ALBANIA 2007

1st quarter

Trade Developments

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This publication was made possible through the support provided by the USAID under the terms of the Cooperative Agreement No. 182-A-00-03-00107-00. The opinions expressed herein are those of the ACIT's staff and do not necessarily reflect the views of the donor.

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I. Commodity Trade Flows, 1st quarter 2007

Trade flows in the first quarter 2007 amounted to 1,098 Mln USD (839.7 Mln Euro), having increased only moderately as compared to the previous quarter, by only 0.12 percent. A poor performance is particularly observed in January and February, as shown in table 1.

Table 1: 1st Quarter 2007 Trade Flows

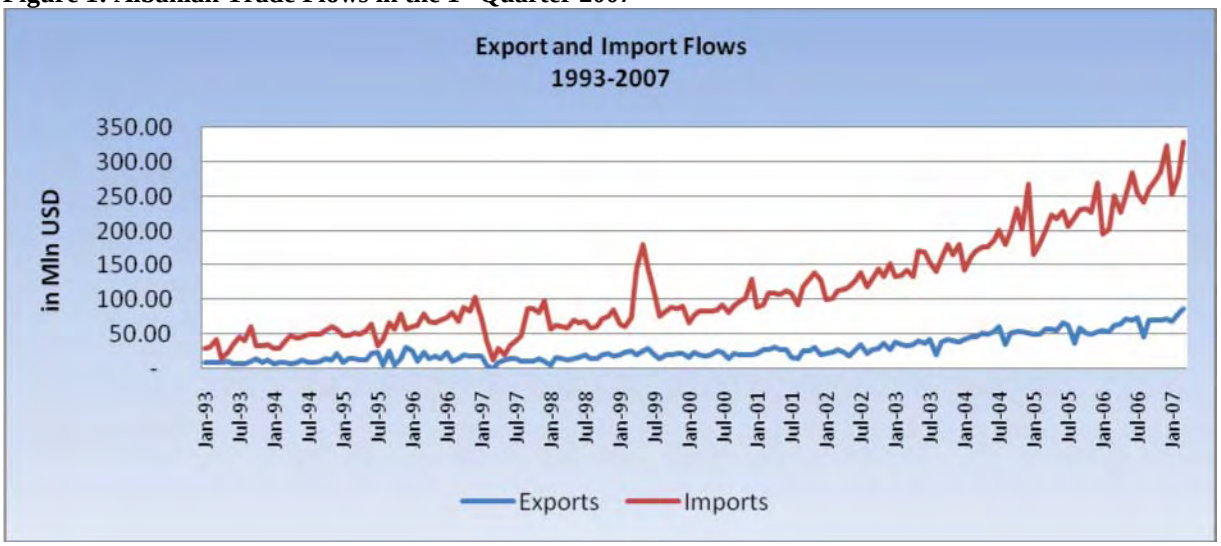
	Trade Volumes (in 000 USD)	Exports (in 000 USD)	Imports (in 000 USD)	Trade Balance[1] (in 000 USD)
January 07	322,289	69,748	252,541	(196,722)
February 07	358,723	79,275	279,448	(224,847)
March 07	416,730	87,435	329,296	(265,859)
First Quarter 2007	**1,097,741**	**236,457**	**861,284**	**(624,827)**

Source: Customs General Directorate of Albania and ACIT own calculations
[1]Figures in brackets in this table and also in the coming tables are negative ones.

Exports had a "spring time" during this winter quarter; their value amounted at 236 Mln USD (180.5 Mln Euro), having increased by 10 percent. Such an increment has by large been affected by flourishing exports of the in-ward processing industries (textile and footwear) and also mineral products, particularly during February and March.

Differently from exports, imports declined by 2 percent as compared to the previous quarter having amounted to 861 Mln USD (654.7 Mln Euro). Imports decreasing tendency is mostly a result of domestic demand developments in a pattern which can be characterized as seasonal (as shown in figure 1). It seems that the positive effects expected by the further trade liberalization introduced by Interim Agreement which entered into force on December 2006 could not compensate for the demand side seasonal effects.

Figure 1: Albanian Trade Flows in the 1st Quarter 2007



Trade deficit amounted to 687 Mln USD (477 Mln Euro) in the 1st quarter 2007, having increased by 3 percent as compared to the preceding quarter. In relative terms it counted for 57 percent of the total trade volume, as measured by the normalized trade balance index[1]. Meanwhile exports counted for only 22 percent of the total trade volume and were able to cover 27 percent of the imports volume. Table 2 shows the change of such relative indicators as compared to the 4th quarter 2006, and also as compared to the 1st quarter 2006.

Table 2: Some Trade Indicators

Description	I Q 2007	Change in % points against the IV Q 2006	Change in % points against the I Q 2006
Exports/Imports, Ratio	27%	1%	3%
Exports/Trade Balance, Ratio	(38%)	1%	6%
Exports/Trade volume, Ratio	22%	0%	2%
Normalized Trade Balance Index[i]	(57%)	1%	4%

Source: ACIT

II. Trade Flows Forecasts

Exports flows in the 1st quarter 2007, as shown in table 3, have gone through a better scenario than forecasted, being about 16 Million USD higher than the estimated values. Imports also resulted higher than the estimated level by about 2 percent[2]. Such a difference might be a consequence of excluding important factors that have affected imports behavior in this quarter.

Table 3: Estimated trade flows in comparison with the observed ones

	Imports (in Mln USD)	**Exports (in Mln USD)**
First quarter 2007 estimated trade flows	219.82	840.74
First quarter 2007 real trade flows	236.30	861.00
Difference between estimated and real flows	16.48	20.26

Source: ACIT

Trade flows observed in the first quarter 2007 have brought into the set of information used to explore export/import behavior, some features that considerably influence expectations on trade flows. Features as exports positive growth rates, imports negative trends and the seasonality are added up to the existing dataset in order to have new estimates of trade flows. Forecast results and some methodological notes are presented in box 1.

The estimates of exports for the 2d quarter 2007 are valued to range[3] between 242 Million USD and 284.9 Million USD, with an average increment rate of 12 percent when compared to the first

[1] Normalized trade balance index = $\frac{(X-M)}{(X+M)} = \frac{Trade\ Balance}{Trade\ Volume}$

[2] More information about the trade flow forecast for the 1st quarter 2007 is available at the ACIT's 2006 Trade Report, pp. 22-23.

[3] Range estimation for exports is applied due to high volatility of exports flows.

quarter 2007. Meanwhile imports are estimated to value around 996 Million USD for the next quarter 2007. The forecast results and also some methodological features are shown in Box 1.

Box 1: Trade forecast for the rest of 2007

Trade flows forecast is done through an autoregressive integrated moving average time series model (ARIMA), with integrated order of 1 for both exports and imports series determined through the Unit Root Test (with seasonal dummies and structural break -1997). Number of lags and moving average terms were determined through Akaike, Hannan-Quinn and Swartz Criteria. Exports[1] were better explained through a model involving a lag structure of 1 and a moving average term of 2, while imports forecasting equation[1] involved a zero lag structure and a term of 1 in the moving average part. Seasonal dummies were included in both models; to explore the seasonal structure of the export and imports flows which was a feature shown up in the correlogram representation of the time series.

Trade Flows Estimator

Time periods	Export Forecast (in Mln US$)	Imports Forecast (in Mln US$)
2007 M4	80.00	316.00
2007 M5	80.70	332.00
2007 M6	81.40	348.00
2007 M7	82.10	342.00
2007 M8	82.70	334.00
2007 M9	93.13	350.00
2007 M10	93.03	366.00
2007 M11	94.50	365.00
2007 M12	95.20	381.00

III. Trade structure

3.1 Exports structure

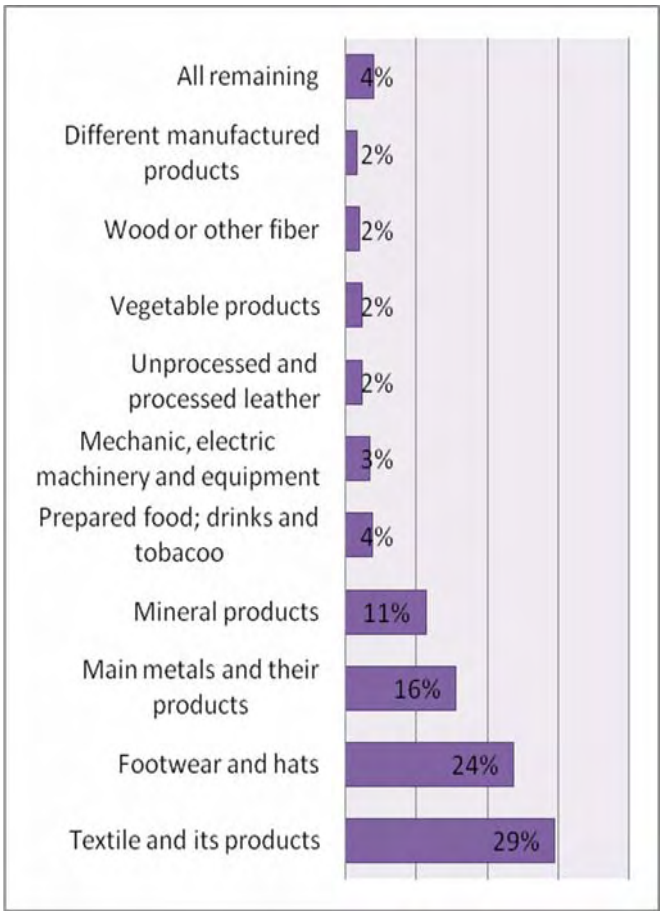
Exports in the 1st quarter 2007 are largely composed of textiles and footwear products (in-ward processed), mineral products and also some representatives from the processed food and drinks product groups. The export structure, which remains rigid with almost no substantial changes, is shown in figure 2 and table 4.

