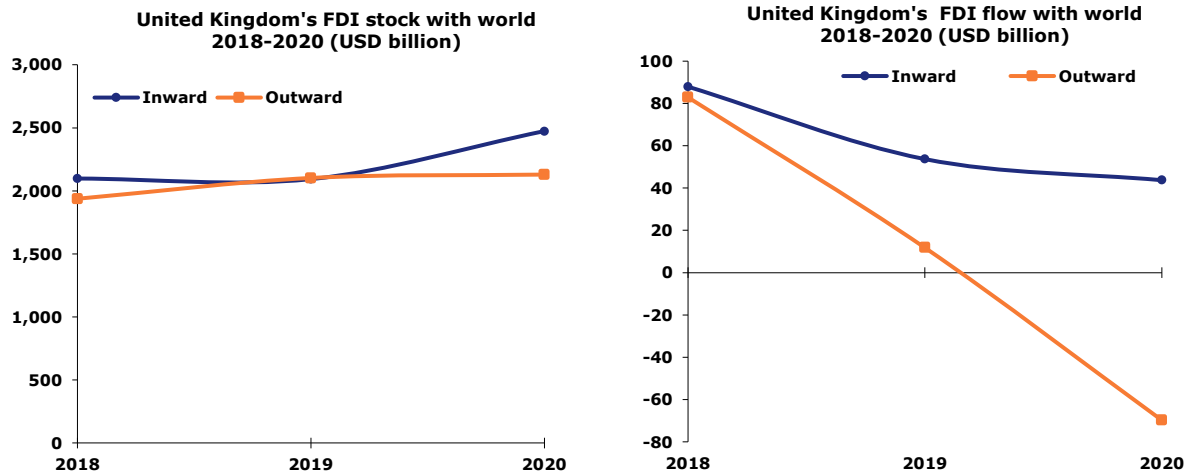
Note: No imports for manufacturing (2018 and 2020) and construction (2018 and 2020).

Source: Based on the data provided by the Albanian authorities.

1.8. Charts 1.5 and 1.6 below set out the Parties bilateral and global FDI stocks and flows for the period 2017-2019. Both countries received more inward investment than outward flows. Since 2018 the UK has seen a substantial decline in global outward investment flows, and a smaller decline in inward investment flows. Data from Albania on bilateral FDI between the Parties shows that Albania in a net outward investor in the UK market, with both inward and outward stocks growing slightly during the period. In terms of flows there was a sharp decline in investment from the UK, reflecting the global trend in UK outward investment.<sup>3</sup>

<sup>3</sup> Full data from the UK on FDI with Albania for 2020 shows an overall balance in FDI stocks (USD 3.8 million for both inward and outward investment), while inward FDI flows in 2020 were considerably higher (USD 3.8 million) than outward flows (USD 1.3 million).

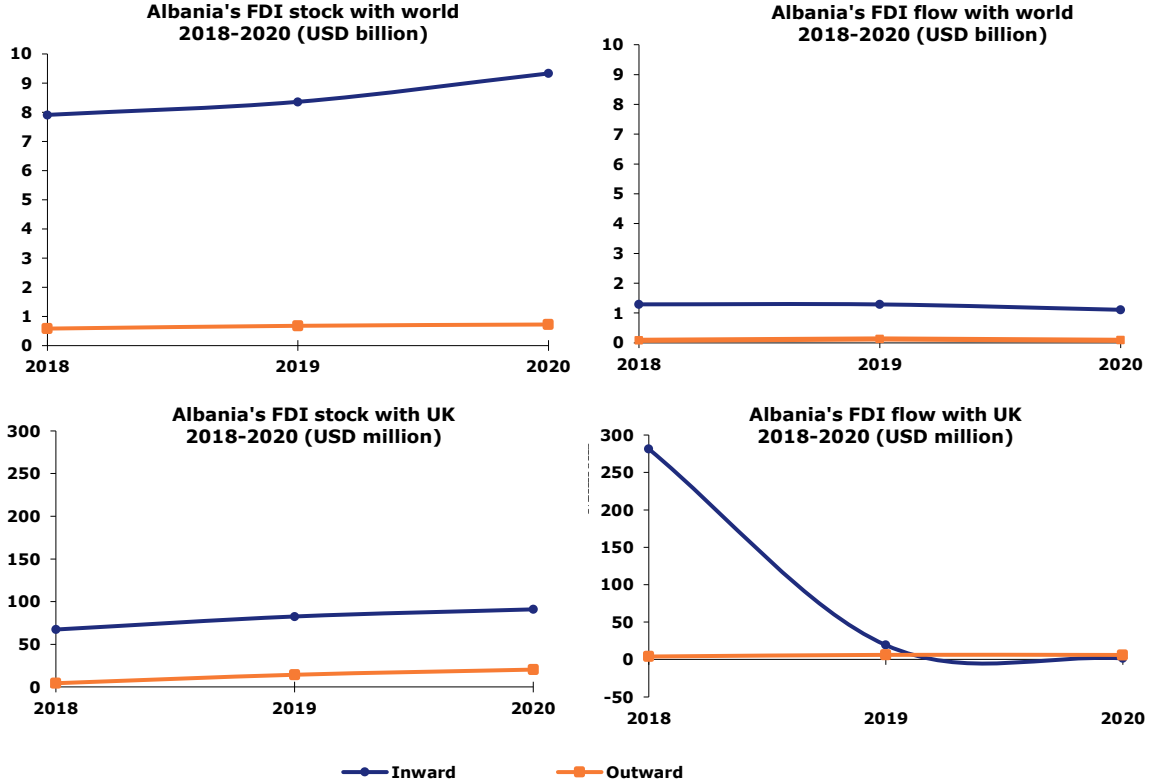
**Chart 1.5 United Kingdom: FDI stock and flow with world, 2018-2020**



Note: FDI statistics are presented on a directional basis; FDI data for 2020 has been affected by changes in sampling methodology. While this will mean 2020 data are more representative of UK FDI with overseas partners, some caution should be taken when comparing 2020 data to previous years. Methodology changes have led to an increase in reported FDI, particularly inward FDI, in 2020. The effect of this methodology change will vary between partners, although it is not possible to quantify the specific impact for individual partners.

Source: Based on the data provided by the UK authorities.

**Chart 1.6 Albania: FDI stock and flow with world and the United Kingdom, 2018-2020**



Source: Based on the data provided by the Albanian authorities.



## 2 CHARACTERISTIC ELEMENTS OF THE AGREEMENT

### 2.1 Background information

2.1. The Agreement was signed on 5 February 2021 and entered in to force on 3 May 2021. It was notified to the WTO on 31 December 2020 under Article XXIV:7(a) of GATT 1994 and Article V:7(a) of the GATS (see document WT/REG454/N/1 - S/C/N/1055). The text of the Agreement, together with its annexes, is available on the Parties' official websites.

United Kingdom:

<https://www.gov.uk/government/collections/uk-albania-partnership-trade-and-cooperation-agreement>

Albania: <http://www.tregtia.gov.al/images/pdf/5.1-Marreveshja-Shqiperi--Mbreteri-e-Bashkuar.pdf>

2.2. The Agreement is based on the EU-Albania Agreement (which entered into force on 1 April 2009), to which the UK was previously party.<sup>4</sup> It incorporates by reference most of the EU-Albania Agreement's provisions with a few modifications. It is a short agreement of 12 articles, with 3 Annexes. The Agreement applies to the United Kingdom as well as the territories of Gibraltar, the Channel Islands and the Isle of Man for whose international relations the UK is responsible (Article 6) and to Albania. Unless otherwise indicated if a time period in the EU-Albania Agreement has not ended it shall be incorporated into the Agreement, while if the time period for implementation has ended, the relevant provisions are incorporated into the Agreement (Article 7).

2.3. Box 2.1 below summarizes the structure of the Agreement.

#### Box 2.1 Structure of the Agreement

Articles	Titles
Preamble	
Article 1	Objectives
Article 2	Definitions and interpretation
Article 3	Incorporation of the EU-Albania Agreement
Article 4	References to the European Union law
Article 5	References to the euro
Article 6	Territorial application
Article 7	Continuation of time periods
Article 8	Tariff Quotas
Article 9	Further provisions in relation to the Partnership, Trade and Cooperation Council
Article 10	Integral parts of this Agreement
Article 11	Amendments
Article 12	Entry into force and provisional application
<i>Annexes</i>	
Annex I Amendments to the incorporated agreement (See box 2.2 below).	
Annex II A new Annex IIA Additional preferential arrangements for certain agricultural products	
Annex III Replacement Protocol 4 (Origin)	

Source: WTO Secretariat based on the Agreement.

<sup>4</sup> A smaller pre-conditional interim agreement on trade and trade-related matters (goods only) was signed on the same date and applied provisionally prior to the entry into force of the EU-Albania Agreement. That agreement was the subject of a Factual Presentation (WT/REG226/1/Rev.1).

2.4. The Parties agree to preserve the preferential conditions on trade between them which resulted from the EU-Albania Agreement and to provide a platform for further trade liberalization between them (Article 1). Box 2.2 gives an overview of the modifications in Annex I made by the Agreement to the incorporated EU-Albania Agreement.

### Box 2.2 Overview of the modifications to the EU-Albania Agreement

<b><i>Titles of the EU-Albania Agreement and other related instruments</i></b>	<b><i>Description</i></b>	<b><i>Modifications by Annex I of the Agreement</i></b>
Preamble		
Title I	General principles	Article 3 and 6 3 <sup>rd</sup> and final paras not incorporated.
Title II	Political dialogue	Articles 8.2, 9.1, 10 modified.
Title III	Regional cooperation	Article 12, Articles 13-15 not incorporated.
Title IV	Free movement of goods Chapter 1 Industrial Products Chapter 2 Agriculture and Fisheries Chapter 3 Common provisions	Article 17.2, 27.1, 29, 36.3, 43.2 modified. Article 45 not incorporated.
Title V	Movement of workers, establishment, supply of services, current payments and movement of capital Chapter I Movement of workers Chapter II Establishment Chapter III, Title IV Supply of services Chapter IV Current payments and movement of capital Chapter V General provisions	Article 47.1, 59.6 and 62 not incorporated. Article 48, 50.4, 50.5.b, 57(3), 58.1 and 2, 59.1-2 modified. New Article 69A.
Title VI	Approximation of laws, law enforcement and competition rules Chapter I Introduction Chapter II Cooperation in the area of movement of persons Chapter III, Title IV Cooperation on combating money laundering, terrorism financing, illicit drugs and cooperation in counter-terrorism Chapter IV Cooperation in criminal matters	Articles 70, 71.2, 73.2, 75.1, 77 not incorporated. Articles 71.4-8, 74.2, 74.5, 75.2, 76 modified. New Article 72.
Title VII	Justice, freedom and security	Article 81.4 not incorporated. Article 79, 81.3, 82.2, 83.2 modified.
Title VIII	Services, establishment and electronic commerce	Articles 87.4, 92.3, 97.2, 99.2, 100.3-4, 102.3, 103.1, 104.1, 106.1, 108.2, 109.2, 110.2 not incorporated. Articles 87.2, 88, 89, 90, 93, 94.1, 95, 96, 97.1, 98.2, 104.2, 106.2, 107 modified.
Title IX	Financial cooperation	Articles 113-115 not incorporated. Article 112 modified.
Title X	Institutional, general and final provisions	Article 117.5, 128, 131, 133, 134, 137 not incorporated. Article 117.1, 121, 122, 129, 132 modified.
Annex V	Intellectual, industrial and commercial property rights	Paragraph 3 not incorporated. Paragraph 1 modified.
Protocol 1	Iron and Steel Products	Article 5.2 not incorporated. Article 5.4-5.5 modified.
Protocol 3	Reciprocal preferential concessions for certain wines, the reciprocal recognition, protection and	Modifications to Article 2.a.ii, Article 11.2, Appendix 1, modified.

<b>Titles of the EU-Albania Agreement and other related instruments</b>	<b>Description</b>	<b>Modifications by Annex I of the Agreement</b>
Preamble		
	control of wine, spirit drinks and aromatised wine names	
Protocol 5	Land transport	Articles 4-6, 8-10, 13.2, 14.2, 16.1, 16.4, 17.3, 18.1, 19, 21.2.c-d not incorporated. Articles 11.1, 11.3, 12, 13.3, 13.4, 14.1, 17.1, 17.4 modified.
Protocol 6	Mutual administrative assistance in customs matters	
	Joint declarations	Definition of Joint Declarations to concern Articles 61, 73, 126 and Protocol 5
<i>Annexes and Appendices</i>		
Annex I	Albanian tariff concessions	
Annex II	Tariff schedule of the UK	Modifications to paragraphs 4-7

Source: WTO Secretariat based on the EU-Albania Agreement and the Agreement.

### 3 PROVISIONS ON TRADE IN GOODS

#### 3.1 Import duties and charges, and quantitative restrictions

3.1. The Agreement incorporates the provisions of the EU-Albania Agreement on import duties and charges and quantitative restrictions. Tariff liberalization under the EU-Albania Agreement was to be completed within 10 years of entry into force (by 2016). Quantitative restrictions on imports are abolished. For additional information see paragraphs 13-17 of the Factual Presentation WT/REG226/1/Rev.1.

##### 3.1.1 General provisions

##### 3.1.2 Liberalization of trade and tariff lines

3.2. The Agreement incorporates the relevant provisions of the EU-Albania Agreement on liberalization of trade and tariff lines. For further details see paragraphs 19-21 of the Factual Presentation WT/REG226/1/Rev.1.

