Albania 2011 Trade Report

Albanian Centre for Competitiveness and International Trade

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Foreword

It is with great pleasure that we introduce the new Foreign Trade Report 2011, prepared by ACIT staff and its associate experts. This is the tenth edition in the series of such annual publishing, starting from 2002. During the last ten years ACIT has strived to play an important role in economic and trade related research and policy studies in Albania. The trade report is for sure the main brand of these year's activities. ACIT has maintained and respected its commitment with Albanian stakeholders who use this report. This confirms our intention in keeping this pace and developing further in the future, this highly praised tradition of producing such a solid, informative and useful document.

In this period of global economic uncertainties, crisis and risks of recession, we hope that the Report's content will be of substantial help, especially for the Albanian private businesses and policy-makers. Despite the lower growth rates, trade figures for 2011 show that Albania recovered from the 2009 crisis and kept the positive trend of 2010. The decline of the trade deficit in 2010 was a good sign for Albanian economy, especially related to export growth rate which was at outstanding levels. However, in 2011 trade deficit reached its annual increase as in the past years, confirming to be a constant pattern of Albanian trade performance.

Why is the Trade Report important? We are aware of the fact that the accurate trade information flows are always a necessity for businesses and decision makers at each level. The report, could also be very useful to the government bodies and various agencies dealing with economic and trade policies or responsible for their implementation. We wish that it could also be referred as a valuable source by academic actors, many researchers, media, civil society organizations, economic and trade sections in embassies, etc.

The preparation of this Report could not be made possible without the generous support from the Rritje Albania/Competitive Enterprise Development Project, and I'm sure that not only ACIT but also all the users of the Report, feel indebted to this financial and technical contribution.

A special thank goes to all my colleagues at ACIT, who worked really hard in analyzing the data and trying to observe and explore some trends and characteristics, in order to articulate well grounded findings and conclusions.

Finally, we would like to thank Mr. Selim Belortaja, the former Executive Director of ACIT, for all his valuable help during these last years. His precious advices have been a constant source of motivation for improvement in our work on the report.

As further improvement of this product remains our constant concern, your remarks and suggestions will be highly appreciated.

Sincerely yours,

Gentian ELEZI

ACIT's Executive Director

The Report has been prepared through a process of complementary work by the ACIT staff and associated experts, under the coordination and supervision of Mr. Gentian Elezi and consultancy provided by Prof. Ahmet Mançellari. It is the outcome of a teamwork in which Gentian Elezi, Ahmet Mançellari, Besart Kadia, Alban Gjikondi and Teuta Tavanxhiu have kindly contributed.
All computation work, if not otherwise indicated is based on data collected from the Ministry of Economy, Trade and Energy, the General Directorate of Customs, ACIT database, and ACIT's staff own calculations.

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Abbreviations

ACIT	Albanian Centre for Competitiveness and International Trade
ALL	Albanian Lekë
B&H	Bosnia and Herzegovina
CEFTA	Central European Free Trade Agreement
CN	Combined Nomenclature
EBRD	European Bank of Reconstruction and Development
EC	European Commission
EU	European Union
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GCI	Global Competitiveness Index
GCR	Global Competitiveness Report
IA	Interim Agreement
ICT	Information and Communication Technology
ISB	Institute of Contemporary Studies
IMF	International Monetary Fund
MFN	Most Favored Nation
NAMA	Non-Agriculture Market Access
OECD	Organization for Economic Co-operation and Development
SAA	Stabilization and Association Agreement
SEE	South Eastern Europe
S&M	Serbia and Montenegro
RoW	Rest of the World
UN	United Nations
UNMIK-Kosovo	United Nation Mission to Kosovo
U.S.A.	United States of America
USAID	United States Agency for International Development
WEF	World Economic Forum
WTO	World Trade Organization

I Macro-Trade Developments

1.1. Global economy and trade developments in 2011

The world economic recovery during 2010 and 2011 from the 'Great Recession' of late 2008 and early 2009 has been 'anemic and uneven', so resulting in a 'faltering growth'[1]. Based on the decelerated economic activity in 2011, "The World Economic Situation and Prospects 2012" (United Nations Report, 2011) draw the attention that 'the world economy is teetering on the brink of another major downturn'. Subsequent developments, particularly 'the improved activity in the United States during the second half of 2011 and better policies in the euro area in response to its deepening economic crisis, have reduced the threat of a sharp global slowdown'. The global prospects are strengthening again but the recent improvements are very fragile and 'downside risks remain elevated[2]. The risks are particularly related with the 'sovereign debt crisis in the euro area, and the fiscal problems elsewhere[2]. World Trade Organization (WTO) underlines as severe downside risks for growth 'a steeper than expected downturn in Europe, financial contagion related to the sovereign debt crisis, rapidly rising oil prices, and geopolitical risks[3].

The rate of world output growth, as shown in table 1.1 and graph 1.1, is estimated at 3.9 percent[4] in 2011, from 5.3 percent in the previous year, while the projection for 2012 is 3.5 percent. Except for the ongoing sovereign debt crisis in Europe, other factors have contributed in weighing down the growth rate, such as supply chain disruption from natural disaster in Japan and Thailand, and turmoil in Arab countries.

Table 1.1: World output1 growth rates (annual percent change)

	1994-2003	2004	2005	2006	2007	2008	2009	2010	2011	2012*
World output	3.4	4.9	4.5	5.2	5.4	2.8	-0.6	5.3	3.9	3.5
Advanced Economies	2.8	3.1	2.6	3	2.8	0.0	-3.6	3.2	1.6	1.4
United States	3.3	3.5	3.1	2.7	1.9	-0.3	-3.5	3	1.7	2.1
Euro Area	2.2	2.2	1.7	3.3	3	0.4	-4.3	1.9	1.4	-0.3
Japan	0.9	2.4	1.3	1.7	2.2	-1	-5.5	4.4	-0.7	2
Other Advanced Economies	3.8	4.1	3.4	3.9	4.2	0.8	-2.2	4.5	2.5	2.1
Emerging and developing economies	4.4	7.5	7.3	8.2	8.7	6.0	2.8	7.5	6.2	5.7
Central and Eastern Europe	3.4	7.3	5.9	6.4	5.4	3.2	-3.6	4.5	5.3	1.9
Commonwealth of Independent States	0.6	8.2	6.7	8.8	9	5.4	-6.4	4.8	4.9	4.2
Developing Asia	7.0	8.5	9.5	10.3	11.4	7.8	7.1	9.7	7.8	7.3
China	9.4	10.1	10.3	12.7	14.2	9.6	9.2	10.4	9.2	8.2
Latin America and the Caribbean	2.5	6	4.7	5.7	5.8	4.2	-1.6	6.2	4.5	3.7
Middle East and North Africa	3.9	6.2	5.6	6.1	5.6	4.7	2.7	4.9	3.5	4.2
Sub-Saharan Africa	4.0	7.1	6.2	6.4	7.1	5.6	2.8	5.3	5.1	5.4

1Real GDP;*Projections
Source: World Economic Outlook Database (WEO), IMF, April 2012.

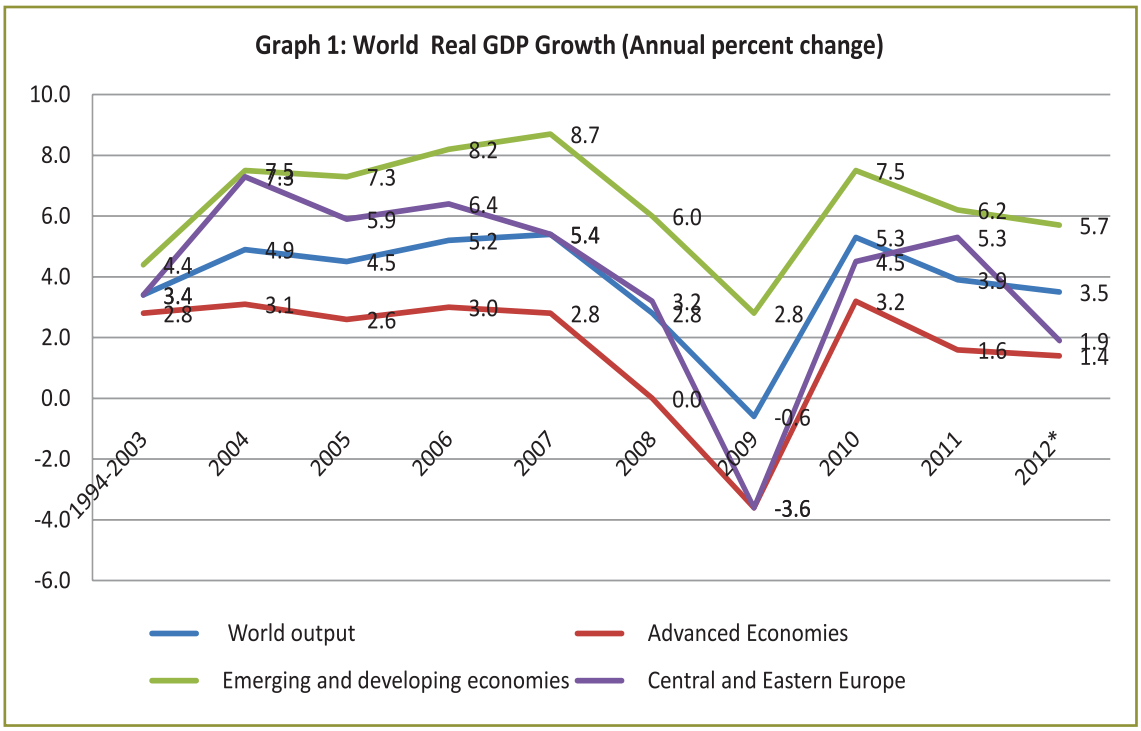
[1] United Nations: World Economic Situation and Prospects 2012 – Global economic outlook, New York 2011.
[2] IMF: World Economic Outlook, April 2012
[3] WTO: World Trade 2011, Prosects for 2012
[4] The estimate from other international institutions is even lower, going down to 2.8 percent in case of the United Nations (World Economic Situation and Prospect 2012), 2.7 percent in case of the World Bank (Global Economic Prospects, January 2012), and 2.4 percent in case of the WTO (World Trade 2011, Prospects for 2012).

