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**Trade Policy Review Body
22 and 24 November 2023**

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TRADE POLICY REVIEW

ALBANIA

MINUTES OF THE MEETING

Addendum

Chairperson: H.E. Mr Saqer Abdullah Almoqbel (Kingdom of Saudi Arabia)

This document contains the advance written questions and additional questions by WTO Members, and replies provided by Albania.¹

**Organe d'examen des politiques commerciales
22 et 24 novembre 2023**

EXAMEN DES POLITIQUES COMMERCIALES

ALBANIE

COMPTE RENDU DE LA RÉUNION

Addendum

Président: S.E. M. Saqer Abdullah Almoqbel (Royaume d'Arabie saoudite)

Le présent document contient les questions écrites communiquées à l'avance par les Membres de l'OMC, leurs questions additionnelles, et les réponses fournies par Albanie.¹

**Órgano de Examen de las Políticas Comerciales
22 y 24 de noviembre de 2023**

EXAMEN DE LAS POLÍTICAS COMERCIALES

ALBANIA

ACTA DE LA REUNIÓN

Addendum

Presidente: Excmo. Sr. Saqer Abdullah Almoqbel (Reino de la Arabia Saudita)

En el presente documento figuran las preguntas presentadas anticipadamente por escrito y las preguntas adicionales de los Miembros de la OMC, así como las respuestas facilitadas por Albania.¹

¹ In English and Spanish only./En anglais et espagnol seulement./En inglés y español solamente.

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ARGENTINA**Documento WT/TPR/S/449:**

En el párrafo 2.15, el informe describe la participación y contribución de Albania en las diversas actividades de la OMC.

Pregunta N° 1

Es de interés de Argentina conocer cuáles son las prioridades y/o aspiraciones de Albania de cara a la XIII Conferencia Ministerial de la OMC a llevarse adelante en 2024.

Answer: Albania took part at the Senior Officials Meeting that took place in Geneva, during 23 and 24 October 2023, for the preparation of MC13, to be held in February 2024.

During that meeting, Albania deposited the acceptance document for the Agreement on Fisheries Subsidies. Albania is interested in two outcomes at MC13: the conclusion of the second phase of negotiations (Fish 2) and the entry into force of the Agreement on Fisheries Subsidies – which are firmly on track.

Albania has followed the negotiations for the agreement on Investment Facilitation for Development and is interested on its adaption at MC 13.

Also, we are pleased to see positive steps at WTO Reforms.

En el ítem 3.26, el informe indica que, El promedio aritmético de las líneas arancelarias correspondientes a productos agropecuarios (según la definición de la OMC) fue del 8,7% en 2023, frente a un promedio inferior de las líneas arancelarias correspondientes a productos no agropecuarios, del 2,8%.

Pregunta N° 2

Es de interés de Argentina saber si planea Albania reducir los elevados aranceles que se registran en el sector agrícola.

Answer: Albania is in the process of accession at EU. At the moment of EU accession, Albania will apply the EU Common Trade Policy and every policy regarding tariffs will be in line with EU. Albanian will not autonomously lower any duty until EU accession.

En el inciso 3.28 del informe, se explica que, en el caso de 24 líneas arancelarias, los tipos aplicados son superiores a los tipos consolidados (cuadro 3.4). En el examen anterior se constató que, en el caso de 14 líneas arancelarias, los tipos arancelarios aplicados eran superiores a los tipos consolidados y, para 13 de ellas, los tipos aplicados siguen siendo superiores a los tipos consolidados después de que se hayan fusionado 3 líneas en una sola.

Pregunta N° 3

Es de interés de Argentina saber por qué motivo se tiene lugar esta discrepancia entre los aranceles consolidados y los aplicados y que acciones ha tomado Albania para resolver la misma.

Answer: Regarding the concern raised by members on the difference between MFN rate and the bound rate for few tariff lines, Albania confirms this fact and we would like to clarify all WTO members that this difference is due to the correlations and changes in the tariff classification. There is no intention by Albania to be in breach with WTO schedule of commitments. We remain fully committed to respect our commitments undertaken under WTO.

En el inciso 3.53, el informe explica que, según las autoridades, los programas de ayuda estatal son en su mayoría de volumen relativamente pequeño. En 2020 la SAC aprobó nuevos programas de ayuda estatal para apoyar a empresas "verdes" en Tirana, y en 2022 para apoyar a empresas de nueva creación en toda Albania; estos programas son aplicados por el Ministro de Estado de Protección del Espíritu de Empresa.

Pregunta N° 4

Es de interés de la Argentina conocer con mayor detalle los programas de incentivos a las "empresas verdes".

Answer:

Project title: "Financial support (Grant) for new "green" businesses that are based on an eco-friendly model, or existing businesses that try to transform into "green" businesses by introducing go-green elements into them".

Project purpose: to stimulate and motivate entrepreneurs to start new businesses that are environmentally friendly, designed to increase environmental sustainability, or to develop businesses that are aware of their impact on the environment and take steps not only to mitigate the harm caused by their production methods, but to work actively towards a greener planet.

This scheme is designed to serve small businesses and generally start-ups in the city of Tirana.

This financial scheme supports new or existing green businesses, for a period of no more than one year and up to 500,000 (five hundred thousand) ALL/business.

The scheme will reimburse approved costs in accordance with the following guidelines:

- The scheme covers 80% of eligible costs for new enterprises and existing, the rest will be financed by its beneficiary;
- The applicant must offer a financial contribution equal to at least 20% of the funded grant wanted;
- Payment of the received grant is 50% at the beginning of the project upon submission of a copy of the certificate of NIPT (both for new and existing businesses) and 50% at the end of the project, against tax invoice(s) with VAT, which certify(ies) incurred expenses and other supporting documents which will be submitted at the end of the project;

Eligible expenses:

1. the purchase of materials for furnishing or arranging the premises/buildings for the business;
2. the purchase of machinery, tools and equipment, as well as software and other intangible assets that will serve to diversify production with new additional green products or a radical change in the general production process of these products;
3. the expenses for other intangible assets (licensing, branding and patenting of products);
4. the expenses for creating a website and publishing or advertising activities only for the first 6 (six) months and this expenses cannot exceed more than 10% of the total grant (both for new and existing economic units);
5. salaries and insurance will be covered only for employees directly related to the production process of green products, up to 3 months after the start of the business, based on the minimum salary in Albania (the rest of the salary must be covered by the business itself).

This financial scheme has been applied by the Municipality of Tirana for the years 2021-2023.

74 new and existing businesses have been supported.

For more details: <https://tirana.al/kategori/grante>

En el punto 3.55 se explica que, el AIDA presta apoyo a las mipymes y los productos albaneses por medio de la campaña "Hecho en Albania", iniciada en julio de 2020. En mayo de 2023 se habían seleccionado 248 productos nacionales. Estos productos se presentan en el sitio web del AIDA, se promocionan en las redes sociales y, en su mayoría, han sido incluidos en uno de los tres catálogos publicados.

Pregunta N° 5

Es de interés de la Argentina conocer en qué consiste la ayuda y cuáles son los criterios para la selección de productos dentro del programa mencionado.

Answer: This campaign is dedicated to showcasing the products of Albanian companies, all proudly crafted within Albania—from the inception of the simplest components to the completion of the final products. Our promotional efforts extend beyond our website and social

media channels; we actively strive to enhance their visibility in international markets by participating in various global exhibitions. Additionally, we facilitate meaningful engagement through sector-specific roundtable discussions, allowing us to gain insights into the challenges faced by these companies and address their needs. Complementing these initiatives is our B2B platform, where we meticulously curate profiles for each company, fostering connections with interested parties and facilitating valuable partnerships.

BRAZIL

- 1. What is the procedure and average time for official responses from Albania to requests from third countries regarding the update of sanitary certificates for products of animal origin?**

Answer: Albania does not have a set deadline regarding the updating of veterinary certificates, as against all countries where Albania exports products of animal origin, the answer corresponds to the time needed by each competent authority, according to priorities and the time needed to review and add the language of the respective countries in the model of the certificate, as well as to evaluate the attestation of the model of the veterinary certificate according to the models defined in the legislation in force, except in cases where Albania has an agreement in force.

In cases where Albania has an agreement, the review of veterinary certificates takes time, as the agreements with which these veterinary certificates are in force must be reviewed.

- 2. If there is a pending or denied request for the habitation of an establishment, what is the procedure adopted by Albanian authorities to inform the country of origin of this establishment? What is the expected period of time for this kind of communication?**

Answer: In its legislation, Albania does not have a procedure for approving establishments that export animal products to Albania, since Albania imports from establishments that are allowed to export to the EU, except in cases where there is an agreement. In this case, an official response was sent to the Brazilian authorities, making this Albanian standard known.

- 3. What is the procedure for habilitating establishments to export to Albania, after the fulfilment of all the steps of the expected approval procedures?**
- 4. What is the expected period for including foreign establishments in the list of establishments able to export to Albania?**

Answer: For questions 4 and 3, please refer at the answer given in question 2 above.

CHINA**PART I: QUESTIONS REGARDING THE Secretariat Report****Page 43, Para 3.62, 3.63**

"Standards are developed and approved by the DPS, with inputs from relevant stakeholders and from public consultations. Based on proposals by the technical committees at DPS, a Technical Board approves new standards to be developed in a work programme. Draft standards are published for comments, before being finalized by a relevant technical committee at DPS, composed of various stakeholders.

Once adopted, Albanian Standards are published on the website of the DPS and in the National Standards Catalogue. Since 2016, around 13,000 European Standards and 4,500 international standards have been adopted as national standards. According to the authorities, of the nearly 40,000 Albanian Standards adopted, more than 90% are aligned with European Standards".

Question:**1. Does Albania publish its proposals by the technical committees on a semi-annual basis?**

Answer: With the approval of the Decision of Council of Ministers (DCM) no.382/2018 "On standardization activities", as amended by the DCM 673/2021 "On some changes and amendments on the DCM 382/2018" Albania does publish its standards work programme as being proposed by the technical committees on a yearly basis.

Which standards of the International Organization for Standardization does Albania adopt?

Answer: Albania adopts all standards published by the International Organization for Standardization (ISO).

How many standards are aligned with international standards?

Answer: All adopted standards are aligned with international standards. The adoption is mainly done by coverage method and without a deviation of the text of the international standards.

Page 45, Para 3.80

"...Albania is a member of the Codex Alimentarius Commission, the World Organisation for Animal Health (WOAH, formerly OIE), the European and Mediterranean Plant Protection Organization (EPPO), and a contracting party to the IPPC. It has also signed three regional phytosanitary cooperation agreements between 2018 and 2022".

Question:**2. Please provide the share of the Codex Alimentarius Commission, the World Organisation for Animal Health, or the IPPC standards in the SPS field adopted by Albania.**

Answer: Phytosanitary measures before shipment from the exporting country and phytosanitary import requirements regarding plants, plant products and other objects are defined in:

Order of the minister of MoARD No. 113, dated 15 March 2022, for the approval of the regulation "*On protective measures against plant pests*", amended. This order is **aligned** Commission Implementing Regulation (EU) 2019/2072 of 28 November 2019 establishing uniform conditions for the implementation of Regulation (EU) 2016/2031 of the European Parliament and the Council, as regards protective measures against pests of plants, and repealing Commission Regulation (EC) No 690/2008 and amending Commission Implementing Regulation (EU) 2018/2019.

This order also defines the list of quarantine pests and non-quarantine pests regulated for Albania.

Ordinance of the minister of MoARD No. 16, dated 19 October 2022 "On regulations for specific control measures to prevent the entry and spread of *Xylella fastidiosa* (Wells et al) within the country. (OJ 2022-141). This ordinance is **aligned** with omission Implementing Regulation (EU) 2020/1201 of 14 August 2020 as regards measures to prevent the introduction into and the spread within the Union of *Xylella fastidiosa* (Wells et al.).

Regulation of wood packaging material

All **Wood Packaging Material** must be heat treated or fumigated as well as marked in line with the procedure defined in **International Standard for Phytosanitary Measures 15**.

*These requirements do **not** apply to:*

- wood 6 mm thick or less;
- wood packaging material made entirely from processed wood produced using glue, heat and pressure e.g. plywood, oriented strand board and veneer.

Page 58, Para 4.3

"During the review period, the total production in value of agriculture, forestry, and fisheries increased from ALL 407 billion in 2016 to ALL 441 billion in 2020 and ALL 474 billion in 2021. In volume terms, the production of field crops grew overall, with cereals broadly unchanged (691,000 tonnes in 2021), vegetables growing by around 20% to 1.34 million tonnes, and forage plants growing by around 15% to 7.1 million tonnes. The production of permanent crops also increased, dominated by fruit trees (287,000 tonnes), grapes (212,000 tonnes), and olives (110,000 tonnes). The production volume of meat and meat products declined marginally while the production of fishery products increased by nearly 50%, particularly as aquaculture production more than doubled. Wood production remains dominated by firewood (nearly 900,000 m³ in 2021)".

Question:

3. Please explain why the production of fishery products, particularly as aquaculture production increased significantly.

Answer:

Over the past decade, the aquaculture industry in Albania has experienced remarkable and consistent growth, increasing from a modest production of 2,500 tonnes in 2012 to an impressive 7,985.6 tonnes in 2022. The remarkable increase of the Albanian aquaculture production began during the year 2017 when output increased by nearly 30% from 4,000 tonnes to 5,138 tonnes in the year 2018, attributed to factors such as increased investments, the establishment of new aquaculture farms, adoption of advanced technologies, and improved export capabilities. A significant portion of Albania's aquaculture products is exported to the European Union, driving operators to obtain international food quality certificates like the Marine Stewardship Council (MSC) and Friend of the Sea. These certifications, also applied in the fish processing industry, underscore Albania's commitment to maintaining high standards in the sector.

Page 60, Para 4.1

Table 4.1 Disbursements under the National Agricultural Support Scheme, 2017-23

Question:

4. Please explain why fuel subsidy and livestock support increased significantly.

Answer:

This increase in this scheme has come as a result of the current conditions faced by the Albanian farmer (increased competitiveness, increased prices of agricultural inputs, great support for farmers from other countries, etc.), the approximation of direct schemes with the EU, as well as the increasing demands of Albanian exports, as one of the main policies of the Ministry of Agriculture and Rural Development. Likewise, the decrease in the number of heads and livestock production has led to taking measures for the implementation of supporting policies for the livestock sector, starting the process of transitioning to direct payments per head of cattle.

PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT**Page 17, Para 3.40**

"During 2016-22, agriculture has undergone important developments. The Policy of the Albanian Government for Agriculture includes: 1) continuation of improving the quality of life in rural areas and diversification of spaces and opportunities for economic activities; 2) promoting the balancing of differences in living standards between urban and rural areas, with continuous investments in rural public infrastructure in the service of the economic activities of actors in the agricultural sector; 3) increasing exports of agricultural and fishing products and increasing the added value in the country; 4) sustainable development of rural tourism and agro tourism; and 5) increased support for agriculture, livestock and rural development".

Question:

5. Please elaborate on new measures the Albanian Government has taken to increase its exports of agricultural and fishing products.

Answer: Support schemes contribute to:

- increase the competitiveness (by reducing the production costs) of agricultural products (especially greenhouse production) through payments of cultivated areas;
- promote sustainable agricultural practices (such as the support for the certification of agricultural products and organic farms;
- reduce informality in the agricultural sector;
- improve market access to small farmers through construction of municipal agricultural markets;
- reduce the cost of mechanized works on agricultural crops through providing the farmers with oil (diesel).

EUROPEAN UNION

Paragraph 14, page 7: "E-commerce in Albania is growing fast and is seen as a key growth opportunity, but penetration still lags that of other economies in the region. Electronic signatures have full legal effect, consumer protection was reinforced during the review period, a legal framework for the protection of personal data is in place, small parcels arriving in Albania are not subject to import duties, and a simplified procedure for small non-commercial shipments is in place."

EU Question 1: Could Albania please describe the simplified procedure for small non-commercial shipments? Is there also a simplified procedure for commercial small shipments?

Answer: Since 2018, postal operators use a simplified form of declaration for postal shipments and at the end of the day they compile a standard customs declaration. For this, the Customs Administration has also approved an instruction, No. 02 dated 15 January 2018 "On the implementation of procedures for declaration and release into free circulation of personal goods of a non-commercial nature received as postal deliveries or online purchases" by individuals through postal operators". This instruction is published on the official website of the Albanian Customs Administration according to the link <https://www.dogana.gov.al/dokument/1549/udhezim-nr02-date-15012018-si-dhe-manuali-per-vendosjen-ne-qarkullim-te-lire-te-dergesave-postare-dhe-blerjeve-online-nga-individet>.

The Albanian customs administration, in the framework of facilitating and simplifying customs procedures and the movement of postal goods, is developing a new express mail module.

This module is being developed for the possibility of using electronic advanced data (EAD-Electronic Advanced Data). Electronic exchange of data between postal operators and the Customs Authority is necessary starting from the collection of revenues, the best possible risk management, as well as the speed of distribution of shipments.

ACA in cooperation with UNCTAD is developing this module and based on the customs legislation is looking at the possibility of using the simplified declaration form.

The Customs Administration in cooperation with express post operators is carrying out tests regarding the pre-arrival declaration module.