Footwear and textile exports were steadily increasing during the quarter. Footwear exports increased by 4 percent as compared to the preceding quarter and about 18 percent when compared to the 1st quarter 2006. The most exported products in this group are the upper parts of leather shoes, and security shoes (with metallic cover). Textile exports also flourished in this quarter having increased by 33 percent as compared to the fourth quarter 2006, with the most successfully exported products in this category being men's shirts and trousers as well as women cotton lingerie. Table 5 provides detailed information about structural changes and dynamics of exports.

Mineral products were also an important part of the export structure that showed interesting dynamics – exports volume almost doubled in this quarter (see table 4). Chromium minerals have

been the most exported product of this sector, representing about 41 percent of the minerals group exports and being one of the most dynamic exported product – from only 1,368 thousand USD in the 1st quarter 2006, to 10,998 thousand USD in the 1st quarter 2007 which is almost 10 times higher! Other important products from this sector were petrol oil and bitumen – representing about 34 percent of mineral products exports and having increased almost twice as compared to the export level of the preceding quarter. A newly entered product in this sector's export structure was cement clinkers, a product that occupied about 4 percent of the product-group exports.

Figure 2: Export Structure, 1st Quarter 2007



Exports from the group of prepared food, drinks and tobacco have been dominated in terms of volume by anchovies, tobacco and water (these three products valued 8.1 Mln USD and accounted for 91 percent of the total exports in this group). Tobacco exports showed fast and consistent expanding tendencies, while anchovies' exports have shrank noticeably, being the main reason for a poorer performance of the sector exports as compared to the overall export growing tendency. In this quarter, tomatoes sauce and apple juices were showing up in the export flows, too.

Wood products exports were mainly wooden frames used for paintings and raw beech wood, while newly exported products were wooden panel used for parquet and wood fibers (the last ones valued at 4.5 Mln USD). Processed wood products' exports were represented by exports of paper and cartoon bags and boxes - with a value amounted at 4.23 Mln USD, and with a share of 94 percent of this group of products' exports.

Chemical products and their alloys, as well as animal grease exports were the two groups of exports with consistent decreasing trend (see table A10). Chemical products dropping rates was due to decreasing exports of essence oils and therapeutic medicaments. Chemical product exports are of a randomness nature and not very much connected with a consolidated domestic production structure.

Raw agriculture products' exports (HS2 classification 01-15) valued 6.8 Million USD for the first quarter 2007 as referred to table 5 and represented 43 percent of the total agriculture exports. These exports have been suffering more from the winter seasonal effects, manifesting a faster declining rate than the total agriculture exports. Among the most exported agriculture products were medical plants, sea products (sepia, fish and anchovies), nuts and eggs (see table A6 at

appendixes). Vegetable products were the group of agriculture exports suffering the strongest declining rate.

Table 4 : Export Structure and its quarterly dynamics

Section	Description	1'st quarter 06 (000 USD)	4'th quarter 06 (000USD)	1'st quarter 07 (000 USD)	Change compare with 4rth quarter 06 (%)	Change compare with 1rst quarter 06 (%)
11	Textile and its products	52,547.25	59,197.00	69,723.47	18 %	33 %
12	Footwear and hats, umbrellas and parasols, walking	48,100.10	54,161.92	56,215.02	4 %	17 %
15	Main metals and their products	28,048.78	34,890.80	37,003.51	6 %	32 %
5	Mineral products	11,764.92	17,455.05	26,860.89	54 %	128 %
4	Prepared food; drinks, alcoholic beverages and tobacco	4,914.09	8,709.01	9,006.37	3 %	83 %
16	Mechanic, electric machinery and equipment	6,282.60	8,298.53	8,187.15	-1 %	30 %
8	Unprocessed and processed leather, coats and their	3,712.09	4,284.83	5,736.70	34 %	55 %
2	Vegetable products	3,949.27	7,583.66	5,649.12	-26 %	43 %
10	Wood or other fiber, cellulose, paper or cartoon m	3,286.33	4,526.50	4,505.62	0 %	37 %
20	Different manufactured products	3,282.55	4,708.67	3,962.95	-16 %	21 %
9	Wood and its products; charcoal; cork and its prod	2,599.87	2,886.58	3,492.98	21 %	34 %
7	Plastic and its products; tire and its products	1,712.80	1,424.81	1,915.46	34 %	12 %
13	Stone, gypsum, cement products...	900.68	1,575.39	1,316.03	-16 %	46 %
1	Live animals: animal origin products	1,019.53	1,691.34	1,052.68	-38 %	3 %
14	Natural or cultivated pearls, jewelry...	309.83	338.38	491.93	45 %	59 %
17	Vehicles	427.32	276.13	470.96	71 %	10 %
18	Optic, photographic, cinematographic, measuring, .	174.69	223.86	362.01	62 %	107 %
6	Chemical industrial products or alloys	505.73	468.40	358.73	-23 %	-29 %
3	Animal grease and oils or vegetal and its products	149.65	72.28	143.53	99 %	-4 %
19	Weapons and munitions and their equipment	165.86	1.774.51	1.83	-100 %	-99 %
21	Works of art, collection and antics pieces	1.02	65.91	0.40	-99 %	-61 %

Source: Customs General Directorate of Albania and ACIT own calculations

Table 5: Quarterly Agriculture exports

		Q1 2006	Q4 2006	Q1 2007	Growth rate*	Growth rate**
Raw Agriculture Export (HS2 Digit 01-15)	Mln USD	5,118	9,347	6,845	34 %	-27 %
Total Agriculture Exports (HS2 Digit 01-24)	Mln USD	10,033	18,056	15,852	58 %	-12 %
Ratio of Raw Agriculture to Total Agriculture Products Exports	(%)	51 %	52 %	43 %		
Share of Raw Agriculture Products to Total Exports	(%)	3 %	4 %	3 %		
Share of Total Agriculture Exports to total exports	(%)	6 %	4 %	7 %		

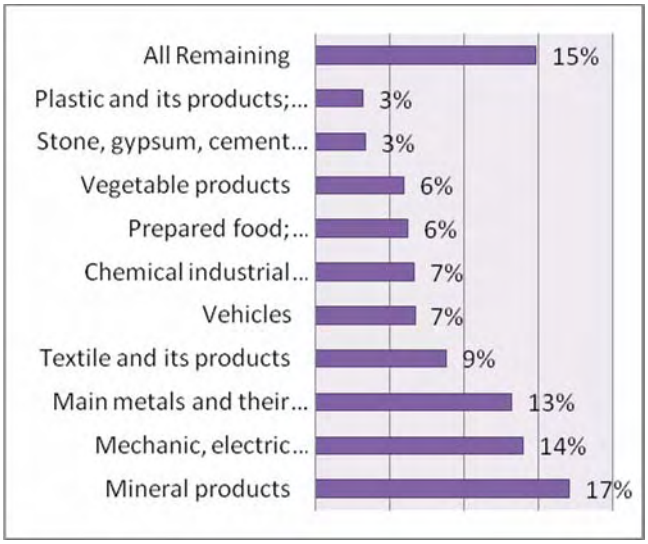
Source: Customs General Directorate of Albania and ACIT own calculations
*as compared to the last quarter 2006
**as compared to the first quarter 2006

3.2 Import Structure

In the 1st quarter 2007 most of the imports that supplied the domestic market as well as the inward processing industries, were from mineral and metal products, equipments and machineries,

chemicals, textile inputs as well as prepared food and vegetables. The structure of imports is shown in figure 3 and table 6.

Figure 3: Import Structure, 1st Quarter 2007



Mineral products' imports valued at 147 Mln USD in the 1st quarter 2007, having increased on average by 20 percent as compared to the preceding quarter, largely affected by the increased electrical energy imports. Electrical energy import reached a value of 65 Mln USD which is three times as much as compared to the first quarter 2006 and almost 8 times as compared to the preceding quarter (see table A7 at appendixes).

Oil and oil products' imports (valued at 81 Mln USD) decreased by 29 percent in the 1st quarter 2007. Such a decreasing trend might be partly a response to the oil price.

Table 6 Import Structure

Sec. Nr.	Description	1'st quarter 06 (in 000 USD)	4'th quarter 06 (in 000 USD)	1'st quarter 07 (in 000 USD)	Change compared with 4rth quarter 06 (%)	Change compared with 1rst quarter 06 (%)
5	Mineral products	103,484.35	122,562.03	147,196.13	20 %	42 %
16	Mechanic, electric machinery and equipment	99,273.02	124,149.10	120,505.02	-3 %	21 %
15	Main metals and their products	76,447.60	110,100.52	113,942.67	3 %	49 %
11	Textile and its products	59,759.63	83,384.10	75,796.35	-9 %	27 %
17	Vehicles	39,187.78	51,271.01	57,751.20	13 %	47 %
6	Chemical industrial products or alloys	46,437.04	69,564.55	57,241.72	-18 %	23 %
4	Prepared food; drinks and tobacco	44,387.25	58,008.27	53,360.31	-8 %	20 %
2	Vegetable products	42,591.64	51,959.35	51,178.73	-2 %	20 %
13	Stone, gypsum, cement products...	21,872.75	31,649.65	29,014.48	-8 %	33 %
7	Plastic and its products; tire and its products	19,429.27	29,769.57	27,362.57	-8 %	41 %
1	Live animals: animal origin products	18,687.88	25,456.07	25,828.56	1 %	38 %
20	Different manufactured products	11,890.46	23,547.30	18,198.58	-23 %	53 %
8	Unprocessed and processed leather, coats and their	14,681.47	17,216.02	18,064.99	5 %	23 %
10	Wood or other fiber, cellulose, paper or cartoon m	10,102.91	17,598.37	17,273.84	-2 %	71 %
12	Footwear and hats, umbrellas and parasols, walking	15,324.39	21,496.97	16,971.83	-21 %	11 %
9	Wood and its products; charcoal; cork and its prod	7,775.01	17,514.21	12,639.05	-28 %	63 %
3	Animal grease and oils or vegetal and its products	11,387.68	10,553.45	9,408.91	-11 %	-17 %
18	Optic, photographic, cinematographic, measuring, .	5,099.61	14,918.97	8,575.29	-43 %	68 %
14	Natural or cultivated pearls, jewelry...	289.11	356.57	585.24	64 %	102 %
19	Weapons and munitions and their equipment	226.95	444.43	201.59	-55 %	-11 %
21	Works of art, collection and antics pieces	13.11	319.64	187.01	-41 %	

Source: Customs General Directorate of Albania and ACIT own calculations

As table 6 shows, most of the imported groups of products reflect cumulative positive developments in comparison with the 1st quarter 2006. However imports flows show decreasing

rates as compared to the preceding quarter. Negative growth rates are verified in the imports of most of the group-products such as prepared food and drinks, vegetables, textile inputs and final product, mechanic and electrical machineries, etc.