##### 3.1.3 Liberalization schedule

###### 3.1.3.1 United Kingdom

3.3. Tables 3.1 and 3.2 show tariff liberalization by the UK under the Agreement. In 2021 47% of the UK's tariff was duty free for imports from MFN sources, under which 68.2% of imports from Albania entered in 2018-2020.<sup>5</sup> Under the Agreement the UK eliminated tariffs on a further 4,765 lines (50.2% of the tariff) for imports from Albania; these lines corresponded to around 20% of imports from Albania during 2018-20. Some 2.8% of the tariff (267 lines) will remain subject to duties for imports from Albania. During 2018-20 around 11.8% of imports from Albania entered the UK under these lines.

<sup>5</sup> The UK's MFN tariff in 2021 contained 9,494 lines at the eight-digit level. Of these, 8,613 lines (90.72) were subject to *ad valorem* rates of duty; 647 lines were subject to specific rates of duty and 230 compound rates.

**Table 3.1 United Kingdom: Tariff elimination commitments under the Agreement and corresponding average trade**

Duty phase-out period	Tariff lines in UK's tariff schedule		UK's imports from Albania (2018-20) <sup>a</sup>	
	Number	%	Value (USD million) <sup>b</sup>	%
2021 (MFN)	4,462	47.0	6.6	68.2
2021	4,765	50.2	1.9	20.0
Remain dutiable	267	2.8	1.2	11.8
<b>Total</b>	<b>9,494</b>	<b>100.0</b>	<b>9.7</b>	<b>100.0</b>

a Import coverage is for HS chapters 1-97.

b The import values were reported in GBP and converted into USD using the exchange rates of 0.749531540259847(2018), 0.783445110011929 (2019) and 0.779999576697153 (2020).

Note: Tariff lines subject to in-quota rates are excluded in the computation.  
Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by UK.

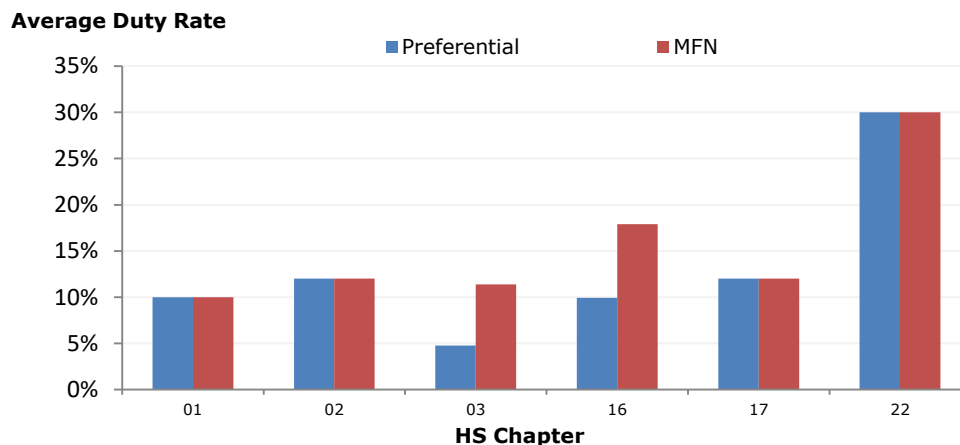
3.4. The tariff lines remaining dutiable for imports from Albania are found in Sections I and IV (Table 3.2), corresponding to HS Chapters 1-3, 16, 17 and 22 (Chart 3.1). With the exception of HS Chapters 3 and 16, where preferential tariffs are lower than MFN duties, there are no further concessions for imports from Albania in the other Chapters.

**Table 3.2 United Kingdom: Tariff elimination under the Agreement, by HS Section**

HS Section	MFN 2021			Duty Free Lines under the Agreement (2021)	Remain Dutiable	Avg. Dutiable Tariff
	Avg. Tariff (%)	No. of lines	Duty free lines			
I	8.9	956	109	778	69	7.2
II	4.4	554	213	341		
III	4.8	129	30	99		
IV	12.9	869	119	552	198	12.1
V	0.4	231	202	29		
VI	2.7	1,226	550	676		
VII	3.7	301	86	215		
VIII	1.4	130	73	57		
IX	1.1	235	189	46		
X	0.0	195	195			
XI	7.0	1,149	243	906		
XII	7.3	106	17	89		
XIII	2.0	234	162	72		
XIV	0.5	58	47	11		
XV	0.6	955	804	151		
XVI	0.7	1,338	981	357		
XVII	3.7	286	121	165		
XVIII	0.6	299	218	81		
XIX	1.4	22	7	15		
XX	1.4	214	89	125		
XXI	0.0	7	7			
<b>Total</b>	<b>3.8</b>	<b>9,494</b>	<b>4,462</b>	<b>4,765</b>	<b>267</b>	<b>9.3</b>

Note: Tariff lines subject to in-quota rates are excluded in the computation. For the calculation of averages, specific rates are excluded, and the *ad valorem* part of alternate rates are included. For the tariff lines subject to seasonal duties, the average rate for the entire year is used for the calculation. The products classified beyond the HS 8-digit level are counted once and their tariff rates are averaged to the 8-digit level.

Source: WTO estimates based on data provided by the UK.

**Chart 3.1 United Kingdom: Average of dutiable rates, by HS Chapter**

Note: Tariff lines subject to in-quota rates are excluded in the computation. For the calculation of averages, specific rates are excluded, and the *ad valorem* part of alternate rates are included.

Source: WTO estimates based on data provided by the UK.

3.5. Tables 3.3 and 3.4 show tariff liberalization by Albania under the Agreement. In 2021 50.4% of Albania's tariff was duty free for imports from MFN sources, under which 71.7% of imports from the UK entered in 2018-2020.<sup>6</sup> Under the Agreement Albania eliminated tariffs on a further 4,010 lines (42.2% of the tariff) for imports from the UK; these lines corresponded to around 26.9% of imports from the UK during 2018-20. Some 7.3% of the tariff (695 lines) will remain subject to duties for imports from the UK. During 2018-20 around 1.5% of imports from the UK entered Albania under these lines.

**Table 3.3 Albania: Tariff elimination commitments under the Agreement and corresponding average trade**

Duty phase-out period	Number of lines	% of total lines in Albania's tariff schedule	Value of Albania's imports from the UK (2018-2020) <sup>a</sup> USD million	% of Albania's total imports from the UK (2018-2020)
MFN 2021	4,790	50.4	36.5	71.7
Duty-free under the Agreement	4,010	42.2	13.7	26.9
Remain dutiable	695	7.3	1.0	1.5
<b>Total</b>	<b>9,495</b>	<b>100.0</b>	<b>51.1</b>	<b>100.0</b>

a Import coverage is from HS chapters 1-97. Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by Albania authorities and the WTO-IDB.

3.6. The tariff lines remaining dutiable for imports from Albania are found in Sections I-IV (Table 3.4), corresponding to agricultural products (most HS Chapters from 1-24) (Chart 3.2). With the exception of HS Chapters 1,6,12,16 and 20, where preferential tariffs are lower than MFN duties, there are no further concessions for imports from the UK in the other Chapters.

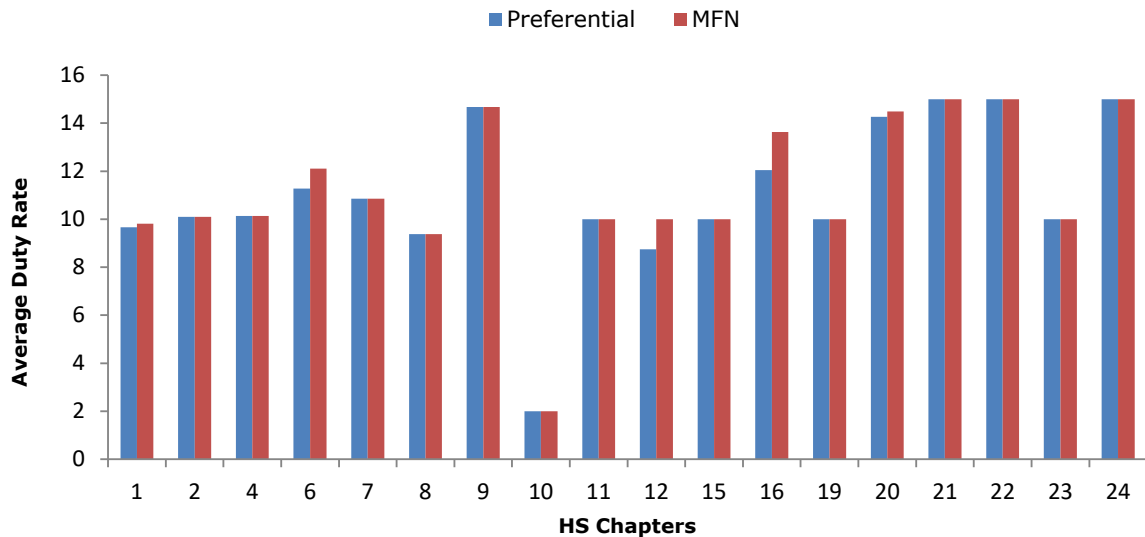
<sup>6</sup> Albania's MFN tariff in 2021 contained 9,495 lines at the eight-digit level all of which had *ad valorem* rates of duty.

**Table 3.4 Albania: Tariff elimination under the Agreement, by HS Section**

HS Section	MFN Average %	Number of lines	Duty-free lines under MFN 2021	Number of duty-free lines under the Agreement	Remaining dutiable lines	Avg. Final Tariff (Dutiable)
				2021		
I	4.7	956	469	179	308	10.1
II	8.0	556	36	458	62	9.5
III	2.4	129	91	34	4	10.0
IV	10.1	869	155	393	321	14.4
V	4.2	231	36	195		
VI	1.3	1,225	665	560		
VII	4.4	301	81	220		
VIII	7.2	130	27	103		
IX	1.2	235	200	35		
X	0.0	195	195			
XI	2.9	1,149	680	469		
XII	11.7	106	8	98		
XIII	9.7	234	5	229		
XIV	5.4	58		58		
XV	3.3	955	664	291		
XVI	1.2	1,338	1,098	240		
XVII	2.9	286	132	154		
XVIII	3.6	299	155	144		
XIX	15.0	22		22		
XX	8.3	214	86	128		-
XXI	0.0	7	7			
<b>Total</b>	<b>4.1</b>	<b>9,495</b>	<b>4,790</b>	<b>4,010</b>	<b>695</b>	<b>12.0</b>

Note: For the calculation of averages, specific rates are excluded.  
Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by Albanian authorities.

**Chart 3.2 Albania: Average of dutiable rates, by HS Chapter**

Note: Based on the HS 2017 nomenclature.  
Tariff lines subject to in-quota rates are excluded in the computation.

Source: WTO estimates based on data provided by Albania.

### **3.1.4 Tariff rate quotas**

3.7. The EU and Albania's TRQ regime was described in the Factual Presentation on the EU-Albania Agreement, in document WT/REG226/1/Rev.1 paragraphs 22 to 27.

3.8. Article 8.1 of the Agreement refers to Article 27(2) Annex II(c), Annex III, Annex II(d) to Protocol 2, and Annex I to Protocol 3. It provides that changes to tariff quota or increases shall be resized to 13.62% of the corresponding quota volume referred to in the EU-Albania Agreement when it ceases to apply to the UK. The administration period for quotas is 1 January to 31 December. Annex 2 below shows TRQs applied by the Parties. In-quota rates are either zero or partially reduced, while out of quota rates are either the applied MFN rate or lower, depending on the product.

### **3.2 Rules of origin**

3.9. Annex III of the Agreement incorporates a new Protocol 4 on rules of origin. The Annex contains 8 Titles and 3 Annexes.

3.10. The provisions on rules of origin mostly duplicate the EU-Albania Agreement, as described in the Factual Presentation on the goods aspects of that Agreement, in document WT/REG226/1/Rev.1, paragraphs 28-35. Origin is granted for products wholly obtained in the United Kingdom or Albania within the meaning of Article 5 of the Protocol, or on products obtained in the United Kingdom or Albania incorporating materials which have not been wholly obtained there, providing sufficient working or processing is carried out on such non-originating materials within the meaning of Article 6 of the Protocol. The Agreement also has tolerance rules of 10% of the ex-works price of the product for non-originating materials used or based on weight for textiles and clothing; and an absorption rule for materials incorporated in a product. Outward processing and duty drawback are not authorized.

3.11. The Parties have agreed changes to the origin regime with a new Protocol 4 in replacement for the Protocol contained in the EU Albania Agreement. Apart from self-evident changes (replacing EU with United Kingdom) the Protocol adds a new Article 1(n), setting out a cross reference to Appendix I to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin, incorporated through Article 40 of the new Protocol. Article 3 of the Agreement on cumulation in the UK permits products to be considered originating in the United Kingdom, incorporating materials originating in Switzerland (including Liechtenstein), Iceland, Norway, Turkey, the European Union, Albania or any country referred to in Annex A to the Protocol, providing the working or processing carried out in the United Kingdom goes beyond the operations referred to in Article 7. It also provides for cumulation of work or processing carried out in Iceland, Norway or the European Union subject to the listed conditions. A similar cumulation of materials provision concerns Albania (Article 4).