2 TRADE AND INVESTMENT REGIME

2.4.1 Regulatory framework

Paragraphs 2.30 to 2.33, page 25: "According to Law No. 9901/2008, companies can be established as partnerships, limited partnerships, limited liability companies, or joint-stock companies. Companies, as well as individual entrepreneurs, must register with the National Business Center (NBC)28, under the Ministry of Finance and Economy, according to Law No. 9723/2007 (as amended). Since 2020, registration can be made only electronically via the e-Albania portal, with data in the publicly accessible company registry only stored in electronic format. Companies have been able to apply for licenses and permits issued by the NBC (or jointly with the NBC) only via the e-Albania portal since 2020, and information on all issued licenses and permits is published on the NBC website. Since May 2022, licenses and permits have also been issued electronically, removing all physical interaction between businesses and regulators, according to the authorities. All other business interactions with the NBC also have to be done via the e-Albania portal, with the NBC offering 183 services online relating to licenses, as well as services related to the commercial register or the register of beneficial owners. The electronic provision and delivery of public services increased significantly during the review period, as additional services continue to be added to the e-Albania portal, administered by the National Agency for Information Society. According to the authorities, these account for about 95% of all services offered, and they are offered exclusively online."

EU question 2: Many services pertaining to the licensing and permitting requirements for businesses in Albania have been digitalized. What are the practical implications for the periods of processing online submissions?

Answer: All National Business Center (NBC)'s services for equipment with permission/license, changes, revocations, appeals, title printing, issue tracking, are done only through the e-albania portal.

NBC, for documents that meet the permission/licensing criteria, which are issued by the state administration, for all types of permission/licenses, provides them by operating in the dedicated electronic system (SQDNE), shortening the time for collecting documents.

The time for processing a request through the platform (SQDNE) is three working days, for all documents issued by the state administration. Meanwhile, the NBC has also prepared legal changes to its legislation, with the aim of facilitating licensing procedures, reducing the cost of receiving the service, improving the transparency and quality of online service provision.

2.5 E-commerce

Paragraph 2.42, page 27: "The Government sees e-commerce as a sector benefiting from the June 2020 National Masterplan for the Sustainable Development of Digital Infrastructure for Broadband (Section 4.3.2) as well as the digital objectives and policy orientations of the SKZHIE III. An inter-institutional working group established in July 2022 by the Ministry of Finance and Economy, with the participation of the private sector, prepared a first draft of an e-commerce action plan".

EU Question 3: Could Albania please give some details about the first draft of the e-commerce action plan?

Answer: The drafting and approval of the document of the Action Plan for the Facilitation and Development of Electronic Commerce is at the final stage. The document was extensively consulted with the members of the group established for the drafting of this plan.

The Action Plan for the Facilitation and Development of Electronic Commerce has been conceived divided into several sections, where the activities and measures to be taken are identified for each of them.

Section 1. Enabling Electronic Commerce

- Facilitating Electronic Transactions
- Digital trade facilitation and logistics

Section 2: Openness and electronic commerce

- Customs duties on electronic transmissions

Section 3 Trust and Electronic Commerce

- Consumer protection
- Privacy
- Business Trust
- Cybersecurity
- Free movement of Services

Section 4. Cross- cutting issues / Intersectoral

- Infrastructure and Courier service
- Upgrading private sector capabilities and skills
- Online Payments
- E commerce Statistics
- Fighting informality

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1.1 Customs procedures, valuation, and requirements

Paragraph 3.3, page 29: "Customs legislation is published on the Customs website, with secondary legislation published often only in Albanian and as PDFs, and the English version did not always seem fully up to date. The website also contains MFN and preferential tariffs for all products, but it does not contain detailed information on other requirements by product".

EU question 4: Could Albania please clarify whether it intends to publish more information regarding the secondary customs legislation in English and ensure that the information provided is up-to-date so that foreign exporters have a clear view of the customs rules in Albania?

Answer: During the years 2024–2025, Albanian customs administration will upgrade the customs website and conduct ongoing steps to translate the legislation.

3.3.1 Incentives

Paragraph 3.52, page 40: *"The Government also continues to provide direct incentives in line with its State Aid Law No 9374/2005. The Law applies to all manufacturing and services activities but does not apply to agriculture and fisheries. As outlined in the previous Review, the Law prohibits state aid to be linked to export quantities, expenditures, or the use of domestic rather than imported inputs. A State Aid Commission (SAC) approves all state aid schemes and individual aid based on submissions from the Department of Business Development Policies in the Ministry of Finance and Economy. However, according to a recent EU assessment, the operational independence of the SAC has not yet been ensured and its enforcement record needs to be significantly improved."*

EU question 5: Could Albania please clarify what steps it plans to take to enhance the operational independence of the State Aid Commission?

Answer:

Regarding the State Aid Commission's independence, a Policy Impact Assessment (PIA) document will be prepared.

This document will serve as a technical blueprint, offering various options for safeguarding the operational independence of the State Aid Commission.

Our approach encompasses all dimensions of independence, including: (i) Safeguarding independence from political interference; (ii) Implementing a transparent and competitive appointment process; (iii) Ensuring budget autonomy; (iv) Establishing robust reporting mechanisms, oversight procedures, and conflict of interest safeguards; (v) Promoting stakeholder engagement, public awareness, and educational initiatives.

The PIA document will not only outline these essential independence dimensions but also provide a clear indication of the interventions required to align the legal framework with the *Acquis*. It is anticipated finalizing the PIA by the end of 2024.

Paragraph 3.56, page 41: *"As spelled out in the previous Review, Albania continues to implement a scheme of Technology and Economic Development Areas (TEDAs) as defined in Law No. 9789/2007, amended in 2015. There have been no further changes to the Law and related Council of Ministers Decisions during the review period⁵⁹, but the BIDS 2021-27 foresees a detailed review of the functioning of TEDAs. TEDAs aim to attract FDI by creating predictable investment conditions and are established by Council of Ministers Decisions. Four TEDAs have been established in Spitalle, Durrës (2015), Koplik, Malësi e Madhe (2016), Elbasan (2019), and Tirana (2021). [...]"*

EU question 6: According to the Report, there have been established four Technology and Economic Development Areas (TEDAs) in Albania which have the potential to further improve the business environment in the country and hence increase FDIs. However, there is only one fully operational TEDA (established in 2019) despite two were established already in 2015 and 2016. Could Albania please specify the reasons why the two TEDAs do not operate yet and when it expects their operation?

Answer: Regarding "TEDA Spitalle", the Decision of the Council of Ministers for the announcement of TEDA Spitalle has been changed several times. The area where TEDA Spitalle is located, has been used for the development of other important projects;

- a) The surface of about 120 ha has been used for the construction of the photovoltaic park.
- b) After the earthquake of 2019 a part of the surface to be transferred for the needs of reconstruction of houses for homeless families.

Regarding "TEDA Koplik", the Ministry of Finance and Economy has developed several the selection competitive procedures and it has not been possible to select the potential candidate, that would be able to develop TEDA Koplik.

3.3.7 Intellectual property rights

Paragraph 3.118, page 54: "Albania is a net importer of IP although its exports grew significantly faster than its imports during the review period (Table 1.3). Imports of IP royalties and licence fees increased from EUR 22.2 million in 2015 to EUR 29.4 million in 2021, while exports increased from EUR 1.8 million to EUR 16.5 million."

EU question 7: The Secretariat report notes a significant increase in IP exports between 2015 and 2021. The Table 1.3 referred to, however, does not seem to reflect these figures as far as "Charges for the use of intellectual property n.i.e." are concerned. Could the Secretariat please explain how the statistic on the increase of IP exports was generated?

4 TRADE POLICIES BY SECTOR

4.2.2 Energy

Paragraph 4.59, page 67-68: "The overall energy policy of Albania is determined by the National Energy Strategy (2018-30), approved by Council of Ministers Decision No. 480/2018, and the 2021 National Plan for Energy and Climate (2021-30). These two documents define the objectives and goals for increasing the security of energy supply through (i) diversifying energy production by creating a supportive domestic energy market; (ii) reducing the level of technical and non-technical energy losses in the network; (iii) increasing energy efficiency; (iv) increasing the share of energy from renewable sources; (v) reducing the amount of imported energy; (vi) improving energy intensity; and (vii) reducing greenhouse gas (GHG) emissions".

EU question 8: Could Albania please clarify to what extent it fulfils the National Energy Strategy (2018-2030) and the National Plan for Energy and Climate (2021-2030), particularly with regard to the possible increase of renewable energy resources in its energy production mix? Are the targets stipulated therein continuously being met?

Answer:

In the framework of the EU decarbonization policy, and in compliance with the National Energy Strategy, the Council of Ministers approved the integrated National Energy and Climate Plan 2020-2030 (NECP).

NECP provides the following national targets and measures up to 2030:

- Reducing final energy consumption (energy efficiency) by 8.4%;
- Renewable energy share in final energy consumption 54.4%;
- Reducing GHG emissions by 18.7%.

The Energy Community Ministerial Council by its Decision 2022/02/MC-EnC of 15 December 2022 adopted the 2030 energy and climate targets. These new targets should be integrated into an updated NECP.

NECP currently being revised to be amended in accordance with recommendations of the Energy Community Secretariat. The revised NECP is planned to be enacted by 2024.

In the revised NECP, it is aimed to reduce final energy consumption by 9.4% (cf. 8.4%), to increase the share of renewable energy in final energy consumption to 59.4% (cf. 54.4%), while GHG emissions reduction target remains at 18.7%.

Table 1. Shares of Energy from Renewable Sources

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
31,87%	31,19%	35,15%	33,17%	31,86%	34,91%	36,95%	35,78%	36,57%	38,04%	45,01%	41,39%

Table 2. The sectorial (electricity, heating and cooling, and transport) and overall shares of energy from renewable sources^[1]

	2020	2021	2022*
RES-H&C (%)	25.12%	21.20%	23.17%
RES-E (%)	99.97%	94.42%	94.13%
RES-T (%)	0%	0%	0.07%
Overall RES share (%)	45.01%	41.39%	40.02%

The share of renewable energy sources in Albania's energy consumption reached 45.01% in 2020, exceeding the country's target of 38%. Albania is one of the three Contracting Parties of the Energy Community, which achieved its 2020 renewables target. The country has fulfilled the targets for renewable energy resources and continues to be a frontrunner when it comes to implementation of auctions for renewables projects.

4.3.3 Postal and courier services

Paragraph 4.167, pages 85-86: "The postal sector is regulated by Law No. 46/2015 on Postal Services, which transposes EU Directive 2002/39/EC on postal services as amended. The postal market is liberalized and as of January 2017, the reserved area was abolished. A policy paper, for the development of the postal market in line with the EU acquis and aiming at the growth of e-commerce, was approved by the Council of Ministers in April 2022".

EU question 9: Is there a difference in customs procedures between postal and express consignments? If so, could Albania please provide us with some details?

Answer:

The customs administration has seen the facilitation and simplification of customs procedures for the movement of postal goods in the context of the development of two modules:

- 1) Express consignments;
- 2) Albanian Post.

The express consignments module is explained above, in EU Question 1. For the development of this module, postal operators will need to digitally send the specified electronic manifest format from their IT system via web-services.

The Albanian Post module requires the development and implementation of the postal declaration and integration with the UPU (Universal Postal Union) systems. The postal operator must convert the CN23 format or its equivalent to the format required by the Customs Authority to comply with the ASYCUDA world system. This format will have to be sent by the postal operator digitally.

The Customs Administration has prepared a draft agreement with the Postal operator (it is in the phase of review by the two administrations) and then it must make an agreement with the UPU so that UNCTAD to operate IT developments in the system.

The difference between these two modules is the form of declaration:

- 1) for express consignments - it is done in the form of a simplified declaration;
- 2) for the Albanian Post - it is done through the CN22 or CN23 format.

4.3.4.2 Maritime transport

Paragraph 4.196, page 90: "Pilotage services are compulsory for all foreign flagged vessels over 500 GT, all Albanian flagged vessels over 2,000 GT, and all vessels over 500 GT engaged in transport of passengers".

EU question 10: Could Albania please clarify where (i.e. specific location, geographical area) the obligation to use pilotage services apply, as well as what are the fees charged for the supply of these services? Can it also be clarified whether pilotage services are also compulsory for Albanian flagged vessels between 500 GT and 2000 GT transporting freight, as it is the case for foreign flagged vessels? If it is not the case, could Albania please explain how the different treatment of Albanian flagged vessels and foreign flagged vessels over 500 GT transporting freight is compatible with Albania's GATS commitments for maritime transport services?

Answer: The pilotage service is mandatory for all ships with the Albanian flag and those with foreign, private or public ships in these cases:

- 1- For ships with a foreign flag, with tonnage over 500 GT
- 2- For ships with the Albanian flag with a tonnage over 2000 GT
- 3- For Albanian and foreign flag ships with tonnage over 500 GT that operate on regular lines for the international transport of vehicles and/or passengers
- 4- For ships with a foreign flag with a tonnage under 500 GT that touch the Open Ports of the Republic of Albania for the first time Mandatory Pilotage Area (Ports) are: Port of Durrës, Port of MBM, Romano Port, Port of Vlora, Port of Vlora-1, Port of Shengjin, Port of Saranda, Port of Limion.

The fixed fees for the pilotage service in the Ports: Vlora, Vlora-1, Shengjin, Sarande are as follows:

MAXIMUM CHARGES FOR PILOTING SERVICE

- a) for ships up to and including 500 (GT) - €20;
 - b) for ships 501 up to and including 1,000 (GT) - €30;
 - c) for ships over 1,001 to 2,000 GT - €40;
 - d) for ships from 2,001 to 3,000 GT - €70;
 - e) for ships from 3,001 to 5,000 GT - €110;
 - ë) for ships from 5,001 to 10,000 GT - €190;
 - f) for ships from 10,001 to 15,000 GT - €250;
 - g) for ships from 15,001 to 20,000 GT - €300;
 - gj) for ships from 20,001 to 25,000 GT - €400;
 - h) for ships over 25,000 GT for every 10,000 GT - €80 additional on top of the €400 fee.
- For tourist, sports, yachts, etc., with a capacity of up to 100 GT, the pilotage service is paid based on the GT of the ship at a rate of €0.01/GT, but not less than €5.
 - For the pilotage service performed for ships loaded with dangerous goods and fuel, the supplement should not exceed 20% of the above fee.
 - When the pilotage service is performed without the help of the ship's machinery from the road to the quay and vice versa, the above fees are applied with a 100% increase.

The fixed fees for the pilotage service in Romano Port are as follows:

MAXIMUM CHARGES FOR PILOTING SERVICE

- a) for ships up to and including 500 (GT) - €50;
- b) for ships 501 up to and including 1,000 (GT) - €70;
- c) for ships over 1,001 to 2,000 GT - €120;
- d) for ships from 2,001 to 3,000 GT - €190;
- e) for ships from 3,001 to 5,000 GT - €250;
- ë) for ships from 5,001 to 7,000 GT - €330;
- f) for ships from 7,001 to 10,000 GT - €540;
- g) for ships from 10,001 to 20,000 GT - €650;

4.3.4.3 Rail transport

Paragraph 4.206, page 92: "Following a joint declaration by the European Commission and six Western Balkans prime ministers in April 2015⁷⁵, the TEN-T European railway corridors map was amended by EU Regulation 2016/758/EU so as to include the complete rehabilitation of the link between Tirana and Podgorica, Montenegro. [...]"

EU question 11: Could Albania please elaborate on the current state of the rehabilitation of the link between Tirana and Podgorica in Montenegro? The report states that the construction works are expected to start in 2023. At what stage is the construction at the moment?

Answer: The construction works for the rehabilitation of the link between Tirana and Podgorica in Montenegro (Vorë-Hani I Hotit) have not started yet. The tender procedure for the construction works is expected to start in the first quarter of 2024. Currently, the Ministry of Finance and Economy is expected to set the date for the negotiation regarding the signing of the loan and grant agreements with the donators for this project.

4.3.4.4 Road transport

Paragraph 4.210, page 92: "Domestic transport of passengers is regulated through licences granted at the municipal level, except for occasional transport services, which are regulated at the level of the region/district. There are no limitations for operating in the regular or occasional transport of passengers or the transport of goods. For intercity (or inter-urban) transport of passengers and on regular bus lines between districts, only one company for the respective regular line is allowed. One company can cover more than one regular line. For social reasons, road passenger tariffs are subject to a maximum pricing obligation set by Council of Ministers Decision No. 66/2007".

EU question 12: Could Albania please clarify whether foreign companies are currently providing road transport services – passenger transportation in Albania? Can it also be clarified how the fact that only one company is allowed for intercity (or inter-urban) transport of passengers and on regular bus lines between districts is compatible with Albania's GATS commitments for road transport services – passenger transportation?

Answer:

Based on the law No. 8308, dated 18 March 1998 "On road transports" as amended:

a) Article 2, "Transport within the land territory of the Republic of Albania is prohibited for foreign carriers that do not have their headquarters/established in Albania, except when they are registered in the Albanian Trade Registry and work with vehicles registered in Albania. In accordance with the rules of the international agreements signed on behalf of the Republic of Albania, the above rule may not apply. "Article 52, "A carrier that does not have its headquarters/established in the Republic of Albania is prohibited from performing international transport in the land territory of the Republic of Albania. This obstacle can be removed only with a permit issued by the Ministry".

Article 52/1, "1. Without prejudice to the provisions of Article 2 of this law, the minister allows the carrying out of internal transport territory of the Republic of Albania by a foreign carrier (cabotage), which does not have its headquarters/established in Albania, even when it is not stipulated in the international agreement with the state, where the foreign carrier has its headquarters, only for reasons of civil emergency and lasts for as long as the situation lasts emergency.