Imports of chemical and plastic products, which are quite important in the import structure, have shown the highest decreasing rate. Imports of chemical products in the 1st quarter 2007 declined by 18 percent as compared to the preceding quarter. This is mainly as a consequence of decreasing imports of medicaments and cleaning and cosmetics products. Decreasing imports are due to the effects of import-substitution phenomena. These phenomena were also observed for plastic and paper products.

Aggregated imports flows of the prepared food, drinks and tobacco have also manifested a decreasing trend, which was mostly a result of decreasing cigarettes and sugar's imports. Meanwhile imports of beer, bottled water, fruit juices, and pasta and sweets products were those of this group of products that experienced the biggest increase.

IV. Geography of Trade

4.1 Main geographic characteristics of trade flows

Albania's main trade partner is consistently the EU[4] trade block, whose flows for this quarter represented 68 percent of the country's total flows, amounting at 746 Mln USD. Meanwhile the CEFTA-2006[5] countries' share on Albania's trade flows was 7.2 percent, amounting at 78.6 Mln USD.

At country level, Albania's trade flows are concentrated around its geographic neighborhood, with Italy and Greece being the most important trading partners. Germany is also an important trading partner from the EU trade block, as shown in figure 3. Regionally, Macedonia together with Serbia, and Montenegro[6] have provided 5 percent of the total trade flows. Turkey, China and Switzerland are distinguished partners from the rest of the world, followed by the Russian Federation (see figure 4)

Exports kept being highly concentrated geographically – 84.12 percent of exports flows were heading to Italy; some important part of exports were flowing toward other EU partners and a very small share of exports was oriented towards the regional markets (Kosovo, Macedonia and Serbia, and Montenegro). Even though insignificant in terms of volume, exports to France, Spain and Belgium have had a significant increase and these countries showed up in the ten top countries, with the highest export to, increase. Increment of exports flows to China and the U.S.A. were also observed (see table 7, and table A9 at appendices)

[4] Starting from the 1st January 2007, Bulgaria and Romania are members of the EU, so the EU community encompasses 27 members; EU-25 becomes EU-27.

[6] According to the clarification taken from the General Directory of Customs, separated trade information for each of these two countries would be available only after The CEFTA-2006 enters into force.

The most important countries in terms of imports supplying volumes for the 1st quarter 2007 were Italy, Greece, Turkey and China. However imports originating from traditional partners, like Greece, Italy or Germany are showing a decreasing trend. Some new partners from the EU trade block are shown up in the list of countries from which Albania's imports have been increasing the most, like Denmark and France.

Figure 4: Geographic Distribution of Albania's Trade Flows, 1st quarter 2007

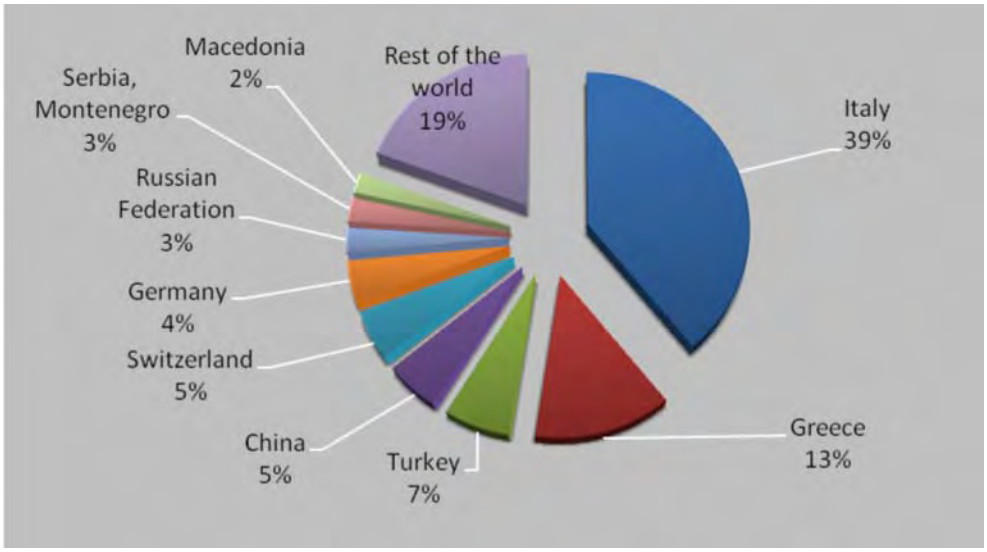


Table 7: Geography of exports, 1st Quarter 2007

	Country	1st Quarter 2007 (in mln USD)	1st Quarter 2007 (in mln EURO)	1st Quarter 2007 (in mln Leke)	Share to total Exports (%)
1	Italy	144.32	110.19	13,811.13	84.12 %
2	Greece	15.31	11.68	1,464.58	8.92 %
3	Kosovo-UMNIK	5.91	4.50	565.05	3.45 %
4	Germany	2.93	2.23	280.09	1.71 %
5	France	1.01	0.77	96.89	0.59 %
6	Serbia, and Montenegro	0.84	0.63	79.80	0.49 %
7	Macedonia	0.67	0.51	63.64	0.39 %
8	Austria	0.29	0.22	27.81	0.17 %
9	Spain	0.13	0.10	12.35	0.08 %
10	Denmark	0.11	0.08	10.26	0.06 %
	Rest of the World	0.06	0.05	36,560.94	0.04 %

Source: Customs General Directorate of Albania and ACIT own calculations

Imports from CEFTA-2006 countries have been increasing (Kosovo, Serbia, and Montenegro, Macedonia Republic) except for the imports originating from Croatia which decreased by 31 percent. Imports originating from the ex-CEFTA countries, Bulgaria and Romania have also been affected by a negative tendency and have decreased by 64 percent and 32 percent, respectively (see table 8, and table A12 at appendixes). Imports from Switzerland increased in this quarter while imports from China are keeping their positive trends and dynamics.

Table 8: Geography of imports, 1st Quarter 2007

	Country	1rst Quarter 2007 (in 000 USD)	1rst Quarter 2007 (in Mln EURO)	1rst Quarter 2007 (in Mln Leke)	Share to Total Exports (%)
1	Italy	256.59	195.82	24,550.72	30 %
2	Greece	125.47	95.86	12,010.22	15 %
3	Turkey	68.10	52.00	6,517.29	8 %
4	Switzerland	56.35	42.91	5,387.15	7 %
5	China	49.75	37.96	4,760.03	6 %
6	Germany	40.26	30.73	3,852.47	5 %
7	Russia Federation	27.30	20.82	2,611.60	3 %
8	Serbia, and Montenegro	23.49	17.86	2,244.10	3 %
9	Macedonia	20.07	15.32	1,920.37	2 %
10	Ukraine	19.95	15.25	1,909.86	2 %
	Rest of the world	173.96	132.86	16,649.19	20 %

Source: Customs General Directorate of Albania and ACIT own calculations

4.2 Trade flows with the EU-27

Trade flows with the European Union in the 1st quarter 2007 have taken place under a more liberalized atmosphere that the Interim Agreement between Albania and the EU offered after entering into force in December 1st 2006. In January 1st, 2007 the EU trade block was enlarged by two new members, Bulgaria and Romania.

The Interim Agreement impact on the Albanian economy will be a composite effect of consumers increasing welfare as a result of being supplied with a greater variety of goods and services at reduced prices (of an average of 4.6 percent) and domestic producers losses because of increased competition pressure of the EU imports flowing into a more liberalized domestic market. Also, trade creation and trade diversion effects should be considered. The final outcome of this process could run through complex dynamics until converging to a final adoption of the Albanian economy to the new conditions, while the initial signs of this process are already showing up in the trade flows.

Table 9: Trade Flows with the EU

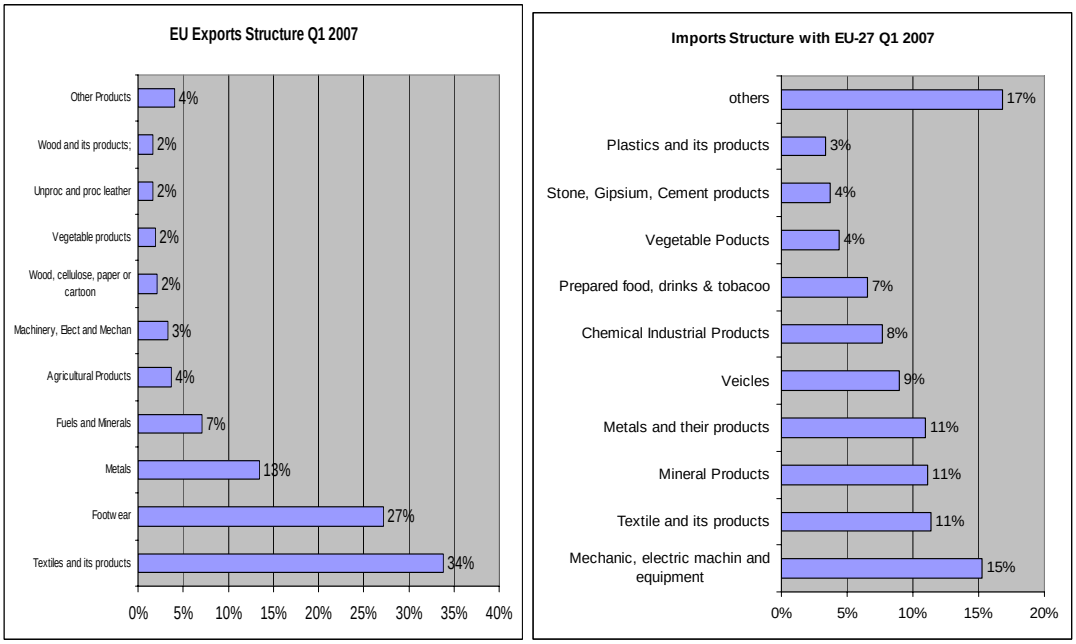
	1'st quarter 06 (EU-25)	4'th quarter 06 (EU-25)	1'st quarter 07 (EU-27)	Growth rates in 1'st quarter 07
	(in 000 USD)	(in 000 USD)	(in 000 USD)	(in %)
Trade Flows	570,782	736,567	746,113	1 %
Share to Total Trade Flows	69 %	67 %	68 %	
Exports	161,842	185,024	206,107	11 %
Share to Total Exports	93 %	86 %	87 %	