3.12. In Title V concerning proofs of origin, a new Article 16(3) has been added permitting use of either EUR.1 or origin declarations in the case of cumulation involving the UK, EU, Switzerland (including Liechtenstein), Iceland, Norway, the Faroe Islands, Turkey, Albania, Bosnia and Herzegovina, the Republic of North Macedonia, Montenegro, the Republic of Serbia, or the Republic of Kosovo. The Agreement also revises Article 16.4 (on EUR.1 movement certificates), 16.5 and 16.6 (EUR-MED movement certificates) for the bilateral context.

### **3.3 Export duties and charges, and quantitative restrictions**

3.13. The Agreement incorporates the provisions of Chapter I, Title IV of the EU-Albania Agreement on export duties and charges and quantitative restrictions under the EU-Albania Agreement. For further details see paragraph 36 of the Factual Presentation WT/REG226/1/Rev.1. Article 21 of the Agreement provides that the Parties would abolish any customs duties on exports and charges having equivalent effect and any quantitative restrictions and measures having equivalent effect upon the date of entry into force of the Agreement. The Parties confirm that export duties, charges and quantitative restrictions on exports have been abolished.

### **3.4 Regulatory provisions on trade in goods**

#### **3.4.1 Standards**

##### **3.4.1.1 Sanitary and phytosanitary measures**

3.14. There are no provisions on Sanitary and Phytosanitary measures in the Agreement.

##### **3.4.1.2 Technical barriers to trade**

3.15. The Agreement incorporates the provisions of the EU-Albania Agreement on technical barriers to trade in the Agreement. Article 75<sup>7</sup> provides that the Parties shall provide assistance to fostering the development of quality infrastructure: standardisation, metrology, accreditation and conformity assessment and promote the participation of Albania in the work of organisations related to standards, conformity assessment, metrology and similar functions (in particular CEN, Cenelec, ETSI, EA, Welmec, Euromet).

#### **3.4.2 Safeguard mechanisms, global safeguards and bilateral safeguards**

3.16. The Agreement incorporates the provisions of Chapter III, Title IV of the EU-Albania Agreement on global and bilateral safeguards (Article 38) which states that the provisions of Article XIX of the GATT 1994 and the WTO Agreement on Safeguards apply between the Parties. Bilateral safeguards are permitted provided they do not exceed what is necessary to remedy the difficulties which have arisen and should normally consist of the suspension of the further reduction of duties provided for by the Agreement or an increase in the rate of duty for that product up to a maximum corresponding to the MFN rate applicable to the same product. They shall not exceed one year and may be extended up to three years in exceptional cases. For further details see paragraphs 39-42 of the Factual Presentation WT/REG226/1/Rev.1.

##### **3.4.2.1 Special safeguards**

3.17. The Agreement contains no provisions on special safeguards.

#### **3.4.3 Anti-dumping and countervailing measures**

3.18. The Agreement incorporates the provisions of Chapter III, Title IV of the EU-Albania Agreement on anti-dumping and countervailing measures, which reaffirm the rights of the Parties under the respective WTO Agreements and their own internal legislation. For further details see paragraph 45-46 of the Factual Presentation WT/REG226/1/Rev.1.

#### **3.4.4 Subsidies and state-aid**

3.19. The Agreement incorporates the provisions of Chapter V, Title VI of the EU-Albania Agreement on subsidies and on State-aid. Any State aid which distorts or threatens to distort competition by favouring certain undertakings or certain products shall be incompatible with the proper functioning of the Agreement (incorporated Article 71, paragraph 1(iii)). Furthermore, paragraph 5 of the Article requires each Party to ensure transparency in State aid, including through regular annual reports, or equivalent and upon request, information on particular individual cases of public aid. Albania shall ensure that an operationally independent authority is established and entrusted with the powers necessary for the full application of paragraph 1(iii) within four years from the date of entry into force of the Agreement. Paragraph 6 of the Article requires Albania to establish a comprehensive inventory of aid schemes instituted before the establishments of an operationally independent authority.

#### **3.4.5 Customs-related procedures**

3.20. The Agreement incorporates the provisions of Chapter III, Title IV of the EU-Albania Agreement on customs related procedures. For further details see paragraphs 47 and 48 of the Factual Presentation WT/REG226/1/Rev.1.

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<sup>7</sup> Excepting Article 75.1 and the first three words and first and second indents of Article 75.2.



### 3.4.6 Other regulations

#### 3.4.6.1 Shortage Clause

3.21. The Agreement has a shortage clause (Article 39 of the EU-Albania Agreement) which allows the use of measures if compliance with the Free Movement of Goods Title leads to either a critical shortage or threat thereof of foodstuffs or other products essential to the exporting Party; or re-export to a third country against which the exporting Party maintains quantitative export restrictions, export duties or measures or charging having equivalent effect. Priority should be taken to use measures that least disturb the functioning of the Agreement. They should not be applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination where the same conditions prevail, or a disguised restriction on trade. They shall be eliminated when the conditions no longer require their maintenance.

### 3.5 Sector-specific provisions on trade in goods

#### 3.5.1 Iron and Steel

3.22. The Agreement incorporates the provisions of Protocol 1 of the EU-Albania Agreement on Iron and Steel. Article 5(2) which refers to the assessment of practices that are contrary to the disciplines in the Article on the basis of State aid disciplines of the EU, is not incorporated into the Agreement.<sup>8</sup> Under the EU-Albania Agreement Albania was required, within three years from the date of entry into force of the Agreement, to establish the necessary restructuring and conversion programme for its iron and steel industry to achieve viability under normal market conditions. The Parties indicate that there have been no further developments on this requirement. For further details on Protocol 1 of the Agreement see paragraphs 62-64 of the Factual Presentation WT/REG226/1/Rev.1.

#### 3.5.2 Wine, spirits and aromatized wines

3.23. The Agreement incorporates Protocol 3 of the EU-Albania Agreement on Wines, spirits and aromatized wines which sets out rules on reciprocal recognition, protection and control of wines under HS Heading 22.04, spirits under Heading 22.08 and aromatized wines under Heading 22.05. The Agreement amends the EU-Albania Agreement to add protection for Scotch Whisky, Irish Whisky, Uisce Beatha Eireannach, Irish Whiskey and Irish Cream produced in the Republic of Ireland and Northern Ireland. For further details see paragraphs 65-76 of the Factual Presentation WT/REG226/1/Rev.1.

## 4 PROVISIONS ON TRADE IN SERVICES

4.1. The Agreement incorporates, with modifications, Title V of the EU-Albania Agreement<sup>9</sup>, which is divided into five Chapters: disciplines on movement of workers; establishment; supply of services; current payments and movement of capital; and general provisions. Such provisions are made part of the Agreement and apply, *mutatis mutandis*<sup>10</sup>, subject to modifications in Annex I to the Agreement, which are summarised in Box 4.1 below.

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<sup>8</sup> Article 5(2) of the EU-Albania Agreement provides that "2. Further to the disciplines stipulated by Article 71 of the Agreement, any practices contrary to this Article shall be assessed on the basis of specific criteria arising from the application of the State aid disciplines of the Community, including secondary legislation, and including any specific rules on State aid control applicable to the iron and steel sector after the expiry of the Treaty establishing the European Coal and Steel Community."

<sup>9</sup> For more details, please refer to document WT/REG226/3.

<sup>10</sup> Article 2 of the Agreement clarifies that "*mutatis mutandis*" means with the technical changes necessary to apply the EU-Albania Agreement as if it had been concluded between the United Kingdom and Albania, taking into account the object and purpose of this Agreement.

**Box 4.1 Overview of modifications to Title V of the EU - Albania Agreement**

Chapters of the EU-Albania Agreement		Modifications to the EU-Albania Agreement through Annex I to the Agreement	
Chapter I:	Movement of workers	Art. 47(1)	Not incorporated.
		Art. 48	Modified.
Chapter II:	Establishment	Art. 50	Modified.
		Art. 52	Modified.
Chapter III:	Supply of services	Art. 57(3)	Not incorporated.
		Art. 58	Modified.
		Art. 59	Modified.
Chapter IV:	Current payments and movement of capital	Art. 62	Not incorporated.
Chapter V:	General provisions	Art. 69A	New.

Source: WTO Secretariat based on the Agreement.

**4.1 Scope and definitions**

4.2. The Agreement incorporates the provisions of Title V (movement of workers, establishment, supply of services, current payments and capital), which do not apply to activities that in the territory of either Party are connected, even occasionally, with the exercise of official authority (incorporated Article 63.2). In addition, the Parties remain free to apply their laws and regulations regarding entry and stay, employment, working conditions, establishment of natural persons and supply of services, provided that, in so doing, they do not apply them in such a manner as to nullify or impair the benefits accruing to any Party under the terms of the Agreement (incorporated Article 64).

4.3. The Agreement incorporates, without modifications, Article 65 that states that companies which are controlled and exclusively owned jointly by the Parties' companies or nationals are covered by the provisions of Title V. Further to incorporated Article 49, a "company" must be set up in accordance with the laws of the respective Party and has its registered office or central administration or principal place of business in the territory of that Party.

4.4. The Agreement also incorporates the structure of the EU-Albania Agreement, which follows neither a typical "positive", "negative" or "hybrid" list approach. There are no schedules of commitments or lists of reservations for existing or future non-conforming measures, thus liberalization under the incorporated Agreement covers all sectors and all modes of supply and is based on the principle of the approximation of legislation of Albania to that of the EU.<sup>11</sup>

4.5. Notwithstanding that the Agreement does not commit Albania to approximate its legislation to that of the UK, recognising the alignment of their legislation as a result of the EU-Albania Agreement in the relevant sectors, the Parties agree to continue aligning their legislation to secure operation of the following incorporated provisions: Article 46 (Chapter I, movement of workers); Articles 50, 51(1) and 55 (Chapter II, establishment); and Articles 57, 58(1) and 59 (Chapter III, supply of services) (Article 69A).<sup>12</sup> If a Party considers that the necessary level of alignment is not reached, it has the right to request consultations. In case the raised issue is not resolved, a Party may suspend the operation of the provisions mentioned above and instead offer the services and services providers of the other Party treatment no less favourable than that accorded to like services and service suppliers of any other country. Preferential treatment granted by either Party to the service suppliers of a third party, consistent with the GATS, is excluded.

<sup>11</sup> For more details, please refer to Section III.A, document WT/REG226/3.

<sup>12</sup> Articles 50, 57, 58 and 59 of the EU-Albania Agreement have been incorporated with modifications that are described further in respective parts of this factual presentation.

## 4.2 Denial of benefits

4.6. The Agreement does not include a denial of benefits provision *per se* but incorporates Article 49(a) of the EU-Albania Agreement under which a Party may deny the benefits under incorporated Title V to a company having only its registered office in a Party's territory, unless its operations possess "a real and continuous link" with the economy of that Party.

## 4.3 General provisions on trade in services

4.7. The Agreement incorporates, *mutatis mutandis*, the general provisions<sup>13</sup> on trade in services and establishment of the EU-Albania Agreement that are summarized below but which should be also read in conjunction with modifications in Annex I to the Agreement.

### 4.3.1 Market access

4.8. Incorporated Title V does not contain any explicit market access obligations, *per se*, comparable to the provisions in Article XVI of the GATS. However, as regards establishment, services may be provided by companies from the UK and Albania from the entry into force of the Agreement, except for the supply of air transport, inland waterways transport and maritime cabotage services (incorporated Articles 50, 51 and 52). For the supply of services (covering modes 1, 2, and to a certain extent 4), the right to provide services is granted progressively in accordance with the provisions of the incorporated Chapter III of Title V.

### 4.3.2 National and MFN treatment

4.9. Further to Article 50, incorporated with modifications,<sup>14</sup> the Parties agree to grant MFN and national treatment for establishment of companies from the Parties, and the operation of their subsidiaries and branches, as of the entry into force of the Agreement. As reported by the Parties, no modalities have been established as of yet for extending to subsidiaries and branches of UK companies the rights to acquire and enjoy ownership rights over real property and as regards public goods/goods of common interest, where such rights are necessary for the conduct of economic activities for which they are established, including natural resources, agricultural land, forests and forestry land.

4.10. Under the incorporated Agreement, there is no corresponding provision to grant MFN and national treatment for the supply of services.

### 4.3.3 Cross-border trade in services

4.11. The Agreement incorporates with modifications Chapter III of the EU-Albania Agreement, which applies to the supply of services. Under its provisions, the Parties agree to take the necessary steps to allow progressively the supply of services by a company from the UK or from Albania or their nationals who are established in a Party other than that of the person for whom the services are intended (Article 57 incorporated with modifications<sup>15</sup>). The supply of services therefore covers modes 1, 2, and 4. The Parties note that while the commitments in the Agreement are liberal and ambitious, they should not be classified as fully open. For example, the Parties have agreed that the operation of key provisions governing establishment (mode 3) and supply of services (modes 1, 2 and to an extent 4) will depend on the continued alignment of Albania's legislation in relevant sectors.

4.12. The incorporated Agreement also contains a standstill clause in which the Parties commit not to take any measures or actions which would render the conditions for the supply of services by their nationals or by companies established in a Party other than that of the person for whom the services are intended, significantly more restrictive compared to the situation on 31 March 2009.<sup>16</sup>

<sup>13</sup> For more details, please refer to Section III.C, document WT/REG226/3.

<sup>14</sup> Article 50 of the EU-Albania Agreement was incorporated with modifications: in paragraphs 4 and 5, references to timeframes after the entry into force of the Agreement were not incorporated.