The estimate for growth in advanced economies is 1.6 percent while the projection for 2012 is even lower, 1.4 percent. The estimate for the United States real GDP growth is 1.7 percent for 2011, and the projection for 2012 is 2.1 percent. The euro area growth in 2011 is estimated 1.4 percent while the projection for 2012 is a negative growth by (-0.3) percent. The reconstruction after the natural disaster in Japan is going on; the growth rate for 2011 is still negative at (-0.7) percent but the projection for 2012 is 2.0 percent. Dealing with euro area crisis and having more sustainable public finances are considered as policy challenges for this group of economies.

The growth rate in 2011 is estimated at 6.2 percent for the group of emerging and developing economies. Although these economies 'continue to stoke the engine of the world economy'[5], the estimated growth rate is below the pace of 7.5 achieved in 2010 and is getting even lower in 2012, at 5.7 percent. A major factor behind this slowdown is the 'anemic growth' in many of developed countries and the consequences of the global financial crisis. The estimated growth rate in Central and Eastern Europe countries for 2011 is 5.3 percent, which is higher compared with 2010 (4.5 percent); however the projection for 2012 is only 1.9 percent. In the Western Balkan region, the highest growth rates for 2011 are estimated in Kosovo (5%), Macedonia (3%) and Montenegro (2.4%). The figure for Albania is 2.0 percent. Regarding the projection for 2012, still Kosovo (3.8%) and Macedonia (2.0%) are in a better position[6].

Graph 1.1 shows that emerging and developing economies have systematically higher growth rates than the advanced economies. Output decline in advanced economies in 2009 is mirrored as output growth slowdown for emerging and developing economies as a group. However the growth in Central and Eastern Europe countries is more volatile. The growth rate in this group in 2011 is much higher than the world average (5.3%, against 3.9%) but in 2012 it is projected to be much lower (1.9%, as compared to 3.5%).

The contraction of world economy growth from 5.3 percent in 2010 to 3.9 percent in 2011 was accompanied by a contraction of world trade volume growth (in real terms, adjusted to account for inflation and exchange rate fluctuations) to 5.8 percent in 2011, down from 12.9 percent in



[5] United Nations: World Economic Situation and Prospects 2012.
[6] IMF: World Economic Outlook, April 2012, p. 194.

2010, as shown in table 1.2. The projection for 2012 is even lower, 4.0 percent[7]. Regarding only the merchandise trade, the preliminary figure for growth in 2011, is 5.0 percent and the projection for 2012, is 3.7 percent[8]. In nominal terms, as measured in U.S. dollars, the estimated growth rate in 2011 is 16.7 percent, implying a price deflator (including the influence of US dollar deprecation) of 10.9 percent. Considering only the merchandise trade, the US dollar value advanced by 19 percent in 2011, but most of growth was due to higher commodity prices9. The expected gap of trade growth in nominal and real terms is expected to be quite different in 2012: the price deflator in U.S. dollars in 2012 is projected at (-0.2%).

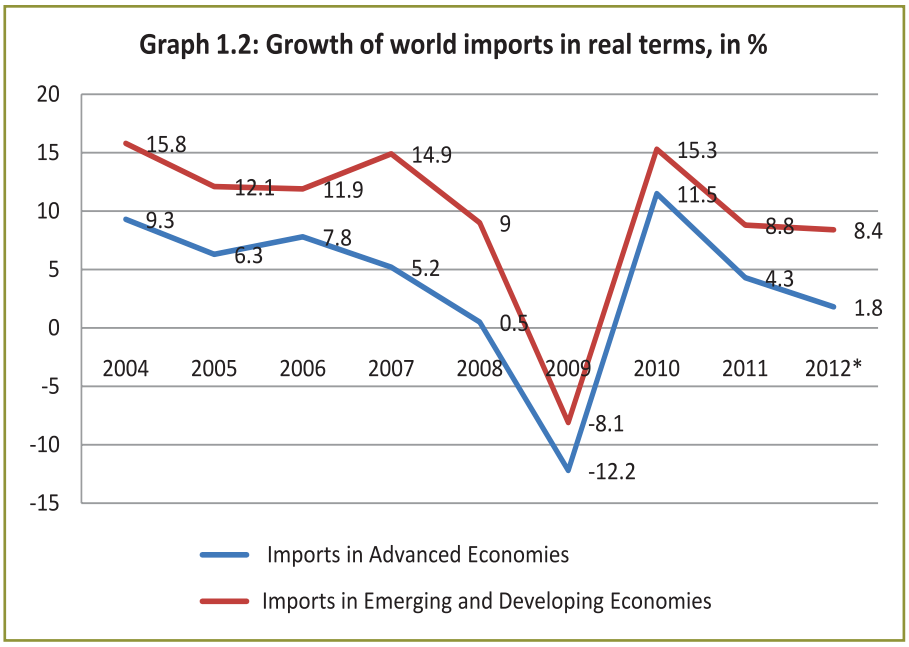
Growth rates in 2011 (in real terms) of both, exports and imports are higher in emerging markets and developing economies compared with the advanced economies. However the gap is wider for imports (8.8%, against 4.3%) than for exports (6.7%, against 5.3%). The gap for both export (6.6%, against 2.3%) and imports (8.4%, against 1.8%) is getting wider in 2012. The share of emerging and developing economies rose to 47 percent on the exports side and 42 percent on the import side, the highest level ever recorded[9]. Graph 1.2 shows that for all the period 2004-2011 imports growth rate in emerging and developing economies is considerably higher than in advanced economies.

Table 1.2: Annual percent change of trade and commodity prices

	1994-2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012*
World trade[1]										
Volume	6.9	10.6	7.8	9.3	7.9	2.9	-10.5	12.9	5.8	4
Price deflator (in $U.S.)	0.2	3.5	5.5	5.6	3.3	7.7	-8.4	6.7	7.1	2.1
Exports										
Advanced Economies	6.2	9.3	6.2	8.9	6.8	1.9	-11.5	12.2	5.3	2.3
Emerging and developing economies	8.7	13.3	11.9	11.5	10.5	4.7	-7.7	14.7	6.7	6.6
Imports										
Advanced Economies	6.9	9.3	6.3	7.8	5.2	0.5	-12.2	11.5	4.3	1.8
Emerging and developing economies	7	15.8	12.1	11.9	14.9	9	-8.1	15.3	8.8	8.4
Terms of Trade										
Advanced Economies	0.1	-0.7	-1.6	-1.3	0.4	-2.5	3.6	-1.1	-1.5	-1.0
Emerging and developing economies	0.6	3.9	5.7	2.9	1.1	2.8	-4.8	1.8	4.3	0.4
Commodity prices (in US dollars)[2]										
Manufactures	0.2	5.1	2.7	2.5	6	6.7	-6.6	2.4	7.2	0.2
Oil**	*5.6*	*30.7*	41.3	20.5	10.7	36.4	-36.3	27.9	31.6	10.3
Non-fuel (average based on world commodity export weights)	*-0.3*	*15.2*	6.1	23.2	14.1	7.5	-15.7	26.3	17.8	-10.3

[1]Average of annual percent change for world exports and imports
[2]As represented, respectively, by the export unit value index for manufactures of the advanced economies and accounting for 83 percent of the advanced economies' trade (export of goods) weights; the average of U.K. Brent, Dubai, and West Texas Intermediate crude oil prices; and the average of world market of nonfuel commodities weighted by their 2002-o4 shares in world commodity exports. *Estimate **Projection
Source: IMF: World Economic Outlook, April 2012.

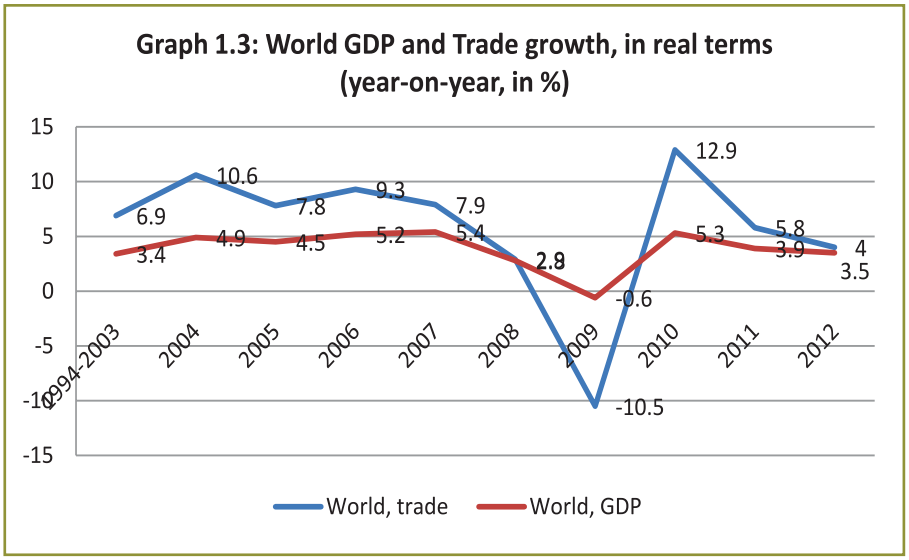
[7] IMF: World Economic Outlook, April 2012
[8] WTO: World Trade 2011, Prospects for 2012
[9] WTO: World Trade 2011,Prospects for 2012. The data series extend back to 1948.



Source: IMF, WEO April 2012

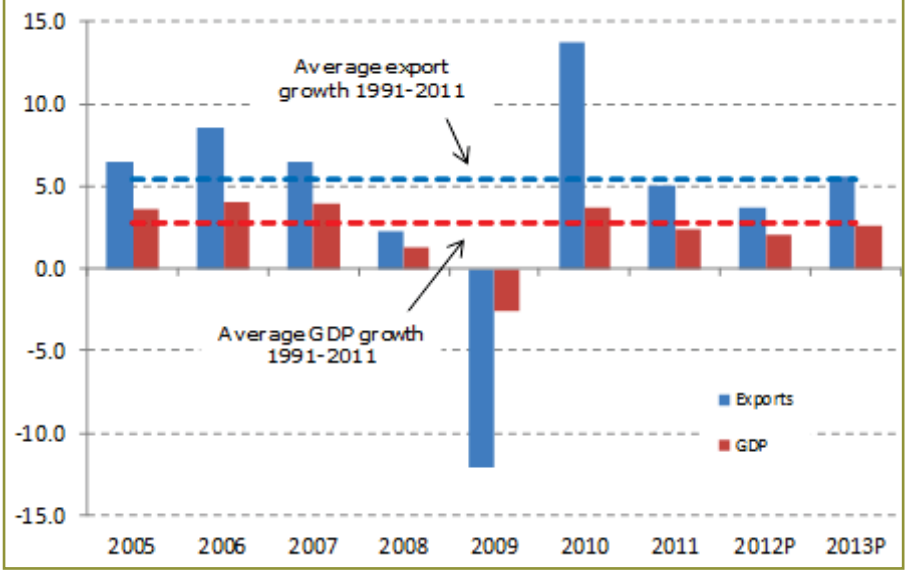
Regarding exports, developed economies exceeded expectations with export growth of 4.7 percent in 2011 while developing countries did worse than expected, with an increase of just 5.4 percent. The robust increase in exports from the U.S. influenced considerably the relatively strong performance of developed economies. Also the growth of exports from the European Union was considerably good, 5 percent. Exports from the developed economies were negatively affected by the drop of exports from Japan by 0.5 percent. On the other hand exports from developing economies were disproportionally affected by several adverse developments, such as the interruption of oil supplies from Libya and the severe flooding that hit Thailand, and also the Japanese earthquake and tsunami; particularly the exports from China.