2. The rules and conditions for carrying out cabotage operations are determined by decision of the Council of Ministers, in accordance with bilateral or multilateral agreements, which foreseen it.

b) Article 17, "To acquire the right as a sole/as a single company/carrier in one or several regular lines, the transport subject/carrier must have the number of buses, in accordance with the needs of the line".

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EU question 13, no reference: Concerning the subsidies and subsidy schemes under temporary aid measures in response to COVID-19 and to the consequences of the Russian Federation's war of aggression against Ukraine, could Albania please clarify the form of aid granted and what is the time horizon of these subsidies?

Answer: Sovereign Guarantee Schemes in the frame of economic measures

Loan Guarantee 1: ALL 11.0 billion

The Government of Albania issued the first loan guarantee in the amount of ALL 11.0 billion (approx. USD 100 million) with the aim to support firms with liquidity that is going to be allocated by banks to companies that have difficulties in paying employee salaries. Interest

rate costs are fully covered by the government and no collateral is required by the companies. The loan will cover the employee salaries for a 3-month period, not exceeding a monthly salary of ALL 150,000 per worker. The maximum grace period of the loans was 3 months, and the maximal term of the loans was 2 years.

The Guarantee was approved through the Decision of the Council of Ministers No. 277, dated 6 April 2020, "On the approval of the state loan guarantee with commercial banks for the salaries of traders or companies, whose activity is affected by the decisions of the Council of Ministers, in the context of managing the situation caused by COVID-19, as well as for determining the terms and criteria of the guarantee agreement and the agreement of understanding".

Around 492 businesses have benefited financing under this scheme, ALL 5.9 billion applications were approved and ALL 5.3 billion were disbursed. The interests paid from the state budget under this scheme amounts to ALL 156.79 million, and as of 30 September 2023 only one payment of around ALL 1.9 million has been made upon the guarantee being called for one of the loans.

Loan Guarantee 2: ALL 15.0 billion

In addition to the first Loan Guarantee, the Government of Albania issued a second Guarantee in the amount of ALL 15.0 billion (approx. USD 136 million) providing loans for working capital and investment for all sectors of the economy. The Government guarantees 60% of the principal and the maximum value of the loan per company cannot exceed ALL 300 million. The maximum grace period of the loans was 6 months, and the maximal term of the loans was 5 years.

The Guarantee was approved through the Decision of the Council of Ministers No. 387, dated 13 May 2020, "On the approval of the state guarantee for the loans with the commercial banks for the guarantee of the borrowing of business and the commercial companies to enable the financing of the recovery of the trade activity affected by the situation created by COVID-19 as well as on the definition of the conditions and criteria's of the guarantee and understanding agreements".

Around 569 businesses have benefited financing under this scheme, around ALL 18.8 billion applications were approved and ALL 18.4 billion were disbursed. As of 30 September 2023 only one payment of approx. ALL 1.6 million has been made for one of the loans being called. under this guarantee.

Sovereign Guarantee 3 under economic measures at the beginning of Ukrainian conflict.

Based on the obligations set out in the Normative Act, which defines the rules for transparency and price monitoring of some basic food products as well as the special measures to be taken, the Government of the Republic of Albania issued a State Guarantee, in order to manage the situation created from the impact of the Russian-Ukraine Conflict on the prices increase. This Guarantee Agreement was approved by Council of Ministers Order No. 349, dated 26 May 2022, at the amount of ALL 3.0 billion. This Guarantee Agreement aim was to enable axes to finance to the entities that wholesale basic food products in order to obtain the necessary financing to maintain basic food products reserve for a period of 3 months (measure foreseen in the Normative Act). MFE undertook to guarantee up to 60% of the principal of each Loan that the Lender disbursed to the Borrowers. The maximal term of the loans was 3 years.

Seven businesses have benefited financing under this scheme. The amount approved and disbursed is ALL 953.1 million.

Fiscal policy:

As a result of the Pandemic and the effects it has created on the economy, the Albanian Government has had to take immediate fiscal policy steps.

The situation faced by our country, as a result of the pandemic caused by COVID-19, made it necessary to create a legal framework for those taxpayers who face the greatest difficulties from this situation. For this purpose, the Albanian Government has tried as much as possible to create the opportunity to ease costs for businesses by undertaking various legal initiatives.

I. Income tax and simplified income tax

During 2020, a series of legal acts have been undertaken with the aim of mitigating the financial effects caused by the pandemic. Specifically, in relation to income tax for small business and for large business, the following incentives have been undertaken;

- Normative Act No. 10, dated 26 March 2020, has enabled the postponement of the deadlines for declaration and payment of income tax, in 2020, in order to support the taxpayer in fulfilling tax obligations.
- Normative Act No. 11, dated 27 March 2020 has enabled the postponement of the period for the payment of instalments of the simplified tax on profit in order to provide facilities to businesses that have stopped their activity as a result of the measures taken as a result of COVID-19.
- Normative act No. 18, dated 23 April 2020, has made it possible to postpone the deadlines for the prepayment of instalments of tax on the profit of 2020, for taxpayers with turnover over ALL 14 million (except for taxpayers who exercise activity in the field of telecommunications, food products of consumption, of pharmaceuticals (pharmacies) and the banking system) and for taxpayers who exercise activity in the field of tourism, active processing and call centers. In addition, the prepayment instalments of profit tax for taxpayers with a turnover of less than ALL 14 million were zeroed. In this direction, the aim was to support businesses in terms of available liquidity.
- Normative Act No. 19, dated 23 April 2020 has provided that the instalment payments of the simplified income tax in 2020 will not be paid.

Meanwhile, within the framework of the fiscal policies that were evaluated to be undertaken further, there was also the change in the tax rate applied for profit tax.

From 1 January 2021, the tax rate for profit tax and simplified profit tax on small business, for turnover taxpayers, up to ALL 14 million is 0%. With this incentive, tax payers with a turnover of up to ALL 14 million are relieved of their fiscal burden within the framework of profit tax and simplified profit tax.

The sectors that benefit the most from this incentive are the services sector, which accounts for 41% of the total beneficiaries of the incentive, and the trade sector, which accounts for 36%.

II. Financial assistance for employees

1. Decision No. 254 dated 27 March 2020 "On determining the procedures, documentation and extent of benefiting from financial assistance for employees in business entities with annual income up to ALL 14 million, economic assistance and income payment from unemployment during the period of the natural disaster, announced as a result of COVID-19" has provided as follows:
 - a. Grant of financial assistance to employees in business entities with annual income up to ALL 14,000,000 (fourteen million), for the period after the interruption of economic activity/labour relations due to the state of the epidemic caused by COVID19, according to the orders of the minister of Health and Social Protection.
 - b. Giving an additional payment to individuals who benefit from economic assistance payment.
 - c. Providing an additional payment to individuals who benefit from unemployment income payment.

From the first package, according to Decision No. 254, dated 27 March 2020, grant of financial assistance to employees in business entities with annual income up to ALL 14,000,000 (fourteen million), for the period after the cessation of economic activity/labour relations for due to the state of the epidemic caused by COVID-19, according to the orders of the Minister of Health and Social Protection, a total of 65,574 employees have benefited.

2. From the second package, Decision No. 305, dated 16 April 2020, Grant of financial assistance of ALL 40,000 (forty thousand) to former employees in entities that have been allowed to carry out activities according to the orders of the Minister of Health and Social Protection have benefited a total of 173,035 employees.

3. From the aid package according to Decision No. 651, dated 13 August 2020, Grant of financial assistance of ALL 26,000 (twenty-six thousand), due to the situation created by COVID-19, for employees or former employees in public, city and intercity transport entities, a total of 5,506 employees have benefited.

4. From the aid package with Decision No. 651, dated 13 August 2020 (amended) providing financial assistance of ALL 10,000 for employees or former employees in public, city and intercity transport entities, a total of 8,790 employees have benefited.

5. From the package according to decision No. 856, dated 4 November 2020, providing financial assistance to categorized small and medium-sized enterprises in the production sector (hereinafter "enterprises"), according to Article 4 of Law No. 8957, dated 17 October 2002, "For small and medium enterprises" of ALL 4,000 for each employee for a period of two months, a total of 26,383 employees have benefited

I. PANDEMIC YEARS 2020-2021

1. Interventions in emergency conditions by types (aid packages, health budget, etc.), financial effects and sources:

The following table shows the allocated funds as well as budget revisions during the years 2020-2021 to cope with the pandemic situation.

FONDET PER PERBALLIMIN E PANDEMISE ME RISHIKIMET E BUXHETIT ne 000/1			
VITET	EMERTIMI	SHTESAT E FONDEVE	FONDI TOTAL
Viti 2020	Akti Normativ nr. 6 date 21.03.2020	19,500,000	42,500,000
	Fondi Kontigjencë për Paketën Sociale Anti Covid 19	6,000,000	
	Alokime per tu alokuar me VKM ne MSHMS	2,500,000	
	Garancia Sovrane I	11,000,000	
	Akti Normativ Nr. 15, date 15.04.2020	22,000,000	
	Fondi Kontigjencë për Paketën Sociale Anti Covid 19	7,000,000	
	Garancia Sovrane II	15,000,000	
	Akti Normativ nr. 34/2020		
	Shtesa e buxhetit te MSHMS per NE dhe PAK	1,000,000	
Viti 2021	Ligjin Fillestar me nr. nr.137/2020 "Për Buxhetin e vitit 2021"	2,102,330	6,102,330
	Fonde te miratuara ne buxhetin e MSHMS per perballimin e dyfishimit te NE dhe PAK		
	Akti Normativ Nr.8 datë 22.03.2021	1,000,000	
	Shtesa e Fondit Rezerve te Buxhetit me qellim perballimin e blerjes se vaksinave		
	Akti Normativ nr. 18, datë 2.04.2021	2,000,000	
	Shtesa e Fondit Rezerve te Buxhetit me qellim perballimin e blerjes se vaksinave		
	Akti Normativ nr. 26, datë 22.06.2021	1,000,000	
	Shjtesa e Fondit Rezerve te Buxhetit me qellim perballimin e blerjes se vaksinave		

Year 2020

In the framework of the COVID19 pandemic, a number of measures were taken to support the economy during the crisis, which aimed to:

Support for health - The government granted: (i) Additional funding of ALL 2.5 billion to the Ministry of Health and Social Protection for the purchase of protective equipment, medical equipment, ambulances, improvements in hospital infrastructure as well as bonuses for doctors and health personnel. (ii) About ALL 507 million aid mainly from international organizations in medical equipment, protective materials and medicines.

Social support for families in need – The economic assistance programme was expanded by (i) doubling the benefit amount for the families of the scheme for a three-month period during the quarantine; (ii) granted a payment of ALL 16,000 to families who had applied but were not qualified for the scheme. Consequently, expenses for economic assistance increased by 24% or about ALL 1 billion. Meanwhile, the expenses for the disability scheme increased by about 2 billion more.

Support for employment and businesses - In order to cope with the consequences of the COVID-19 pandemic, funds for measures to help employment were increased by about ALL 12.7 billion, where support for business in the conditions of economic closure during the quarantine of COVID-19 (VKM 254, 284, 305/2020) resulted in approximately ALL 12.05 billion (or 98% of the anticipated funds) for 243,500 businesses and individuals affected by the pandemic.

Employment promotion measures – A new employment promotion programme was approved in September 2020, to support the employment of workers laid off due to COVID-19 by covering the minimum wage for 4 months and social and health insurance for 8 months others, at a cost of ALL 200 million additional (in 2020 and 2021); alongside a programme to support the formalization of informal workers (ALL 44 million in 2020).

In summary, the budget funds allocated during 2020, within the framework of anti-COVID19 measures, are presented as follows:

- Contingency Fund for the Social Package Anti COVID-19 ALL 13,500 million.
- Reserve Fund of the State Budget (Other Emergencies)
- within the framework of Anti COVID-19 measures) ALL 629.4 million.
- Allocations with VKM in MSHMS ALL 2,500 million.

Total budget funds ALL 16,629.4 million.

- Sovereign Guarantee I ALL 11,000 million.
- Sovereign Guarantee II ALL 15,000 million.

Total Sovereign Guarantee ALL 26,000 million.

Financing in total ALL 42.629 million.

YEAR 2021

- Pursuant to Law no. 137/2020 "On the budget of 2021, amended", in the budget of the Ministry of Education and Culture, funds are planned for covid19 expenses, in a value of nearly ALL 6 billion.
- Also, as a new measure related to the pandemic, through VKM No. 85 dated 10 February 2021 "For an addition to VKM no. 597 dated 09 April 2019 "For determining the procedures, documentation and monthly measure of the benefit of economic aid and the use of the additional fund on the conditions fund for economic aid", the doubling of the amount of economic aid for the first 6 months of 2021 was approved, with an effect of ALL 2.1 billion planned in the MSHMS budget.
- Meanwhile, the Reserve Fund of the State Budget has been used in the amount of about ALL 4.1 billion for additional measures in the fight against COVID-19 and for the purchase of vaccines needed to vaccinate the population.

II. The energy crisis and the crisis in commodity prices in 2021-2022

The energy crisis began to produce its effects in the last quarter of 2021. For this reason, budget interventions began in 2021 and continued in the 2022 budget. Meanwhile, the price crisis of other goods was affected by the effects of Russian aggression in Ukraine. These factors have influenced the change of the state budget several times by focusing specific measures on the affected sectors.

1. Budget revisions to respond to the energy crisis and commodity price crisis:

FONDET PER PERBALLIMIN E KRIZES SE ENERGJISE DHE ÇMIMEVE ne 000/1			
VITET	EMERTIMI	SHTESAT E FONDEVE	FONDI TOTAL
Viti 2021	Akti Normativ nr. 31 date 27.10.2021	10,000,000	10,000,000
	<i>Mbeshetje per energji nepermjet instrumentit te garancise sovrane</i>		
Viti 2022	Ligjin Fillestar me nr. nr.115/2021 "Për Buxhetin e vitit 2022"	8,000,000	49,570,000
	<i>Hua per sektorin energjistik</i>		
	Akti Normativ nr. 3, datë 12.03.2022	26,000,000	
	<i>Mbeshetje buxhetore per sektorin energjistik</i>	20,000,000	
	<i>Kontigjence per paketen e Rezistences sociale ndaj pasojave te krizes</i>	6,000,000	
	Akti Normativ nr. 12, datë 29.07.2022	7,770,000	
	<i>Kontigjence per paketen e Rezistences sociale ndaj pasojave te krizes</i>	6,100,000	
	<i>Shtese per perballimin e kompesimit financiar te cmimeve te mat te ndertimit</i>	1,670,000	
	Akti Normativ nr 19 date 29.12.2022	7,800,000	
	<i>Mbeshetje financiare e menjehershme për çbujten maksimale të impaktit të inflacionit të luftës</i>	7,800,000	

YEAR 2021

- Through Normative Act No. 31 dated 27 October 2021 "On some changes in Law No. 137/2020 "On the budget of 2021, amended", it was approved:
- Arrangement of financial support for OSHEE sh.a, in the form of a sovereign guarantee instrument, with a value of ALL 10 billion for the year 2021, following the approval of VKM no. 584 dated 08 October 2021 "On declaring the state of emergency in electricity supply". This, based on the arguments given by the Ministry of Infrastructure and Energy and the respective request for financial support.
- The approval of the aforementioned guarantee in the amount of ALL 10 billion for 2021, the increase in the value of the Eurobond as well as other changes, implied an increase in the level of public debt by ALL 38.9 billion.

YEAR 2022

- With the Initial Budget Law no. 115/2021 "For the 2022 budget", a budget loan of ALL 8 billion was approved for the energy sector.
- With the Normative Act no. 3 dated 12 March 2022 "On some changes in the law no. 115/2021, "For the 2022 budget", allocated (i) ALL 6 billion for the financing of the Social Resilience Package against the Consequences of the Crisis as well as for mitigating the effects of the current crisis caused by the war in Ukraine, as well as (ii) budget support for the energy sector of ALL 20 billion.
- With the Normative Act No. 12 dated 29 July 2022 "On some changes in the law no. 115/2021 "On the budget of 2022", as amended", the allocation of the fund of ALL 6.1 billion was approved for extending the support through Package of Social Resistance to the Consequences of the Crisis.
- The permanent measures taken in the framework of social support are defined as follows:
 - i) A 10% increase in the amount of benefit for all families with economic assistance, as well as a doubling of the amount of benefit for women heads of families with two children and the elderly without a pension. The financial effect for 2022 is expected to be in the amount of ALL 236 million;
 - ii) Indexation at the rate of 7.5% of the payment for persons with disabilities. The financial effect for 2022 is expected to be in the amount of ALL 188 million;
 - iii) Additional support for electricity compensation for paraplegic and blind categories. The financial effect for 2022 is expected to be in the amount of ALL 33 million;
 - iv) Indexation at the rate of 7% of the salary for the public administration, benefiting about 41,000 employees. The financial effect for 2022 is expected to be in the amount of ALL 713 million.
- c. Indexation of pensions at the rate of 6%. The financial effect for 2022 is expected to be in the amount of ALL 2 billion.
 - vi) The increase of the minimum wage from ALL 32,000 to ALL 34,000.
- The temporary measures taken in the framework of social support are defined as follows:
 - i) In the agricultural sector:
 - Supporting the cost of oil for farmers and the fishing sector of ALL 700 million.
 - Support for farmers for wheat planting of ALL 500 million.
 - ii) Support for the urban transport sector, in the amount of ALL 120 million.