<sup>15</sup> In Article 57 of the EU-Albania Agreement, the final sentence was not incorporated into the Agreement.

<sup>16</sup> In the incorporated Article 58, the date has been specified further to modifications in paragraphs 6(f) and (g) of Annex I to the Agreement.

If one Party believes that the other has introduced such restrictive measures it may request consultations with the other Party (incorporated with modifications Article 58).

4.13. The Agreement also incorporates, with modifications, special provisions that cover the supply of transport services, in particular air transport, inland transport and international maritime transport, as described in section 4.6.2 below.

#### **4.3.4 Establishment**

4.14. The Agreement incorporates with modifications Chapter II of Title V on establishment. For companies from either Party, establishment means the right to take up economic activities by setting up subsidiaries and branches in the other Party (incorporated Article 49.d.ii). For nationals from either Party, establishment means the right to take up economic activity as self-employed persons, and to set up undertakings, in particular companies, which they effectively control (incorporated Article 49.d.i). Self-employment and business undertakings by nationals shall not extend to seeking or taking up employment in the labour market or confer a right of access to the labour market of another Party. The provisions on establishment do not apply to those who are not exclusively self-employed. The incorporated Agreement's provisions on establishment go beyond the GATS definition of mode 3, as they also cover the establishment of companies producing goods.

4.15. Further to incorporated Article 50.4 with modifications<sup>17</sup>, the Parties agree to establish modalities for extending the commitments on establishment to nationals of both Parties to take up economic activity as self-employed persons. The Parties indicate that such modalities have not yet been established.

4.16. The Agreement incorporates a standstill clause not to adopt any new regulations or measures which discriminates against the establishment of UK or Albanian companies in their territories or their operation once established, in comparison with their own companies (incorporated Article 50.2).

4.17. The Agreement incorporates the provisions of Article 53, which clarifies that notwithstanding the commitments on establishment, a Party may apply particular rules concerning the establishment and operation in its territory of branches of companies of the other Party not incorporated in the territory of the first Party, if such rules are justified by legal or technical differences between such branches and branches of companies incorporated in its territory, or, as regards financial services, for prudential reasons. The difference in treatment shall however not go beyond what is strictly necessary as a result of such legal or technical differences.

4.18. The provisions of incorporated Chapter II of Title V (establishment) do not apply to air transport, inland waterways transport and maritime cabotage services (Article 52 incorporated with modifications<sup>18</sup>).

#### **4.3.5 Movement of natural persons**

4.19. The Agreement incorporates, with modifications, Chapter I of Title V that regulates the movement of workers.

4.20. The incorporated provisions ensure non-discrimination based on nationality for nationals of a Party who are legally employed in the other Party, as regards working conditions, remuneration or dismissal. They also provide for access to labour markets for a legally resident spouse and children of a worker legally employed in the other Party, except seasonal workers and workers under bilateral agreements from Albania (incorporated Article 46). The Parties agree to examine the granting of

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<sup>17</sup> Under the Agreement, in incorporated Article 50.4, "Five years after the date of entry into force of this Agreement," is not incorporated (para. 6(c), Annex I to the Agreement).

<sup>18</sup> Under the Agreement, in incorporated Article 52.1, "the Multilateral Agreement on the Establishment of a European Common Aviation Area (ECAA)" is replaced by "any Agreement between the Parties on air services or aviation" (Annex I to the Agreement).

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other improvements, including facilities for access to professional training (incorporated Article 47 with modifications<sup>19</sup>).

4.21. The Agreement incorporates with modifications Article 48, to coordinate social security systems for workers from Albania and their family members. Modifications concern provisions for adding together all periods of insurance, employment or residence completed in the UK and EU Member States<sup>20</sup> for old age pensions and annuities, invalidity and death and for medical care for workers and family members. Under the Agreement the provision above shall not apply unless and until the Partnership, Trade and Cooperation Council (i) determines that appropriate data sharing arrangements are in place, and (ii) decides to apply the provision, with or without modifications, or to replace it. After entry into force of the Agreement, the Council shall examine any developments in data sharing arrangements between the UK and the EU and consider whether these are appropriate to enable implementation of the provision above.<sup>21</sup> As reported by the Parties, there is no update on the above as of yet. Pensions and annuities, with the exception of non-contributory benefits, are to be freely transferable.

4.22. The Agreement incorporates the following provisions in Chapters II (establishment) and III (supply of services)<sup>22</sup>:

- i. the right of companies from one Party established in the territory of the other Party to employ, or have employed by one of its subsidiaries or branches, in accordance with the legislation in force in the host country of establishment, employees who are nationals from either Party (incorporated Article 55); and
- ii. the temporary movement of natural persons providing the service or who are employed by the service provider as key personnel and who seek temporary entry to negotiate the sale of services or enter into agreements to sell services but are not engaged in direct sales to the general public or in supplying services themselves (incorporated Article 57.2).

4.23. The UK has horizontal commitments under the GATS for intra-corporate transfers (ICTs), business visitors (BV) and contractual service suppliers (CSS) subject to specific conditions. For ICTs, the natural person must work within a juridical person, other than a non-profit making organization, established in the territory of a WTO Member and have been employed by or been a partner in it for at least the year immediately preceding the date of admission. The natural person is temporarily transferred to an establishment (subsidiary, branch, office) of that juridical person to provide like services in the territory of the UK. The duration of temporary stay for ICTs is defined by UK laws and regulations regarding entry, stay and work. BVs include (i) service sellers seeking temporary entry to negotiate the sale of services and (ii) those in a senior position, within a juridical person, responsible for setting up commercial presence of a service provider (but not engaged in direct sales or supplying services). The duration of temporary stay of BVs is defined by UK laws and regulations regarding entry, stay and work. Regarding CSS, access is subject to the following conditions: natural persons are engaged in the supply of a service on a temporary basis as employees of a juridical person, who has no commercial presence in the UK. Temporary entry and stay are for a period of three months in any 12-month period. The services contract is restricted to a predefined list of activities.<sup>23</sup>

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<sup>19</sup> Under the Agreement, the first paragraph of incorporated Article 47, which concerns existing facilities for access to employment for workers from Albania accorded by the EU Member States under bilateral agreements (ratchet clause), and possible conclusion of such bilateral agreements by other EU Member States, has not been incorporated (para. 6(a), Annex I to the Agreement).

<sup>20</sup> Paragraph 6(b)(i), Annex I to the Agreement.

<sup>21</sup> Paragraph 6(b)(ii), Annex I to the Agreement.

<sup>22</sup> For further details, see paragraphs 30 to 32 in document WT/REG226/3.

<sup>23</sup> These are: legal services; accounting services; taxation advisory services; architectural services, urban planning and landscape architectural services; engineering services, integrated engineering services; advertising; management consulting services; services related to management consulting; technical testing and analysis services; translation services; construction services, site investigation work (document S/C/W/380).

4.24. In the GATS, Albania has scheduled horizontal commitments on the entry and temporary presence of (i) intra-corporate transferees<sup>24</sup> who may enter and stay in Albania for a period of 5 years; (ii) services sellers<sup>25</sup>, whose duration of temporary stay is limited to 6 months in any 12 month period, and is renewable; and (iii) persons responsible for the setting up commercial presence<sup>26</sup>, who can enter and stay in Albania up to 3 months, and is renewable.

#### 4.4 Liberalization commitments

4.25. The Parties incorporate, *mutatis mutandis*, liberalization commitments on trade in services and establishment in the EU-Albania Agreement.<sup>27</sup> Modifications to the incorporated Agreement are described in the respective parts of this factual presentation.

4.26. As mentioned in section 4.1 above, there are no schedules of commitments or lists of reservations for existing or future non-conforming measures.

4.27. Except for financial and certain types of transport services<sup>28</sup>, there are no national treatment restrictions for mode 3 ("establishment" under the incorporated Agreement). Under the incorporated Agreement, the Parties may take measures for prudential reasons, including for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier, or to ensure the integrity and stability of the financial system (incorporated Article 51.2). Further, the provision of trade in services through other modes of supply is bound at the existing level of restrictiveness and will be progressively liberalized.

4.28. The sections below compare the Parties' liberalization commitments under the Agreement and the GATS. Tables 4.1 and 4.2 summarize, sometimes in a rather broad manner, specific commitments under the Agreement, by sector and sub-sector and compare them with GATS commitments. Improvements over existing GATS commitments include a reduction in market access and/or national treatment limitations, a relaxation of the form of establishment under mode 3, and/or additional commitments and/or improved sectoral coverage. Horizontal limitations in the GATS Schedule of Specific Commitments and reservations covering all sectors are not included in the tables but are addressed separately. Mode 4 commitments and limitations are, to a large extent, also excluded from the tables. The following sections are to be read in conjunction with the provisions of the incorporated Agreement and respective modifications introduced by the Agreement.

##### 4.4.1 United Kingdom

4.29. The United Kingdom incorporates, *mutatis mutandis*, the EU's liberalization commitments in the incorporated Agreement with modifications described in respective sections of this factual presentation.

##### 4.4.1.1 MFN and horizontal commitments

4.30. In its GATS commitments the UK has a broad reservation for services considered public utilities at the national or local level, and for types of establishment. Other horizontal restrictions apply to mode 4. Under the incorporated Agreement "activities that in the territory of either Party are connected, even occasionally, with the exercise of official authority" are excluded from its scope (incorporated Article 63.2).

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<sup>24</sup> Defined as essential persons (executives and senior managers, specialists) who are employees of a business or company providing services in Albania through a branch, subsidiary or affiliate established in Albania.

<sup>25</sup> Defined as persons employed or mandated by an enterprise and who stay temporarily in Albania in order to conclude the contract for the sale of a service on behalf of the enterprise which employs them or mandated them; or persons who are employees of an enterprise that has no commercial presence in Albania, which has concluded a service contract with an enterprise engaged in substantive business in Albania.

<sup>26</sup> Defined as persons who are employees of an enterprise not having commercial presence in Albania and who stay temporarily in Albania for the purpose of setting up a commercial presence of that enterprise in Albania.

<sup>27</sup> For further details, see Section III.D in document WT/REG226/3.

<sup>28</sup> As mentioned above, the provisions of the incorporated Chapter II of Title V (establishment) do not apply to air transport services, inland waterways transport services and maritime cabotage services (incorporated Articles 52).

4.31. Under the GATS, the UK lists a number of MFN exemptions in areas such as audio-visual services; a variety of transport services; and financial services. A number of MFN exemptions are also registered for all sectors and with respect to, *inter alia*, existing and future bilateral agreements with third-parties.<sup>29</sup> Such reservations have not been scheduled under the incorporated Agreement.

#### 4.4.1.2 Sector specific commitments

4.32. The UK GATS commitments cover 11 out of 12 services sectors<sup>30</sup> with no commitments in postal and courier services; audio-visual services; other human health services; libraries, archives, museums and other cultural services; and maritime, inland waterways, space and pipeline transport services.

4.33. All services are covered under the Agreement except for air transport services, inland waterways and maritime cabotage services to which Chapter II of Title V on establishment does not apply (incorporated Article 52). As there are no schedules of commitments or lists of reservations for existing or future non-conforming measures, liberalization under the Agreement is conditional on the alignment of Albania's legislation to that of the UK.

4.34. Table 4.1 follows the WTO Services Sectoral Classification<sup>31</sup> and provides a comparison of the UK's GATS specific commitments in modes 1-3 with those taken under the Agreement. There is, as yet, no certified UK Schedule of Specific Commitments; the proposed draft has been circulated in series S/C/W/380.

**Table 4.1 United Kingdom: Comparison between the GATS and Agreement specific commitments.**

Sectors / Sub-sectors	GATS	FTA sector-specific liberalization <sup>a</sup>		Commitments	Compared to GATS <sup>b</sup>
		Trade in services	Establishment		
<b>1. Business services</b>					
A. Professional Services	Partial	Full	Full	Conditional	Improved
B. Computer and Related Services	Full	Full	Full	Conditional	Same
C. Research and Development Services	Partial	Full	Full	Conditional	Improved
D. Real Estate Services	Full	Full	Full	Conditional	Same
E. Rental/Leasing Services without Operators	Partial	Full	Full	Conditional	Improved
F. Other Business Services	Partial	Full	Full	Conditional	Improved
<b>2. Communication services</b>					
A. Postal services	---	Full	Full	Conditional	New
B. Courier services	---	Full	Full	Conditional	New
C. Telecommunication services	Partial	Full	Full	Conditional	Improved
D. Audiovisual services	---	Full	Full	Conditional	New
E. Other	---	Full	Full	Conditional	New
<b>3. Construction and related engineering services</b>					
A. General construction work for buildings	Partial	Full	Full	Conditional	Improved
B. General construction work for civil engineering	Partial	Full	Full	Conditional	Improved
C. Installation and assembly work	Partial	Full	Full	Conditional	Improved
D. Building completion and finishing work	Partial	Full	Full	Conditional	Improved
E. Other	Partial	Full	Full	Conditional	Improved
<b>4. Distribution services</b>					
A. Commission agents' services	Partial	Full	Full	Conditional	Improved
B. Wholesale trade services	Partial	Full	Full	Conditional	Improved
C. Retailing services	Partial	Full	Full	Conditional	Improved
D. Franchising	Partial	Full	Full	Conditional	Improved
E. Other	---	Full	Full	Conditional	New
<b>5. Educational services</b>					
A. Primary education services	Partial	Full	Full	Conditional	Improved
B. Secondary education services	Partial	Full	Full	Conditional	Improved
C. Higher education services	Partial	Full	Full	Conditional	Improved
D. Adult education	Partial	Full	Full	Conditional	Improved
E. Other education services	---	Full	Full	Conditional	New
<b>6. Environmental services</b>					
A. Sewage services	Partial	Full	Full	Conditional	Improved
B. Refuse disposal services	Partial	Full	Full	Conditional	Improved

<sup>29</sup> Document S/C/W/381.