Graph 1.3 shows that the ups and downs in world trade (in goods and services) follow the ups and downs in world output, but the oscillations in trade (of goods and services) are more frequent and steeper than those in output. While the primary cause of the fluctuations of the world trade are just the fluctuations in global demand, its effect (in both cases, when global demand increases or decreases), is magnified particularly by product composition of change in demand in relation with product composition of trade, and the high scale of



Source: IMF, World economic Outlook, April 2012

Graph 1.4: Growth in volume of world merchandise trade and GDP, 2005-2013*



Source: WTO Secretariat (World Trade 2011, Prospects for 2012)

globalization of economy and trade (the presence and the expansion of the global supply chain, and also the financial dimension of globalization).

Graph 1.4 describes the growth of merchandise export volumes and the world GDP, showing that on average export growth rates for the period 1991-2011 are about twice the GDP ones. However, in 2010 the gap is huge.

1.2 Albania's macro-trade developments: slower growth of economy and trade

Albanian economy continued growing during 2011, despite the pressure coming particularly from the crisis in the euro area. The growth rate of GDP in real terms is estimated about 3 percent[10], which is lower compared with the rate of 3.9 percent in 2010. For 2012 the official projection is 4.3 percent[11]. Growth was supported mainly by "external demand (reflected in the increase of export-related industries and tourism activity-related services) and a slight fiscal stimulus throughout the year" . Total expenditure as percentage of GDP declined from 29.3 percent in 2010 to 28.6 percent in 2011 while total revenue relative to GDP declined from 26.2 percent in 2010 to 25.1 percent in 2011, resulting in an increase of the overall fiscal deficit of 3.5 percent from 3.1 percent in 2010. According to the official data[12], total public debt as percentage of GDP was 58.9 percent from 57.8 percent in 2010. Such figures reflect the narrow space for fiscal stimulus and the need for a more prudential fiscal policy.

During 2011 domestic consumption and investments remained weak, reflecting the prudential behavior of consumers and investors and also the uncertainty coming from international financial market developments. According to the Bank of Albania (BoA)[13], total deposits increased by 10.4 percent in 2011 while credit to businesses increased by 17.9 percent. However in the first months of 2012, the credit to businesses declined by 0.5 percent. Household loans declined by 0.4 percent in 2011 and household loans for business activity declined sharply by 40.6 percent.

Inflation rate averaged 3.5 percent during 2011, being in line with the BoA inflation objectives. Prudential monetary policy continued during all

[10] The figure for 2011 is an estimate by the Ministry of Finance (Republic of Albania, Economic and Fiscal Program 2012-2014, p. 11), reflecting also the quaterly based estimate (3.1%) made by INSTAT for the year 2011. However the estimate of the IMF and the World Bank is much lower, only 2% (IMF: World Economic Outlook, April 2012, table A1, p.190). The official projection for 2012 seems too optimisitc; the IMF projection is only 0.5%.

[11] IMF International Monetary and Financial Committee: Statement by Vittorio Grilli, Vice-Minister of Ministry of Economy and Finance, Italy on behalf of Albania and six other countries (www.imf.org).

[12] Ministry of Finace, Macroeconomic and Fiscal Framework 2013-2015 (www.minfin.gov.al))

[13] Bank of Albania: Statistics, February 2012.

the year, particularly in the first half of the year because of high food and commodity prices. The weakening of the inflation pressure in the fourth quarter of 2011 (and in the beginning of 2012) and also the need for stimulus to growth induced the BoA to decrease the base (policy) interest rate in the lowest historical level, 4.25 percent. However BoA continued to provide liquidity at an increasing maturity and at an extended range of collateral to the banking system.

External balance of the economy is becoming more problematic. The current account deficit as percentage of GDP increased to 12.5 percent in 2011, from 11.7 percent in 2010. The remittances continue showing a declining tendency: from 915.7 million Euros in 2007 down to 833.3 million Euros in 2008, 781.3 million Euros in 2009, 689.8 million Euros in 2010 and 687.9 million Euros in 2011. Such a decline (except for reflecting the natural trend of remittances as predicated in the economic literature), is a direct consequence of the euro area crisis effects in the main host countries of Albanian migrants, particularly Greece.

Trade balance continues to determine the high level of current account deficit, having increased by 8.6 percent to 346,545 million Albanian Lekë (ALL) in 2011, as shown in table 1.3. The trade deficit relative to GDP is 26.4 percent in 2011 or 0.7 percentage points higher compared with 2010.

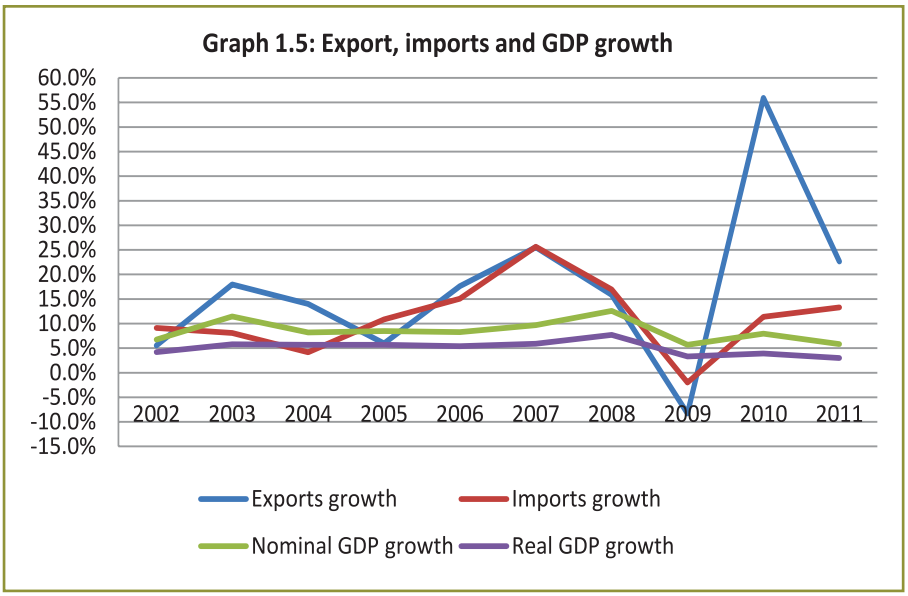
Trade flows increased by 15.6 percent in 2011 to 741,463 million ALL. Exports increased by 22.6 percent to 197,459 million ALL and imports increased by 13.3 percent to 544.004 million ALL, as indicated in table 1.3. As also shown in graph 1.5, exports and imports growth rates are much higher than GDP growth rates (either in nominal or real terms) for all the period 2001-2011. The only exception is 2009, when GDP growth rates declined sharply (from 7.7% to 3.3%) and trade flows had a negative growth rate (-3.3%), with a decline of exports by 8.3% and imports by 2%.

Table 1.3: Macro-Trade Indicators, in million ALL, unless otherwise indicated

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Real GDP growth rate	4.2%	5.8%	5.7%	5.7%	5.4%	5.9%	7.7%	3.3%	3.9%	3.0%*
Nominal GDP	622,711	694,097	751,022	814,797	882,209	967,670	1,089,293	1,151,020	1,242,418	1,314,700
Trade flows**	254,689	279,867	296,892	326,023	376,839	473,365	552,466	534,349	641,200	741,463
-Exports	46,188	54,487	62,121	65,818	77,405	97,171	112,572	103,247	161,009	197,459
-Imports	208,501	225,380	234,770	260,205	299,434	376,194	439,894	431,102	480,191	544,004
Trade deficit	162,313	170,894	172,649	194,387	222,029	279,023	327,322	327,855	319,182	346,545
Exports growth	5.6%	18.0%	14.0%	6.0%	17.6%	25.5%	15.8%	-8.3%	55.9%	22.6%
Imports growth	9.1%	8.1%	4.2%	10.8%	15.1%	25.6%	16.9%	-2.0%	11.4%	13.3%
Trade flows growth	8.5%	9.9%	6.1%	9.8%	15.6%	25.6%	16.7%	-3.3%	20.0%	15.6%
Openness index***	40.9%	40.3%	39.5%	40.0%	42.7%	48.9%	50.7%	46.4%	51.6%	56.4%
Trade deficit/GDP	26.1%	24.6%	23.0%	23.9%	25.2%	28.8%	30.0%	28.5%	25.7%	26.4%
Import/GDP	33.5%	32.5%	31.3%	31.9%	33.9%	38.9%	40.4%	37.5%	38.6%	41.4%
Export/GDP	7.4%	7.9%	8.3%	8.1%	8.8%	10.0%	10.3%	9.0%	13.0%	15.0%
Import Coverage (Ex/Imp)	22.2%	24.2%	26.5%	25.3%	25.9%	25.8%	25.6%	23.9%	33.5%	36.3%

*Ministry of Finance (Republic of Albania): Economic and Fiscal Program 2012-2014, p.11 (www.minfin.org)
**Only trade in goods; ***measured as a ratio of trade flows to nominal GDP, expressed in ALL.
Source: Ministry of Finance, INSTAT, METE, Bank of Albania, IMF, and own calculations.

[14] The trade deficit growth is 6.4 percent, and 12.0 percent when measured in Euros and $U.S., respectively.