- With the Normative Act No. 19 dated 29 December 2022 "On some changes in the law no. 115/2021, "On the 2022 budget", as amended", the allocation of the fund in the amount of ALL 7.8 billion was approved for immediate financial support for the maximum mitigation of the impact of war inflation in a difficult economic winter for the whole of Europe. This fund was allocated as follows:
- Pursuant to VKM no. 897 dated 29 December 2022 "For immediate financial support of pensioners to mitigate the impact of the crisis", about 695 thousand pensioners benefited from immediate financial support, in the amount of 8,000 (eight thousand) ALL/person. for mitigating the impact of the crisis, with a financial effect of ALL 5.6 billion.
- Pursuant to VKM no. 898 dated 29 December 2022 "For immediate financial support of employees of general government units and public higher education institutions to mitigate the impact of the crisis", about 107 thousand employees benefited from immediate financial support of general government units and institutions of public higher education (IALP) for mitigating the impact of the crisis, with a financial effect of about ALL 1.2 billion. Pursuant to VKM no. 899 dated 29 December 2022 "On the financial support of some special categories for mitigating the impact of the crisis", about 135,000 beneficiaries received immediate financial support from the economic assistance and disability scheme for mitigating the impact of the crisis, with a financial effect of about ALL 1 billion.

2 ECONOMIC DEVELOPMENT

2.3.3 Technology and economic development zones

Paragraph 2.35, page 10: "Pursuant to Law No. 9789, dated 19/07/2007 "On the creation and operation of technology and economic development zones" amended in 2015, there are established four TEDA."

EU question 14: Could Albania please clarify what are its plans regarding those zones, including whether it foresees an increase in subsidies to the TEDA? What is the rationale behind the allocation of these subsidies?

Answer: The Law No. 9789, dated 19/07/2007 "On the establishment and operation of technology and economic development zones" amended in 2015, provided some fiscal incentive, but not foresees subsidies to the TEDAs

Based on regional studies, the Ministry of Finance and Economy is creating the conditions for the announcement of new TEDAs, which will be more attractive for investors. The decision No. 646, dated 22 July 2015 "On stipulation of procedures and criteria for the selection of the developer in the technological and economic development area" was amended in December 2022, and created the possibility for strategic investors to invest in TEDAs.

3 TRADE POLICY DEVELOPMENTS

3.2.1.7 Intellectual property rights

Paragraph 3.30, page 15: "The aim of the Albanian Government in the field of intellectual property rights (IP) is to stimulate economic, scientific and cultural development in the country, to ensure the proper functioning of the internal market by establishing the right balance between the rights of the owners of intellectual property objects and interests of users as well as strengthen the system of registration of IP objects. The main policy document on IPR is the National Strategy of Intellectual Property (NSIP). This strategy covers a five-year period. Since last Policy Review it has been implemented all the objectives set at the NSIP 2016-2020. With the technical assistance of WIPO, the new NSIP 2022 – 2025 was approved with the Decision of Council of Ministers No. 350 of 26/05/2022 "On the approval of the National Strategy for Intellectual Property, 2022 – 2025". This new strategy clearly defines the commitments of each institution included in the institutional chain of implementation of these rights in the Republic of Albania".

EU question 15: The Action Plan 2021-2024 for the Common Regional Market defines as a priority area for trade related aspects the adoption of a regional framework on trade related aspects of IP and related rights. Regarding the National Strategy of Intellectual Property (NSIP) 2022 – 2025, could Albania please specify whether there are any initiatives from its part to support such a regional framework?

Answer: Under Action Plan 2021-2024 for the Common Regional Market, is drafted and approved at technical level the draft decision of the CEFTA Joint Committee on Commercial

Aspects of Intellectual Property Rights. Albania has concluded internal legislative procedures by approving the draft text at the Council of Ministers and is ready to endorse the draft decision at the Joint Committee meeting.

The national Strategy on Intellectual Property Rights 2022-2025 is **an inter-sectorial strategy** in the field of IP (the third national strategy until now in the Republic of Albania since 2010) and there are not foreseen any initiatives to support any regional framework on trade related aspects of IP and related rights.

3.2.2.3.2 Postal service

Paragraph 3.64, page 21: "The postal sector is regulated by Law No. 46/2015 "On postal services" which transposes the EU Directive 2002/59/EC on postal services, as amended. The implementing sublegal acts are also adopted. The postal market is liberalized and since January 2017, the reserved area was abolished. The Decision of Council of Ministers No. 207, dated 6/4/2022 approved the policy document of postal services in the Republic of Albania, 2021 and following, and set concrete and operational objectives for all stakeholders, in view of developing and improving the postal sector in line with the EU *acquis* and in particular for accommodating technological innovations and prompting e-commerce. A sub legal act on cross border parcel delivery was also approved by Instruction of Minister of Infrastructure and Energy No. 5 of 25/6/2021 "On the approval of the regulation on cross border parcel delivery services" aligned with EU Regulation 2018/644. In June 2023, there were 31 postal services operators licensed/authorized by AKEP".

EU question 16: Could Albania please give some examples on the technological innovations on postal consignments?

Answer: Based on technology revolution the Albanian Post (USO provider) has invested in information and communication technology in order to support and facilitate the postal items delivery and tracked delivery services in conformity with international standards and regulations as approved by UPU.

The Albanian Post has also invested in green transport vehicles in the framework of QSF (Quality Service Fund) project of UPU and in line with Green Agenda objectives.

Based on technology revolution, the Albanian Post (USO provider) has invested in information and communication technology, in order to support and facilitate the postal items delivery and tracked delivery services in conformity with international standards and regulations as approved by UPU.

The Albanian Post has also invested in green transport vehicles in the framework of QSF (Quality Service Fund) project of UPU and in line with Green Agenda objectives.

3.2.3 Trade policy coordination and monitoring

Paragraph 3.65, page 21: "As previously reported, since 2016, Albania has established the National Committee for Trade Policy Coordination. The Committee is functional and meets 3-4 times a year. The Committee functions based on the internal regulation "On functioning of the Inter-Institutional Group for Coordination of Trade Policy and Trade Facilitation", approved by the Minister of Finance and Economy. The first Action Plan on Trade facilitation, 2017 – 2020 approved by the Committee has been mostly completed and actually, it is under implementation the Action Plan, 2021 – 2023".

EU question 17: Could Albania please provide some examples of actions implemented under the latest Action plan 2021-2023, including some actions pertaining to services?

Answer: Action Plan 2021 – 2023 was focused on concrete measures to facilitate trade for Albanian businesses that intend to develop trade in the Western Balkans region, European Union countries and beyond. This Plan it is harmonized with (i) the developments of trade policies undertaken by Albania in the framework of the implementation of CEFTA Additional Protocol 5 "On Trade Facilitation", (ii) is in full alignment with the Action Plan 2021 – 2024 for the creation of the Common Regional Market and (iii) measures that reflect the problems encountered by Albanian businesses in their trade, and concrete proposals. The plan contains 22 measures, out of which: 15 measures have been implemented.

1. Post-Clearance Audit/Control.
2. Effective implementation and operationalization of the existing programme for Authorized Economic Operators.
3. Improving the risk management system in customs (Risk based Inspection).
4. Cooperation between agencies at the border crossing level (Border agency cooperation).

5. Implementation of the transitional rules of the Pan-Euro Mediterranean Regional Convention on preferential rules of origin.
6. Harmonization of working hours with the agencies operating at the border points with the countries of Montenegro, Kosovo and North Macedonia.
7. Analysis of the implementation of the 2018 Joint Protocol between the Ministries of Agriculture of Albania and Kosovo.
8. Establishment of a joint working group with Kosovo for sanitary and phytosanitary issues.
9. Creation of a joint group with North Macedonia for sanitary and phytosanitary issues.
10. Information on legal, regulatory and procedural requirements especially related to the import/export of agri-food products and animal origin.
11. Information on product safety and quality requirements in Western Balkan neighbouring partner countries.
12. Analysis of potential productive sectors to be competitive for export.
13. Assessment of the need for new Free Trade Agreements with specific countries.
14. Monitoring of the implementation of measures in the Action Plan 2021 – 2024 of the Common Regional Market.
15. Export strategy consultation.

Six measures are in process

1. Pre-arrival processing.
2. Improving the legal framework for customs appeal procedures.
3. Measures to facilitate transport through the implementation of the NCTS System.
4. Implementation of the ITMS (Integrated Tariff Management) project.
5. Reducing costs related to trade with CEFTA parties.
6. Removal of trade barriers with Kosovo and North Macedonia.

The measure related to starting of the experiment procedure for the statement-invoice (value under EUR 3000), is still pending.

4 TRADE POLICY OBJECTIVES AND DEVELOPMENT

4.3 Regional integration

Paragraph 4.7, page 22: "[...] CEFTA parties concluded the Additional Protocol 6 that aims at further liberalization of trade in services, which Albania ratified with the Law No. 46/2020 "For the ratification of Additional Protocol 6 of the Agreement on the Amendment and Access to the Central European Free Trade Agreement". At CEFTA level, the protocol entered into force on 11 January 2011. [...]"

EU question 18: Could Albania please confirm that the correct date which we understand was 2021 and not 2011?

Answer: Yes, Albania confirms that the correct date of entry into force of Additional Protocol 6 was 11 January 2021.

JAPAN**Report by the Secretariat (WT/TPR/S/449)****2. Trade and Investment Regimes****2.4.2 International cooperation****Paragraph 2.39****(Page 26 and 27)****Question 1:**

With regard to double taxation agreements, we are aware that there are some cases where such agreements are not fully implemented domestically and their benefits are not being enjoyed by applicants.

Please provide us with the contact point of these cases for conducting consultation.

Answer:

According to point 4.4 of the Order of the Minister of Finance No. 6, dated 10 February 2004 "On Bilateral Agreements for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion", the provisions of international agreements ratified by the Parliament "On the avoidance of double taxation and the prevention of Fiscal Evasion" are applied **only** after the entities/taxpayers that have transactions with persons who are residents of the countries with which the Agreement was concluded have made a written request and filed the agreement application form with the General Directorate of Taxation and the latter has issued an official document, which must be based on the concrete provisions of an Agreement that is in force. This means that the agreements are only implemented after an application is made and approval is issued by the Tax Administration.

We also inform you that from the verifications made, it results that the Republic of Albania and Japan do not have in force an international agreement ratified by the Parliament "For the avoidance of double taxation and the prevention of Fiscal Evasion".

The contact point with regards to double taxation agreements is: denisa.canaj@tatime.gov.al.

3. Trade policies and practices by measure**3.1.1 Customs procedures, valuation, and requirements****Paragraph 3.3****(Page 29)****Question 2:**

Given the fact that there is no English version of the Custom Laws (or secondary legislations) posted on the Customs website and that the English version does not seem fully up to date, please provide us with the government's perspective on timely posting of the English version of these laws and regulations.

Are there any other way to obtain English version of these laws and regulations other than through the website?

Answer:

During the years 2024–2025, Albanian customs administration will upgrade the customs website and conduct ongoing steps to translate the legislation.

3. Trade policies and practices by measure**3.3.7 Intellectual property rights****Paragraph 3.125 and 3.130****(Page 56 and 57)****Question 3:**

The report states that the Inspectorate for Market Surveillance (SIMS) was established in 2016, tasked with guaranteeing the protection of intellectual property (IP) in the domestic market, and SIMS also imposed administrative measures (fines and warnings) following such investigations since 2018; however, the report also states that there are currently no provisions in place regarding the infringement of copyright online.

Japan would like to know whether the SIMS can exercise such rights over online piracy. If SIMS does not have such authority, what measure can the government take against counterfeit products traded over the Internet?

Answer: Albania has a very well-structured Copyright Directorate, within the Ministry of Culture, and also a number of other national institutions that deal with copyright, each with specified duties: AMA, State Inspectorate Market Surveillance (SIMS), AKEP and State Police. SIMS is responsible for the surveillance of the compliance of the intellectual property only in the physical market. Currently SIMS do not have the competencies to act against the online piracy.

As stated at the WTO Secretariat report, Albanian does not have in place provisions regarding the infringement of copyright online. By the end of year 2025, Albanian government will transpose both directives of EU Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC and Directive (EU) 2019/789 on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organizations and retransmissions of television and radio programs, and amending Council Directive 93/83/EEC.

We would like to emphasize that the Copyright Directorate, in charge of copyright in Albania, has taken initially several steps to the drafting of the new articles in the copyright law on the digital environment, such as: organized several workshops, trainings and seminars on the field and finalized a feasibility study on the assessment of an analysis and comparison of EU and existing national environmental legislation to determine the existing state of conformity and the appropriate national response to the EU legislation; the capacities of the Copyright Directorate in Albania and the expectations for each stakeholder included in this procedure. The first drafting of the new copyright law articles that will address the online copyright infringement will initiate in December 2023.

Getting the best practices on EU countries that have already transposed the Directive and organization workshops on importance are concrete actions to be taken by Albania.

In regard to whether the SIMS can exercise such rights over online piracy, we would like to emphasize that Albania still has to identify the competent authorities for each of the tasks introduced by the New Copyright Directive and the SatCab II Directive.

Report by the Government (WT/TPR/G/449)

3. Trade policy developments

3.2.1 Main trade policy advancement

Paragraph 3.7

(Page 12)

Question 4:

According to the report, the corrections and changes in tariff classification and legislative changes to make MFN level fully compliant with the WTO respective bound rate are in process.

What is the estimated time frame for completion of these revisions?

Answer: Regarding the concern raised on the difference between MFN rate and the bound rate for few tariff lines, Albania confirms this fact and we would like to clarify all WTO members that this difference is due to the correlations and changes in the tariff classification. There is no intention by Albania to be in breach with WTO schedule of commitments. We remain fully committed to respect our commitments undertaken under WTO.

4. Trade policy objectives and development

4.1 Participation in WTO negotiations

Paragraph 4.4

(Page 22)

Question 5:

Regarding Albania's accession to the GPA, Japan welcomes Albania's submission of Replies to the Checklist of Issues to the Secretariat this July.

Japan looks forward to receiving the initial offer for accession soon and would like to know the current status of the preparation for the offer and the expected date of its submission.

Answer: Currently, Albania is preparing the answers to the questions submitted by the GPA member states, following the submission of Replies to the Checklist of Issues to the Secretariat. As also explained by the Albanian delegation during the bilateral meetings,

Albanian authorities are currently working for the preparation of the Initial offer on the basis of the last offer submitted by North Macedonia and well accepted by GPA parties. The economic offer is intended to be submitted as soon as practicable.

SINGAPORE**PART I: QUESTIONS REGARDING THE Secretariat Report****QUESTION:****2.5 E-commerce**

Page 27-28 (Para 2.44-2.45)

1. The WTO Secretariat Report notes that while Albania's electronic signature usage remains voluntary, over 72,000 signatures have been issued by the private sector in the period 2016-2023. Would Albania be able to elaborate further on the factors that have contributed to the sharp increase of electronic signature usage, as well as if there are plans to drive adoption rates in Albania?

Answer: The electronic signature for business is an electronic service offered on the e-Albania portal and through which the cost for business, in relation to the state but also in the business-to-business relation, is significantly reduced every day. Businesses already exchange electronically signed documents with full legal value online, and there is no need for physical appearances or sending physical letters.

With the electronic signature, a solution has been given to many of the subjects' problems regarding the steps of the various procedures that they followed in their daily activities. For special services, the subjects had to appear near the counters of the institutions to carry out the procedures, but thanks to the electronic signature, it has become possible to close them completely online, saving time and avoiding bureaucratic procedures.

The main factor that has influenced the increase in the use of electronic signatures over the years is the automation of processes for the provision of online services through the e-Albania portal, where for many services it is required that the representatives of the applying entities be provided with an electronic signature in advance to complete the application process.

The electronic signature has been offered remotely since 2020 through the electronic signature platform developed by AKSHI. This service is currently integrated in 25 IT systems and is used by public and private sector employees.

In the private sector, it is used by the administrators of private entities to make the registration in the Register of Beneficial Owners, the submission of annual balances to the National Business Center, for the initial registration of the natural person at the National Business Center, which is offered as a service for Albanian citizens or foreigners who want to exercise commercial economic activity. Also, industrial property services such as patents on inventions and utility models, topography of semiconductor products, trademarks and service marks, industrial designs and geographical indications require that at the end of the application, the completed form is signed by the citizen or entity that is applying.

Professionals of professions regulated by Law No. 10171, dated 22 October 2009 "For regulated professions in the Republic of Albania" such as engineer, architect, doctor and pharmacist, business administrators, technical managers, can apply and be equipped with an electronic signature. The category of engineers and architects use this service for various applications that are carried out in the building permit system, which is also an electronic service in the e-Albania portal: While doctors and pharmacists use it for electronic prescriptions for patients.

In addition to the people who use the electronic signature as a function of the online services offered on the portal, there is also the category of notaries who use the signature as a function of the procedures they carry out in their offices to complete the documentation of the citizens for applications that are carried out near the notary offices. The same applies to Lawyers who

use the signature in function of the procedures they carry out in their Law Offices. Also, Customs Agents are equipped with an electronic signature for the use of the Customs system.

The use of this service enables the provision and use of electronic documents online through different systems that interact with each other, expanding the digitization of public services and eliminating the printing of documents.

PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT

2.2.2 Digitalisation

Page 7-8 (Para 2.17)

2. The Government Report notes that Albania's e-Albania platform offers "1,227 online services, or 95% of all public services". Could Albania share which type of online services were most rendered, and best practices in this area with other WTO Members?