<sup>30</sup> Based on the WTO Services Sectoral Classification (WTO document MTN.GNS/W/120).

<sup>31</sup> Document MTN.GNS/W/120 as of 10 July 1991.

Sectors / Sub-sectors	GATS	FTA sector-specific liberalization <sup>a</sup>			Committed	Compared to GATS <sup>b</sup>
		Sector coverage		Commitments		
		Trade in services	Establishment			
C. Sanitation and similar services	Partial	Full	Full	Conditional	Improved	
D. Other	Partial	Full	Full	Conditional	Improved	
<b>7. Financial services</b>						
A. All insurance and insurance-related services	Partial	Full	Partial	Conditional	Improved	
B. Banking and other financial services	Partial	Full	Partial	Conditional	Improved	
C. Other	---	Full	Partial	Conditional	New	
<b>8. Health related and social services</b>						
A. Hospital services	Partial	Full	Full	Conditional	Improved	
B. Other Human Health Services	---	Full	Full	Conditional	New	
C. Social Services	Partial	Full	Full	Conditional	Improved	
D. Other	---	Full	Full	Conditional	New	
<b>9. Tourism and travel related services</b>						
A. Hotels and restaurants (including catering)	Partial	Full	Full	Conditional	Improved	
B. Travel agencies and tour operators services	Full	Full	Full	Conditional	Same	
C. Tourist guides services	Full	Full	Full	Conditional	Same	
D. Other	---	Full	Full	Conditional	New	
<b>10. Recreational and cultural and sporting services</b>						
A. Entertainment services	Partial	Full	Full	Conditional	Improved	
B. News agency services	Full	Full	Full	Conditional	Same	
C. Libraries, archives, museums and other cultural services	---	Full	Full	Conditional	New	
D. Sporting and other recreational services	Partial	Full	Full	Conditional	Improved	
E. Other	---	Full	Full	Conditional	New	
<b>11. Transport services</b>						
A. Maritime Transport Services	---	Partial	Partial	Conditional	New	
B. Internal Waterways Transport	---	Partial	Excluded	Conditional	Similar	
C. Air Transport Services	Partial	Partial	Excluded	Conditional	Narrower	
D. Space Transport	---	Partial	Full	Conditional	New	
E. Rail Transport Services	Partial	Partial	Full	Conditional	Similar	
F. Road Transport Services	Partial	Partial	Full	Conditional	Similar	
G. Pipeline Transport	---	Partial	Full	Conditional	New	
H. Services auxiliary to all modes of transport	Partial	Partial	Full	Conditional	Similar	
I. Other Transport Services	Partial	Partial	Full	Conditional	Similar	
<b>12. Other services not included elsewhere</b>						
	---	Full	Full	Conditional	New	

General Note: MFN and Horizontal limitations, as well as Mode 4 commitments/limitations not included. As there are no schedules of commitments or lists of reservations for existing or future non-conforming measures, liberalization under the Agreement is based on the principle of the alignment of the legislation of Albania with that of the UK.

- a Progressive liberalization depends on the continued alignment of the legislation of Albania to that of the UK (Article 69A).
- b Based on the sectoral coverage and progressive liberalization set out in the Agreement (incorporated Article 7).

Full: Specific commitments not subject to market access or national treatment limitation(s) under any of the three modes.

Partial: Specific commitments subject to some market access or national treatment limitation(s), under any of the three modes.

---: No specific commitment (under GATS), or no specific reservation (under the Agreement).

New: New commitments (full or partial, with or without limitations) which can, in most cases, be seen as "improved".

Improved: Overall improved commitments under the Agreement compared to those under the GATS.

Similar: Similar commitments with limited improvements and/or limited additional reservations.

Excluded: Sector or sub-sector excluded from coverage, or full reservation under the Agreement.

Conditional: Liberalization commitments are conditioned on the level of alignment of the legislation of Albania with that of the UK.

Source: The United Kingdom's modifications to the incorporated EU-Albania Agreement; liberalization commitments under the incorporated Agreement (WT/REG226/3) and the United Kingdom GATS specific commitments (S/C/W/380).

#### 4.4.1.2.1 Business services

4.35. Under the GATS, the UK has commitments in all 11 sub-sectors of professional services. While the sub-sector is to a large extent bound, certain reservations, in particular for modes 1 and/or 3, apply for auditing services; medical, dental and midwives' services; veterinary services; services



provided by nurses, physiotherapists and paramedical personnel; supply of pharmaceutical goods to the general public, and other related scientific technical consulting services.<sup>32</sup>

4.36. Computer and related services are fully committed for modes 1-3 under the GATS. For research and development services, the UK fully liberalizes only R&D services for social sciences and humanities, while real estate services<sup>33</sup> are fully committed. Rental/leasing services without operators for aircraft are subject to market access limitations for modes 2 and 3, and there are no commitments for other services of this sub-sector; otherwise the sub-sector is liberalized. Under other business services, all sub-sectors are committed either fully or with reservations, except for services incidental to manufacturing and to energy distribution, which are not scheduled.

4.37. Under the Agreement, there are no national treatment restrictions on business services for mode 3 ("establishment" under the Agreement). The Parties commit to not taking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 March 2009. Further, they agree to implement paragraph 1 of Article 57 to allow progressively the supply of services between themselves. These provisions are also dependent on the continued alignment of legislation, as per Article 69A of the Agreement. As reported by the United Kingdom, there has been no update on the matter.

#### **4.4.1.2.2 Communication services**

4.38. The UK has no commitments under the GATS for postal and courier, audio-visual and other communication services. For telecommunication services, the UK is fully committed for the supply of "all services consisting of the transmission and reception of signals by any electromagnetic means, excluding broadcasting". Its GATS commitments also incorporate the Reference Paper obligations for basic telecommunications services.

4.39. Under the Agreement, there are no national treatment restrictions on communication services for mode 3. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 March 2009. Further, they agree to implement paragraph 1 of Article 57 to allow progressively the supply of services between themselves. These provisions are also dependent on the continued alignment of legislation, as per Article 69A of the Agreement. As reported by the United Kingdom, there has been no update on the matter.

#### **4.4.1.2.3 Construction and related services**

4.40. The UK largely liberalizes under the GATS the supply of construction and related engineering services. Mode 1, however, remains unbound for the whole sector, except for site investigation work (CPC 5111) and excavating and earthmoving work (CPC 5114).

4.41. Under the Agreement, there are no national treatment restrictions on construction and related services for mode 3. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 March 2009. Further, they agree to implement paragraph 1 of Article 57 to allow progressively the supply of services between themselves. These provisions are also dependent on the continued alignment of legislation, as per Article 69A of the Agreement. As reported by the United Kingdom, there has been no update on the matter.

#### **4.4.1.2.4 Distribution services**

4.42. For distribution services, the UK's commitments under the GATS exclude trade in arms, chemical products, explosives and precious metal; otherwise, the sector is to a large extent open. The liberalization of the supply of retailing services is limited in scope and remains unbound for mode 1, except for mail order.

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<sup>32</sup> The service involved excludes related scientific and technical consulting services on operation of mines, etc. (S/C/W/380).

<sup>33</sup> The service involved relates to the profession of real estate agents and does not affect any rights and/or restrictions on natural and juridical persons purchasing real estate (S/C/W/380).

4.43. Under the Agreement, there are no national treatment restrictions on distribution services for mode 3. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 March 2009. Further, they agree to implement paragraph 1 of Article 57 to allow progressively the supply of services between themselves. These provisions are also dependent on the continued alignment of legislation, as per Article 69A of the Agreement. As reported by the United Kingdom, there has been no update on the matter.

#### **4.4.1.2.5 Education services**

4.44. Under the UK's GATS commitments, privately funded primary, secondary, higher, and adult education services sub-sectors are fully committed with no commitments in other education services.

4.45. Under the Agreement, there are no national treatment restrictions on educational services for mode 3. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 March 2009. Further, they agree to implement paragraph 1 of Article 57 to allow progressively the supply of services between themselves. These provisions are also dependent on the continued alignment of legislation, as per Article 69A of the Agreement. As reported by the United Kingdom, there has been no update on the matter.

#### **4.4.1.2.6 Environmental Services**

4.46. The supply of environmental services is largely liberalized by the UK under the GATS, with mode 1 remaining unbound for the scheduled sub-sectors.

4.47. Under the Agreement, there are no national treatment restrictions on environmental services for mode 3. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 March 2009. Further, they agree to implement paragraph 1 of Article 57 to allow progressively the supply of services between themselves. These provisions are also dependent on the continued alignment of legislation, as per Article 69A of the Agreement. As reported by the United Kingdom, there has been no update on the matter.

#### **4.4.1.2.7 Financial Services**

4.48. Under the GATS, the UK takes commitments in financial services in accordance with the provisions of the "Understanding on Commitments in Financial Services" ("the Understanding"). In insurance and insurance-related services, market access commitments in modes 1 and 2 apply only to the transactions specified in the Understanding<sup>34</sup>; also, a specific legal form might be required. In banking and other financial services, modes 2 and 3 are subject to a number of reservations, in particular regarding forms of establishment.

4.49. Under the Agreement, the Parties may take measures for prudential reasons, including for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier, or to ensure the integrity and stability of the financial system (incorporated Article 51.2).

#### **4.4.1.2.8 Health related and social services**

4.50. The UK has partial commitments for the supply of all hospital services and social services (only convalescent and rest houses, old people's homes) with modes 2 and 3 fully open and mode 1 unbound.

4.51. Under the Agreement, there are no national treatment restrictions on health related and social services for mode 3. The Parties commit to not undertaking measures or actions which render the

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<sup>34</sup> Paragraphs B.3 and B.4 of the market access section of the Understanding, which include, *inter alia*, insurance of risks relating to maritime shipping, commercial aviation, space launching and freight, and goods in international transit; reinsurance and retrocession; provision and transfer of financial information and financial data processing.

conditions for the supply of services significantly more restrictive than on 31 March 2009. Further, they agree to implement paragraph 1 of Article 57 to allow progressively the supply of services between themselves. These provisions are also dependent on the continued alignment of legislation, as per Article 69A of the Agreement. As reported by the United Kingdom, there has been no update on the matter.

#### **4.4.1.2.9 Tourism and related services**

4.52. Tourism and travel related services are largely open under the GATS, with some reservations applicable to scope and supply via mode 1 for hotels, restaurants and catering services.

4.53. Under the Agreement, there are no national treatment restrictions on tourism and travel services for mode 3. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 March 2009. Further, they agree to implement paragraph 1 of Article 57 to allow progressively the supply of services between themselves. These provisions are also dependent on the continued alignment of legislation, as per Article 69A of the Agreement. As reported by the United Kingdom, there has been no update on the matter.

#### **4.4.1.2.10 Recreational, cultural and sporting services**

4.54. Under the GATS, the UK has full commitments for news and press agency services, while for entertainment services mode 1 is unbound and partial liberalization commitments apply for the supply of sporting and other recreational services other than gambling and betting services.

4.55. Under the Agreement, there are no national treatment restrictions on recreational, cultural and sporting services for mode 3. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 March 2009. Further, they agree to implement paragraph 1 of Article 57 to allow progressively the supply of services between themselves. These provisions are also dependent on the continued alignment of legislation, as per Article 69A of the Agreement. As reported by the United Kingdom, there has been no update on the matter.

#### **4.4.1.2.11 Transport Services<sup>35</sup>**

4.56. The UK has no commitments in the GATS for maritime, internal waterways, space and pipeline transport services. In air transport services, maintenance and repair of aircraft and parts thereof, sales and marketing, and computer reservations systems are partially liberalized with, *inter alia*, certain national treatment reservations. For rail transport services, the UK only opens modes 2 and 3 for maintenance and repair of rail transport equipment, with mode 1 remaining unbound. For road transport services, maintenance and repair of road transport equipment is fully liberalized, while for both passenger and freight transportation mode 1 is unbound, with specific reservations for mode 3 for the supply of passenger transportation services. For services auxiliary to all modes of transport, the UK has full commitments in freight transport agency/freight forwarding services and pre-shipment inspection. For storage and warehouse services (other than in ports) only mode 1 remains unbound. In land transport it has partial commitments (provision of combined transport services), which is scheduled under other transport services.

4.57. Under the Agreement, specific provisions apply for the supply of maritime, air and inland transport services as described in Section 4.6.2 below. No reservations are listed for space and pipeline transport.

#### **4.4.1.2.12 Other services not included elsewhere**

4.58. The UK has no GATS commitments under this sector and lists no reservations under the Agreement.

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<sup>35</sup> Liberalization of transport services is covered by specific provisions. For further details, please refer to section 4.6.2 of this factual presentation.

#### 4.4.2 Albania

4.59. Under the GATS, Albania made commitments in 11 out of 12 services sectors with no commitments, *inter alia*, in R&D and real estate services; audiovisual services; social services; internal waterways, space, rail and pipeline transport services; and other services not included elsewhere.