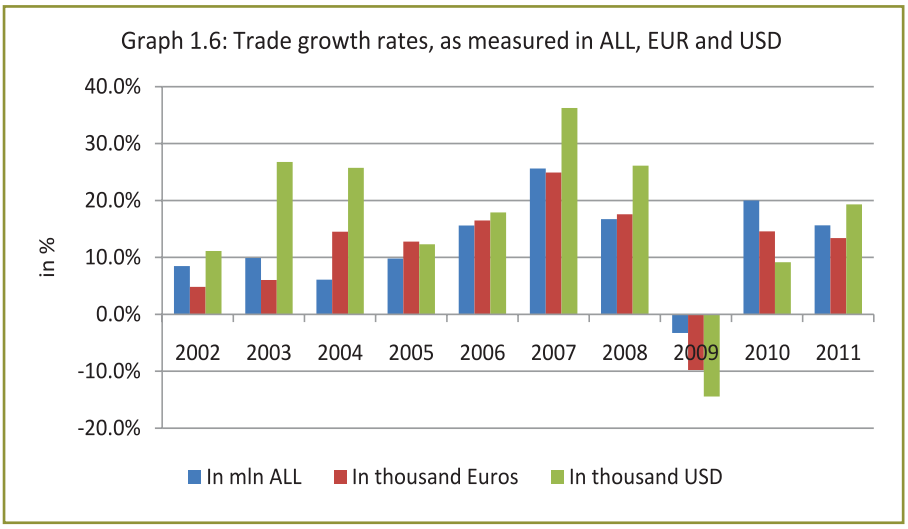


Graph 1.5 reveals the much higher fluctuations of trade flows (exports and imports) compared with the GDP, in nominal or real terms. The fluctuations are particularly higher for exports in period 2009-2011, reflecting the oscillations of the world prices of such products as energy, minerals, etc. and particularly the high increase of volume of exports in energy in 2010 through exploiting the exceptionally high rainfalls.

Figures in table 1.3 refer to trade flows as measured in ALL. However, when measured in Euros, the growth of trade flows, exports and imports in 2011 were 13.4 percent, 20.1 percent and 11.1 percent, respectively. Expressed in US dollars, the figures are 19.3 percent, 26.5 percent and 16.9 percent, respectively. Graph 1.6 illustrates the differences in trade flows growth rates when measured in different currencies: ALL, Euros and $U.S during the period 2002-2011.

Such differences are caused by the exchange rates fluctuations which should be 'excluded' by making the relevant statistical adjustments when trade growth is measured. Another necessary statistical adjustment is the account for the price change effect in trade growth. The nominal data on trade shown in table 1.3 do not give the required information for analyzing the real trends within trade and in relation of trade with the real economy of the country, particularly with the GDP growth in real terms.

The use of real data to measure the trade flows by adjusting the nominal data to account for exchange rate fluctuations and price change effects is also necessary for making the countries trade data comparable with the international ones. The difference between the nominal and real terms in measuring trade flows is made quite clear if we refer to the respected figures regarding the world



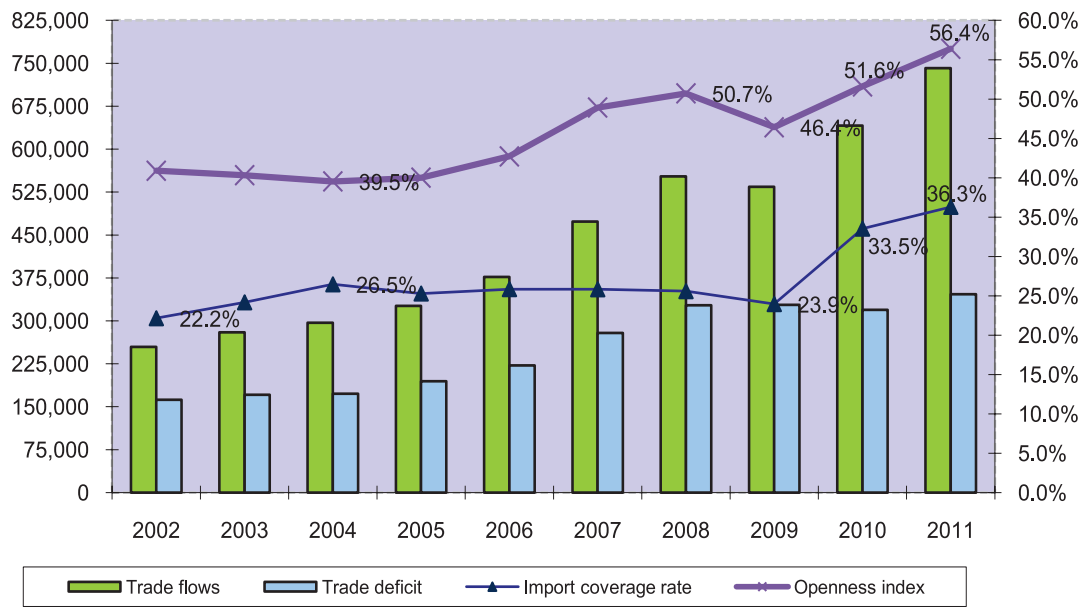
trade, discussed in the previous section. The estimated figure for growth in real terms of the world trade in 2011 was 5.5 percent for goods and services (IMF: WEO April 2012, table A9), and 5 percent for merchandise goods (WTO Secretariat: World Trade 2011, Prospects for 2012). Meanwhile the growth of world trade in goods and services in nominal terms is 16.7 percent (with a price deflator in U.S. dollars of 10.1) and the growth of world merchandise trade in dollar value was 19 percent.

Two important macro-trade indicators shown in table 3.1 (and also in graph 1.7), are the openness index and the import coverage index. The first one, which is measured as a ratio of the value of trade flows (exports plus imports) with the nominal GDP, shows a tendency of increase in the last years (from 46.4% in 2009, to 51.6% in 2010 and 56.4% in 2011). The import coverage index (measured as a ratio of the exports value with the imports value) was also moderately increased to 36.3 percent in 2011, from 33.5 percent in 2010.

The lowest level of 22.2% of the latter indicator in the last ten years was in 2002, followed by the level of 23.9 percent in 2009 when the country's trade flows declined compared with 2008. Overall the import coverage index of the country is quite low, reflecting the low competitiveness of the country's economy. The import coverage index for the Albanian economy is quite low even compared with other countries of the Western Balkan region, except for Kosovo and Montenegro[15], although the entire region is suffering from such a problem.

The small share of imports covered by the exports in Albania (and also in other countries of the region) is becoming an even more serious problem under the recent developments and pressure following the economic and financial global crisis and particularly the euro area sovereign debt crisis. The persistent high trade deficit in Albania and in the region is 'fueled by import inclination fostered by the tendency of consumption toward the 'European pattern', a tendency supported by the intensive emigration and money transfers..."[16]. The declining tendency of remittances and also the financial discipline imposed by the recent international developments, increase the importance of promoting exports for having a sustainable economic growth.

Graph 1.7: Trade flows (mio ALL), trade deficit (mio ALL), openness index (in %) and import coverage (in %), 2002-2011



Based on the information taken from the Cefta 2006 webpage (www.cefta2006.com) , this index in the year 2010 was 32.9% for Albania, 48.2% for BiH, 58% for Croatia, 60.9% for Macedonia, 49.8% for Serbia, 22.8% for Montenegro and 13.7% for Kosovo. For all the South Eastern region (including Moldova), the average import coverage index was 49.2%.

[16] "Export-Led Growth: Central European Experience – Magic Formula for Western Balkans?" edited by Michail Ehrke, Belgrade 2011; based on the Friedrich Ebert Foundations' Conference materials, held in Belgrade, 2010.

Albania's exports not only cover a relatively small part of imports; they also suffer from a high fragility, as shown in graph 1.5. They are highly related with inward processing industries like apparel and shoe industries where the comparative advantage is mostly based on low wages and cannot be a sustained one in medium-to long term. Exports of mining industry products and other raw materials are highly influenced by the world price fluctuations, while export of energy is highly related with the weather conditions, as testified by the energy situation in the last two years.

The relevant indicators calculated by the World Economic Forum, the Heritage Foundation, and Wall Street Journal and the World Bank (see box 1), demonstrate an improvement of the country's competitiveness position and business environment. However, as underlined in the respective Reports, important reforms, particularly institutional-related ones and also policy measures are needed for strengthening competitiveness and broadening the sources of growth. The Increase of exports as a pillar of growth in medium–to long run requires not just 'exploiting' low cost export potentials, based on low wages, or just 'selling' the natural resources. Albanian exports need to climb up the value-added ladder. Further improvement of business and investment environment, and policy measures in support of innovation, professional education, SMEs particularly those involved in high technology, 'high quality' FDIs integrated in high technology value chain, and intensified regional integration, are the biggest challenges ahead.

Box 1: The competitiveness position of the Albanian economy, 2011-2012

The Global Competitiveness Report 2011-2012 (World Economic Forum) ranks Albania 78th out of 142 countries/economies, based on the Global Competitiveness Index (GCI) 2011-2012 The position of Albania, based on this index, is improved by ten places compared with the 2010-2011 ranking (88th, in a list of 133 countries/economies). According to the GCI 2011-2012, Albania scored 4.1 points (in a range 1-7), which is 0.2 higher than the score got in the 20010-2011 Report (3.9 points). Taking into account all the three main components (dimensions) of the GCI Index (basic requirements, efficiency enhancers and innovation and sophistication factors) Albania got the highest score in the first one, 'basic requirements' (4.5 points, compared with 4.4 in the previous year), and ranking 71st position (compared with 75th in the previous year). Taking into consideration the pillars within the dimensions (12 pillars in all), Albania ranks better in 'goods market efficiency' (43rd), 'labor market efficiency' (49th) both under 'efficiency enhancer' component, scoring 4.5 and 4.6 points, respectively. Considering the score in the first place, Albania's best position (5.7 points, from 5.9 points in the previous year) is in 'health and primary education' which belong to the 'basic requirements' dimension but this pillar ranks the country 65th out of 142 countries. The lowest ranked pillars are 'innovation' (positioning Albania 123rd, scoring 2.6 points) and 'market size' (positioning the country 101st, scoring 2.9 points). If trade-related factors (within 6th pillar - goods market efficiency), Albania ranks better in 'trade tariffs' (43rd position, compared with 44th in the previous year) and 'imports as percentage of GDP' (47th position). There is not the same situation in 'burden of customs procedures' (66th position) which however is better than the previous year position (82nd). The Report identifies the most problematic factors for doing business in 2011: 'access to financing', 'tax rates' 'inefficient government bureaucracy' 'corruption' and 'tax regulation'.