Answer: All Albanian businesses now have only one online stop to close any action. The business in e-Albania practically performs the entire cycle it needs in relation to the state, such as opening a new business, applications for permits and licenses, paying taxes, submitting balances, tax payments, various certifications with an electronic seal, NBC extracts, executive actions, etc. Also, many other services are available to citizens and businesses to perform actions related to their daily work, greatly facilitating their activities, saving time and money.

The services of the National Business Center are offered electronically through the e-Albania government portal with simple procedures, within short deadlines and at no cost to the business. This has made these services have a positive impact on the business environment and a high number of applications.

Tax, social insurance and cadastre services also have a high usability and positive impact on business results.

The most used services of the e-albania portal for the year 2022 that have facilitated the activity of subjects saving time and money are as follows:

No.	Name of the service	Institution service provider
1	Simple/Historical Extract (Business)	National Business Center (NCB)
2	Registration certificate	National Business Center (NCB)
3	Application for devices with electronic signature for employees and tax-paying entities	National Information Society Agency
4	Application for electronic certificate for the fiscalization project	National Information Society Agency
5	Application for the Agricultural Fuel Scheme	Agricultural and Rural Development Agency
6	Social security and health contributions	General Directorate of Taxes
7	Payroll of social security, health, and employment tax contributions (eSig25)	General Directorate of Taxes
8	Application for notification of temporary suspension of activity	National Business Center (NCB)
9	Application for issuance of property certificate	State Cadastre Agency
10	Application for issuance of certificates (negative/positive)	State Cadastre Agency
11	Application for issuing a copy of the property card	State Cadastre Agency
12	Extract for the data registered in the Register of Beneficial Owners	National Business Center (NCB)
13	Application for deregistration of the natural person	National Business Center (NCB)

No.	Name of the service	Institution service provider
14	Application for Building Permits (e-Permits)	Territory Development Agency
15	Issuance of license/permit title	National Business Center (NCB)
16	Activity activation request	National Business Center (NCB)

TÜRKİYE**THE GOVERNMENT REPORT****2.3.5 Public-private dialogue pg. 11, para. 2.39**

According to the Government Report, "the Investment Council (IC), established by the DCM No. 294, dated 8 April 2015, with the support of EBRD, has been very active at promoting public-private dialogue on initiatives relating to the investment climate in broad terms. Since 2016, the Investment Council held 28 meetings that addressed specific business issues and issued 295 recommendations (2015-22), based on a prior thorough analysis prepared by the IC secretariat team after a careful (i) research on national and international reports, (ii) inputs from direct meetings with private sector representatives and experts, (iii) relevant Albanian Investment Council survey data, and (iv) team analysis. The implementation rate of IC's recommendations is at 43%. The total recommendations issued in the meetings are categorized in six pillars: (i) Strategic, (ii) Institutional, (iii) Legal, (iv) Transparency related, (v) Policy and (vi) Awareness".

Question (1):

Could Albania please provide detailed information about the recommendations regarding investments issued by the Investment Council (IC), which was established by the DCM No. 294, dated 8 April 2015?

Answer: The overall information regarding the status and progress of IC recommendations, is continuously published in both languages at <https://www.investment.com.al/monitoring-reports/> and <https://www.investment.com.al/facts-figures/>.

3. Trade Policy Developments, 3.2. Trade Policy Making and Coordination, pg. 15 para. 3.30

It is stated in the Government Report that "The main policy document on IPR is the National Strategy of Intellectual Property (NSIP). This strategy covers a five-year period. Since last Policy Review it has been implemented all the objectives set at the NSIP 2016-2020. With the technical assistance of WIPO, the new NSIP 2022 – 2025 was approved with the Decision of Council of Ministers No. 350 of 26/05/2022 "On the approval of the National Strategy for Intellectual Property, 2022 – 2025". This new strategy clearly defines the commitments of each institution included in the institutional chain of implementation of these rights in the Republic of Albania".

Question (2):

Could Albania provide information on what this technical assistance of WIPO covers?

Answer: The drafting of the National Strategy on Intellectual Property 2022-2025 was supported by the technical assistance of WIPO. So, this means that the whole process of all the interviews conducted by the stakeholders is led by GDIP (General Directorate of Industrial Property) in cooperation with WIPO. A national and international expert was contracted by the WIPO which both experts have done the preliminary report and the final assessment report (based in the online interviews from all the stakeholder's part of this process) to serve as a base for the drafting of the National Strategy. All this process is carried out online due to the pandemic situation of COVID 19. As well the event for launching the National strategy on IP (launched in October 2022) was supported by WIPO. Some activities which are part of the action plan of this strategic document will be supported in cooperation with WIPO.

THE SECRETARIAT REPORT**Pg 7 para.11.**

According to the Secretariat Report, "Aimed at reducing investment-related risks, a Strategic Investment Law establishes specific procedures for domestic and foreign investors".

2.4.1 Regulatory framework pg. 24 para.2.28.

It is mentioned in the report that "According to the Strategic Investment Law (Law No. 55/2015), described in the previous Review and not significantly amended during the review period, establishes specific procedures for domestic and foreign investors to simplify administrative procedures and reduce certain investment-related risks. ... A new Investment Law to replace both the Law on Foreign

Investments and the Strategic Investment Law, which includes provisions on domestic investment, is being drafted and is expected to be approved this year".

Question (3):

Could Albania please provide further detailed information on the implementation procedures of "Strategic Investment Law" as well as further detailed information on the new Investment Law mentioned in Regulatory framework page 24 para.2.28.?

Answer: Please find below a detailed information on explains the procedures of strategic investments, according to the provisions of the strategic investment law. Since the implantation of the law, there have been granted 43 titles of strategic investors, in different sectors of the economy, such as: tourism, agriculture, energy and Technological Economic Development Area. As for the new investment law, a working group is working on the process and gathering information on the best international practices to include as part of the Albanian legislation.

STRATEGIC INVESTMENTS AND THE SELECTION CRITERIA

"Strategic investment" are investments made in one of the strategic sectors.

In the power and mining industry an investment must be:

- equal to or higher than EUR 30,000,000 (thirty million) for an investor/project to receive the status "Strategic Investment/Investor, Assisted Procedure"
- equal to or higher than EUR 50,000,000 (fifty million) for an investor/project to receive the status "Strategic Investment/Investor, Special Procedure"

In the transport, electronic communications infrastructure and urban waste industry an investment must be:

- equal to or higher than EUR 30,000,000 (thirty million) for an investor/project to receive the status "Strategic Investment/Investor, Assisted Procedure"
- equal to or higher than EUR 50,000,000 (fifty million) for an investor/project to receive the status "Strategic Investment/Investor, Special Procedure"

In the tourism (tourist structures) industry an investment must be:

- equal to or higher than EUR 5,000,000 (five million) and create at least 80 new jobs for an investor/project to receive the status "Strategic Investment/Investor, Assisted Procedure"
- equal to or higher than EUR 50,000,000 (fifty million) for an investor/project to receive the status "Strategic Investment/Investor, Special Procedure"

In the agriculture (establishment of the large agricultural farm model) and fisheries an investment must be:

- equal to or higher than EUR 3,000,000 (three million) and create at least 50 new jobs for an investor/project to receive the status "Strategic Investment/Investor, Assisted Procedure"
- equal to or higher than EUR 50,000,000 (fifty million) for an investor/project to receive the status "Strategic Investment/Investor, Special Procedure"

For the sector **"economic areas", including its sub-sectors** investment must be:

- equal to or higher than EUR 5,000,000 (five million) for an investor/project to receive the status "Strategic Investment/Investor, Assisted Procedure"
- equal to or higher than EUR 50,000,000 (fifty million) for an investor/project to receive the status "Strategic Investment/Investor, Special Procedure";

In the development priority areas an investment must be:

- equal to or higher than EUR 1,000,000 (one million) and create at least 150 new jobs for an investor/project to receive the status "Strategic Investment/Investor, Assisted Procedure"
- equal to or higher than EUR 10,000,000 (ten million) and create at least 600 new jobs for an investor/project to receive the status "Strategic Investment/Investor, Special Procedure"

The Status of strategic investor/investment—special procedure may also be granted to **investors/investment projects** that, regardless not being planned to be executed in one of the sectors listed above, will have an envisaged total capital investment amount equal to or higher than EUR 100,000,000 (one hundred million).

WHO CAN APPLY

1. **The Ministry of line**, responsible for an investment project, can apply to obtain the status of "Potential Strategic Project";
2. **The Investor who proposes the investment project** can apply to obtain the status of "Potential Strategic Project";
3. **The Investor who propose the investment project & will execute the project** can apply to obtain the status of "Strategic Investor/Strategic Investment -Assisted Procedure", "Strategic Investor / Strategic Investment- Special Procedure".

APPLICATION PROCEDURES

1. Application at AIDA by investor who proposes the investment project

The application request must be accompanied by an explanatory report on the strategic importance of the project and a detailed description of the following items:

1. The identity of the investor and its partners;
2. A detailed description of the investment project;
3. A detailed description of the works to be carried out and services to be provided under the investing project;
4. A detailed analysis of the timelines needed to implement the investing project and the phases for its execution;
5. A description of the investment project that refers specifically to the development of new technologies and protection of environment;
6. A financial analysis of the whole investing project and an analysis of the financial expenses that will be needed for the implementation of every phase of the project;
7. A detailed analysis of the impact that works and services shall have on the environment and urban plans;
8. A detailed analysis of the expected economic and social impact of the executed investing project;
9. An analysis of the benefits of public interest foreseen for the Albanian state from the execution of the project;

2.The Investor who will execute the proposed investment project can apply to obtain the status of "Strategic Investor/Strategic Investment -Assisted Procedure", "Strategic Investor / Strategic Investment- Special Procedure", as follows:

The application request must be accompanied by:

1. the identity of the investor/Investors/partners;
2. the business plan;
3. the financial plan;
4. the work programme and the deadlines provided, detailed according to the phases of the project and to the corresponding actions;
5. the impact assessment of the project in terms of social, economic and strategic potential;
6. feasibility study;
7. the economic, social and operational benefits as well as the level of employment expected from the realization of investment project;
8. the list of all measures, incentives and investment support services that the investor requires from the Albanian Government for the realization of the investment project;
9. the documentation which proves the financial capacity for the realization of the investment project as a means of guarantee. This documentation should contain financial data, which prove convincingly and clearly the capacity of the investor for the realization of the investment, in the amount not less than 10% of the total value of the investment.

The documentation that proves this requirement can be:

- The balance sheets of the last three years, or
 - Financing and crediting by the banking and financial institutions (domestic or foreign), or
 - A financial guarantee issued by banking or financial institutions (domestic or foreign).
10. Auto Declaration of the interested investor, through which the commercial entity takes over and guarantees the authenticity of the data and documents submitted in the file.
 11. A written authorization by the investor, which authorizes AIDA to carry out all the necessary verifications on the data presented in the file;
 12. A written consent of the investor for the publication of the general details of the proposed the investment, except of the data considered as confidential, which can not

be made public or shown to third parties, and which should be clearly defined by the interested party;

13. The receipt of the applicable fee.

14. The interest investor has to prove through documentation also that:

- is not any under any bankruptcy process and / or liquidation;
- has not been convicted by a final court decision related to the professional activity;
- the capital and assets are not subject to any mandatory execution procedures by the bailiff service;
- is in compliance with the obligations related to the tax payment;
- has fulfilled its obligations related to the payment of social security contributions.

BENEFITS

Assisted Procedure

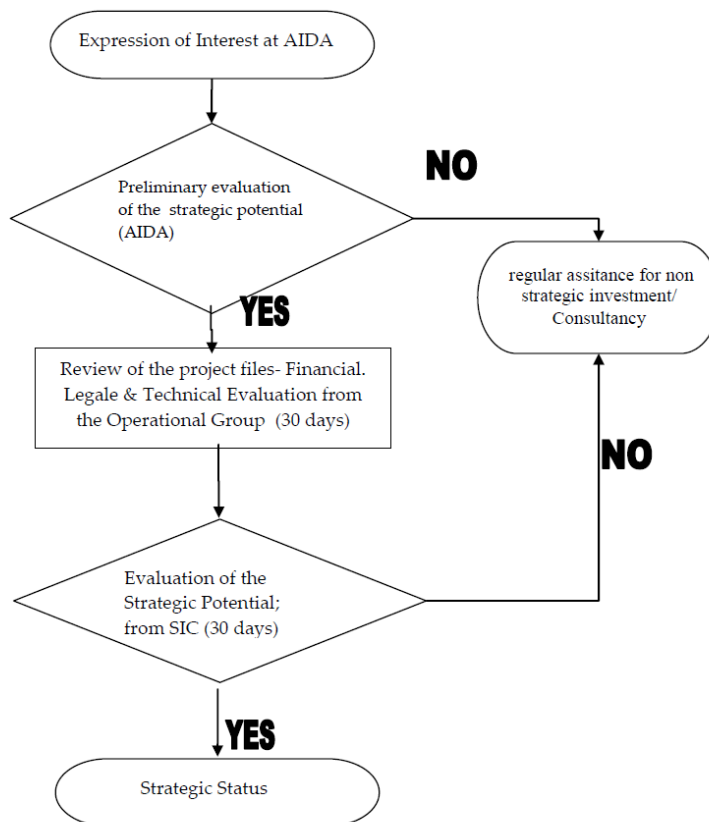
- fast track procedures;
- land consolidation;
- supporting programs;
- assistive infrastructure;
- use of public assets for strategic investment project execution.

Special Procedure

- Expropriation of immovable assets, private property, for the development and execution of the strategic investment project;
- Investment Contract endorsement by the Parliament.

Tariffs

- Administrative Service Tariff – 70,000 ALL
- Procedures' Management Tariff – 15,000 ALL



2.4 Investment regime pg. 24 para.2.23

According to the Secretariat Report, "The Ministry of Finance and Economy designs policies affecting the investment and business environment, with a large number of line Ministries also involved in the regulation of specific economic activities. Activities were most notably guided by the Business Development and Investment Strategy (BIDS) 2014-20, which was replaced by a new strategy for 2021-27 in 2021. The Albanian Investment Development Agency (AIDA) is the official investment agency in Albania (Section 3.3.1), also providing aftercare services to investors".

pg.24 para.2.25

Also it is mentioned in the report that "the Government undertook a number of reforms to improve the investment and business environment".

Question (4):

Could Albania please elaborate on the steps taken to improve the investment environment in Albania?

Answer:**Deregulation reform**

Deregulation reform aims to radically change the lives of citizens, facilitating the procedures for public services, simplifying the procedures, eliminating unnecessary documents, permits, licenses or authorizations that state institutions require in exchange for providing services, without compromising safety, life and health, competition or market protection. At the same time, public services and state administration get closer to the citizen and entrepreneur, responding in real time to their needs. One of the challenges related to deregulation, remains digitization and the use of artificial intelligence measures which are in the process of being implemented by the Albanian government, in order to guarantee transparency and reduce the risk of corruption. Many documents can be obtained directly from the electronic platform administered by the state institutions themselves, through interaction with the electronic platform e-Albania, or interaction and electronic communication with the relevant state institutions.

Regulatory impact assessment

As previously reported, the Regulatory Impact Assessment Unit (RIA Unit) at the Office of Prime Minister verifies and assesses, since January 2019, the regulatory impact assessments prepared for the all the draft laws that fulfil RIA criteria. The RIA Unit is focused to support the line ministries in the preparation of the RIA reports, examining, reviewing, and checking the quality of RIAs. The RIA Unit provides necessary suggestions during the entire drafting of RIAs, reviews these reports during the public consultation phase and when the legislative package is submitted for approval to the Office of Prime Minister. In total, **140** regulatory impact assessment reports have been confirmed by this Unit.

Business exit

To reduce and improve the regulatory and administrative burden during 2023, the Council of Ministers approved the Decision of Council of Ministers No 294 of 17 May 2023 "On determining the criteria and the rules for the submission the requests to act as a bankruptcy administrator and the procedure to give or remove licenses". All the process is administered through an electronic application on the website <https://e-albania.al/>.

Inspection*Legislative framework*

During 2022, Central Inspectorate led the improvement of inspection's standard documents for state and local inspectorates, according to legal changes and the need for effectiveness, to reduce the administrative burden, as well as to guarantee the public the preservation with transparency and commitment of the natural resources and assets of our country. Also, state inspectorates were equipped with tablets according to their needs in order to conduct online inspections through the "e-Inspection" system.

E-Commerce

Regarding the electronic commerce, through the Order of Minister of Finance and Economy No 190 of 18 July 2022 "On the establishment of the Working Group for the drafting of the action plan "On the facilitation and development of Electronic Commerce in the Republic of

Albania" was set up a working group to draft an Action Plan. Currently, the process of drafting measures of the action plan of Electronic Commerce is in the phase of collecting contributions, comments, suggestions.

Start the "Export readiness / promotion programme" (according to the Albanian Export policy 2023 – 2027)

MFE is working on drafting the Export Program 2024 – 2027 with the collaboration and strong consultation with private and public stakeholders. MoFE has already finalized a draft export programme and has identified the key potential sectors, obstacles and opportunities for further developments. The work for the export programme should continue and follow the consultations to enriched with recommendations until the finalization. Cosolveprogramme Key Results (until March 2023):

- 707 participants in advisory services (about 35% are women-led businesses).
- 299 businesses received a CoSolve grant (i.e. 42% of the coaching participants).
- 84% of the MSMEs expressed that the business adjustments helped to stabilize the business (Rd.1 beneficiaries, N=198).
- 89% of the MSMEs increased employment since participating in CoSolve-19 (656 persons newly or again employed)

Training to deliver "Aftercare service" in AIDA

In order to maintain improve and extend the Aftercare Network and Investor Servicing Program at the local level, 15 staff members of AIDA received training sessions to develop partnership with the municipalities of Vora, Kavaja and Kamza and to provide investment advisory to 35 businesses of the selected cities. The training strengthened the capacities and thus fed into the reform efforts of the Albanian Government.