4.60. Under the Agreement, Albania incorporates without modifications, *mutatis mutandis*, liberalization commitments under the EU-Albania Agreement<sup>36</sup>, where all services are covered except for air transport services, inland waterways and maritime cabotage services to which Chapter II of Title V on establishment does not apply (incorporated Article 52). As there are no schedules of commitments or lists of reservations for existing or future non-conforming measures, liberalization under the Agreement is conditional on the alignment of Albania's legislation to that of the UK.

4.61. Table 4.2 provides a comparison of Albania's GATS specific commitments in modes 1-3 with those taken under the Agreement. Horizontal limitations, MFN reservations and mode 4 are not taken into account in the table which should be read in conjunction with the respective provisions of the Agreement.

**Table 4.2 Albania: Comparison between the GATS and Agreement specific commitments.**

Sectors / Sub-sectors	GATS	FTA sector-specific liberalization <sup>a</sup>			Compared to GATS <sup>b</sup>
		Sector coverage		Commitments	
		Trade in services	Establishment		
<b>1. Business services</b>					
A. Professional Services	Partial	Full	Full	Conditional	Improved
B. Computer and Related Services	Full	Full	Full	Conditional	Same
C. Research and Development Services	---	Full	Full	Conditional	New
D. Real Estate Services	---	Full	Full	Conditional	New
E. Rental/Leasing Services without Operators	Partial	Full	Full	Conditional	Improved
F. Other Business Services	Partial	Full	Full	Conditional	Improved
<b>2. Communication services</b>					
A. Postal services	Partial	Full	Full	Conditional	Improved
B. Courier services	Full	Full	Full	Conditional	Same
C. Telecommunication services	Full	Full	Full	Conditional	Same
D. Audiovisual services	---	Full	Full	Conditional	New
E. Other	---	Full	Full	Conditional	New
<b>3. Construction and related engineering services</b>					
A. General construction work for buildings	Full	Full	Full	Conditional	Same
B. General construction work for civil engineering	Full	Full	Full	Conditional	Same
C. Installation and assembly work	Full	Full	Full	Conditional	Same
D. Building completion and finishing work	Full	Full	Full	Conditional	Same
E. Other	Full	Full	Full	Conditional	Same
<b>4. Distribution services</b>					
A. Commission agents' services	Partial	Full	Full	Conditional	Improved
B. Wholesale trade services	Partial	Full	Full	Conditional	Improved
C. Retailing services	Partial	Full	Full	Conditional	Improved
D. Franchising	Full	Full	Full	Conditional	Same
E. Other	---	Full	Full	Conditional	New
<b>5. Educational services</b>					
A. Primary education services	Partial	Full	Full	Conditional	Improved
B. Secondary education services	Partial	Full	Full	Conditional	Improved
C. Higher education services	Full	Full	Full	Conditional	Same
D. Adult education	Full	Full	Full	Conditional	Same
E. Other education services	---	Full	Full	Conditional	New
<b>6. Environmental services</b>					
A. Sewage services	Full	Full	Full	Conditional	Same
B. Refuse disposal services	Full	Full	Full	Conditional	Same
C. Sanitation and similar services	Full	Full	Full	Conditional	Same
D. Other	Partial	Full	Full	Conditional	Improved
<b>7. Financial services</b>					
A. All insurance and insurance-related services	Partial	Full	Partial	Conditional	Improved
B. Banking and other financial services	Partial	Full	Partial	Conditional	Improved
C. Other	---	Full	Partial	Conditional	New
<b>8. Health related and social services</b>					
A. Hospital services	Full	Full	Full	Conditional	Same

<sup>36</sup> For further details, see Section III.D in document WT/REG226/3.

Sectors / Sub-sectors	GATS	FTA sector-specific liberalization <sup>a</sup>			Committed	Compared to GATS <sup>b</sup>
		Sector coverage		Establishment		
		Trade in services	Establishment			
B. Other Human Health Services	Full	Full	Full	Conditional	Same	
C. Social Services	---	Full	Full	Conditional	New	
D. Other	---	Full	Full	Conditional	New	
<b>9. Tourism and travel related services</b>						
A. Hotels and restaurants (including catering)	Full	Full	Full	Conditional	Same	
B. Travel agencies and tour operators services	Full	Full	Full	Conditional	Same	
C. Tourist guides services	Full	Full	Full	Conditional	Same	
D. Other	---	Full	Full	Conditional	New	
<b>10. Recreational and cultural and sporting services</b>						
A. Entertainment services	Partial	Full	Full	Conditional	Improved	
B. News agency services	Full	Full	Full	Conditional	Same	
C. Libraries, archives, museums and other cultural services	Partial	Full	Full	Conditional	Improved	
D. Sporting and other recreational services	Full	Full	Full	Conditional	Same	
E. Other	---	Full	Full	Conditional	New	
<b>11. Transport services</b>						
A. Maritime Transport Services	Partial	Partial	Partial	Conditional	Similar	
B. Internal Waterways Transport	---	Partial	Excluded	Conditional	Similar	
C. Air Transport Services	Partial	Partial	Excluded	Conditional	Similar	
D. Space Transport	---	Partial	Full	Conditional	New	
E. Rail Transport Services	---	Partial	Full	Conditional	New	
F. Road Transport Services	Partial	Partial	Full	Conditional	Similar	
G. Pipeline Transport	---	Partial	Full	Conditional	New	
H. Services auxiliary to all modes of transport	Partial	Partial	Full	Conditional	Improved	
I. Other Transport Services	---	Partial	Full	Conditional	New	
<b>12. Other services not included elsewhere</b>						
	---	Full	Full	Conditional	New	

General Note: MFN and Horizontal limitations, as well as Mode 4 commitments/limitations not included. As there are no schedules of commitments or lists of reservations for existing or future non-conforming measures, liberalization under the Agreement is based on the principle of the alignment of the legislation of Albania with that of the UK.

a Progressive liberalization depends on the continued alignment of the legislation of Albania to that of the UK (Article 67A).

b Based on the sectoral coverage and progressive liberalization set out in the Agreement (incorporated Article 6).

Full: Specific commitments not subject to market access or national treatment limitation(s), under any of the three modes.

Partial: Specific commitments subject to some market access or national treatment limitation(s) under any of the three modes.

---: No specific commitment (under GATS), or no specific reservation (under the Agreement).

New: New commitments (full or partial, with or without limitations) which can be seen as "improved".

Improved: Overall improved commitments made under the Agreement compared to those under the GATS.

Similar: Similar commitments; though with limited improvements and/or limited additional reservations.

Excluded: Sector or sub-sector excluded from the coverage, or full reservation (under the Agreement).

Conditional: Liberalization commitments are conditioned on the level of alignment of the legislation of Albania with that of the UK.

Source: The liberalization commitments under the incorporated Agreement (WT/REG226/3) and GATS Specific Commitments of Albania (GATS/SC/131).

## 4.5 Regulatory provisions

### 4.5.1 Domestic regulation

4.62. There is no provision *per se* in the incorporated Agreement on domestic regulation in line with Article VI of the GATS.

#### **4.5.2 Recognition**

4.63. The Agreement fully incorporates Article 54 that provides the possibility for mutual recognition of qualifications. As reported by the Parties, there is no bilateral agreement on the recognition of professional qualifications yet.

#### **4.5.3 Subsidies**

4.64. Like the EU-Albania Agreement, the Agreement contains no provisions on subsidies in trade in services.

#### **4.5.4 Safeguards**

4.65. The EU-Albania Agreement provisions on safeguards in services are incorporated into the Agreement. For further details see paragraphs 77 and 78 of the Factual Presentation WT/REG226/3.

#### **4.5.5 Other**

##### **4.5.5.1 Investment**

4.66. The Agreement incorporates, with no modification, Article 91 of Title VIII of the EU-Albania Agreement, which establishes cooperation between the Parties on investment promotion and protection matters with the particular aim of bringing about a favourable climate for private investment, both domestic and foreign, in Albania.

#### **4.6 Sector specific provisions on trade in services**

##### **4.6.1 Financial Services**

4.67. Like the GATS Annex on Financial Services, incorporated Article 51.2 states that the Parties shall not be prevented from taking measures for prudential reasons, including for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier, or to ensure the integrity and stability of the financial system.

4.68. Further to incorporated Articles 49 and 51, the Agreement fully incorporates Annex IV to the EU-Albania Agreement, which defines the scope and definition of financial services for the purposes of the incorporated Agreement, and which also to a large extent mirror the provisions of the GATS Annex on Financial Services.

##### **4.6.2 Transport services**

4.69. Under the incorporated Agreement specific provisions apply to maritime, internal waterways, air and inland transport services.<sup>37</sup> Air transport, inland waterways transport and maritime cabotage services are excluded from the provisions on establishment (incorporated Article 52.1)

4.70. For international maritime transport, the Agreement incorporates with modifications<sup>38</sup> Article 59.2, which provides for the effective application by the Parties of the principle of unrestricted access to the market and traffic on a commercial basis, and to respect international obligations on safety, security and environmental standards. The Parties affirm their commitment to a freely competitive environment as an essential feature of international maritime transport. In this context, they commit to not introduce cargo-sharing clauses in future bilateral agreements with third parties; abolish all unilateral measures and administrative, technical and other obstacles that could have restrictive or discriminatory effects on the free supply of services in international maritime transport; and grant non-discriminatory access to ports open to international trade, the use of infrastructure and auxiliary maritime services of the ports, as well as related fees and charges, customs facilities and the assignment of berths and facilities for loading and unloading (incorporated Article 59.3).

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<sup>37</sup> For further details see paragraphs 70-72 of the Factual Presentation WT/REG226/3

<sup>38</sup> Modifications to paragraphs 1, 2 and 6 of Article 59 of the EU-Albania Agreement are in paragraphs 6(h)-(j) of Annex I to the Agreement.

4.71. On air transport services, the Parties agree to negotiate special agreements regarding the conditions of mutual market access (incorporated Article 59.4). As reported by the Parties, there has been no update on the matter. Prior to the conclusion of such agreements, the Parties agree not to take any measures or actions which are more restrictive or discriminatory than before the entry into force of the Agreement (incorporated Article 59.5).

4.72. The supply of inland transport services is governed by incorporated and modified Protocol 5<sup>39</sup> to the EU-Albania Agreement. The Protocol aims to promote cooperation between the Parties on land transport, and in particular transit traffic (incorporated Article 1). Cooperation covers land transport, in particular road, rail and combined transport, including relevant infrastructure (incorporated Article 2).

4.73. The Parties agree to adopt mutually coordinated measures necessary for the development and promotion of rail and combined transport to ensure that a major proportion of their bilateral and transit transport through Albania occurs under more environmentally-friendly conditions (incorporated Article 7). As reported by the Parties, there has been no update on the matter.

4.74. In road transport, the Parties agree to grant unrestricted access to transit traffic (Article 11 of the Protocol).

4.75. Further to incorporated Article 59.7, the Partnership, Trade and Cooperation Council shall examine ways of creating the conditions necessary for improving the freedom of providing air and inland transport services. As reported by the Parties, there has been no update on the matter.

## **5 GENERAL PROVISIONS OF THE AGREEMENT**

### **5.1 Transparency**

5.1. Under the incorporated EU-Albania Agreement, the Agreement contains no general transparency obligation. The Agreement does however contain some specific transparency obligations (for example Article 71.5 on state aid requires the provision of annual reports and on iron and steel in Protocol I Article 5.4). For further details see the Factual Presentation WT/REG226/1/Rev.1.

### **5.2 Current payments and capital movements**

5.2. The Agreement incorporates, with modifications<sup>40</sup>, Chapter IV of Title V of the EU-Albania Agreement on current payments and movement of capital. The Parties shall authorize, in freely convertible currency, any payment and transfer between their current accounts, in accordance with IMF regulations.

5.3. The Parties shall ensure the free movement of capital relating to direct investments in companies formed in accordance with the laws of the host country and investments in accordance with the provisions of the Agreement's Chapter II of Title V (on establishment), as well as the free movement of capital relating to the liquidation or repatriation of these investments and of any profit stemming therefrom (Article 61). The same provision applies to free movement between the Parties of capital for credits related to commercial transactions or to the provision of services in which a resident of one of the Parties is participating, and to financial loans and credits with a maturity longer than a year. As reported by Albania, the Parties are engaged in a dialogue regarding the progressive liberalization of the acquisition of real estate rights by UK nationals. The Parties clarify that no modifications have yet been made to the Agreement on Article 61. The review clauses are within 7 years for Albanian real estate, and from 5 years for the free movement of capital relating to portfolio investment and financial loans and credits with maturity shorter than a year. As the Agreement entered into force in 2021, these reviews are yet to be explored.

5.4. The Parties commit to not introduce any new restriction on the movement of capital and current payments between their residents, and to not make the existing arrangements more restrictive

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<sup>39</sup> Modifications to Protocol 5 are set out in paragraphs 15(a)-(r) of Annex I to the Agreement.

<sup>40</sup> Article 62 of the EU-Albania Agreement on the progressive application of EU rules on the free movement of capital was not incorporated (paragraph 6(k) of Annex I to the Agreement).

(Article 61.3). Moreover, they commit to consult each other with a view to facilitating the movement of capital between themselves (Article 63.6). For more details see paragraphs 78-80 of Factual Presentation WT/REG226/3.

### 5.3 Exceptions

5.5. The exceptions contained in the EU-Albania Agreement on Title V are incorporated into the Agreement. For further details see paragraphs 83-85 of the Factual Presentation WT/REG226/3.