According to the "2012 Index of Economic Freedom" (Heritage Foundation and Wall Street Journal Report), Albania's 'economic freedom score' was 65.1, ranking 57th in the world and 26th in the European region (out of 43 economies). The country's economic freedom score this year increased by 1.1 points compared with the previous year, improving its position by 13 places up in the world list and 7 places up in the European region's list of countries. Country's score is higher than the world average (59.5) but rather lower when compared with the regional average (66.1). Looking in details in the ten economic freedoms, improvements are marked this year in 'business freedom' (+11.1 points), 'freedom from corruption' (+1.0%), 'governments spending' (+0.8), and 'labor freedom' (+0.6%). Decrease in score is observed in 'monetary freedom' (-1.3). The highest scores are recorded in 'fiscal freedom' (91.4, ranking the country 20th in the world). However, if the rank in the world economies list is considered, the best position of Albania is related with the 'financial freedom (17th place). The most problematic economic freedom dimensions, are 'freedom from corruption' (33 points, being 1 point higher than the previous year and ranking Albania the 89th in the world list), and 'property rights' (35 points, showing no change from the previous year and ranking Albania the 93rd). The Report underlines that "Albania still lacks a clear property rights system, particularly for land tenure"...and "the courts are subject to political pressure and corruption";"protection of intellectual property rights is weak" and "Albania is a major transit country for human trafficking and illegal arms and narcotics" (p. 82).

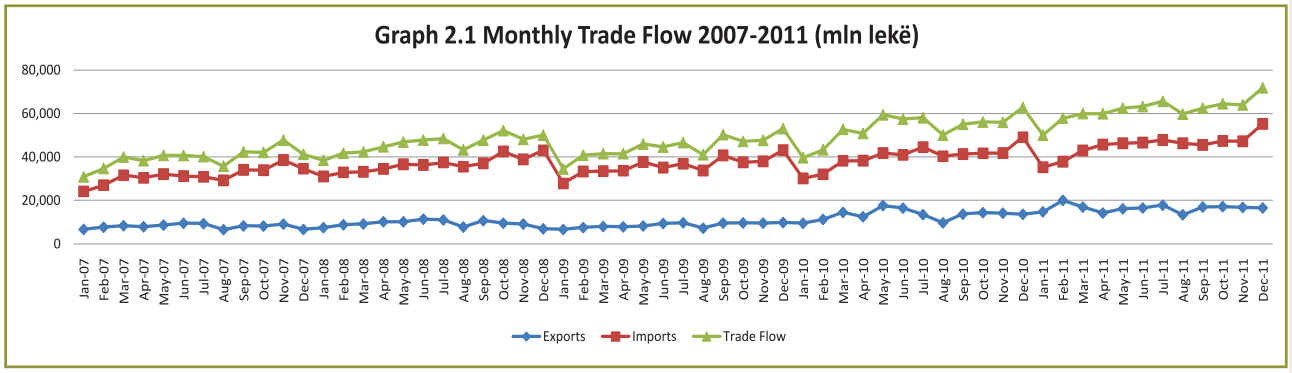
The 'Ease of Doing Business' (The World Bank Report "Doing Business 2012"), ranks Albania overall in 82nd position in the world list of 183 countries, which is the same as its position in the previous year. The country continues to better rank in 'protecting investors', 'getting credit' and 'starting a business' but in a rather worsened position compared with the previous year. In 'protecting investors' it ranks 16th from 15th in the previous year; in 'getting credit' it ranks 24th from 15th in the previous year, and in 'starting a business' it ranks 61th from 45th in the previous year. The lowest rated dimensions are 'dealing with construction permits' (183rd, from 170th in the previous year)), getting electricity'(154th), 'paying taxes' (152th, from 149th in the previous year).

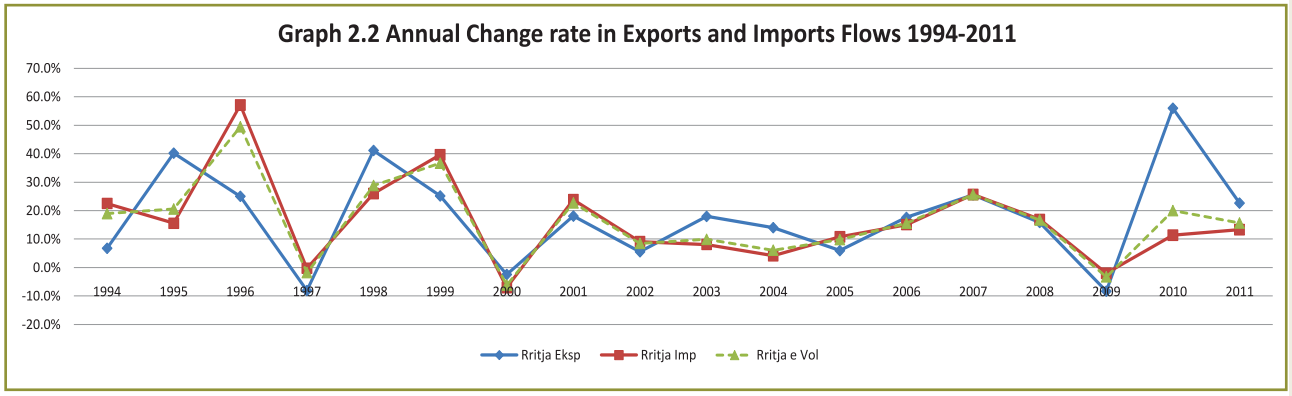
II Albania's export and import dynamics

Albania's foreign trade flow dynamics during 2011 continued the positive trend observed in 2010, thus emphasizing the recovery from the year 2009 when trade volume fell by 3.1%. This recovery in trade flow development was observed from the beginning of 2011, especially in export dynamics. Albania's total trade for 2011 amounted to ALL 741,463 million, representing an increase of 15.6% as compared to 2010 (641,200 million ALL). Imports volume, (expressed in ALL in graph 2.1) as being the largest part of the trade volume, is the element determining its dynamics; value of imports for 2011 reached 544, 004 million ALL, representing an increase of 13.3 % as compared to 2010 (480,191 million ALL).

During the course of 2011, exports volume (expressed in ALL) has also confirmed the positive trend of 2010 (see graph 2.1 and 2.2). Generally, exports were characterized by a strong and steady positive trend from 2002, but as exports were highly concentrated in structure (products and geographic markets), they appeared highly vulnerable from the crisis that hit the global economy in 2009. This high concentration around labor intensive, low value added inward processing products and raw materials have transmitted quickly the contracting world demand effect on Albanian export flows. With the recovery of these main sectors in European partners of Albania, export flows started increasing since the end of 2009 and continued a very positive trend during 2010 and kept positive increase figures during 2011 (although with less increase as compared to 2010).

Total exports in 2011, amounted to 197,459 million ALL and increased by 22.6% as compared to 2010. The most important increase of exports was concentrated during the first half of 2011. The recovery continued in the second half of the year. This increase is due mainly to main metals and electrical energy export and also to the fact that the main sectors have improved their performance.





III Albania's Trade structure

3.1 Main Characteristics

Albania's trade structure has experienced some change as compared to 2010. Exports represent 26.6 percent of the total trade flows during 2011 expressed in ALL. This indicator has increased consistently from 2009 (19.3%) and 2010 (25.1%).

Total trade flows experienced an increase of 15.6 percent (19.3 % USD, 16.1 percent in EUR) as compared to 2010. These changes were caused by the increase of both, exports and imports' flows.

Total exports reached 197,459 million ALL and experienced an important increase of 22.6% percent as valued in ALL (increased by 20.3 percent as valued in EUR and 26.5 percent as valued in USD).

Total imports reached 544,004 million ALL and experienced and increase of 13.3 percent (and an increase of 16.9%ercent in USD and 11.1 percent in EUR) (please refer to table 3.1).

Table 3.1: Structure of imports and exports flow 2011

		Imports			Exports		
No	Description	Value of Imports (mln All)	Share on total (%)	Growth rate (%)	Value of Exports (mln All)	Share on total (%)	Growth rate (%)
1	Live animals: animal origin products	15,948.00	2.90%	6.00%	2,422.80	1.20%	5.90%
2	Vegetable products	27,942.00	5.10%	12.30%	4,427.20	2.20%	36.20%
3	Animal grease and oils or vegetal and its products	6,899.00	1.30%	21.40%	240.3	0.10%	128.70%
4	Prepared food; drinks, alcoholic beverages and vin	41,192.00	7.60%	-1.10%	4,049.80	2.10%	10.50%
5	Mineral products	102,339.00	18.80%	38.70%	58,804.10	29.80%	31.20%
6	Chemical industrial products or alloys	40,637.00	7.50%	6.20%	1,545.60	0.80%	250.50%
7	Plastic and its products; tire and its products	19,512.00	3.60%	7.30%	1,266.90	0.60%	17.00%
8	Unprocessed and processed leather, coats and their	9,423.00	1.70%	12.10%	2,925.60	1.50%	13.80%
9	Wood and its products; charcoal; cork and its prod	7,251.00	1.30%	-0.80%	1,675.90	0.80%	5.50%
10	Wood or other fiber,	13,186.00	2.40%	-0.90%	2,881.60	1.50%	-10.00%
11	Textile and its products	39,757.00	7.30%	7.80%	33,781.30	17.10%	11.60%
12	Footwear and hats, umbrellas and parasols, walking	10,832.00	2.00%	15.10%	30,290.80	15.30%	19.20%
13	Stone, gypsum, cement products...	15,031.00	2.80%	-0.60%	1,244.80	0.60%	38.80%
14	Natural or cultivated pearls, jewelry...	615	0.10%	-12.40%	337.4	0.20%	-17.30%
15	Main metals and their products	67,029.00	12.30%	8.80%	40,523.20	20.50%	28.60%
16	Mechanic, electric machinery and equipment ...	77,642.00	14.30%	13.80%	6,870.90	3.50%	14.80%
17	Vehicles	32,528.00	6.00%	31.30%	1,049.50	0.50%	102.60%
18	Optic, photographic, cinematographic, measuring, .	6,690.00	1.20%	-7.80%	212.7	0.10%	49.00%
19	Weapons and munitions and their equipment	352	0.10%	15.70%	193.8	0.10%	-50.10%
20	Different manufactured products	9,167.00	1.70%	0.40%	2,712.50	1.40%	17.00%
21	Works of art, collection and antics pieces	3	0.00%	-98.40%	2.4	0.00%	-98.40%

Some of the sections that have experienced highest exports' increase as compared to 2010 are main metals, mineral products and leather products.

In 2011 mineral products account for 29.8% of total share of exports and had a growth rate of 31.2%. Main metals also accounting for 20.5% of total exports increased by 28.6%.

The footwear sector, with its 15.3% of total share of exports, had a growth rate of 19.2%.