Imports	408,940	551,543	540,006	-2 %
Share to Total Imports	63 %	63 %	63 %	

Source: Customs General Directorate of Albania and ACIT own calculations

Analysis of trade flows dynamics with the EU is rather complicated because of the newly enlargement of this block. Comparing the EU-27 with the EU-25 in the preceding quarter, trade flows are increased by 1.2 percent, while assuming an EU-25 for the 1st quarter 2007 trade flows have undergone a decrease of about 2 percent. The inclusion of Bulgaria and Romania in the EU increased its share in the total Albanian trade flows by 2 percent (see table 9). Export to the EU markets, valued to 206 Million USD, performed much better than imports with an increasing rate of 11 percent. Imports flows on overall have manifested decreasing trends; their volume shrank by about 2 percent, reaching at 540 Million USD.

Figure 5: Structure of trade flows with the EU–27, 1st Quarter 2007



The most exported products towards the European markets during the 1st quarter 2007 were footwear and textiles output of active processing industries, copper wastes and locks produced of steel and iron, sea products–anchovies (prepared-conserved), medical plants, and plastic and paper bags and boxes used for packaging (see figure 5)

Products imported the most (having the highest value) were electrical energy and fuels, construction materials (cement and steel rods), medicaments, inputs for the footwear sector (leather) and vehicles. While most of the products having the highest increase in their import volume were from the traditional structure – increase was also observed in some agriculture products, especially oranges and apples for which imports were doubled. Among the group of sensitive products for the Albanian economy, those with the highest increment rate of imports were beer (increased by 21 percent), water and fruit juices, plastic products and some cleaning chemical products used in final consumption (see figure 5 and table 10).

Most of the sensitive imported products originating from the EU markets that have manifested increasing trends are inputs, showing that a cost improving impulse is already being introduced in the economy through the trade liberalization following the Interim Agreement.

Nonetheless, the risk of facing increasing competition pressure from liberalized imports is not to be neglected in some longer term prospective. Expanding imports of some foods and drinks (beer, water, fruit juices) as well as chemical products (cleaning materials), plastic and paper products especially those used in packaging might put at higher competition pressure the domestic producers in these sectors. Steel and iron imports from the European Union have also increased distinctly as compared to the overall trend of imports.

Table 10: Imports of Sensitive products from EU -25

Code	HS6_DSC	1'st quarter 06 (in 000 USD)	1'st quarter 07 (in 000 USD)	4'th quarter 06 (in 000 USD)	Change (in 000 USD)	Change in %
080510	Fresh or dried oranges	3,896.81	4,920.65	2,207.67	2,712.98	123 %
080810	Fresh apples	3,690.89	3,377.81	1,680.51	1,697.31	101 %
151219	Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified:	2,243.36	2,740.13	1,408.18	1,331.95	95 %
200980	Juice of any other single fruit or vegetable: with or without sugar (no alcohol, fermented, mixture, etc)	770.07	1,186.72	861.34	325.37	38 %
220290	Other Non-alcoholic Beverages (Other than Fruit or Vegetable Juices)	981.69	1,036.98	792.27	244.72	31 %
220300	Beer made of malt	1,678.32	3,549.69	2,829.86	719.83	25 %
160100	Sausages and Similar Products, Thereof Food Preparations	271.24	622.83	507.95	114.89	23 %
190410	Prepared foods obtained by the swelling or roasting of cereals or cereal products:	153.20	346.58	284.47	62.11	22 %
220110	Mineral Waters, Aerated Waters (Not Containing Added Sugar or Flavor)	362.32	652.71	556.71	96.00	17 %
210690	Edible preparations , unspecified or not included in other groups	2,257.71	2,810.79	2,448.05	362.74	15 %
200520	Potatoes, Prepared or Preserved (Excluding By Vinegar; Not Frozen)	589.90	740.14	697.26	42.88	6 %
330590	Preparations for use on the hair (other then shampoos, preparations for permanent hair lacquers)	555.30	940.76	773.84	166.92	22 %
482110	Paper or paperboard labels of all types, printed	161.81	293.42	160.74	132.68	83 %
490199	Printed books, brochures, leaflets and similar printed matter, whether or not in single sheets: Dictionaries and encyclopedias, and serial installments thereof	195.23	438.38	327.33	111.04	34 %
480300	Toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purposes	301.37	562.38	451.60	110.78	25 %
481159	Paper and paperboard, painted, decorated or stamped, plasticized …	148.33	389.59	324.79	64.79	20 %
481910	Paperboard, paper or corrugated paperboard boxes and cases	611.63	950.03	793.60	156.44	20 %

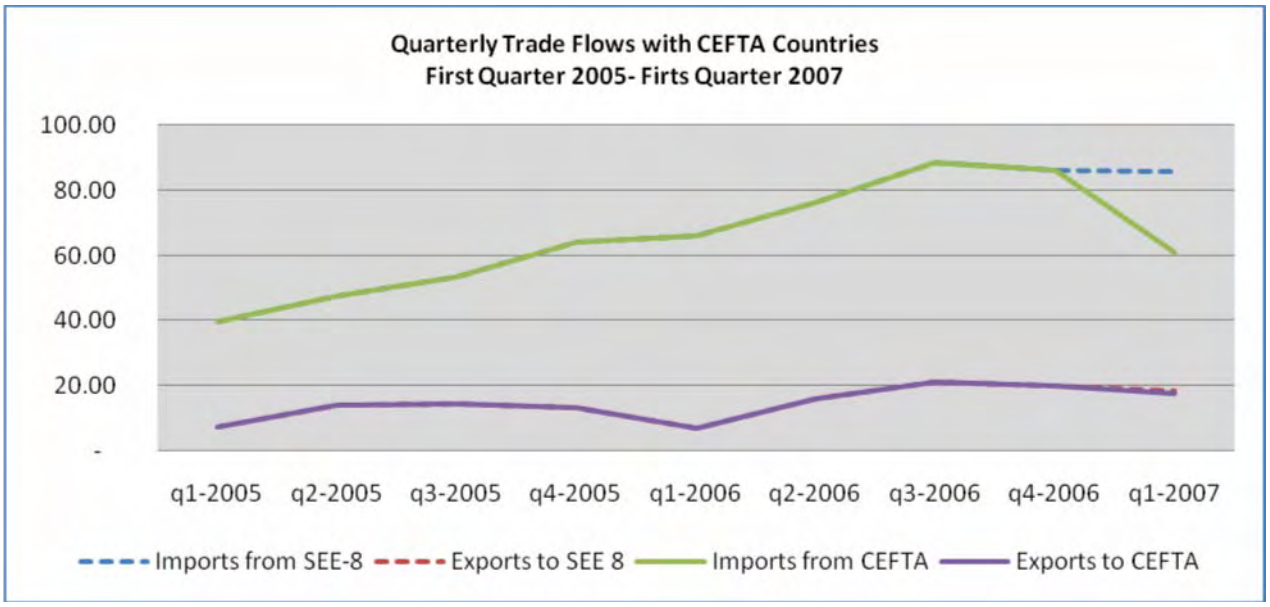
Source: Customs General Directorate of Albania and ACIT own calculations

4.3 Trade flows with the region - CEFTA 2006 countries

The regional geographic composition of trade was recently subject of an important change: two countries, Rumania and Bulgaria, joined the European Union at the beginning of 2007. This change has been reflected in the regional trade flows (as shown in figure 6) – in their volumes and shares in the total trade flows.

During the 1st quarter 2007 imports from the regional countries now members of CEFTA-2006[7] (which will enter into force soon), reached at 60.9[8] million USD (this value would have been 85.8 million USD if Bulgaria and Romania were included in the region). The share of regional Albania's imports to the total imports in the 1st quarter 2007 was 7 percent – a share that is about 3 percentage points lower compared to the preceding quarter. This difference is just because of the "regrouping" of the two above mentioned countries.

Figure 6: Quarterly trade flows with the region, 2005-2007



Exports to the regional countries amounted to 17.6 million USD (the value would have been 18.2 million USD if Bulgaria and Romania were included). The share of regional Albania's exports to the total exports in the 1st quarter 2007 has increased by about 2 percentage points, reaching at 7.5 percent despite the changes in the structure of the SEE group of countries. Imports and exports flows are shown in figure 6.