### 5.4 Accession and withdrawal

5.6. Article 12.5 of the Agreement concerns termination of provisional application of the Agreement. Through incorporation of Article 130 of the EU-Albania Agreement, the Parties have agreed that the Agreement is concluded for an unlimited period, although either Party may denounce the Agreement by notifying the other Party. In such a case the Agreement would be terminated six months later.

5.7. Amendments of the Agreement are permitted under Article 11.1 and 2.

### 5.5 Institutional framework

5.8. The Agreement incorporates Title X of the EU-Albania Agreement, modified by Article 9 of the Agreement, modifying all references to the Stabilisation and Association Council in the EU-Albania Agreement to the Partnership, Trade and Cooperation Council under the Agreement, and may make decisions different to, modify, revoke or supersede decisions adopted by the Stabilisation and Association Council under the EU-Albania Agreement. For further details see paragraph 86 of the Factual Presentation WT/REG226/3.

### 5.6 Dispute settlement

5.9. With the exception of provisions on consultations under the incorporated EU-Albania Agreement, and Article 119 (providing that each Party shall refer to the Stabilisation and Association Council any dispute relating to the application or interpretation of the Agreement for binding decision), the Agreement contains no formal dispute settlement resolution mechanism. For further details see paragraphs 83-87 of WT/REG226/1/Rev.1.

### 5.7 Relationship with other agreements concluded by the parties

5.10. Table 5.1 sets out the Parties notified and non-notified RTAs in force.

**Table 5.1 United Kingdom and Albania: participation in other RTAs (notified and non-notified in force), as of 29 August 2023**

RTA Name	Entry into force <sup>a</sup>	Coverage	GATT/WTO Notification	
			Year	WTO Provision
<b>UNITED KINGDOM</b>				
United Kingdom – Australia	31-May-23	Goods & Services	2023	GATT Art. XXIV & GATS Art. V
United Kingdom – New Zealand	31-May-23	Goods & Services	2023	GATT Art. XXIV & GATS Art. V
United Kingdom – Iceland, Liechtenstein and Norway	01-Dec-21	Goods & Services	2021	GATT Art. XXIV & GATS Art. V
United Kingdom – Mexico	01-Jun-21	Goods & Services	2021	GATT Art. XXIV & GATS Art. V
United Kingdom - Serbia	20-May-21	Goods & Services	2021	GATT Art. XXIV & GATS Art. V
United Kingdom - Jordan	01-May-21	Goods	2021	GATT Art. XXIV
United Kingdom - Ghana	05-Mar-21	Goods	2021	GATT Art. XXIV
EU - United Kingdom	01-Jan-21	Goods & Services	2021	GATT Art. XXIV & GATS Art. V
United Kingdom - Cameroon	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Canada	01-Jan-21	Goods	2020	GATT Art. XXIV
	01-Apr-21	Services	2021	GATS Art. V
United Kingdom - CARIFORUM States	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V



RTA Name	Entry into force <sup>a</sup>	Coverage	GATT/WTO Notification	
			Year	WTO Provision
United Kingdom - Central America	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Chile	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Colombia, Ecuador and Peru	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Côte d'Ivoire	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Eastern and Southern Africa States	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Egypt	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Faroe Islands	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Georgia	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Israel	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Japan	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Kenya	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Kosovo <sup>b</sup>	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Lebanon	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Morocco	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - North Macedonia	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Pacific States	01-Jan-21	Goods	2020	GATT Art. XXIV
• <i>United Kingdom - Pacific States - Accession of Samoa</i>	01-Jan-21	Goods	2020	GATT Art. XXIV
• <i>United Kingdom - Pacific States - Accession of Solomon Islands</i>	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Palestine	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Republic of Korea	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Republic of Moldova	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - SACU and Mozambique	01-Jan-21	Goods	2021	GATT Art. XXIV
United Kingdom - Singapore	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Switzerland - Liechtenstein	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Tunisia	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Türkiye	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Ukraine	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Viet Nam	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
<b>ALBANIA</b>				
EFTA - Albania	01-Nov-10	Goods	2011	GATT Art. XXIV
Türkiye - Albania	01-May-08	Goods	2008	GATT Art. XXIV
Central European Free Trade Agreement (CEFTA)	01-May-07	Goods	2007	GATT Art. XXIV
CEFTA - Protocol on Trade in Services	Albania: 11-Jan-21	Services	Not notified	
EU - Albania	01-Dec-06	Goods	2007	GATT Art. XXIV
	01-Apr-09	Services	2009	GATS Art. V

a Dates of the first entry into force/provisional application for at least one of the Parties.

b Reference to Kosovo in this table shall be understood to be in the context of the United Nations Security Council resolution 1244 (1999).

Source: WTO Secretariat. Further information on these Agreements and on specific dates of entry into force/provisional applications may be found in the WTO Database on RTAs: <http://rtais.wto.org>.

## **5.8 Government procurement**

5.11. The Agreement incorporates the provisions on public contracts in the EU-Albania FTA Agreement into the Agreement. For further details see paragraphs 54-56 of the Factual Presentation WT/REG226/1/Rev.1.

## **5.9 Intellectual property rights**

5.12. The Agreement incorporates the provisions of Annex V to the EU-Albania Agreement in which the Parties have stated their commitment to, inter alia, the WTO Agreement on TRIPS, although it expressly excludes paragraph 3 of Annex V (concerning MFN treatment in respect of intellectual property rights, as well as a transition period granted to Albania in Article 73.2 of the EU-Albania Agreement).<sup>41</sup> For further details see paragraphs 57-58 and 68-72 of the Factual Presentation WT/REG226/1/Rev.1.

## **5.10 Competition**

5.13. The Agreement incorporates the provisions of Chapter V, Title VI of the EU-Albania Agreement. Article 71, paragraph 1 illustrates practices which are incompatible with the proper functioning of the agreement, in so far as they affect trade between the Parties.<sup>42</sup> The Parties shall ensure that an operationally independent public body is entrusted with the powers necessary for the full application of paragraph 1(i) and (ii), regarding private and public undertakings and undertakings to which special rights have been granted (paragraph 3). They may take appropriate measures following consultations in the Stabilization and Association Council, or 30 working days after referral for consultations, if one of the Parties considers that a particular practice is incompatible with the terms of paragraph 1. For further details see paragraph 49-53 of the Factual Presentation WT/REG226/1/Rev.1.

5.14. For public undertakings and undertakings to which special or exclusive rights have been granted, the Parties shall neither take nor maintain any measure distorting trade between them without obstructing the performance in law or in fact of the particular tasks assigned to those undertakings.

## **5.11 Environment**

5.15. The Agreement incorporates Article 108 of the EU-Albania Agreement on Environment, and accordingly the Parties have agreed to develop and strengthen their cooperation in the task of combatting environmental degradation, with the aim of promoting environmental sustainability.

## **5.12 Labour**

5.16. Apart from in the context of Title III on regional cooperation; Title VI on Services; and Title V on movement of workers, establishment, supply of services, current payments and movement of capital (movement of natural persons and movement of workers) there are no provisions in the Agreement on labour.

## **5.13 Electronic commerce**

5.17. There are no provisions in the Agreement on electronic commerce.

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<sup>41</sup> Note also the incorporated Joint Declaration in relation to Article 73 of the Agreement, where the Parties have agreed that for the purposes of the Agreement, intellectual, industrial and commercial property includes in particular copyright, including the copyright in computer programs, and neighbouring rights, the rights relating to databases, patents, industrial designs, trademarks and service marks, topographies of integrated circuits and geographical indications, including appellations of origin, as well as protection against unfair competition as referred to in Article 10a of the Paris Convention for the Protection of Industrial Property and protection of undisclosed information on know-how.

<sup>42</sup> Incompatible practices include all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which as their object or effect the prevention, restriction or distortion of competition; and abuse by one or more undertakings of a dominant position in the United Kingdom or Albania as a whole or in a substantial part thereof.

#### **5.14 Small and medium-sized enterprises**

5.18. Article 93 of the incorporated EU Albania Agreement provides that the Parties will cooperate with the aim of developing and strengthening private sector small and medium-sized enterprises (SMEs) and shall take due account of priority areas related to the field of SMEs.

#### **5.15 Cooperation policies**

5.19. Articles 86-111 in Title VIII of the Agreement on Cooperation Policies (incorporated from the EU Albania Agreement with modifications) sets out extensive cooperation mechanisms covering cooperation and development on a range of Albanian sectors, including economic and trade policy, banking, insurance and other financial services, audit and financial control cooperation, tourism, agriculture, investment promotion and protection, industrial cooperation, fisheries, customs, taxation and other sectors.

## ANNEX 1

1. Tables A1.1 and A1.2 show tariff liberalization by the Parties under the Agreement by total products, agricultural products (HS Chapters 1-24) and industrial products (HS Chapters 25-97). In 2021 the UK's overall average applied MFN tariff was 3.8%; it was 2.5% for industrial products and considerably higher at 8.9% for agricultural products. Under the Agreement the UK's average applied tariff fell to 0.1% for imports from Albania (zero for industrial products and 0.5% for agricultural products). As a result, Albanian exporters had a relative margin of preference of 97.4% overall, 100% for industrial products and 94.4% for agricultural products. Under the Agreement, 97.2% of all products became duty free (89.4% of agricultural products and 100% of industrial products compared to 47% overall and 18.8% and 57.1% respectively for agricultural and industrial products on an MFN basis.

**Table A1.1 United Kingdom: Indicators of MFN and preferential rates for imports from Albania**

Origin of goods	Year	ALL PRODUCTS			HS Chapters 01-24			HS Chapters 25-97		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2021	3.8	7.8	47.0	8.9	12.0	18.8	2.5	5.8	57.1
<b>Albania</b>	<b>2021</b>	<b>0.1</b>	<b>9.3</b>	<b>97.2</b>	<b>0.5</b>	<b>9.3</b>	<b>89.4</b>	<b>0.0</b>	<b>0.0</b>	<b>100.0</b>

Note: Tariff lines subject to in-quota rates are excluded in the computation. For the calculation of averages, specific rates are excluded, and the *ad valorem* part of alternate rates are included.

For the tariff lines subject to seasonal duties<sup>1</sup>, the average rate for the entire year is used for the calculation. The products classified beyond the HS 8-digit level are counted once and their tariff rates are averaged to the 8-digit level.

Source: WTO estimates based on data provided by the UK.

2. In 2021 Albania's overall average applied MFN tariff was 4.1%; it was 3% for industrial products and considerably higher at 7.2% for agricultural products. Under the Agreement Albania's average applied tariff fell to 0.9% for imports from the UK (zero for industrial products and 3.3% for agricultural products). As a result, UK exporters had a relative margin of preference of 78% overall, 100% for industrial products and 54.2% for agricultural products. Under the Agreement, 92.7% of all products became duty free (72.4% of agricultural products and 100% of industrial products compared to 50.4% overall and 29.9% and 57.8% respectively for agricultural and industrial products on an MFN basis.

<sup>1</sup> Tariff lines 0302.41.00, 0302.43.90, 0302.44.00, 0303.51.00, 0303.53.90, 0303.54.10, 0303.89.40, 0304.59.50, 0304.99.23, 0702.00.00, 0708.10.00, 0805.10.22, 0805.10.24, 0805.10.28, 0808.10.80, 0808.30.90, 0809.29.00 and 0809.40.05 are subject to MFN seasonal duties.

**Table A1.2 Albania: Indicators of MFN tariff rates and preferential rates for imports from the UK**

Origin of goods	Year	ALL PRODUCTS			HS chapters 1-24			HS Chapters 25-97		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2021	4.1	8.3	50.4	7.2	10.3	29.9	3.0	7.1	57.8
UK	2021	0.9	12.0	92.7	3.3	12.0	72.4	0.0	0.0	100.0

Note: For the calculation of averages, specific rates are excluded  
Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by Albania.

3. Table A1.3 shows market access opportunities under the Agreement for Albanian exports to the UK. During 2018-20 Albania's average top 25 exports accounted for 33.3% of its global exports and were covered by 75 tariff lines at the HS 6 digit level in the UK tariff. In 2021 16 of these lines were duty free on an MFN basis. Under the Agreement, 58 lines of the 59 lines remaining dutiable were subject to duty free entry into the UK. The one line remaining dutiable is prepared or preserved anchovies, which in 2021 had an MFN tariff of 25%.