Textiles grew by 17.1% and thus representing almost 11.6% of total share of exports. The only sections that account decrease in export flows are wood and other fiber that decreased by 10%, accounting for 1.5% of total exports.

Some of the sections that have experienced highest increase of imports as compared to 2010 are vehicles (31.3%), mineral products (39%) and mechanic and electric machinery (14%) and they represent the highest share of total imports, almost 39%.

Table 3.1 provides information on exports and imports values, share to total and growth rate based on the classification of goods by sections.

3.2 Export Structure

Just as in year 2010, textiles, mineral products, base metals and footwear remain the important sections with high shares to overall exports (more than 80%).

Amongst these, mineral products have increased their share in the total export in the years 2010 and 2011 becoming the section with the biggest share in total export. In 2011 the mineral products share was 29.84%, an increase of 2% compared to 2010.

Textiles products account for 17.1percent of total exports in 2011 and it shows a consistent drop in the share of total exports from in the last years. The fall in total share comes despite the increase in exports by 11.6% compared to 2010. In contrast to mineral products in the last years its share to total exports has decreased and it has almost halved from 2005 when its total share to exports was 30.4%.

When compared to the previous year, footwear exports increased by 19.2% in 2011. These products account for 15.3 percent of total exports,

Table 3.2 Top Ten Exported goods for 2011

HS-6	Description	2007	2008	2009	2010	2011
270900	Petroleum oils and oils obtained from bituminous minerals, crude	5,325.28	6,238.25	7,878.02	16,956.97	31,698.08
720711	Semi-fin prod,i/nas,rect/sq cross-sect cntg by wgt<.25% c,wdth<2X thk	0.09			7,434.86	10,369.17
640610	Uppers and parts thereof, other than stiffeners	10,190.41	8,339.43	7,703.41	8,964.98	10,239.08
721420	Bars & rods,i/nas,hr,hd or he,cntg indent,ribs,etc,prod dur rp/tar,nes	2,633.98	6,210.04	3,865.29	5,372.47	7,576.64
271600	Electrical energy		354.36	2,868.37	10,573.02	6,672.29
620342	Mens/boys trousers and shorts, of cotton, not knitted	6,767.67	6,478.63	4,987.37	5,909.90	6,120.01
261000	Chromium ores and concentrates	4,493.60	5,514.02	4,028.76	8,045.07	5,271.65
640340	Footwear,outr sole of rber/plas/leathr,uppers of leathr w/met toe-cap		3.71	8.31	2,871.35	4,921.09
252329	Portland cement nes	401.83	1,478.29	1,566.47	3,487.34	4,763.07
830140	Locks of base metal, nes	3,526.86	3,906.45	3,715.78	4,506.07	4,544.02
Total Value of 10-most exported products		33,339.71	38,523.20	36,621.77	74,122.03	92,175.10
Value of overall exports		97,171.00	112,572.00	103,247.00	161,009.00	197,459.00
Share of 10 most exported products		34%	34%	35%	46%	47%

having increased their share by 0.5 percentage points compared to 2010. Despite their importance and the positive trend of exports in this year, continue to show a downwards trend in their share on total exports. These two sectors have been for many years the main part of Albanian exports. Although they have increased exports almost every year, their share to total exports has decreased over time. This was mainly due to the faster advancement of other important sectors. Low value added and high geographic concentration continue to be main problematic aspects for textile and footwear in Albania. The 2009 crisis in Italy and Greece and the consequent decrease of demand was directly reflected in the slowdown of Albanian exports. Trying to invest and upgrade their businesses from the inward processing regime and diversify their geographic partners, are still crucial challenges ahead for these two sectors.

Base metal products on the other hand have increased their share to total exports in 2011 to 20.5 percent experiencing an increase of 0.9 percentage points compared to 2010. This increase in relative share was accompanied by a very high increase of exports. Metal products exports increased by 28.6 percent in 2011.

The ten most exported products fall under the above mentioned product groups: mineral products, textiles, footwear and metals. They represent 47 percent of total exports. These products continue to be highly ranked among exported goods as most of them were among the most exported products last year as well.

Petroleum oils is the top exported product with 31,698 million ALL an increase of more than 87% compared to 2010 and now representing 16% of the value of total exports for Albania.

In contrast to 2010 electrical energy which was the second most exported product is now fifth in the ten top exported products in 2011. Thus showing the difficult year Albania has had in terms of producing energy. The second most exported product Semi-fin prod has increased with 39% and represent 5% of total exports of the country.

The third most exported product (Uppers and parts thereof, other than stiffeners) experienced an increase of 14 percent and represented around

Table 3.3: Exported Products with the highest change in their value (in mln All)

HS-6	Description	2010	2011	Change compare to 2010
271011	Aviation spirit		1,575.98	N/A
760110	Aluminium unwrought, not alloyed		429.32	N/A
271312	Petroleum coke, calcined		182.42	N/A
382490	Products or remaining from chemical	0.09	727.74	791063%
731442	Grill, netting, fencing, iron or steel, plastic coated	2.6	253.85	9676%
847990	Parts of machines&mechanical appliances nes havg individual functions	1.48	109.1	7264%
620322	Mens/boys ensembles, of cotton, not knitted	24.04	362.69	1409%
780419	Lead plates, sheet, strip and foil nes	31.76	381.22	1100%
271019	Light petroleum distillates nes	74.21	781.37	953%
620333	Mens/boys jackets and blazers, of synthetic fibres, not knitted	19.16	169.8	786%
621143	Womens/girls garments nes, of man-made fibres, not knitted	25.21	174.41	592%
252321	Portland cement, white, whether or not artificially coloured	54.1	295.85	447%
690410	Building bricks	48.11	261.13	443%
730890	Structures&parts of structures,i/s (ex prefab bldgs of headg no.9406)	21.28	106.38	400%
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc	96.38	348.33	261%
30530	Fish fillets, dried, salted or in brine but not smoked	52.24	164.78	215%
853890	Parts for use with the apparatus of headg no. 85.35,85.36 or 85.37,nes	91.88	285.87	211%
190590	Communion wafers,empty cachets f pharm use&sim prod&bakers' wares nes	58.84	182.12	210%
621010	Garments made up of textile felts and of nonwoven textile fabrics	50.52	148.95	195%
830890	Beads,spangles&other made up art nes,for clothing/footwear,awnings etc	61.66	179.68	191%
620433	Womens/girls jackets, of synthetic fibres, not knitted	43.3	125.5	190%
410210	Sheep or lamb skins, raw, with wool on, nes	145.74	418.08	187%
391590	Plastics waste and scrap nes	109.79	304.1	177%
70200	Tomatoes, fresh or chilled	202.61	549.35	171%
640359	Footwear, outer soles and uppers of leather, nes	584.53	1,510.38	158%

Exported Products with the largest decrease in their value (mln All)				
HS-6	Description	2010	2011	Change compare to 2011
930630	Cartridges nes and parts thereof	379.84		-100%
740322	Copper-tin base alloys, unwrought	408.37	0.96	-100%
620429	Womens/girls ensembles, of other textile materials, not knitted	321.19	0.89	-100%
420500	Articles of leather or of composition leather, nes	140.81	0.75	-99%
830810	Hooks,eyes&eyelets of base metal f clothing,footwear,travel goods,etc	161.35	7.53	-95%
621030	Womens/girls overcoats&sim articles,of impreg,ctd,etc,tex wov fab	131.01	8.79	-93%
620323	Mens/boys ensembles, of synthetic fibres, not knitted	130.98	13.52	-90%
610190	Mens/boys overcoats, anoraks etc, of other textile materials, knitted	194.65	22.09	-89%
30741	Cuttle fish and squid, shelled or not, live, fresh or chilled	331.35	68.87	-79%
30760	Snails,(ex sea) shelld or not,live,fresh,chd,fz,drid,saltd or in brine	106.52	22.69	-79%
610342	Mens/boys trousers and shorts, of cotton, knitted	282.73	68.2	-76%

5% of the value of total exports. While all the other products have seen an increase in exports amongst the top most exported products, chromium ores and concentrates have seen the sharpest drop at around 34% compared to 2010 as well as electrical energy (see Table 3.2).

3.3 Import structure

Imports structure is more dispersed than the structure of exports. In 2011 there are no observed changes to the structure of imports compared to 2010. The sections with the highest share to total import flows are mineral products (18.8%) or 3.4% higher than 2010. electric machinery and equipment (14.3%) no major change from 2010, and main metals (12.3%).

Altogether these sections represent 45.4% of total imports. Other important sections remain textiles, prepared food and chemical products.

Imports of mineral products reached 102,339 million ALL an increase by 38.7 percent in 2011. In contrast to 2010, where imports of mechanical and electrical machineries decreased by 3.5 percent in value, in 2011 this section increased by 13.8% at a value of 77,642 million ALL.

Important components under this category are parts of machineries used for the maintenance of already existing machineries as well as telecommunications related products such as cables etc, but also home appliances such as air conditioners and refrigerators.

Imports of metals represent 12.3 percent of total imports (almost the same as 2010) and have experienced an increase of 8.8 percent in 2011.

Light petroleum distillates are the most imported product for Albania in 2011 at 47,692 million ALL and an increase of 37%. While electric energy is the second most imported product reflecting the difficult year Albania has had in producing its own electricity. It was valued at 22,574 million ALL or 90% higher than 2010.

The ten most imported products in Albania account for 28 percent of total imports. Their concentration has increased with 4 percentage points as compared to 2010. The most imported products fall under different categories such as minerals, base metals, medicaments, vehicles and agricultural products.

They seem to serve the need of production sectors of economy for raw materials in the form of oils, structures for construction etc but also the need for commodities consumption in the form of medicaments, cigarettes and personal vehicles. Table 3.4 gives better insight on most imported products during 2011 while table 3.5 gives an insight on imported products with the highest increase in value and imported products with the highest decrease in value. Mineral products are often enlisted in both tables.