In the period 2022 – 2023, with RisiAlbania contribution, a total of 612 businesses (42% owned by women) from the three sectors of Agri-business, Tourism and ICT benefited from access to new services, standards, and new markets. Of these, 80 businesses were certified to new international quality standards.

"Business to Business" Platform

The Business to Business (B2B) platform is an active network that offers the opportunity for successful collaborations and investments between businesses. This platform is a facilitating mechanism that creates opportunities for fruitful collaborations and to expand contacts in the business world. On the B2B online platform of the AIDA website, as of 18 September 2023, 1,092 profiles of Albanian companies are published, with the aim of making the companies visible to potential partners for doing business (<https://aida.gov.al/b2b/>).

"Made in Albania" Campaign

"Made in Albania" is the promotional campaign of the Albanian Investment Development Agency (AIDA), in support of Albanian businesses and "Made in Albania" products. The campaign was launched in July 2020 and up to 18 September 2023, 260 local products are published and promoted on the institution's website and social networks. As part of the initiative to promote "Made in Albania" products, the Albanian Investment Development Agency published "Choose Local", the first catalogue of "Made in Albania" products (<https://aida.gov.al/sq/te-reja-publikime/publikime/1091-katalogu-vjetor-i-produkteve-made-in-albania>).

Publication of informative brochures

During 2023, AIDA has published new guides, respectively:

- The internationalization of Albanian MSME-s (Certifications) Guide.
- A short guide on fair participation for Albanian MSMEs.
- The annual catalogue of "Made in Albania" products.

These brochures contain summarized information about the sectors, key figures, the challenges of each sector and their importance in the economy. Sectoral brochures are subject to periodic updates.

National and International Fairs

One of the functions of AIDA is to support and facilitate participation in national and international fairs for Albanian MSMEs. During 2023, AIDA participated in the following fairs:

National Fairs

- "Agriculture Days" Fair, 27 – 29 April 2023, Lushnje, Albania.
- "Food and Drinks Expo 2023" ExpoCity, 23 – 25 May 2023, Tirana, Albania.

International Fairs

- "FoodExpo" Fair, 18 – 20 March 2023, Athens, Greece.
- "ISPO MUNICH FAIR 2023", 28 – 30 November 2023, Munich, Germany

AIDA will participate in the ISPO Munich Fair in November 2023. Five exporting companies from Albania will represent Albania, under the "Made in Albania" brand. ISPO is one of the most important international fairs in the textiles industry, with participating suppliers and buyers from all over the world.

The Access to Finance Platform

AIDA, in the framework of "Increasing access to finance for MSMEs" (BIDS 2021 – 2027), with the support of the EBRD has created the platform "Access to Finance" to serve MSMEs Albanian companies, which want to expand and invest in their activity by taking advantage of the financial opportunities offered by the market, with grants, loans or other financing initiatives. The platform "Access to Finance" was launched on May 2021 and it is hosted under the AIDA domain. In this platform MSMEs can find updated information on financial instruments that are available to support them from the Albanian government and donors. Updated information on various calls for applications from Albanian SMEs are maintained and managed by AIDA (www.aida.gov.al). *Platform Statistics:* The platform is updated on a weekly basis and there is an average of 3-4 calls per month published. Typically, calls that focus on actions related to innovation, technology and education are the most visited. As of 18 September 2023, 116 calls for application have been published on the platform and the main webpage has been visited a total of 61,408 times. Most frequent users come from Albania, the United States of America, Italy, France and Kosovo. The predominating age of users is 25-34 years old (33.5%) and 18-24 years old (27.5%). There is no significant gap in terms of gender, with 54.15% of users being male and 45.85% female.

Organisation and participation in national and international fairs

In the framework of promoting exports and promoting Albanian businesses to international markets, AIDA periodically supports Albanian companies with participation in national and international fairs. Participation in international fairs is of particular importance as it allows Albanian companies to create new partnerships, create export channels, etc. AIDA handles everything, from the identification of the fairs, booking, and designing of the stand, to the participation. Commonly, five companies join the AIDA stand per fair. Although the fairs where AIDA participates usually pertain to the sectors of agro-processing, medicinal plants, textiles, and tourism, the agency is always considering new sectors in order to represent as many businesses as possible.

3.1.1 Customs procedures, valuation, and requirements pg. 32, para. 3.20

It is stated in the Secretariat Report that "Albania continues to primarily use transactional values for import customs declaration processes, accounting for 93% of customs declarations during 2022, compared to 91% in 2017. The remaining declarations used alternative valuation methods as spelled out in the Customs Code.²⁹ Since 2018, a national valuation database can be used to assess risks related to declared values.³⁰ No binding advance customs valuation system is in place. "

Question (5):

Could Albania provide inform when all transactional values for import customs declaration will primarily use?

Answer: Every year, the transaction method is being used more and more. This method is applied to all imports from EU countries with which we have cooperation agreements, and for those countries with which we do not have trade agreements, other methods are applied, from II to VI, as well as for stock market goods for which the values are applied updated according to the relevant bulletins.

The trend shows that the application of the transaction is increasing.

3.1.4.1 Other duties and charges pg. 36, para. 3.29

It is stated in the Secretariat Report that "Albania has bound other duties and charges within the meaning of Article II:1(b) of the GATT 1994 at zero. Albania imposes certain fees and charges for services rendered, however. Among those, customs levies "scanning fees" of EUR 22 for each customs declaration valued above EUR 1,000, and a fee of EUR 5 for those valued below, regardless of whether the consignments are actually scanned. Scanning has been undertaken since 2015 under a Concession Agreement. Other fees include parking fees (lowered in 2019 and free for the first 60 minutes), a sealing fee, and storage fees for the use of customs warehouses. A fee for the printing of certain customs forms was removed in 2019".

Question (6):

Could Albania provide detailed information about the legal basis of "scanning fees" for services rendered, parking fees and a sealing fee and inform whether and when this implementation will cease to apply.

Answer: Scanning:

- Is approved Law No 74/2015 of 9 July 2015 "On approval of agreements between the Ministry of Finance, as the contracting authority, and companies "S2 Albania" I.t.d and "Rapiscan Systems" INC "On the settlement by negotiation of disagreements" and "On amendment of the concession agreement" by reducing the scanning fee.
- Is approved Law No 118/2015 "On an addition to Law No 74/2015 "On the approval of agreements between the Ministry of Finance, as the contracting authority, and companies "S2 Albania", I.t.d. and "Rapiscan Systems", INC, of 29 October 2015", enabling exemption from scanning tariff for some specific customs procedures by avoiding charging twice or more times the same commodity, harmonized with the customs procedures for which is needed a customs declaration.

For services rendered on fee and charges they are applied based on the INSTRUCTION NO. 10693/2, date 1 July 2019 ON DETERMINATION OF TARIFFS FOR THE PERFORMANCE OF SPECIAL SERVICES AND THEIR ADMINISTRATION BY CUSTOMS AUTHORITIES which can be found at the link below: <https://dogana.gov.al/english/dokument/1854/instruction-no-10693-2-of-172019>.

3.1.4.2 Internal taxes collected at the border pg. 36, para.3.31

It is stated in the Secretariat Report that "In addition to VAT and excise duties, Customs also collects additional national taxes for goods that are imported. They are (i) a "packaging tax", paid for plastic and glass packaging; (ii) a turnover tax for fuels used by fishing vessels; and (iii) a carbon tax of ALL 3 per kg for coal, kerosene, solar, mazut, and petroleum coke, ALL 3 per litre of gasoline, and ALL 1.5 per litre of petrol. There are also taxes on the import of milk powder, milk whey, and milk cream (also applying to production); on the import of homogenized beverages (also applying to production); and for fuel used for vessels for tourism and entertainment purposes going outside Albanian territorial waters".

Question (7):

Could Albania provide detailed information about the legal basis of a packaging tax, a turnover tax for fuels used by fishing vessels, a carbon tax of ALL 3 per kg for coal, kerosene, solar, mazut, and petroleum coke, taxes for fuel used for vessels for tourism and inform whether and when this implementation will cease to apply.

Answer: Law No. 9975, date 28 July 2008, "On national taxes", as amended, which is part of the domestic fiscal legislation, has set out:

A plastic packaging tax rate at 35 ALL/kg, on plastic packaging imported according to chapter 39, of the NKM since January 2019. Also, a glass packaging tax rate is foreseen at 5 ALL/kg since January 2019.

-A carbon tax rate of ALL 3 per litre for gasoil, ALL 3 per kilogram for coal, ALL 3 per litre for solar, ALL 3 per litre for mazut, ALL 3 per litre for kerosene and ALL 3 per kilogram for petroleum coke since January 2017.

-A fuel used for vessels for tourism tax rate at ALL 40 per litre which is into force since January 2022.

Law no. 61/2012 "On excise duties in the Republic of Albania", as amended, which is part of the domestic fiscal legislation, has set out:

- Exemption from excise duty for Fuel used by fishing vessels;
- Excise duty of ALL 37/kg on Heavy oils as fuel (fuel, solar, mazut);
- Excise duty of 0 ALL/kg for Coal;
- Excise duty of 2 ALL/kg for Petroleum coke;
- Excise duty of 20 ALL/litre for Kerosene, Fuels, Kerosene type.

Question (8):

Could Albania also inform about whether Albania implement a carbon tax which put a price domestically for coal, kerosene, solar, mazut, and petroleum coke, gasoline and petrol and what the carbon price is per metric kg/litre of coal/petrol, gasoline, kerosene, mazut in 2023?

Answer: As mentioned above in the question (7), Law No. 9975, date 28 July 2008, "On national taxes", as amended, foresees a carbon tax rate of ALL 1.5 per litre for gasoline, ALL 3 per litre for gasoil, ALL 3 per kilogram for coal, ALL 3 per litre for solar, ALL 3 litre for mazut, ALL 3 per litre for kerosene and ALL 3 per kilogram for petroleum coke.

3. Trade Policy Developments, 3.3. Measures Affecting Production and Trade pg. 57, para. 3.132

It is stated in the Secretariat Report that "The Customs authorities also have the right to investigate IPR infringements ex officio¹²⁰, and rights holders can submit an AfA when notified in case Customs has detained goods in such cases. Based on AfAs and subsequent investigations, Customs suspended the release of 3,000 products suspected of infringing IPR in 2021, a decrease from the more than 23,000 products in 2020.¹²¹ Between 2016 and 2022, Customs also destroyed counterfeit goods valued at ALL 9.9 million (Table 3.14)".

Question (9):

Could Albania provide clarification on whether the Customs authorities need a court decision in order to suspend the release products?

Answer: In accordance with Article 384, point 3 of DCM No. 651/10.11.201, we quote:

When the declarant or the holder of the goods has not given his consent in writing for the destruction of goods and when it is not estimated that he has given his consent to the destruction, within the term of defined in the letter "c", of the first paragraph, of point 1, the customs authorities immediately notify the holder of the decision. The holder of the decision, within 10 (ten) working days or 3 (three) working days in the case of perishable goods, from the notification of the suspension of the release or detention of the goods, must start the judicial proceedings, by presenting a copy of the indictment, submitted to the competent court to decide whether an intellectual property right has been violated required by the rights holder and/or legal representative to go to court to verify the infringement of intellectual property rights.

4. Trade Policies by Sector, 4.2. Mining and Energy pg. 72, para. 4.85

It is stated in the Secretariat Report that "In December 2020, the Parliament adopted Law No. 155/2020 on Climate Change. This Law plans on, *inter alia*, submitting the country's Nationally Determined Contribution (NDC) on reducing GHG emissions to the United Nations Framework Convention on Climate Change (UNFCCC); integrating mitigation and adaptation issues into legislation, strategies, and programmes; and creating a comprehensive legal and inter-institutional framework for climate action at the national level. A revised NDC was submitted to the UNFCCC in October 2021. It commits to an unconditional emissions reduction target of 20.9% by 2030 compared to the "business as usual" scenario. This is an increase compared to the first NDC, which aimed to reduce emissions by 11.5% by 2030 compared to 2016 levels.⁴³ The Law also includes provisions for monitoring, reporting, and verifying GHG emissions, and the foundation for the transposition and implementation of the Emission Trading Scheme Directive, as anticipated by

signing the Sofia Declaration in October 2020. This Declaration endorses the European Union's Climate Law also for Western Balkans."

Question (10):

Is there any provision regarding administrative penalty or taxation for the companies not reaching emission reduction target in this law?

Answer: We haven't yet amended any provision regarding taxation for companies not reaching reduction target in the law mentioned.

Question (11):

Could Albania provide detailed information whether and when Albania is planning to implement Emission Trading Scheme Directive and align its regulation with EU Emission Trading System (ETS)?

Answer: Emission Trading Scheme Directive is under discussion regarding taxation, and at this moment we can't yet provide further information.

UKRAINE**PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT (WT/TPR/S/449)****1 ECONOMIC ENVIRONMENT****1.7 Developments in trade and investment****1.7.1 Trends and patterns in merchandise and services trade*****Trade in goods and intermediate products*****Page 16 (Para 1.24)**

The Report states that some firms in Albania appear to be integrated into regional value chains. Roughly 20% of imports fall under the inward processing regime (valued at EUR 1.6 billion in 2022), and more than half (54%) of total exports were classified as re-exports (valued at EUR 2.2 billion in 2022), indicating the participation of companies in value chains.

Question:

1. Would Albania kindly share its opinion, which economic measures, structural reforms and improvements in Albania's trade policy, implemented during the period under review, have led to a more active participation of Albanian companies in value chains?

Answer: As Albanian has outlined at the Government Reports, during the review period, Albania has taken important reforms to trade facilitation.

The most main structural reforms consist in, among others, reforms in the energy sector, digitalization, anticorruption, justice system and tourism sector. Other important reforms were undertaken in the areas of customs, anti-informality or government procurement. Transparency of public authorities, digitalization of the public services at the level of 95% of the total, improvement of the e-procurement system and functionalities, strengthening the integrity of central public institutions by adopting of integrity plans, enforcing of the cooperation of the criminal procedures of the corruption investigation, raising of the awareness and education against corruption are main field of a successful reform against corruption through the years. Fight against informality has continued through introducing IT system and digitalization.

Albanian government has approved the Business and Investment Development Strategy 2022-2027 that contains different measures to increase the value chain of Albanian companies.

In order to untap the trade potential in the Western Balkan region, Albania is part of implementation of the Action Plan for the Common Regional Market

Albania is working on further phasing in and accelerated integration to individual EU programs and policies, as defined in the EU accession negotiations' methodology. The further implementation of the Economic and Investment Plan of the European Commission for the Western Balkans, which aims to integrate the region more closely with the EU, focusing on trade in goods, electronic commerce, and integration in sustainable value chains, is deemed a valuable future step.

3 TRADE POLICIES AND PRACTICES BY MEASURE**3.3 Measures affecting production and trade****3.3.3 Sanitary and phytosanitary requirements****Page 45 (Para 3.75)**

The Report informs that, as a result of amendments to the Food Law in 2022, consignments of food of animal origin are no longer inspected by border veterinary food safety inspectors, but by those responsible for the control of food and animal feed that is the National Food Authority (NFA). Such controls are usually carried out at border inspection posts according to the provisions of the Food Law and include inspections of food labels and control of product labels. Imports falling under a cooperation agreement in the Western Balkans are controlled at destination point. The NFA licenses all food business operators as a precondition to import or export, and also those that produce food or feed. Imports of animal products are only permitted from establishments and countries that are listed for export to the European Union unless there is a prior agreement in place.

Question:

2. Could Albania, please, elaborate more on the permits needed for imports of animal products, as well as on control and licensing functions of the NFA? In particular, Ukraine would appreciate it if Albania could kindly provide more details on the requirements and procedures that are necessary for obtaining permits for imports of eggs and egg products to the Republic of Albania, for example, from Ukraine.

Answer: Food imported into the Republic of Albania is released to the market when it meets the requirements of law No. 9863, dated 28 January 2008 "On Food" as amended and of the legislation in force. In the case of special international agreements between the Republic of Albania and the exporting country, food imported to the Republic of Albania is released to the market when it meets the requirements defined in these agreements.

The load must be accompanied by veterinary health certificates in accordance with Article 18 of Law No. 9863, dated 28 January 2008 "On Food" as amended. All importing entities must be equipped with the relevant license. The product which is imported/exported must be from countries and enterprises authorized to carry out the export.

Regarding the import of eggs and egg products, it is necessary to approve the veterinary certificate model referred to in article 18, point 3, law No. 9863, dated 28 January 2008 "On Food" as amended. In case there is no agreement, according to point 2 of this article, recognition of certificates and other documents is carried out by order of the Minister of Agriculture, Food and Consumer Protection, with the proposal of the National Food Authority. The Republic of Albania applies legislation similar to that of the European Union. The requirements for the veterinary certificate are similar to those of the European Union. Competent authorities must agree on the fulfilment of these requirements.