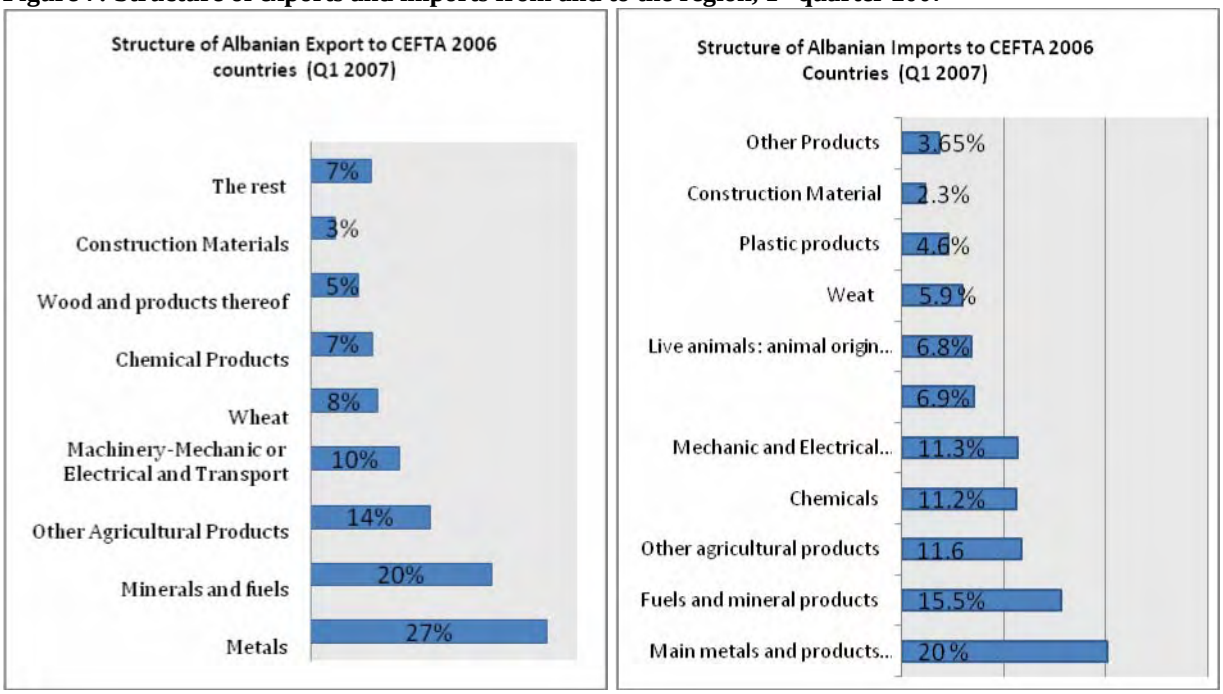
The structure of the Albanian exports toward the CEFTA-2006 countries consists of metals, minerals and fuels, agriculture products as well as chemical and wooden products. Metals and mineral products together were 47 percent of the exports flows toward the region, with steel products and bitumen oils being the most exported products of this group. Other important products of the exports' structure were furniture and other wooden products, leather, bottled

[7] CEFTA-2006 group of countries includes Albania, Croatia, Macedonia, Serbia, Montenegro, Moldova, Kosovo (UNMIK) and Bosnia & Herzegovina. It is expected to enter into force in the second half of the year 2007.
[8] For more detailed information see table A19 and table A20.

waters (for consumption), aluminium profiles used in construction, etc. In comparison with the preceding quarter, exports of alcoholic drinks and construction materials were those with the most positive dynamics, while the mineral and metal exports have shifted down in the list of the most exported products ranked by their share. The exclusion of Bulgaria and Romania from the regional group of countries had no impact in the export flows and consequently in the regional export structure.

Regional imports structure is quite similar to that of exports, showing signs of intra-industry trade among regional economies. The main elements of the import structure were metal and fuel minerals, agriculture products, chemicals and wooden products as well as construction materials. The most imported products during this quarter were electrical energy, rod of steel, aluminium wastes, medicaments, pine wood, also corn, apples and wheat. Wooden products, wheat and construction materials are new elements in the import structure that have implied a shift of some traditional imports (minerals and energy) down in the list of the most imported products classified by their share in the total. Figure 7 gives more detailed information about the structure of imports and exports to the region.

Figure 7: Structure of exports and imports from and to the region, 1st quarter 2007

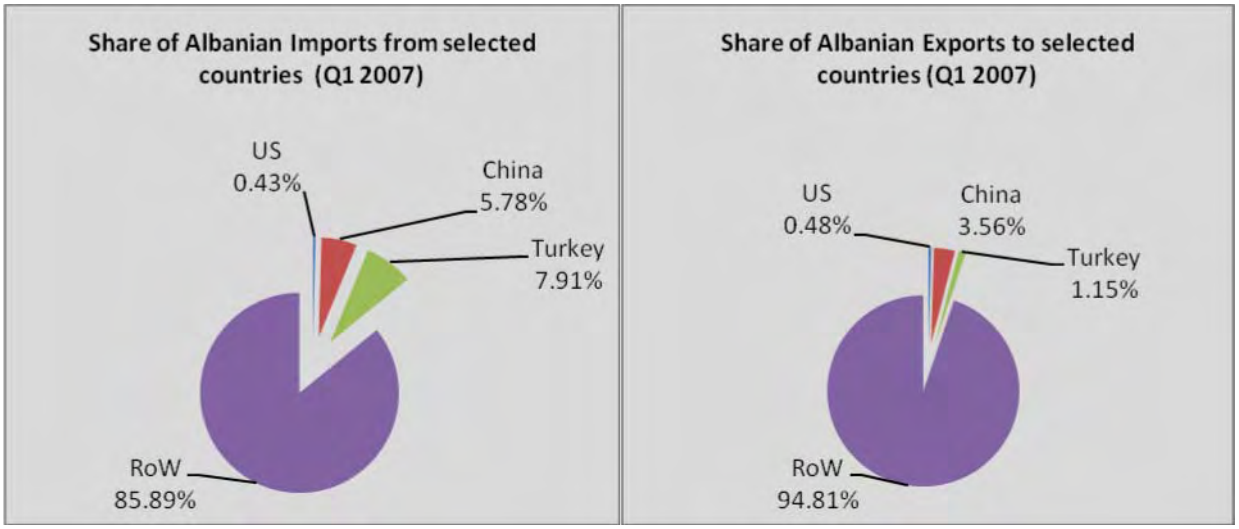


4.4 Trade flows with other selected countries

Albania's exports to the US in the 1st quarter 2007 amounted to 1.14 Million USD, having increased by 40 percent, while Albania's imports from the US were valued at 3.7 Million USD, having decreased by 64 percent as compared to the fourth quarter 2006. The share of the US trade flows to the total Albania's trade flows was less than 1 percent with the share of exports being rather higher then the share of imports (see figure 8). Exports mainly consist of medical plants and roots (sage) accounting for about 80 percent of total exports to the country while the bulk of imports consist of vehicles, electronic appliances, frozen meet, etc.

Trade flows with China and Turkey have been important parts of geography of trade, and at the same time these flows have shown to be quite dynamic, as a result of attractiveness these trade partners are gaining at world scale. Imports and exports from/to China have been steadily increasing: imports grew at a rate of 12 percent and reached a value of 49 Million USD. Exports to China consisted mostly of chromium minerals and concentrates (having increased 2.5 times and representing about 99 percent of Albania's exports to the country) while imports are considerably diversified (about 90 products represent 66 percent of total imports from the country). For more information, see table A 25 at appendixes.

Figure 8: Share of Exports to and Imports from Selected Countries



V. Trade related legal and institutional developments

During the 1st quarter 2007 some laws and decisions with direct or indirect relation to trade, entered into force. Such laws are covering tariffs reductions and customs procedures facilitation such as VAT reimbursement, or represent an effort to enhance competitiveness und thus trade.

The Law no 9683 date 06.02.2007 "On some amendments to the Law no 8981 date 12.12.2002 'For the approval of the levels of custom tariffs' changed", introduced a reduction of the tariffs of products treated under a Waiver, which implies a negotiated suspension by the WTO of the tariff reduction for certain sensible products in a given period of time. According to the law such products as alcoholic drinks, perfumes, plastic products, some wooden products, some iron products etc, will obey the tariff reduction schedule under the WTO obligations deriving from the Albanian membership to that institution. The law entered into force in March, 8th 2007.

Another important tariff reduction took place in January 1st 2007 as an effect of the Interim Agreement with the EU, ratified from the Albanian Parliament by Law no 9590 date 27.07.2006 "On the ratification of SAA between the Republic of Albania and the EU and its member countries". The custom tariff of industrial products to which the scheduled reduction applies was

reduced to 60 percent of the basic duty[9] while the tariff reduction of agricultural products was to 80 percent of the basic duty.

Council of Ministers Decision (CMD) no.3 date 26.02 2007 introduced some facilitation measures for the exporters' VAT reimbursement procedures which have been quite cumbersome for them for a long time.

Another important decision was the CMD no. 112 date 21.02.2007 "For creation of the Albanian Fund of Competitiveness". This decision approves the creation of a specific fund (25.000.000 Lekë) for the Albanian SME-s, in order to assist them for investments and other activities that tend to improve their performance in the domestic or international market, such as technology improvement, consultancy, research, and marketing. The implementing company is ALBINVEST.

The Council of Ministers Decision no 85 date 17.02.2007 "For the approval of the notification procedures for trade, economic and financial legal framework to the WTO", defines in details procedures, responsible institutions and deadlines of notification to the WTO of all acts approved since the Albania's membership in the year 2000. This is a reporting procedure of the WTO, whose object are the legislative measures taken by its member countries that effect directly or indirectly the trade of goods, services, intellectual property and public procurement.

Some positive developments have been recorded in multilateral trade talks since the beginning of the year. The negotiations under the Doha Round which were suspended in July of last year, have resumed in full mode in all negotiating groups, as the WTO Director-General Pascal Lamy declares. 'Members are also working bilaterally, touching base and checking the impact of possible compromise numbers on products of their major export interests and main import sensitivities. There is also a renewed engagement and support at the highest political level'10. The issues at the forefront of the discussions are agriculture subsidies, agriculture tariffs, and industrial tariffs. Other important issues are antidumping, trade facilitation, trade and environment, dispute settlement, etc.