Table 3.4: Top ten imported goods for 2011 (mln All)						
HS-6	Description	2007	2008	2009	2010	2011
271019	Light petroleum distillates nes	22,443.04	30,686.09	20,984.70	34,837.06	47,692.56
271600	Electrical energy	22,312.21	25,888.74	14,442.26	11,850.69	22,574.84
720449	Ferrous waste and scrap, iron or steel, nes	3,708.37	3,758.93	3,642.71	10,529.52	14,030.23
300490	Medicaments nes, in dosage	7631.4721	8,434.73	9,858.66	12,629.25	12,744.11
100190	Wheat nes and meslin	6,548.60	7,979.39	5,289.28	7,006.51	10,918.95
721420	Bars & rods,i/nas,hr,hd or he,cntg indent,ribs,etc,prod dur rp/tar,nes	7,588.52	8,410.68	10,104.68	9,367.03	10,424.50
271011	Aviation spirit	4,398.40	5,094.88	4,821.11	7,263.69	9,704.84
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc	6,267.44	6,194.88	6,006.76	5,463.40	9,436.71
240220	Cigarettes containing tobacco	5,102.89	6,821.53	8,019.42	10,300.16	8,126.70
690890	Tiles, cubes and sim nes, glazed ceramics	1,862.27	2,846.56	2,404.90	4,961.24	5,584.42
Total value of 10-most imported products		**87,863.22**	**106,116.43**	**85,574.48**	**114,208.55**	**151,237.86**
Value of overall imports		376,194.00	439,894.00	431,102.00	480,191.00	544,004.00
Share of 10-most imported products, in %		23%	24%	20%	24%	28%

Table 3.5: Imported products with the highest change in their value				
HS-6	Description	2010	2011	Change compared to 2010
291615	Oleic,linoleic or linolenic acids, their salts and esters	0.16	766.11	479248%
841011	Hydraulic turbines & water wheels of a power not exceeding 1000 KW	1.67	2,723.38	162545%
841012	Hyd turbines&water wheels of a power exc 1000 KW but nt excedg 10000KW	0.22	158.3	71035%
853521	Automatic circuit breaker f a voltage > 1,000 volts but < 72.5 KV	1.9	460.08	24148%
271490	Bitumen and asphalt; asphaltites and asphaltic rocks	1.28	218.63	16944%
730431	Tubes,pipe&hollow profiles,i/nas,smls,cd/cr,of circ cross section,nes	6.97	1,014.83	14462%
551422	Twill weave polyester staple fibre fab,<85%,mixd w/cotton,>170g/m2,dyd	4.7	343.28	7209%
730110	Sheet piling,i/s whether/not drilled/punchd/made from assem elements	11.81	653.76	5433%
890399	Rowing boats, canoes, sculls and other pleasure boats nes	13.99	507.02	3523%
620323	Mens/boys ensembles, of synthetic fibres, not knitted	4.88	152.86	3029%
903149		8.49	199.55	2250%
610433	Womens/girls jackets, of synthetic fibres, knitted	5.59	102.96	1742%
110720	Malt, roasted	12.54	188.93	1406%
722230	Bars & rods, stainless steel, nes	43.09	621.29	1342%
251730	Tarred macadam	18.18	191.59	954%
847730	Blow moulding machines for working rubber or plastics nes	14.64	117.58	703%
551319	Woven fabrics of oth syn staple fib,<85%,mixd w/cot,</=170g/m2,unbl/bl	30.45	226.9	645%
852691	Radio navigational aid apparatus	20.91	136.34	552%

Imported products with the largest decrease in their value				
HS-6	Description	2010	2011	Change compared to 2010
521159	Woven fabrics of cotton,<85% mixd w m-m fib,mor thn 200g/m2,printd,nes	254.23	1.59	-99%
844311	Reel fed offset printing machinery	186.24	8.37	-96%
600610	Other Knitted or Crocheted Fabric	171.72	9.37	-95%
903120	Test benches for measurg or checkg instruments,appliances&machines nes	128.06	7.12	-94%
890690	Other vessels, including warships and lifeboats other	303.31	19.47	-94%
690810	Tiles, cubes and sim <7 cm rect or not etc, glazed ceramics	604.4	41.86	-93%
902214	Apparatus based on the use of X-rays For medical	515.78	38.51	-93%
551512	Woven fabrics of polyester staple fibres mixd w man-made filaments,nes	519.31	43.41	-92%
401220	Pneumatic tires used	207.27	19.02	-91%
551419	Woven fabrics of oth syn staple fib,<85%,mixed w/cot,>170 g/m2,unbl/bl	204.21	20.63	-90%
300410	Penicillins or streptomycins and their derivatives, in dosage	366.5	42.68	-88%
842611	Gantry & overhead travelling cranes on fixed support	141.22	16.53	-88%
510620	Yarn of carded,wool,<85% by weight of wool,not put up for retail sale	111	13.64	-88%
560313	nonwovens, whether or not impregnated, coated	198.12	24.38	-88%
160239	Dom fowl,duck,goose&guinea fowl meat&meat offal prep/presvd exc livers	209.19	28.69	-86%

IV Trade in Specific Sectors

4.1 Inward processing trade

Inward processing trade was also affected by the overall export increase of 2011. This increase was valued at 16.3%. This change has a geographical and sectorial background but it is especially related to the further increase of inward processing trade in three main sectors: textiles, footwear and base metals, with two main partners country for 2011: Italy and Turkey.

Inward processing exports amounted to 99,378 mln ALL, showing an important increase in absolute value. Nevertheless the share of inward processing to total exports has experienced a decrease of 3 percentage points down to 50% of total exports. The main reason for this was the very strong increase that other sectors have experienced given that exports of inward processing increased by 16.3% in 2011. For many years now, inward processing exports are a major category within exports accounting for more than half of total exports of Albania.

Inward processing imports amounted to 81, 211 mln ALL, having increased by 18.2 % as compared to 2010. Inward processing value added, expressed as the difference between exports' value and import value has experienced an increase of 8.7 % in 2011. Despite the increase, figures show once again that this sector keeps a low value added profile and that expansion of businesses activities operating in it is still slow.

The value added from inward processing sector reached 18, 168 mln ALL, accounting for 18.3 % of total inward processing exports and a slight decrease in share by 1.3 percent. The Albanian currency exchange rates fluctuation might have affected further this outcome also.

Table 4.1: Inward Processing Trade, 2011

		2007	2008	2009	2010	2011
Inward Processing Exports	(in Mln All)	64,464	67,370	65,308	85,423	99,378
Share of Inward Processing Exports to total	(in %)	66.35%	59.86%	63.14%	53.05%	50.33%
Change rate of IP exports	(in %)	18.72%	4.51%	-3.06%	30.80%	16.34%
Inward processing imports	(in Mln All)	53,532	50,568	50,875	68,711	81,211
Change rate of IP imports	(in %)	19.16%	-5.54%	0.61%	35.06%	18.19%
Value added, Inward processing	(in Mln All)	10,931	16,802	14,433	16,711	18,168
Value added share to IP Exports	(in %)	11.25%	14.93%	13.95%	10.38%	9.20%
Value added change rate	(in %)	16.57%	53.71%	-14.10%	15.79%	8.72%

Table 4.2: Exports of Inward Processing by Sector

	2007	2008	2009	2010	2011	Share to total	Change Rate 2011 - 2010
Sector Description	in mln ALL	in mln ALL	in mln ALL	in mln ALL	in mln ALL	in %	in %
Textile and its products	26,300.13	29,523.67	28,010.34	30,051.35	33,504.01	33.71%	11.49%
Footwear and hats, umbrellas and parasols, walking	20,503.48	18,999.64	20,043.39	25,381.80	30,218.84	30.41%	19.06%
Main metals and their products	7,961.36	7,070.34	5,985.46	16,205.29	18,953.74	19.07%	16.96%
Mechanic, electric machinery and equipment …	2,343.49	3,058.57	2,826.61	3,970.19	4,811.44	4.84%	21.19%
Prepared food; drinks, alcoholic beverages and vin	2,096.46	2,042.59	2,484.56	2,928.17	3,211.44	3.23%	9.67%

No major changes in the structure of inward processing exports are to be observed in 2010, except some changes in growth rate and shares of the categories. The structure of inward processing exports is given in graph 4.2.

Inward processing of textiles, footwear and metals account for the highest share of inward processing, remaining the most important categories in this aspect (Graph 4.1). Inward processing is also developing in other sectors such as machinery assembling and food and beverages.

Inward processing exports of textiles category summed up to 33,504 mln ALL, accounting for 33.7% of total inward processing exports and for 1.5 % decrease in absolute value. This is the first decrease of share in years that is reflected in the exports of the main product groups as shown in the table 4.3. The main item of inward processing within the textile sector: trousers and shorts of cotton, has increased in value, but by only 4%. Other important traded items of the textiles inward processing sector are listed in the table 4.3.

Graph 4.1: Structure of inward processing exports, 2011

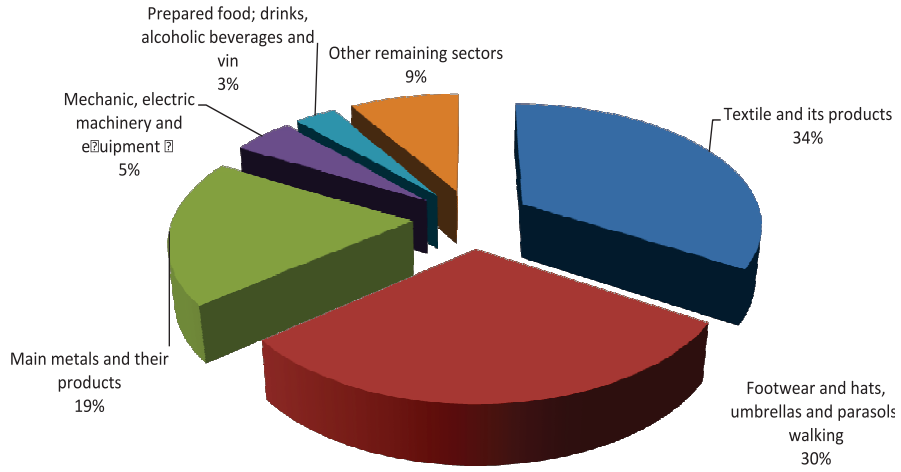


Table 4.3: Most important inward processing products					
HS Code	Description	2010	2011	Growth Rate	Share to Sector Exports
		in mln ALL	in mln ALL	in %	in %
640610	Uppers and parts thereof, other than stiffeners	8,964.00	10,237.42	14%	10.30%
620342	Mens/boys trousers and shorts, of cotton, not knitted	5,909.37	6,119.30	4%	6.16%
720711	Semi-fin prod,i/nas,rect/sq cross-sect cntg by wgt<.25% c,wdth<2X thk	4578.8339	5,322.09	0.1623249	5.36%
640340	Footwear,outr sole of rber/plas/leathr,uppers of leathr w/met toe-cap	2865.6832	4,894.42	71%	4.93%
830140	Locks of base metal, nes	4,504.34	4,542.30	1%	4.57%
721420	Bars & rods,i/nas,hr,hd or he,cntg indent,ribs,etc,prod dur rp/tar,nes	4,509.71	4,534.92	1%	4.56%
620520	Mens/boys shirts, of cotton, not knitted	3,909.01	4,370.40	12%	4.40%
640399	Footwear, outer soles of rubber/plastics uppers of leather, nes	2029.0032	2,812.88	39%	2.83%
640351	Footwear, outer soles and uppers of leather, covering the ankle, nes	2,139.94	2,752.76	29%	2.77%
160416	Anchovies, prepared or preserved, whole or in pieces, but not minced	2,544.92	2,695.90	6%	2.71%

Footwear products reached 30,218 mln ALL having increased in absolute value by 19.1 %, accounting for 30.4% of total inward processing exports. After the decrease in 2008 this sector has strongly recuperated in value in 2011, experiencing both growth and stabilization. The most important items within this sector are listed in table 4.3. Most of them have experienced an increase in 2010.