Licensing

Any entity that performs non-self-economic activities in the field of food, "food production and/or trading", must be registered and licensed according to the legislation in force. The registration and licensing procedure is carried out in accordance with: Law No. 9863, dated 28 January 2008 "On Food" as amended (Article 19), Law no. 131/2015 "On the National Business Center", Law No. 10081, dated 23 February 2009 "On Licenses, Authorizations and Permits in the Republic of Albania" amended, Decision no. 538, dated 26 May 2009 "On licenses and permits that are handled by or through the CCB and some other common by-law rules" as amended, as well as other legal/by-law acts in force.

Entities that carry out wholesale activities have a legal obligation to be licensed, while entities that carry out retail activities are not licensed, i.e. they are not obliged to obtain a license from the National Business Center, but these entities are obliged to notify the Regional Directorate of the National Agency of the relevant food, for the place of performance of the activity and its nature, no later than 30 days from the beginning of the retail activity (Referred to DCM No. 538, dated 26 May 2009 "On licenses and permits that are handled by or through the Center National Law on Business and some other common by-laws" amended, for licenses of the third group (belonging to AKU); Field II, FOOD AND HEALTH, Category II.I, PRODUCTION AND/OR TRADING OF FOODS, its point 19, the activity with Code II.I.B: "Wholesale of food of animal origin (for humans)",

Consignments imported into Albania must have undergone documentation, identity and physical control under the responsibility of inspectors of the Border Inspection Point before being released for free circulation. The customs authorities carry out the customs procedures for the food cargo, after the inspectors, at the border inspection points, have given the approval.

Page 45 (Para 3.76)

According to the Report, imports, exports, and transit of live animals, veterinary medical products, and non-food animal products require a veterinary certificate and are subject to veterinary control by border veterinary inspectors of the NFA.

Questions:

3. Considering amendments on the control procedures done to the Veterinary Services Law and Food Law in 2022, could Albania, please, clarify whether there were any changes to the form of a veterinary certificate needed, for instance, for imports of dry and wet

fodder to the Republic of Albania? Would Albania, kindly provide the link where the form of a veterinary certificate is available online in English, if it is possible?

Answer: The form of veterinary certificates has not changed after the changes made in the Law on Veterinary Services and the Law on Food in 2022

4. What is the algorithm of the initiating process regarding veterinary certificates and what steps should be done by parties for its completion?

Answer: Referring to the law No. 9863, dated 28 January 2008 "On Food" as amended, the cargo of imported food is accompanied by certificates, in accordance with international requirements, for the safety of imported food.

For imported foods, cargo security certificates can be recognized in support of bilateral and multilateral agreements, issued by the competent authority of the exporting country.

In case there is no agreement, according to point 2 of this article, recognition of certificates and other documents is carried out by order of the Minister of Agriculture, Food and Consumer Protection, with the proposal of the National Food Authority.

Certificates and other security documents must be in the Albanian language and in the language of the country they come from.

PART II: QUESTIONS REGARDING THE REPORT BY ALBANIA (WT/TPR/G/449)
2 ECONOMIC ENVIRONMENT 2.3 Private sector development

Page 10 (Para 2.30)

The Report informs that Business and Investment Development Strategy 2021-2027 was adopted in August 2021, replacing the Business Development and Investment Strategy (BIDS) 2014-2020.

Question:

5. Could Albania, please, describe the main achievements of implementation of the Business Development and Investment Strategy (BIDS) 2014-2020 and preliminary results of measures, which are being taken under the new Business and Investment Development Strategy 2021-2027?

Answer: The order for the interinstitutional working group for BIDS monitoring is drafted and submitted for adoption by the Council of Ministers.

The Order of PM aims to establish the monitoring inter institutional working group which will report systematically the implementation of the measures according to the area of responsibility.

2.3.1 Improving business environment

Page 10 (Para 2.32)

The Report mentions that Albania adapted two new laws in 2022, such as: the law on the development of micro, small and medium-sized enterprises and the law on start-up.

Question:

6. Would Albania kindly provide more information about the provisions of the new Albanian laws on the development of micro, small and medium-sized enterprises and on start-up, clarifying purposes and differences of these laws?

Answer: The Law No 25 of 10 March 2022 "On the support and development of startups" aims the support for innovative startups as well as support of the local ecosystem of startups and integration with the international ecosystem to encourage research, and use of innovative ideas, as well as models, products, and new processes, which bring innovation in every field for economic development.

The Law No 43/2022 of 21 April 2022 "On the development of micro, small and medium sized enterprises" was adopted by the Albanian Parliament and was published in the Official Gazette No 76 of 20 May 2022.

The purpose of this Law is to enhance state support policies, as well as to establish a new institutional and regulatory framework to support enterprises.

For the implementation of the Law No 43/2022 of 21 April 2022, the following legal acts are approved:

- Decision of Council of Ministers No 539 of 29 July 2022 "On the creation, organization, functioning, remuneration of the members of the Board evaluating requests, as well as the competitive procedure for granting grants". The purpose of this act is to determine the rules for the creation, organization of the Evaluation Board, as well as the detailed description of the competitive procedure for grants to micro, small and medium sized enterprises, in accordance with the provisions of Article 11 of Law No 43/2022. The objective is to enhance the business support services through better policy formulation and adequate stakeholder consultation which is of great importance in order to strengthen the business competitiveness. Also, the aim is to improve the transparency in the adoption and implementation of legislation particularly by ensuring an effective timely consultation of businesses and social partners on the new legislation affecting their operations;
- Decision of Council of Ministers No 540 of 29 July 2022 "On the determination of the measure of the benefit, criteria and special conditions of the benefit for micro, small and medium enterprises for the year 2022". This Decision of Council of Ministers aims to support micro, small and medium-sized enterprises in the area of digitalization. Digitalization nowadays extends to every aspect of business including: relationship with tax authorities or other state bodies, suppliers and payments, customers and collections, human capital management, operations management, inventory management, social networks, marketing, safety, etc. Investing and spending in technology and digitization has become necessary for businesses to be profitable or to grow. The needs of access to finance for business digitization varies based on various factors such as: the number of employees, the number of locations where the activity is carried out, typology of services, the amount of customers, the amount and type of data it handles, etc.;
- Decision of Council of Ministers No 541 of 29 July 2022 "On the criteria for the selection of members, as well as on the organization, functioning of the Consultative Council for micro, small and medium-sized enterprises". The purpose of this act is to define the criteria for the selection of members, as well as the detailed rules for the organization, operation of the Consultative Council for enterprises. The objective is to discuss and ensure transparency and putting in place a public and private dialogue to improve the business climate.

Categorization of enterprises and calculation of data for micro, small and medium-sized enterprises

The Guideline of Minister of Finance and Economy No 24 of 12 July 2022 "On the method, form of declaration of the category of enterprise and calculation of data for micro, small and medium-sized enterprise" was approved and published in the Official Gazette.

The purpose of this act is to determine the method and templates of calculating the data for the categorization of micro, small and medium sized enterprises (MSMEs) pursuant to Article 5 and 8 of Law No. 43/2022 "On the development of micro, small and medium enterprises".

UNITED KINGDOM

1 ECONOMIC ENVIRONMENT

1.3 Economic governance, policy direction, and reforms

UK Question 1:

Please may Albania explain if it has adopted any trade-related policies, measures, and/or programmes as part of the Gender Equality Strategy for 2021-30, which support women's economic empowerment and gender equality in trade?

Answer: The Albanian Government has approved the Gender Equality Strategy for 2021-2030. A number of institutions are involved in the implementation of the foreseen measures according to the National Strategy for Gender Equality 2021-2030 and its Action Plan, from line ministries, independent institutions, local self-government units, academia, civil society organizations as well as international organizations.

The Strategy consists of four strategic goals:

- 1) The fulfilment of economic and social rights for women, young people, girls and men, young people, boys in society and the empowerment of women, young people and girls from all groups, aiming at a growth and sustainability of the environmental economy (of green), as well as their equal participation in digitization.
- 2) Fulfilling the rights of women and men, young women and young men, girls and boys from all groups, for equal participation, representation and leadership in political and public decision-making at the local level.
- 3) Reducing all forms of harmful practices, gender-based violence and domestic violence.
- 4) The application of gender integration as the main tool for achieving gender equality and justice in society.

2 TRADE AND INVESTMENT REGIMES

2.3 Trade agreements and arrangements

2.3.1 WTO

Paragraph 2.15.

UK Question 2:

Please may Albania explain what trade related measures it has adopted which support the Buenos Aires Declaration on Trade and Women's Economic Empowerment? Specifically, do you have any plans in place which support the commitment to the collection of gender-disaggregated data, the use of indicators, monitoring and evaluation methodologies, and the analysis of gender-focused statistics related to trade?

Answer: Albania has endorsed the Buenos Aires Declaration on Trade and Women's Economic Empowerment and agreed to collaborate on making trade and development policies more gender-responsive, including by sharing experiences relating to policies and programmes aimed at encouraging women's participation in trade by sharing best practices for conducting gender-based analysis of trade policies and for monitoring their effects by sharing ways of collecting gender data and analysing gender-focused statistics related to trade by working together in the WTO to remove barriers for women's economic empowerment and increase their participation in trade by ensuring that Aid for Trade supports efforts to analyse, design and implement more gender-responsive trade policies.

Regarding gender statistics, one of INSTAT's strategic objectives is the fulfilment of user needs. In this framework INSTAT has undertaken the preparation of a dedicated publication "Men and Women in Albania 2023", which is published annually. The publication aims mainly at displaying data disaggregated by gender, aiming at the collection, analysis, and presentation of statistics by gender, and also for the drafting and monitoring of cross-sectorial policies within the framework of achieving gender equality. The Official Statistics Program 2022-2026 entails gender statistics in the official statistics, so that such statistics are available to all users on an ongoing basis. Statistics and indicators in this publication serve to policymakers, academics, civil society and various users to broadly analyse the achievements made towards gender equality.

The publication provide data on population, health education, employment, statistics, crime and criminal justice statistics. It also contains statistics on women owning and running a business. A dedicated chapter addresses gender inequality index, which includes reproductive health, women empowerment, and labour market participation indicators. The "Minimum Set of Gender Indicators", in which the list of included indicators has been determined by Statistics Committee in cooperation with UN Women for measuring gender indicators. This Minimum Set of Gender Indicators" includes 52 indicators, of which 22 are SDG. INSTAT is working on further extending the Gender statistics indicators. [burra-dhe-gra-2023.pdf \(instat.gov.al\)](#)

Regarding gender budget, Albania has used the Medium-Term Budget Programme for programme and performance budgeting since 2008. Since 2010, the Ministry of Finance and the Ministry of Health and Social Protection, in close cooperation with the UN Women office in Albania, have been working to integrate GRB principles into the medium-term and annual budget programming processes. In 2012, GRB was included in the Medium-Term Budget Programme, (MTBP) which was further enforced through a Decision of the Council of Ministers of Albania. GRB was included as a legal requirement of the Organic Budget Law in 2016 and the Law on Local Finances in 2017. These laws regulate the application of GRB in medium-term and annual budget planning along with the monitoring, evaluation and reporting processes of the relevant institutions.

For the year 2024, the Albanian Government will continue to implement its commitments in addressing gender-based issues in various sectors. Attention has been given to the fulfilment of the medium-term objectives foreseen in the National Strategy of Gender Equality 2021-2030, expressed in five main pillars of long-term action and most of them have to do with the empowerment of women and girls in Albania.

The trend of budget forecasts that address sensitive gender issues has a slight increase with the previous years, where about ALL 67.6 billion or 9.3% of the general expenses for all sectors at the central level is expected to go to the realization of gender objectives in: social protection, education, health, public order, agriculture, justice, etc. 53 out of 128 budget programs, or 11 Line Ministries and 9 central institutions, have conducted gender analysis of their policies and budgets and have planned to address issues of importance for gender equality in Albania.

According to the gender-disaggregated data related to trade, we are still working on improving indicators that will clearly show the impact of measures taken on trade related to women, and also to other sectors.

2 TRADE AND INVESTMENT REGIMES

2.3.2 Regional and preferential agreements

Paragraph 2.18

UK Question 3:

Please may Albania provide an overview of the degree to which the Ministry of Trade actively engages with Albanian businesses trading in the UK, and UK businesses trading in Albania?

Answer: In order to not interrupt the trade concessions that UK had under SAA agreement, after BREEXIT, Albania and UK signed the Partnership, Trade and Cooperation Agreement between United Kingdom of Great Britain and North Ireland. The agreement entered into force in May 2021. The Agreement between Albanian and UK directly incorporates (with some modifications) SAA between Albania and EU. The Agreement incorporates the relevant provisions of the SAA on liberalization of trade and tariff lines.

Taking account at the Joint Statement with the Prime Minister Sunak in December 2021, we will continue to build on our Partnership, Trade and Cooperation Agreement, to boost bilateral trade and investment.

The Government of the United Kingdom has reaffirmed its interest to invest directly in Albania, in strategic sectors, such as: energy, infrastructure, tourism, agriculture and agro-industry, transport and logistics, IT services, etc. We estimate that it is very important to have frequent business forums, meetings and so on in order to create the environment that British business

know Albania, our attractive strategic sectors and incentives in place, in order to put Albania at their focus in their investment plans.

Total trade in goods and services (exports plus imports) between the Albania and UK was EUR 472 million in 2022, with an increase by 67% compared to 2021. Albania has a positive trade balance with UK in services. The export of services reached at EUR 261 million in 2022, with a significant increase by 94% compared with 2021, especially in tourism and transport.

According to the NBC (National Business Centre) database, in January 2023, 206 British-owned companies are active in the territory of Albania. Among them, 148 have 100% foreign capital, while 58 of them have joint capital.

British companies are present in all 12 counties of the country. Most of these companies, respectively 67%, operate in the territory of the County of Tirana. Other counties with a high presence of British-owned companies are the counties of Durrës and Vlora, with respectively 9% of the total number of companies in each county.

The activity of British-owned companies is spread over several areas of economic activities. 'Services' is the most important sector with respectively 43% of the companies involved, followed by 'Wholesale and retail trade; repair of vehicles and motorcycles' (24%).

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures directly affecting imports

Paragraph 3.12

UK Question 4:

Please may the Albanian Ministry set out its position on vet certification requirements in Export Health Certificates (EHCs)? The UK would welcome the opportunity to have follow-up discussions on this matter.

Answer: Under the ministry of agriculture comes food safety authority, which is responsible to release vet certificate. Moreover, Albania has signed TRACES agreement to recognize common vet entry documents.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1.1 Customs procedures, valuation, and requirements

Paragraph 3.3

UK Question 5:

Please may Albania outline the steps which will be taken to ensure that Customs procedures and associated guidance are fully up to date and accessible in English and in a PDF format?

Answer: During the years 2024–2025, we will upgrade the customs website and conduct ongoing steps to translate the legislation.

3. TRADE POLICIES AND PRACTICES BY MEASURE

3.3 Measures Affecting Production and Trade

3.3.6 Government Procurement

3.99 Reforms to government procurement framework

UK Question 6:

Albania's national strategy for public procurement is in place until 2023, the UK would like to understand more detail on the implementation of this strategy to date and if there are any plans to extend this action plan post 2023?

Answer:

Under the National Public Procurement Strategy 2020-2023, several measures have been taken which have impacted the public procurement, defence and security and concessions & PPPs area, and the most important are:

- The Law 162/2020 "On public procurement" was adopted in 2020, which has a high level of alignment with the EU Directives 2014/24/EU, 2014/25/EU, 89/665/EEC and 92/13/EEC.

- The adoption of the secondary legislation in the public procurement area, pursuant of Law 162/2020.
- Approval of the rules for procurement in the field of defence through the Decision of the Council of Ministers No. 1170, dated 24 December 2020 and of the standard tender documents for in the field of defence and security.
- Finalization of a legal gap analysis on the concessions and PPPs law with the EU Directive on concessions 2014/23/EU.
- In the framework of professionalization, a professionalization Roadmap and the training curricula are finalized. Also, the training of Trainers and consequently the piloting of the trainings for the CA for the beginner's level curriculum, was finalized.
- The memorandum of cooperation between the Public Procurement Agency and the High Inspectorate of Declaration and Control of Assets and Conflict of Interest was signed with No. 7889 Prot., dated 22 December 2021. Following this memorandum, both parties have finalized and published Instruction No. 1, dated 21 January 2022 "On the declaration of Conflict of Interest by Officials/Employees in the procurement process and the implementation of the contract".
- Approval of the joint Roadmap between the APP and the Competition Authority with a focus on compliance of competition principles in public procurement procedures.
- The establishment of a new Contract Management Electronic System, which is developed by the National Agency for Information Society (AKSHI).
- The establishment of the new E-Appeals and E-Complaints Management System.

Meanwhile, the work is under way for the drafting of a new National Public Procurement Strategy, covering the period 2024-2030. In this regard, by Order of the Prime Minister No. 77, dated 27 June 2023, the Inter-Institutional Working Group for the drafting of the new Strategy and its action plan has been established.

3. TRADE POLICIES AND PRACTICES BY MEASURE

3.3 Measures Affecting Production and Trade

3.3.6 Government Procurement

3.3.6.1 Legal Framework

3.107 Defence and Security Procurement Law

UK Question 7:

The UK would like to understand if Albania has any plans to increase the transparency of contracts awarded outside the regulatory framework?

Answer: The Law 36/2020 "On defence and security procurements" is based on the Defence and Security Procurements EU Directive 2009/81/EC and provides for the scope of the implementation and the cases of exclusion from this law. In any case, for contracts which are not covered by this law, there are specific regulations for them.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.3 Measures Affecting Production and Trade

3.3.7 Intellectual property rights

Paragraph 3.3.7.1 Domestic IP regime and recent developments

UK Question 8:

Please can Albania explain why they have limited the ability of individuals to apply for a Geographical Indication or Designation of Origin, and how this affects third-country producers who wish to seek protection for their GIs in Albania?