[9] Tariff level applied the day before entering into force of the Interim Agreement.
[10] Speech of the WTO Director-General Pascal Lamy at a seminar in Mexico City on 23 March 2007 (www.wto.org)

Appendixes

Table A 1: **Quarterly Trade flows – in Million USD**

	Imports (in Mln USD)	Imports Growth Rates	Exports (in Mln USD)	Exports Growth Rates	Trade Balance (in Mln USD)	Trade Balance Growth Rates
Q1 2003	410.26		108.53		-301.72	
Q2 2003	473.36	15 %	113.72	5 %	-359.64	19 %
Q3 2003	452.32	-4 %	102.76	-10 %	-349.56	-3 %
Q4 2003	523.62	16 %	123.04	20 %	-400.58	15 %
Q1 2004	475.13	-9 %	136.46	11 %	-338.67	-15 %
Q2 2004	538.35	13 %	156.53	15 %	-381.82	13 %
Q3 2004	579.69	8 %	150.76	-4 %	-428.93	12 %
Q4 2004	702.89	21 %	161.68	7 %	-541.20	26 %
Q1 2005	546.08	-22 %	159.17	-2 %	-386.91	-29 %
Q2 2005	667.90	22 %	180.16	13 %	-487.74	26 %
Q3 2005	655.85	-2 %	162.91	-10 %	-492.94	1 %
Q4 2005	729.73	11 %	156.52	-4 %	-573.20	16 %
Q1 2006	648.35	-11 %	173.85	11 %	-474.49	-17 %
Q2 2006	762.32	18 %	208.16	20 %	-554.16	17 %
Q3 2006	757.17	-1 %	194.10	-7 %	-563.08	2 %
Q4 2006	881.84	16 %	214.61	11 %	-667.23	18 %
Q1 2007	861.28	-2 %	236.46	10 %	-624.83	-6 %
Average growth rates		6 %		5 %		6 %

Table A 2: **Quarterly Trade flows – Million Euros**

	Imports (in Mln Euro)	Imports Growth Rates	Exports (in Mln Euro)	Exports Growth Rates	Trade Balance (in Mln Euro)	Trade Balance Growth Rates
Q1 2003	382.01		101.12		-280.89	
Q2 2003	415.60	9 %	100.04	-1 %	-315.56	12 %
Q3 2003	402.30	-3 %	91.25	-9 %	-311.06	-1 %
Q4 2003	439.90	9 %	103.49	13 %	-336.41	8 %
Q1 2004	380.06	-14 %	109.09	5 %	-270.96	-19 %
Q2 2004	446.73	18 %	129.90	19 %	-316.84	17 %
Q3 2004	474.34	6 %	123.30	-5 %	-351.04	11 %
Q4 2004	542.51	14 %	125.05	1 %	-417.47	19 %
Q1 2005	416.76	-23 %	121.46	-3 %	-295.30	-29 %
Q2 2005	530.68	27 %	143.36	18 %	-387.32	31 %
Q3 2005	537.48	1 %	133.73	-7 %	-403.74	4 %
Q4 2005	613.79	14 %	131.65	-2 %	-482.15	19 %
Q1 2006	538.91	-12 %	144.48	10 %	-394.43	-18 %
Q2 2006	606.28	13 %	165.60	15 %	-440.68	12 %
Q3 2006	594.45	-2 %	152.48	-8 %	-441.97	0 %
Q4 2006	683.40	15 %	166.53	9 %	-516.87	17 %
Q1 2007	657.41	-4 %	180.52	8 %	-476.89	-8 %
Average growth rates		**4 %**		**4 %**		**5 %**

Table A 3: **Trade Quarterly Flows – in MLN Lekë**

	Imports (in Mln Leke)	Imports Growth Rates	Exports (in Mln Leke)	Exports Growth Rates	Trade Balance (in Mln Leke)	Trade Balance Growth Rates
Q1 2003	53,530.99		14,168.93		-39,362.06	
Q2 2003	58,085.19	9 %	13,984.07	-1 %	-44,101.12	12 %
Q3 2003	54,411.28	-6 %	12,367.08	-12 %	-42,044.20	-5 %
Q4 2003	59,352.91	9 %	13,966.74	13 %	-45,386.17	8 %
Q1 2004	50,313.02	-15 %	14,448.57	3 %	-35,864.45	-21 %
Q2 2004	56,667.77	13 %	16,478.30	14 %	-40,189.47	12 %
Q3 2004	59,174.65	4 %	15,376.43	-7 %	-43,798.22	9 %
Q4 2004	68,614.75	16 %	15,818.02	3 %	-52,796.73	21 %
Q1 2005	52,779.93	-23 %	15,382.20	-3 %	-37,397.72	-29 %
Q2 2005	66,201.53	25 %	17,876.94	16 %	-48,324.58	29 %
Q3 2005	65,904.28	0 %	16,403.64	-8 %	-49,500.64	2 %
Q4 2005	75,318.82	14 %	16,155.16	-2 %	-59,163.67	20 %
Q1 2006	66,270.17	-12 %	17,770.38	10 %	-48,499.79	-18 %
Q2 2006	74,560.70	13 %	20,364.33	15 %	-54,196.36	12 %
Q3 2006	72,951.01	-2 %	18,718.06	-8 %	-54,232.95	0 %
Q4 2006	84,496.69	16 %	20,588.56	10 %	-63,908.13	18 %
Q1 2007	82,413.56	-2 %	22,627.38	10 %	-59,786.18	-6 %
Average growth rates		**4 %**		**3 %**		**4 %**

Table A 4: Products Exported More

HS Code	Product Description	1'st quarter 06	4'th quarter 06	1'st quarter 07	Change in export volume
		(in 000 USD)	*(in 000 USD)*	*(in 000 USD)*	*(in 000 USD)*
270900	Petroleum oils and oils obtained from bituminous minerals, crude:	6,977.85	3,263.71	9,148.74	5,885.03
261000	Chromium ores and concentrates	1,368.41	6,671.55	10,998.31	4,326.76
721420	Other bars and rods of iron: Containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling	587.32	2,984.12	6,670.43	3,686.31
620342	Trousers of cotton	14,865.54	15,594.81	18,675.35	3,080.54
830140	Padlocks and locks: Other	6,762.63	7,162.87	9,525.10	2,362.23
640359	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather: Other	2,696.25	3,342.22	5,168.49	1,826.28
610821	Women's or girls' slips, petticoats, briefs, panties, nightdresses, pyjamas, négligés, bathrobes, dressing gowns and similar articles, knitted or crocheted: of cotton	1,754.54	2,728.69	4,141.20	1,412.52
240120	Tobacco, partly or wholly stemmed/stripped:	168.60	96.19	1,458.88	1,362.70
252310	Cement Clinkers			1,137.58	1,137.58

Table A 5: Products Exported Less

HS Code	Product Description	1'st quarter 06	4'th quarter 06	1'st quarter 07	Change in export volume
		(in 000 USD)	*(in 000 USD)*	*(in 000 USD)*	*(in 000 USD)*
740400	Copper waste and scrap:	3,648.24	8,393.95	5,282.94	(3,111.01)
720241	Ferro-alloys: Containing by weight more than 4 % of carbon:	5,997.84	1,218.21		(1,218.21)
271320	Oil Bitumen	218.66	2,424.46	1,369.87	(1,054.59)
160416	acuge gatitur o konservuar, te plota o ne copa (perj. grire)	3,575.40	6,309.62	5,532.66	(776.97)
271112	Propan, i lenget		1,386.98	671.05	(715.93)
640590	Veshje kembe me shuall gome o plastike(me shuall ndryshe nga gome,plastike,lekure,)	1,925.82	5,375.80	4,681.47	(694.33)
060290	Bime te gjalla,perfshi rrenjet e tyre dhe farat e kerpudhave (jo bulb,tuber etj.	98.71	721.66	80.93	(640.74)

Table A 6: Most Exported Raw Agriculture Products

Code	HS6_DSC	1'st quarter 06 (in 000 USD)	4'th quarter 06 (in 000 USD)	1'st quarter 07 (in 000 USD)	Change (in 000 USD)
121190	Other Plants of a Kind Use for Perfumery, Pharmacy, Insecticidal Purpose (Fresh or Dried)	2,994.81	4,687.22	4,843.32	156.10
030749	Cuttle fish (Sepia officinalis, Rossia macrosoma, Sepiola spp.) in shell or not, frozen, dried, salted		149.45	262.07	112.63
030721	Sea snails, live, fresh or chilled, including the queen gender, etc, in shell or not	23.51		41.32	41.32
030250	Cod (Gadus morhua, Gadus ogac, Gadus macrocephalus), excluding livers and roes Other fish, excluding livers and roes:	74.49	11.97	52.16	40.19
151219	Sunflower Seed Oil, Safflower Oil and Their Fractions (Other than Crude Oil)	18.41	51.26	89.50	38.24
040700	Birds' eggs, in shell, fresh, preserved or cooked:	9.94	102.84	131.91	29.07
060491	Plant leafs, branches and other parts thereof, with no flowers or buds, grass for use in bouquets or ornaments		11.01	38.04	27.03
030613	Sea Shrimps in/not in shell, steamed or boiled in water	37.78	6.86	28.59	21.73
091040	Thyme; bay leaves	44.69	87.90	108.94	21.05
151000	Other Olive Oil and Its Fractions, refined or not, not chemically modified			20.68	20.68

Table A 7: Product Imported More

HS	Description	1'st quarter 06	4'th quarter 06	1'st quarter 07	Change
		(in 000 USD)	(in 000 USD)	(in 000 USD)	(in 000 USD)
271600	Electrical Energy	20,687.16	8,150.40	65,940.81	57,790.41
720449	Ferrous waste and scrap: turnings, shavings, chips, milling waste, sawdust, filings, trimmings and stampings, whether or not in bundles :	3,198.49	2,081.39	7,982.99	5,901.60
731100	Containers for compressed or liquefied gas, of iron or steel.	320.60	380.68	4,853.73	4,473.05
842951	Front-end shovel loaders:	814.58	1,089.56	3,842.74	2,753.17
870332	Motor cars and other motor vehicles principally designed for the transport of persons (Of a cylinder capacity exceeding 1 500 cm3 but not exceeding 2500 cm3)	12,013.88	12,297.86	15,050.07	2,752.21
080810	Apples	6,246.47	1,867.13	4,601.26	2,734.13
080510	Oranges	3,933.43	2,227.33	4,936.34	2,709.01