**Table A1.3 United Kingdom: Market access opportunities under the Agreement for Albania's top 25 exports to the world**

Albania's top export products in 2018-20		Access Conditions to UK's markets					
HS number and description		Share in global exports (%)	MFN 2021			No. of duty free lines under the agreement	Remain Dutiable
			Avg. Tariff (%)	No. of duty-free lines	No. of dutiable lines		
					2021		
640610	Uppers and parts thereof	7.4	0.0	2			
620342	Men's or boys' trousers	3.0	12.0		7	7	
640340	Footwear	2.6	8.0		1	1	
640399	Footwear with outer soles of rubber	2.3	7.5		11	11	
261000	Chromium ores and concentrates	1.5	0.0	1			
620520	Men's or boys' shirts of cotton	1.5	12.0		1	1	
481940	Sacks and bags	1.4	0.0	1			
070200	Tomatoes, fresh or chilled	1.4	11.0		1	1	
720241	Ferro-chromium	1.2	0.0	2			
121190	Plants, parts of plants	1.0	1.0	1	1	1	
721420	Bars and rods, of iron or non-alloy steel	1.0	0.0	1			
610910	T-shirts, singlets and other vests of cotton	1.0	12.0		1	1	
610711	Men's or boys' underpants and briefs of cotton	0.9	12.0		1	1	
160416	Prepared or preserved anchovies, whole or in pieces	0.8	25.0		1		1
271600	Electrical energy	0.8	0.0	1			
610821	Women's or girls' briefs and panties of cotton	0.8	12.0		1	1	
620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton	0.8	12.0		7	7	
200570	Olives	0.6	12.0		1	1	

Albania's top export products in 2018-20			Access Conditions to UK's markets				
HS number and description		Share in global exports (%)	MFN 2021			No. of duty free lines under the agreement	Remain Dutiable
			Avg. Tariff (%)	No. of duty-free lines	No. of dutiable lines	2021	
620343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres	0.6	12.0		5	5	
252329	Portland cement	0.6	0.0	1			
640299	Footwear with outer soles and uppers of rubber or plastics	0.6	16.0		9	9	
640690	Parts of footwear; removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof	0.5	0.0	4			
640351	Footwear with outer soles and uppers of leather	0.4	8.0		7	7	
070960	Fresh or chilled fruits of the genus capsicum or pimenta	0.4	3.0	2	2	2	
070700	Cucumbers and gherkins	0.4	12.0		2	2	
<b>Total of above</b>		<b>33.3</b>	<b>7.5</b>	<b>16</b>	<b>59</b>	<b>58</b>	<b>1</b>

Note: Tariff lines subject to in-quota rates are excluded in the computation. For the calculation of averages, specific rates are excluded, and the *ad valorem* part of alternate rates are included. For the tariff lines subject to seasonal duties, the average rate for the entire year is used for the calculation. The products classified beyond the HS 8-digit level are counted once and their tariff rates are averaged to the 8-digit level.

Source: WTO estimates based on data provided by the UK and UNSD Comtrade Database.

4. Table A1.4 shows market access opportunities under the Agreement for UK exports to Albania. During 2018-20 the UK's average top 25 exports accounted for 38.4% of its global exports and were covered by 95 tariff lines at the HS 6-digit level in the Albanian tariff. In 2021 65 of these lines were duty free on an MFN basis. Under the Agreement, all the remaining 30 lines were liberalized for imports from the UK.

**Table A1.4 Albania: Market access opportunities under the agreement for the UK's top 25 exports to the world**

United Kingdom's top export products in 2018 - 2020			Access Conditions to Albania's import markets			
HS number and description of the product		Share in global exports (%)	MFN 2021		Duty Free under the Agreement	
			Avg MFN applied rate (%)	No. of lines		
			Duty-free	Duti-able		
710813	Gold, incl. gold plated with platinum, in semi-manufactured forms, for non-monetary purposes	5.6	2.0	2	2	
270900	Petroleum oils and oils obtained from bituminous minerals, crude	4.9	5.0	1	1	
300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes,	3.2	0.0	1		
880330	Parts of aeroplanes or helicopters, n.e.s.	2.9	2.0	1	1	
841112	Turbojets of a thrust > 25 kn	2.6	0.0	3		
870323	Motor cars and other motor vehicles principally designed for the transport of <10 persons, of a cylinder capacity > 1.500 cm <sup>3</sup> but <= 3.000 cm <sup>3</sup>	2.4	0.0	3		
841191	Parts of turbojets or turbopropellers, n.e.s.	2.1	0.0	1		

United Kingdom's top export products in 2018 - 2020		Access Conditions to Albania's import markets				
		Share in global exports (%)	MFN 2021			Duty Free under the Agreement
			Avg MFN applied rate (%)	No. of lines		
HS number and description of the product				Duty-free	Duti-able	
870324	Motor cars and other motor vehicles principally designed for the transport of <10 persons, of a cylinder capacity > 3.000 cm <sup>3</sup>	1.7	0.0	2		
220830	Whiskies	1.3	0.0	11		
271012	Light oils and preparations	1.3	4.9	4	7	7
970110	Paintings, e.g. oil paintings, watercolours and pastels, and drawings executed entirely by hand	1.3	0.0	1		
870322	Motor cars and other motor vehicles principally designed for the transport of <10 persons, of a cylinder capacity > 1.000 cm <sup>3</sup> but <= 1.500 cm <sup>3</sup>	1.2	0.0	2		
711319	Articles of jewellery and parts thereof, of precious metal other than silver	1.0	15.0		1	1
271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, n.e.s.	1.0	4.0	11	14	14
870332	Motor cars and other motor vehicles principally designed for the transport of <10 persons, of a cylinder capacity > 1.500 cm <sup>3</sup> but <= 2.500 cm <sup>3</sup>	0.7	0.0	3		
300220	Vaccines for human medicine	0.6	0.0	1		
870340	Motor cars and other motor vehicles principally designed for the transport of <10 persons, of a cylinder capacity > 1.500 cm <sup>3</sup> but <= 2.500 cm <sup>3</sup>	0.6	0.0	2		
711021	Palladium, unwrought or in powder form	0.6	2.0		1	1
300215	Immunological products, for retail sale	0.6	0.0	1		
851762	Machines for the reception, conversion and transmission or regeneration of voice, images or other data	0.6	0.0	1		
382200	Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents	0.5	0.0	1		
490199	Printed books, brochures and similar printed matter	0.5	0.0	1		
870333	Motor cars and other motor vehicles principally designed for the transport of <10 persons, incl. station wagons and racing cars, with only diesel engine of a cylinder capacity > 2.500 cm <sup>3</sup>	0.5	0.0	3		
840890	Compression-ignition internal combustion piston engine "diesel or semi-diesel engine"	0.4	0.0	12		
870899	Parts and accessories, for tractors, motor vehicles for the transport of ten or more persons	0.4	2.0		3	3
<b>Total of above</b>		<b>38.4</b>		<b>65</b>	<b>30</b>	<b>30</b>

Note: For the calculation of averages, specific rates are excluded. Based on the HS 2017 nomenclature.

Source: WTO estimates based on data from Albania and the UK.

## ANNEX 2

Table A2.1 UK tariff rate quotas for imports from Albania

TRQ/Product HS Codes	Tariff rates under the Agreement		MFN Rates
	In-quota	Out-of-quota	
<b>TRQ1: Products from HS Chapter 03 (7,000 kg)<sup>a</sup></b>			
03019110, 03021110, 03031410, 03044250, 0304520010, 03048250, 0304992111, 0304992112, 0304992120	0%	5.6%	8%
03019190, 03021120, 03021180, 03031420, 03031490, 03044210, 03044290, 03048210, 03048290, 0305100010, 0305598561, 0305698061	0%	8.4%	12%
03054300	0%	9.8%	14%
0305399010	0%	11.2%	16%
<b>TRQ2a: Carp (3,000 kg)<sup>b</sup></b>			
03019300, 03027300, 03032500, 0304390020, 0304510010, 0304690020, 0304939010	0%	5.6%	8%
0305520010, 0305640010, 0305100020	0%	8.4%	12%
0305449010	0%	9.8%	14%
0305310010	0%	11.2%	16%
<b>TRQ2b: Sea Bream (3,000 kg)<sup>b</sup></b>			
0304999920	0%	1.8%	6%
0305100030, 0305598565, 0305698065	0%	3.6%	12%
03028510, 03038950, 0304599040, 0304899030, 0305498040, 0304899040	0%	4.2%	14%
0301998580, 0305399070	0%	4.8%	16%
0304499060	0%	5.4%	18%
<b>TRQ2c: Sea Bass (3,000 kg)<sup>b</sup></b>			
0304999970	0%	1.8%	6%
0305100040, 0305598567, 0305698067	0%	3.6%	12%
03028410, 03038410, 0304599045, 0304899040, 0305498050	0%	4.2%	14%
0301998522, 0305399080	0%	4.8%	16%
0304499070	0%	5.4%	18%
<b>TRQ3: Products from HS Chapter 16 (14,000 kg)<sup>c</sup></b>			
16041311, 16041319	6%	MFN	12%
1604205010, 1604205019	6%	MFN	25%
<b>TRQ4: Products from HS Chapter 16 (218,000 kg)<sup>d</sup></b>			
16041600, 16042040	0%	MFN	25%
<b>TRQ5: Products from HS Chapter 17 (136,000 kg)<sup>e</sup></b>			
17022010, 17026080, 17026095, 17029071, 17029080, 17029095	0%	MFN	0.30 GBP/100 kg/% sacchar.
17022090	0%	MFN	8%
17021100, 17021900	0%	MFN	11 GBP/100 kg
17029010	0%	MFN	12%
17023090, 17024090, 17029050, 17029079	0%	MFN	16 GBP/100 kg
17025000	0%	MFN	16% + 42 GBP/100kg/net dry
17023050	0%	MFN	22 GBP/100 kg
17029075	0%	MFN	23 GBP/100 kg
17011310*, 17011410*	0%	MFN	28 GBP/100 kg/std qual
17011290, 17011390, 17011490, 17019100, 17019910, 17019990	0%	MFN	35 GBP/100 kg
17023010, 17024010, 17026010, 17029030	0%	MFN	42 GBP/100 kg/net dry
<b>TRQ6: Products from HS Chapter 22 (27,200 litres)<sup>f</sup></b>			
2204229451, 2204229651, 2204229851, 2204299451, 2204299651, 2204299851	0%	MFN	1.40 GBP/% vol/hl
2204229411, 2204229611, 2204229811, 2204299411, 2204299611, 2204299811	0%	MFN	8.20 GBP/hl
2204229421, 2204229621, 2204229821, 2204299421, 2204299621, 2204299821	0%	MFN	10 GBP/hl
2204229431, 2204229631, 2204229831, 2204299431, 2204299631, 2204299831	0%	MFN	12 GBP/hl



TRQ/Product HS Codes	Tariff rates under the Agreement		MFN Rates
	In-quota	Out-of-quota	
2204229441, 2204229641, 2204229841, 2204299441, 2204299641, 2204299841, 22042293*, 22042295*, 22042297*, 22042993*, 22042995*, 22042997*	0%	MFN	17 GBP/hl
22042210, 22042910	0%	MFN	26 GBP/hl
<b>TRQ7: Products from HS Chapter 22 (68,100 litres)<sup>9</sup></b>			
2204219351, 2204219451, 2204219651, 2204219851	0%	MFN	1.40 GBP/% vol/hl
2204229310, 2204229411, 2204229510, 2204229611, 2204229710, 2204229811, 2204299310, 2204299411, 2204299510, 2204299611, 2204299710, 2204299811	0%	MFN	8.20 GBP/hl
2204219319, 2204219419, 2204219611, 2204219811, 2204219319, 2204219419, 2204219511, 2204219611, 2204219711, 2204219811, 2204229320, 2204229421, 2204229520, 2204229621, 2204229720, 2204229821, 2204299320, 2204299421, 2204299520, 2204299621, 2204299720, 2204299821	0%	MFN	10 GBP/hl
2204219329, 2204219429, 2204219621, 2204219821, 2204219329, 2204219429, 2204219521, 2204219621, 2204219721, 2204219821	0%	MFN	12 GBP/hl
2204219331, 2204219431, 2204219631, 2204219831	0%	MFN	15 GBP/hl
2204219341, 2204219441, 2204219641, 2204219841, 22042195*, 22042197*	0%	MFN	17 GBP/hl
22041093, 22041094, 22041096, 22041098, 22042106, 22042107, 22042108, 22042109	0%	MFN	26 GBP/hl

\* Tariff lines also subject to MFN TRQs.

a In 2021, 4,660 kg for pro rata quota volume from 03-05 to 31-12 for TRQ1.

b In 2021, 2 tons for pro rata quota volume from 03-05 to 31-12 for TRQ2.

c In 2021, 9,321 kg for pro rata quota volume from 03-05 to 31-12 for TRQ3.

d In 2021, 145,134 kg for pro rata quota volume from 03-05 to 31-12 for TRQ4.

e In 2021, 90,542 kg for pro rata quota volume from 03-05 to 31-12 for TRQ5.

f In 2021, 18,108 litres for pro rata quota volume from 03-05 to 31-12 for TRQ6.

g In 2021, 45,338 litres for pro rata quota volume from 03-05 to 31-12 for TRQ7, except for lines 2204299310 and 2204299621 (453 litres). For each product in TRQ7, there are two separate quotas (05.1512 and 05.1532). The latter quota can only be used after the other quotas for wine have been used.

Source: Based on data provided by the UK.

**Table A2.2 Albania tariff rate quotas for imports from the UK**

Product	In-quota Rates	Out-quota Rates (MFN)	Volume* (metric tonnes)	
			Annual	Available from 03.05.2021
Milk and cream, not concentrated nor containing added sugar or other sweetening matter, of a fat content, by weight				
04011010, 04012011 and 04012091	0%	10%	108	71.73
Common wheat and meslin				
10019120	0%	2%	5,720	3,813.60
10019900		0%		
Maize (except seeds)				
10059000	0%	2%	1,362	908
Sparkling wine, in containers holding 2 litres or less				
220410, 220421	0%	15%	1,362	908 HL
Tomato ketchup and other tomato sauces				
21032000	0%	15%	8	5.44

\* Since the Agreement's entry into force is on 3 May 2021, the calculation of quantities is done pro rata for the period May to December 2021.

Source: Based on the data provided by Albania.