Answer: With respect to the Albanian National, the request for registration of any GI/AO can only be submitted by a "Group", meaning any association, regardless of its legal form, consisting mainly of producers or processors working with the same product.

A single natural or legal person can be treated as a group when two the following conditions are fulfilled:

- a) the person is the only producer willing to submit a request;
- b) in terms of protected appellation of origin and geographical indications of protected, the defined geographical area has characteristics, which differ significantly from those of neighbouring areas or the characteristics of the product are different from those produced in neighbouring areas.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.3 Measures Affecting Production and Trade

3.3.7 Intellectual property rights

Paragraph 3.3.7.2 Enforcement

UK Question 9:

Please may Albania clarify how it enforces protection of Geographical Indications and Designations of Origin?

Answer: The right of ownership over Geographical Indications and Designations of Origin is acquired through registration at the General Directorate of Industrial Property.

Registration of a geographical indication gives the owners the right to use it. They have no right grant usage licenses for GI/AO.

If the owners or holders of rights, within the meaning of the national law, the authorized users of the registered geographical indication, submit a claim for goods imported to the Republic of Albania or for other goods within the market, which violate their rights, provided for in this law, customs authorities or the State Market Surveillance Inspectorate, as the case may be, are forced to make the relevant verifications and, based on the conclusions drawn, to impose the blocking of customs clearances or the removal of goods from the market, as well as the establishment of them in a safe place, unless the importer or dealer certifies, through documents of origin of the goods, that they are not forged. Customs authorities and the inspectors of the State Market Surveillance Inspectorate also act *ex officio* when provided by the legislation in force that regulates the activity of these authorities.

UNITED STATES

Part I. Questions based on the Secretariat Report (WT/TPR/S/442)

Page 24, Paragraphs 2.4.1; 2.27: The United States Department of Commerce Commercial Law Development Program has been engaged in technical assistance focused on promoting investment security in Albania.

1. Does the new Law on Foreign Investments include an accompanying regulatory framework for ensuring that foreign investments do not interfere with the security of critical infrastructure, technology, and data?

Answer: The working group, that is working on the revision of the investment law in Albania, is gathering information on the best international practices to incorporate as part of the Albanian legislation. They are evaluating the addition of provisions aimed at making a detailed assessment of the investors' profile, with the aim of excluding from the benefit/treatment of any special support for entities that are the subject of legal proceedings for special offences.

Page 29; Paragraphs 3.1.1; 3.4: The United States Department of Commerce Commercial Law Development Program has been assisting Albania, through regional working groups, to implement best practices in the modernization and streamlining of customs procedures. This has included regional discussions on how to implement risk-based post-clearance audit processes. Albania has implemented a "blue channel" post-clearance audit since 2022.

2. Can Albania please provide details on how the blue channel functions, including how many goods entered the blue channel?

Answer:

The implementation of blue channel (the average level of the blue channel in the ASYCUDA system was about 10-12%) and it has operated according to the below risk criteria:

- Procedures: IM 40%;
- Duration of activity in IM: ≥ 8 years provided that the last 3 years are without interruption of activity;
- Duration of the analysis: 3 years
- the volume of imports to the EU export country is in the range from 90% to 100% (3-year analysis);
- the inclusion in the list of "BLU" companies also of companies that result in the range of imports from EU origin and country of export from 70% - 89%.
- the inclusion in the list of BLUE companies also of entities that have the ratio of the number of declarations with the EU exporting country over their total in the range of 90% - 99%.
- Interference in value $\leq 5\%$ (3 years);
- Physical control level $\leq 50\%$;
- 2 of 3 penalty criteria:

a. the total amount of penalties in the value of $\leq 1,000,000$ ALL (one million)

b. the number of penalty cases should be ≤ 3 (three)

c. % of positive controls (with violations) to be below the average of 9%

3. What departments are responsible for risk analysis and post-clearance audits related to the blue channel?

Answer: SKAO Operative Post Control Sector as the control structure of the declarations selected by the Blue Channel.

4. What are Albania's plans to expand usage of the blue channel?

Answer: In implementation of DCM No. 355, dated 26 May 2022 "For the personnel of the customs administration", amended, the SKAO Operative Post Control Sector as the control structure of the declarations selected by the Blue Channel is closed.

For this reason, as well as in implementation of the decisions of the Risk Management Committee, dated 26 October 2022, the Development Sector of Risk Profiles took measures to close the operation of the Blue Channel in the ASYCUDA World system by 5 January 2023.

Page 35, Paragraph 3.28: The Secretariat Report notes that Albania maintains applied rates that exceed bound rates for 24 tariff lines.

5. Please explain why Albania maintains these increased applied rates.

6. Please describe what efforts Albania is undertaking to lower its applied duty rates to be equal to or lower than its bound duty rates.

Answer: Regarding the concern raised by members on the difference between MFN rate and the bound rate for few tariff lines, Albania confirms this fact and we would like to clarify all WTO members that this difference is due to the correlations and changes in the tariff classification. There is no intention by Albania to be in breach with WTO schedule of commitments. We remain fully committed to respect our commitments undertaken under WTO.

Page 46, Paragraph 3.81: According to the Secretariat Report, Albania filed 16 SPS notifications to the WTO in 2016 and 2017. However, in paragraphs 3.75 and 3.76 amendments to various laws regarding food safety (Food Law) and animal health (Law No. 10465/2011 on Veterinary Services) occurred in 2020 and 2022. The United States notes that Albania has not notified any SPS notifications to the WTO SPS Committee per ePing since 2017. The United States is concerned that trading partners may not have been provided the opportunity to review and comment on important SPS measures that are part of Albania's regulatory framework.

7. Please explain what steps Albania is taking to ensure all SPS measures that may significantly impact trade are notified to the WTO SPS Committee.

Answer: I inform you that until 2017 we had a contact point for reporting SPS measures. After 2017, we do not know if there is still a point of contact. Please, if there is, tell us to send you the requested information. The SPS measures are mainly the blocking orders issued by the veterinary sector, while the two laws requested for revision can be started immediately.

8. Please provided a timeframe when WTO Members can expect to receive the Food Law and Law No. 10465/2011 for review.

Answer: At the beginning of this year, Albania was in contact with the WTO Secretariat regarding the provision of technical assistance on notifications, particularly focused on agriculture domestic support. We will contact the WTO Secretariat shortly to present our formal request on technical assistance in order to organize the workshops on this topic in a timely manner.

Page 55, paragraph 3.120: The Secretariat Report states that "amendments to the Law on Industrial Property in 2021 introduced the concept of trade secrets" and that "[a]ccording to the authorities the contained provisions largely align the legal framework with the EU *acquis* in this area, in particular Directive (EU) 2016/943".

9. Would you please explain how the amendments "largely align" with, and also how they are substantively different from, Directive (EU) 2016/943?

Answer: The national legislation on trade secrets is fully aligned with the Directive (EU) 2016/943, except for those sections and articles of the Directive that are exclusively related to the EU Member States. In the National Strategy of Intellectual Property 2022-2025, this part will remain in force with the release of new laws and will be regulated later by a special law.

The rules, measures and limitations applicable when setting the damages are set forth in accordance with the Civil Code of the Republic of Albania and the Industrial Property Law.

The following articles of the Albanian legislation provide the same identical rules and provisions for trade secrets as the Directive:

- Subject matter and scope of protection (article 1)
- Definitions (article 2)
- Acquisition, use and disclosure of trade secrets (article 3)
- Unlawful acquisition, use and disclosure of trade secrets(article 4)
- Exceptions (article 5)
- Preservation of confidentiality of trade secrets in the course of legal proceedings (9)
- Damage (article 14)
-
- Publication of judicial decisions (article 15)

Page 55, Paragraph 3.122: The Secretariat Report notes that a new law on trademarks is being drafted and is expected to be adopted in December 2023.

10. Please clarify if the Government of Albania is working on such provisions. If so, please outline the planned provisions and the timeline for enacting them into law.

Answer: The Albanian government is fully committed to align its legislation with the EU *Acquis*, based on the country's progress towards integration with this Union. This commitment of the Albanian Government can be seen concretely implemented in the draft law on trademarks, the drafting and content of which is based on the relevant directives and regulations of the EU. In this respect, the alignment with EU acts is complete.

EU Regulation 2017/1001 is almost completely aligned, with the exception of articles that are applicable only to the European Union and its member states: articles 1, 3, 17, 19, 27 (3)(4), 33(8)(9), 34(4) – (7), 38 (3), 39, 40, 43 (2)-(5), 62 (3), 69. 93 -100, 107-110, 113, 115-118, 121-123, 125-183, 191, 192, 98 (5) and (8), 202, 206-212.

The Directive is partially transposed, as well as in some cases not transposed in the Albanian IP law, regarding articles of Directive : 1, 4, 5, 8, 13, 18, 19, 20, 34, 44, 46.

Moreover, in the articles where there are general provisions, full alignment has been made and only the competent territory/institution has been changed or the rules for the use of the certification mark in the EU and the rules for the use of the certification mark in Albania.

Also, those provisions related to the conditions of filing the trademark application, the actions performed in the Board of Appeal during the administrative appeal, the filing of the lawsuit in the courts, the general principles of representation, judicial jurisdiction have been partially aligned. These provisions are partially aligned due to the administrative and civil legislation in force in the Republic of Albania.

For the above, that EU Regulation 2017/1001 is considered fully aligned (with the few exceptions reserved for articles that apply only to member states).

During the year 2023, the drafting of the new legal draft "On Trademarks" began, which is currently under consideration by the Ministry of Finance and Economy, which is the institution that follows the entire process until the law is approved.

Page 56, Paragraph 3.125: The Secretariat Report states that there are no provisions in Albanian law addressing the infringement of copyright online.

11. Does this mean Albania has neither civil nor criminal provisions regarding online copyright infringement? Please clarify if the Government of Albania is working on legislation respecting online copyright infringement.

Answer: The Albanian Criminal Code on articles 148 and 149 refers to the total or partial unlawful reproduction of a work of literature, music, art or science which belongs to another, or if their use is conducted without the author's consent, when his personal and property rights are violated, constitutes criminal contravention and is punishable by a fine or by imprisonment up to two years.

Additionally, the publication, partial or total use with his own name, of a work of literature, music, art or science which belongs to another, constitutes criminal contravention and is punishable by a fine or up to two years of imprisonment.

The Criminal code does not refer to the reproduction, publication or usage of a copyrighted work on the digital environment.

In regards to the civil provisions regarding online copyright infringement, by the end of year 2025, Albanian government will transpose both directives of EU Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC and Directive (EU) 2019/789 on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organizations and retransmissions of television and radio programs, and amending Council Directive 93/83/EEC.

Initially the Copyright Directorate, the Public Institution in charge of Copyright in Albanian has taken several steps initially to the drafting of the new articles in the copyright law on the digital environment, such as: Organized several workshops, trainings and seminars on the field and finalized a feasibility study on the assessment of an analysis and comparison of EU and existing national environmental legislation to determine the existing state of conformity and the appropriate national response to the EU legislation; the capacities of the Copyright Directorate in Albania and the expectations for each stakeholder included in this procedure. The actual drafting of the new copyright law articles that will address the online copyright infringement will initiate in December 2023.

Get the best practices on EU countries that have already transposed the directive; organize workshops on importance and concrete actions to be taken by Albania.

Article 2 of the law no. 97/2013 "On audiovisual media in the Republic of Albania", as amended, determines that the scope of activity of the Audiovisual Media Authority (AMA), where it is determined that: This law applies to linear audiovisual broadcasts, non-linear audiovisual broadcasts and support services theirs, as well as for the services of video distribution platforms. This law does not apply to print media.

Likewise, we also inform you of article 32 point 6 of the above-mentioned law, which states that: "OSHMA must broadcast programs, including cinematographic works, in accordance with the conditions and deadlines for which they have signed agreements with the rights holders of these works".

For the above, AMA based on Albanian law has no competence for supervision and therefore taking administrative measures regarding copyright violations in the online market in the audiovisual field.

Likewise, following the letter sent by the Ministry of Culture, with no. 2598/1 prot., dated 4 August 2021 (AMA), where it has determined that based on Article 178 of the copyright law, it is foreseen that ISHMT controls the implementation of this law in the domestic market in accordance with law no. 10 433, dated 16 June 2011 "On inspection in the Republic of Albania", the institutional activity of the AMA, among others, is the supervision and regulation of the activity of the Audiovisual Media Service Providers (OSHMA) according to the organic law of the authority, only in terms of broadcasting rights.

Page 57, Paragraph 3.132: The Secretariat Report states that Customs "suspended the release of 3,000 products suspected of infringing IPR in 2021, a decrease from the more than 23,000 products in 2020".

12. Please explain the reason for the significant reduction in suspensions in 2021 and if any action is being taken to increase border enforcement to prior levels.

Answer: In order to increase IPR border enforcement, have been taken the following action by Custom Administrative:
Risk profiles were updated based on the data provided by the right holders and/or information from the risk profiles.

During this period, the data and curricula of ASPA, have been updated and the level of the on-the-job training model has increased, and the total number of trained persons is 110 persons including all customs branches of the Republic of Albania.

In the framework of inter-institutional cooperation, IPR Directorate with its human resources has contributed to the drafting of the National Strategy 2022 – 2025, taking into account the important role played by Customs Administrative in the process of protection of intellectual property rights.

The new National Strategy for Intellectual Property 2022 – 2025, was approved with the Decision of Council of Ministers No 350 of 26 May 2022 "On the approval of the National In order to increase the administrative capacities, the IPR Directorate, trained customs office personnel:

The training was on Custom Intellectual Property Right Legislation (Custom Intellectual Property Right legislation is fully aligned with EU Regulation 608/2013), also provided information and knowledge of enforcement methods and ines plus +.

Also, on November 2021, IPR directorate, close successfully the project "SUPPORT TO THE ALBANIAN CUSTOMS ADMINISTRATION IN RELATION TO THE IMPLEMENTATION OF THE EU CUSTOMS CODE AND INCREASE OF OPERATIONAL CAPACITIES IN THE AREA OF COUNTERFEIT GOODS" as a part of IPA 2017 which aim to assist the Albania custom on implementation of the database Ines +.

IPR Directorate has organized workshops along with some of the right holders (Essence, Cartier, Channel, Prop sockets, Cartier and Porsche), where the custom officers, anti-smuggling units and the representatives from the main directorates of Law Enforcement Department, about the way of identification of counterfeited products.

Part II. Questions based on the Government Report (WT/TPR/G/442)

Page 16, Paragraph 3.31: The Government Report notes that the 2016 copyright law fully transposed 8 directives of European Union and partially transposed 5 directives.

13. To what extent did the copyright amendments passed in 2022 further align Albania with EU law?

Answer: The amendments of 2022 provide of a partial level of approximation of the Albanian Copyright Law with Directive 2012/28/EU of the European Parliament and of the Council of 25 October 2012 on certain permitted uses of orphan works. Copyright Directorate will fully transpose the directive by the end of 2025 by amend the relevant articles to include phonograms as part of the works covered on the relevant articles.

Further, it partially transposed the Implementation of Marrakesh Treaty Directive (EU) 2017/1564. The future changes will include Regulation (EU) 2017/1563 of the European Parliament and of the Council of 13 September 2017 on the cross-border exchange between the Union and third countries of accessible format copies of certain works and other subject matter protected by copyright and related rights for the benefit of persons who are blind, visually impaired or otherwise print disabled.

Page 16, paragraph 3.32: The Government Report states that legislative amendments "approved in August 2021, approximates partially the Directive (EU) 2016/943 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and

disclosure, to setup the state Industrial Property Database and the Industrial Property Management System (SAPI)."

14. Please explain how the amendments "approximates partially", and also how they are substantively different from, Directive (EU) 2016/943?

Answer: National legislation on trade secrets is almost fully aligned and harmonized with Directive (EU) 2016/943, except for those sections and articles of the EU Directive that relate exclusively to EU members, also with very minor changes in relation to national legislation (mainly, slight changes due to procedural rules) regarding, general obligations, proportionality and abuse of process, limitation period, interim and preventive measures, conditions and safeguards, court decisions and remedial measures, Conditions, Safeguards and Alternative Measures. The articles of Directive (EU) 2016/943 regarding the exchange of information and correspondents, reports and transposition have not been aligned insofar as they concern only EU Member States.

The following articles of the Directive (EU) 2016/943 have been almost fully approximated with slight adjustments according to the national legislation (mainly due to procedural rules):

- General provisions (article 6) Proportionality and abuse of process (article 7)
- Limitation period (article 8)
- Provisional and precautionary measures (article 10)
- Conditions of application and safeguards and alternative measure (articles 11 & 13)
- Injunctions and corrective measures (article 12)

The following articles of the Directive (EU) 2016/943 are not approximated so far, they concern EU Member States only and will become relevant as of date of accession: (articles 16-21)

- Exchange of information and correspondents
- Reports

15. Please explain how the "the protection of undisclosed know-how and business information (trade secrets)" relates to setting up "the state Industrial Property Database and the Industrial Property Management System (SAPI)."

Answer: The online application for all services offered by GDIP and the integration of the Administrative System of Industrial Property (SAPI) in the network of interaction of state databases, has led to the implementation of every document filed in GDIP and every document compiled by employees of GDIP. Total automation of services has brought more time to focus on important tasks, improved productivity and faster processing of documents.