Table A 8: Products Imported Less

HS	Description	1'st quarter 06	4'th quarter 06	1'st quarter 07	Change
		(in 000 USD)	(in 000 USD)	(in 000 USD)	(in 000 USD)
271019	Medium Oils for undergoing a specific process	43,549.12	58,163.40	41,766.87	-16,396.53
252329	Portland cement	14,076.28	16,637.47	10,849.35	-5,788.12
170199	Cane or beet sugar and chemically pure sucrose, in solid form:	4,728.35	8,869.44	3,769.57	-5,099.87
100190	Wheat and meslin: Other	7,233.92	12,265.89	7,577.30	-4,688.59
271113	Butanes	4,538.36	8,922.24	4,320.58	-4,601.65
080610	Fresh Grapes	114.70	3,909.94	200.16	-3,709.78
300490	Medicaments (excluding goods of heading No 3002, 3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses or in forms or packings for retail sale: Other	8,778.37	17,640.29	14,281.98	-3,358.31

Table A 9: Countries where we exported more

Country	4'th quarter 2006	1'st quarter 07	Change in Values	Change rate
	(in 000 USD)	(in 000 USD)	(in 000 USD)	(%)
Italy	154,694.23	171,987.47	17,293.24	11 %
Greece	16,752.44	21,805.70	5,053.26	30 %
China	3,562.36	8,418.77	4,856.41	136 %
France	1,117.57	1,771.75	654.18	59 %
Kosovo (UNMIK)	9,130.39	9,721.29	590.91	6 %
USA	813.61	1,141.33	327.73	40 %
Spain	251.37	529.80	278.43	111 %
Serbia & Montenegro	3,627.91	3,816.51	188.60	5 %
Belgium	29.47	122.78	93.31	317 %

Table A 10: **Countries where we exported less**

Country	4th Quarter 2006	1'st quarter 07	Change in Values	Change rate
	(in 000 USD)	(in 000 USD)	(in 000 USD)	(%)
Germany	7,679.45	5,819.21	-1,860.23	-24 %
Croatia	1,787.44	61.07	-1,726.37	-97 %
Macedonia	3,230.12	2,627.52	-602.60	-19 %
Sweden	2,766.78	2,169.81	-596.97	-22 %
Turkey	2,717.94	2,432.13	-285.81	-11 %
Austria	642.18	402.20	-239.98	-37 %
United Kingdom	438.62	289.38	-149.24	-34 %
Switzerland	247.85	122.75	-125.10	-50 %
Hungary	192.12	84.35	-107.76	-56 %

Table A 11: **Countries from where we imported more**

Country	4'th quarter 06	1'st quarter 07	Change in Value	Change rate
	(in 000 USD)	(in 000 USD)	(in 000 USD)	%
Switzerland	12,554.87	56,348.36	43,793.49	349 %
Serbia & Montenegro	12,507.39	23,489.18	10,981.79	88 %
China	44,609.46	49,754.91	5,145.45	12 %
United Kingdom	8,068.85	12,273.74	4,204.88	52 %
Macedonia	18,087.32	20,069.10	1,981.78	11 %
Slovenia	8,018.42	9,196.85	1,178.43	15 %
Kosovo-UMNIK	5,882.76	6,949.07	1,066.31	18 %
Czech Republic	4,046.51	5,071.88	1,025.37	25 %
France	8,519.50	8,922.63	403.13	5 %
Denmark	1,396.04	1,745.87	349.83	25 %

Table A 12: **Countries from where we imported less**

Country	4'th quarter 06	1'st quarter 07	Change in Value	Change rate
	(in 000 USD)	(in 000 USD)	(in 000 USD)	(%)
Greece	144,755.55	125,468.36	-19,287.19	-13 %
Italy	267,170.80	256,585.14	-10,585.66	-4 %
Turkey	77,561.13	68,097.77	-9,463.36	-12 %
USA	10,354.83	3,701.28	-6,653.55	-64 %
Bulgaria	23,884.18	17,506.07	-6,378.12	-27 %
Russian Federation	32,907.65	27,298.55	-5,609.11	-17 %
Belgium	7,833.20	3,514.46	-4,318.75	-55 %
Germany	44,222.78	40,259.71	-3,963.07	-9 %
Romania	10,762.35	7,331.17	-3,431.18	-32 %
Croatia	9,242.05	6,343.46	-2,898.59	-31 %

Table A 13: Quarterly Exports with EU -27

Country	1'st quarter 06	2'nd quarter 06	3'rd quarter 06	4'th quarter 06	1'st quarter 07	Change rate compare with 4'th quarter 2006
	(in 000 USD)	(in 000 USD)	(in 000 USD)	(in 000 USD)	(in 000 USD)	(%)
Austria	451.7	573	571.3	642.2	402.2	-37 %
Belgium	32	203.3	313.6	29.5	122.8	316 %
Cyprus	13.4		29.1	23.9		-100 %
Czech Republic	246.1	105.9	97.2	137.2	57.1	-58 %
Germany	4,902.20	5,085.70	7,418.50	7,679.40	5,819.20	-24 %
Denmark	54	148.4	163.4	79.1	107.5	36 %
Spain	73.8	378.9	300.2	251.4	529.8	111 %
Finland	2.9	5.1		0.8	11.3	
France	1,201.90	1,621.60	1,594.50	1,117.60	1,771.80	59 %
United Kingdom	51.9	64.7	51.8	438.6	289.4	-34 %
Greece	18,429.70	20,863.30	19,171.60	16,752.40	21,805.70	30 %
Hungary	15.9	176.6	97.2	192.1	84.4	-56 %
Ireland		0	132.9	0	0	
Italy	134,270.30	148,927.30	136,766.00	154,694.20	171,987.50	11 %
Luxembourg			25.5			
Malta					2.5	
Netherland	258.2	945	388.7	105.2	108.1	3 %
Poland	31.2	22.8		59.9	130	117 %
Portugal		8.5				
Sweden	1,241.70	453.6	2,262.50	2,766.80	2,169.80	-22 %
Slovenia	487.5	399.2	61.5	37.1	64	73 %
Slovakia	77.6	144.7	19.1	16.6	19	14 %
EU-25 total Exports	161,841.90	180,127.40	169,464.60	185,024.00	205,482.00	11 %
Bulgaria	722.6	1,887.90	227.6	444	385.6	-13 %
Romania	220.3	136.9	50.3	245.6	239.4	-3 %
EU-27 Total Exports	162,784.90	182,152.20	169,742.50	185,713.70	206,107.00	11 %

Table A 14: Quarterly Imports with EU-27

	1'st quarter 06	2'nd quarter 06	3'rd quarter 06	4'th quarter 06	1'st quarter 07	Change rate compare with 4'th quarter 2006
	(in 000 USD)	(in 000 USD)	(in 000 USD)	(in 000 USD)	(in 000 USD)	(%)
Austria	13,295.32	15,217.11	19,117.48	13,606.58	11,925.18	-12 %
Belgium	5,505.52	6,749.56	8,172.79	7,833.20	3,514.46	-55 %
Cyprus	1,409.91	2,217.31	2,376.49	3,280.23	3,046.63	-7 %
Czech Republic	11,004.69	9,433.45	4,107.30	4,046.51	5,071.88	25 %
Germany	32,016.76	30,855.51	34,916.42	44,222.78	40,259.71	-9 %
Denmark	1,378.32	1,476.28	1,520.93	1,396.04	1,745.87	25 %
Spain	12,955.54	9,673.20	12,306.73	11,400.53	11,110.90	-3 %
Finland	1,672.08	1,616.79	1,714.29	900.62	1,020.14	13 %
France	4,784.23	7,436.77	6,352.64	8,519.50	8,922.63	5 %
United Kingdom	9,422.89	11,829.38	7,488.79	8,068.85	12,273.74	52 %
Greece	101,676.89	127,517.80	138,095.03	144,755.55	125,468.36	-13 %
Hungary	4,177.77	6,514.05	9,290.82	8,562.00	6,261.53	-27 %
Ireland	1,526.21	2,639.95	1,694.81	2,264.92	2,153.84	-5 %
Italy	185,143.68	219,739.45	211,402.57	267,170.80	256,585.14	-4 %
Lithuania			4.28	4.59	17.25	276 %
Luxembourg	370.53	358.20	99.89	353.80	97.96	-72 %
Latvia		9.22	1.37		0.90	
Malta			1,864.18	23.83	4.55	-81 %
Netherland	5,476.68	8,048.97	5,664.74	9,434.79	9,344.57	-1 %
Poland	869.17	1,586.68	898.45	3,785.28	3,736.00	-1 %
Portugal	1,026.81	415.90	687.99	108.72	259.06	138 %
Sweden	3,737.65	2,598.32	3,365.04	3,331.48	3,029.84	-9 %
Slovenia	10,840.88	8,524.22	7,398.84	8,018.42	9,196.85	15 %
Slovakia	648.93	332.96	113.10	454.37	121.72	-73 %
EU-25 total Imports	408,940.47	474,791.07	478,654.96	551,543.41	515,168.71	-7 %
Bulgaria	24,610.41	25,310.37	26,004.04	23,884.18	17,506.07	-27 %
Romania	13,575.15	12,291.38	16,515.43	10,762.35	7,331.17	-32 %
EU-27 Total Imports	447,126.03	512,392.82	521,174.43	586,189.94	540,005.95	-8 %

Table A 15: Products exported more in EU

Code	HS6_DSC	1'st quarter 06	4'th quarter 06	1'st quarter 07	Change
		(in 000 USD)	(in 000 USD)	(in 000 USD)	(in 000 USD)
270900	Petroleum Oils and Oils Obtained from Bituminous Minerals (Crude)	6,977.84	3,263.71	9,148.74	5,885.03
620342	Men's or Boys' Trousers, Overalls, Breeches, of Cotton	14,865.54	15,591.07	18,675.35	3,084.28
830140	Other locks of Base Metal (not for use in vehicles or furniture)	6,762.63	7,158.77	9,524.11	2,365.34
640359	Other Footwear With Outer Soles and Uppers of Leather (not covering the joint, with protective metal tops)	2,696.25	3,342.22	5,168.49	1,826.28
610821	Women's or Girls' Briefs, Panties, Knitted or Crocheted	1,754.54	2,728.69	4,141.20	1,412.52
240120	Tobacco (Partly or Wholly Stemmed)	168.60	96.19	1,458.88	1,362.70

Table A 16: **Products exported less in EU**

Code	HS6_DSC	1'st quarter 06	4'th quarter 06	1'st quarter 07	Change
		(in 000 USD)	(in 000 USD)	(in 000 USD)	(in 000 USD)
740400	Copper waste and scrap:	3,008.04	8,393.95	5,282.94	-3,111.01
720241	Ferrochromium Containing by weight more than 4 % of carbon; chromium content	5,899.91	1,193.46		-1,193.46
640590	Other Footwear With outer soles of rubber, plastics, leather or composition leather	1,925.82	5,375.80	4,681.47	-694.33
060290	Live plants, with roots and seeds of mushrooms (not the bulbs, tubers, etc)	94.23	721.66	80.93	-640.74
640319	Other Sports Footwear, Uppers of Leather	2,061.24	2,542.59	1,930.62	-611.97
261000	Chromium Ores and Concentrates	811.50	2,928.19	2,320.28	-607.91

Table A 17: **Products imported more from EU**

Code	Description	1'st quarter 06	1'st quarter 07	4'th quarter 06	Change
		(in 000 USD)	(in 000 USD)	(in 000 USD)	(in 000 USD)
271600	Electrical Energy	9514.342	14234.91	4630.648	9604.258
720711	Semi finished products of iron or non alloy steel Of rectangular (including square) cross-section, the width measuring less than twice the thickness		5219.691		5219.691
080510	Oranges, fresh or dried	3896.808	4920.651	2207.668	2712.984
830160	Parts of Padlocks and Locks of Base Metal	2952.694	9905.762	7304.673	2601.088
870332	Other Vehicles, Spark-ignition Engine Of a cylinder capacity exceeding 1,500 cc but not exceeding 2,500 cc	11452.33	13893.18	11307.14	2586.041
852990	Other Parts of Transmission Apparatus, Radar Apparatus or Television Receivers	431.2813	2655.856	416.657	2239.199
080810	Fresh apples	3690.889	3377.813	1680.506	1697.307
847432	Machines for Mixing Mineral Substances With Bitumen	42.17395	1586.236	28.07343	1558.162

Table A 18: **Products imported less from EU**

Code	HS6_DSC	1'st quarter 06	1'st quarter 07	4'th quarter 06	Change in value compare to 4th Quarter 06
		(in 000 USD)	(in 000 USD)	(in 000 USD)	(in 000 USD)
271019	Medium oils and preparations of petroleum and bitumen minerals	14,045.16	20,028.60	28,615.34	-8,586.74
170199	Other Cane or Beet Sugar, Chemically Pure Sucrose	4,234.31	1,262.90	8,431.59	-7,168.69
300490	Other Medicaments (Put up in Packings for Retail Sale)	6,071.29	8,681.89	12,103.96	-3,422.08
271113	Butanes (Liquefied) Of a purity exceeding 90 % but less than 95 %	2,356.83	2,897.60	5,979.43	-3,081.83
854459	Other Electric Conductors, Fitted With Connectors, Voltage 80-1, 000v854459 Other Electric Conductors, Exceeding 80v But Not Exceeding 1, 000v	2,567.54	2,477.39	5,553.14	-3,075.75
853669	Plugs and Sockets, for a Voltage Not Exceeding 1,000v	105.37	181.52	3,253.01	-3,071.49
080520	Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids:	1,321.64	1,347.45	4,021.71	-2,674.26
080610	Fresh raisin	27.01	112.18	2,710.31	-2,598.13

Table A 19: **Quarterly Imports Flows with CEFTA Countries**

Country	q1-2005	q2-2005	q3-2005	q4-2005	q1-2006	q2-2006	q3-2006	q4-2006	q1-2007
Bosnia and Herzegovina	354.91	390.83	829.00	1,732.16	1,383.32	1,450.44	2,752.81	3,580.73	2,531.03
Croatia	8,319.55	5,513.88	4,535.79	7,936.12	6,332.80	10,945.84	8,976.15	9,242.05	6,343.46
Kosovo (UNMIK)	1,241.85	2,033.03	5,124.70	2,790.22	2,077.19	4,966.11	5,040.13	5,882.76	6,949.07
Moldavia	32.12	260.70	448.96	135.59	34.10	300.32	2,673.54	2,074.73	1,594.57
Macedonia	7,380.30	7,828.05	10,015.10	14,261.97	13,414.22	13,423.32	17,850.38	18,087.32	20,069.10
Serbia and Montenegro	2,987.42	4,531.48	6,621.85	7,991.32	4,545.79	7,524.43	8,692.18	12,507.39	23,489.18
Total Imports	**20,316.14**	**20,557.98**	**27,575.41**	**34,847.38**	**27,787.43**	**38,610.47**	**45,985.19**	**51,374.98**	**60,976.41**

Table A 20: **Quarterly Exports Flows with CEFTA Countries**

Country	q1-2005	q2-2005	q3-2005	q4-2005	q1-2006	q2-2006	q3-2006	q4-2006	q1-2007
Bosnia and Herzegovina	150.14	102.70	380.39	447.91	618.60	598.35	1,675.54	1,464.75	1,434.15
Croatia	5.83	21.01	49.37	103.06	40.46	207.98	227.85	1,787.44	61.07
Kosovo (UNMIK)	4,210.59	7,941.59	7,262.56	7,619.49	2,314.28	7,288.91	11,415.34	9,130.39	9,721.29
Moldavia			3.65					9.94	
Macedonia	1,986.07	2,869.25	3,052.36	2,424.16	2,444.22	3,114.59	3,854.14	3,230.12	2,627.52
Serbia and Montenegro	368.64	1,715.06	2,075.22	1,332.55	660.65	2,841.51	3,694.24	3,627.91	3,816.51
Total Exports	6,721.26	12,649.62	12,823.54	11,927.16	6,078.21	14,051.35	20,867.11	19,250.54	17,660.53

Table A 21: **Products exported more in CEFTA 2006**

Code	HS6_DSC	1'st quarter 06	4'th quarter 06	1'st quarter 07	Change
721420	Concrete reinforcing bars and rods, Hot-rolled, Hot-drawn, Hot-extruded	587.32	2,984.12	6,670.43	3,686.31
760410	Bard, Rods and Profiles, Of aluminum, not alloyed:	305.63	456.35	749.95	293.60
760429	Other Hollow profiles of Aluminum Alloys		12.96	227.53	214.57
760200	Aluminum waste and scrap:	35.91		181.19	181.19
870332	Other Vehicles, Spark-ignition Engine Of a cylinder capacity exceeding 1,500 cc but not exceeding 2,500 cc			126.89	126.89

Table A22: **Products exported less to CEFTA 2006**

Code	HS6_DSC	1'st quarter 06	4'th quarter 06	1'st quarter 07	Change
160416	Anchovies (Prepared or Preserved,)		1,406.48	1.77	-1,404.71
271320	Petroleum Bitumen	218.66	2,424.46	1,369.41	-1,055.05
271112	Propane (Liquefied)		1,386.98	611.19	-775.79
271111	Natural Gas (Liquefied)		584.63	185.60	-399.03
260111	Iron Ores and Concentrates (Non-agglomerated)	1,451.94	1,183.12	898.84	-284.28

Table A 23: **Products imported more from CEFTA 2006**

Code	HS6_DSC	1'st quarter 06	4'th quarter 06	1'st quarter 07	Change
		(in 000 USD)	(in 000 USD)	(in 000 USD)	(in 000 USD)
271600	Electrical Energy	5,660.13	3,519.75	9,824.44	6,304.69
720449	Other Ferrous Waste and Scrap	440.54	1,960.57	6,751.66	4,791.09
721420	Concrete reinforcing bars and rods, Hot-rolled, Hot-drawn, Hot-extruded		1,886.37	4,286.33	2,399.95
080810	Fresh apples	2,554.24	186.37	1,223.45	1,037.08
842890	Other Lifting, Handling, Loading or Unloading Machinery			895.04	895.04
100590	Maize (Not Seed)	933.36	3,031.27	3,727.11	695.85
271019	Medium oils and preparations of petroleum and bitumen minerals	12,381.70	730.69	1,358.13	627.43

Table A 24: **Products imported less from CEFTA 2006**

Code	HS6_DSC	1'st quarter 06	4'th quarter 06	1'st quarter 07	Change
		(in 000 USD)	(in 000 USD)	(in 000 USD)	(in 000 USD)
100190	Wheat and meslin	654.14	2,577.52	667.51	-1,910.01
300420	Medicaments Containing Other Antibiotics	651.50	1,827.41	265.72	-1,561.70
151219	Sunflower Seed Oil, Safflower Oil and Their Fractions (Other than Crude Oil)	1,093.74	2,973.82	1,492.88	-1,480.94
252329	Other Portland Cement (not white, whether or not colored)	1,270.06	2,455.79	1,037.47	-1,418.32
440710	Coniferous Wood sawn or chipped lengthwise	856.58	3,277.88	2,080.66	-1,197.22
080610	Fresh raisin	63.76	1,179.63	80.70	-1,098.94
100110	Wheat durum		1,666.51	626.31	-1,040.21

Table A 25: **Quarterly trade flows with selected countries**

Country	1st quarter 06 (in 000 USD)	4th quarter 06 (in 000 USD)	1st quarter 07 (in 000 USD)	Change rate compare to previous quarter
IMPORTS				
USA	8,621.49	10,354.83	3,701.28	-64 %
China	25,700.67	44,609.46	49,754.91	12 %
Turkey	49,118.23	77,561.13	68,097.77	-12 %
EXPORTS				
USA	872.58	813.61	1,141.33	40 %
China	564.12	3,562.36	8,418.77	136 %
Turkey	2,627.95	1,379.92	2,717.94	97 %
TRADE BALANCE				
USA	-7,748.91	-9,541.22	-2,559.95	-73 %
China	-25,136.55	-41,047.10	-41,336.14	1 %
Turkey	-46,490.28	-76,181.21	-65,379.82	-14 %