Metals and products thereof, another important category of the inward processing sector, were valued at 18,953 mln ALL, having increased in absolute value by 17 %. Main products within this category remain bars, rods and locks and parts thereof assembled in Albania.

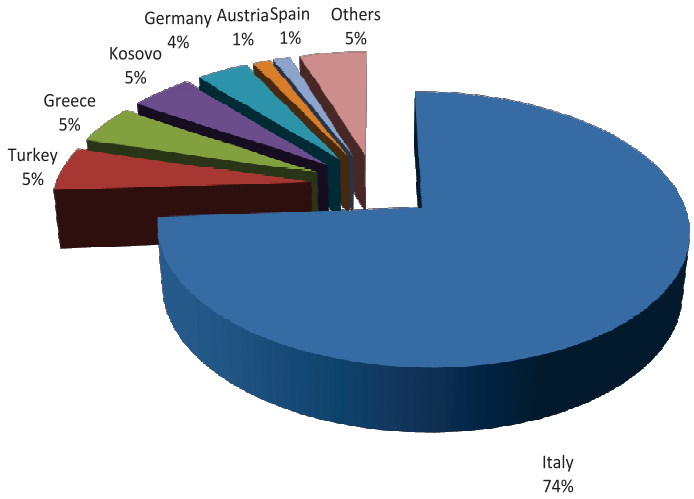
Inward processing of machinery and parts thereof was valued at 4,811 mln ALL. This category experienced also an increase by 21 %. Most important items within this category remain assembly parts used for machinery of headings, as well as other machinery parts.

Edible preparations items within inward processing account for 3 % of total inward processing exports, valued at 3,211 mln ALL. Their value increased by 10%, while their share remained unchanged. In line with the overall increase tendency the main food industry inward processing items such as anchovies accounting for 84% of this category, have experienced a further increases in value by 6%.

The geography of inward processing, see graph 4.2, shows some major changes as compared to 2009. The main inward processing trade partner is confirmed to be Italy, which experienced a gain in 2011, but has remained unchanged in 2011 at 74% of the total. Inward processing trade with Italy was valued at 73,468 mln ALL, increasing by 16% as compared to 2010.

This high concentration of the market has proved to carry high risks in case of crisis. Italian recession directly affected Albanian businesses and their trade relations with the Italian counter partners.

Graph 4.2: Geographic distribution of inward processing trade by country, 2011



The shares of total inward processing exports of the other countries are: Turkey (5.4%), Greece (4.8%) and Kosovo (4.6%). Note than Kosovo has replaced Germany as the third main partner for Albania's total exports of inward processing and Greece has no changes to 2010. Inward processing exports to Germany reached 3,789 million ALL, increasing by 11% in 2011.

Inward processing with regional countries has been positive in 2011 where exports to Macedonia increased by 130% and with a value of 1,079 mln ALL. Other countries in the region where trade increased were: Montenegro (5%), Croatia (10%), Bulgaria (124%) and Bosnia and Herzegovina (78%). While exports decreased only to Serbia (-12%).

4.2 Agriculture products

4.2.1 Exports

Agricultural products exports reached 11.140 million ALL (tab 4.5) or 19.7% higher than in 2010. Therefore the share to total exports of the country has reached 5.6 percentage points while the imports' coverage ratio went up to 12.1 %, from 10.7% in 2010. Despite this improvement it remains lower than the total imports' coverage ratio (37.95%).

The most exported agricultural product accounting for 74% of total agricultural exports are shown in table 4.6. Shifts in share and importance are to be observed because of specific group products dynamics. Exports of anchovies are ranked first for the third time, surpassing exports of medicinal herbs. Exports of anchovies in 2011 account for 24% of total exports and 6% increase to 2010, while the share of exports of medicinal herbs has increased in 2011, from 14% to 17%. There has been an increase of 44%. On the other hand, animal guts are the third most exported accounting for 7% of total exports and indicating an increase in value of 63% compared to 2010.

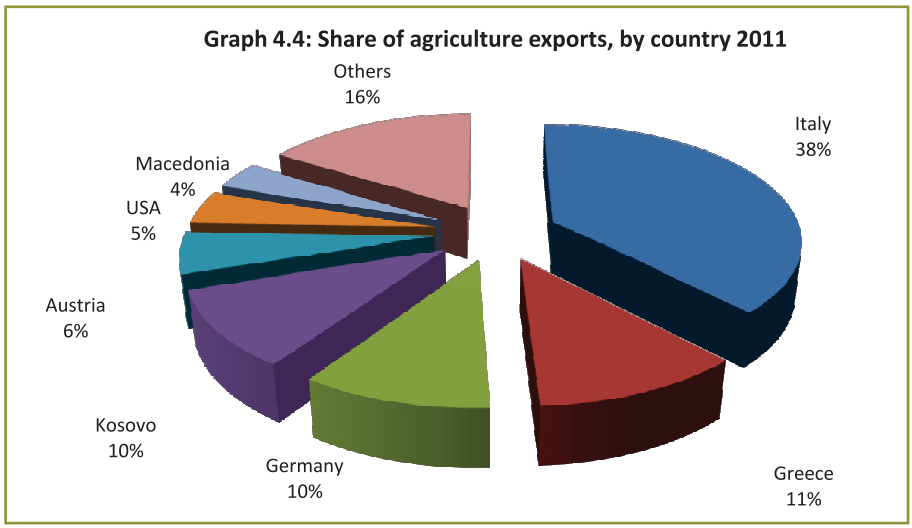
Dynamics of exports and imports in a chapter perspective is given in table 4.5. The largest share of agricultural exports goes to meat, fish and seafood (24.9%) and oil seed (24%). category with the highest increase as compared to 2010 is milling products but they represent only 0.7 of total exports. Oil seed, oleagic fruits, grain increased by 22.7% compared to 2010, while products of animal origin representing 7.1% of total exports increased by 66%.

Table 4.5: Trade flows of agricultural goods (in mln ALL and percentage)

		Exports				Imports			
HS Code	Description	2010	2011	Share to sector total in %	Change rate 10-11	2010	2011	Share to sector total in %	Change rate 10-11
1	Live animals	63.53	100.7	0.90%	58.51%	3,597.04	3,181.00	3.46%	-11.57%
2	Meat and edible meat offal	144.45	190.9	1.71%	32.15%	7,329.12	7,543.00	8.20%	2.92%
3	Fish, crustaceans, molluscs, aquatic invertebrates nes	1,290.20	1,031.50	9.26%	-20.05%	1,751.32	2,362.00	2.57%	34.87%
4	Dairy products, eggs, honey, edible animal product nes	310.96	304.6	2.73%	-2.04%	2,122.11	2,464.00	2.68%	16.11%
5	Products of animal origin, nes	478.93	795.1	7.14%	66.02%	241.51	398	0.43%	64.80%
6	Live trees, plants, bulbs, roots, cut flowers etc	53.61	77.4	0.69%	44.38%	386.78	384	0.42%	-0.72%
7	Edible vegetables and certain roots and tubers	463.74	910.2	8.17%	96.27%	2,751.63	2,105.00	2.29%	-23.50%
8	Edible fruit, nuts, peel of citrus fruit, melons	400.26	559.3	5.02%	39.74%	6,489.06	5,580.00	6.07%	-14.01%
9	Coffee, tea, mate and spices	120.6	92.3	0.83%	-23.46%	2,362.98	2,884.00	3.14%	22.05%
10	Cereals	2.26	13.9	0.12%	515.48%	10,732.99	14,322.00	15.57%	33.44%
11	Milling products, malt, starches, inulin, wheat gluten	0.7	72	0.65%	10135.72%	1,810.39	2,169.00	2.36%	19.81%
12	Oil seed, oleagic fruits, grain, seed, fruit, etc, nes	2,182.73	2,677.90	24.04%	22.69%	325.92	474	0.52%	45.43%
13	Lac, gums, resins, vegetable saps and extracts nes	23.94	21.8	0.20%	-8.95%	28.14	24	0.03%	-14.72%
14	Vegetable plaiting materials, vegetable products nes	1.95	2.4	0.02%	23.22%	0.65	-	0.00%	-100.00%
15	Animal,vegetable fats and oils, cleavage products, etc	105.09	240.3	2.16%	128.67%	5,682.20	6,899.00	7.50%	21.41%
16	Meat, fish and seafood food preparations nes	2,610.51	2,773.20	24.89%	6.23%	3,000.98	1,917.00	2.08%	-36.12%
17	Sugars and sugar confectionery	11.74	44.9	0.40%	282.51%	3,933.83	5,310.00	5.77%	34.98%
18	Cocoa and cocoa preparations	9.2	7.1	0.06%	-22.81%	1,140.34	1,263.00	1.37%	10.76%
19	Cereal, flour, starch, milk preparations and products	58.97	207.8	1.87%	252.38%	5,948.27	6,401.00	6.96%	7.61%
20	Vegetable, fruit, nut, etc food preparations	355.13	400.3	3.59%	12.72%	2,036.74	2,004.00	2.18%	-1.61%
21	Miscellaneous edible preparations	6.54	27.5	0.25%	320.51%	3,952.79	4,187.00	4.55%	5.93%
22	Beverages, spirits and vinegar	173.8	157	1.41%	-9.67%	9,310.62	9,814.00	10.67%	5.41%
23	Residues, wastes of food industry, animal fodder	-	12.4	0.11%	N/A	2,025.27	2,105.00	2.29%	3.94%
24	Tobacco and manufactured tobacco substitutes	439.73	419.6	3.77%	-4.58%	10,322.37	8,191.00	8.91%	-20.65%
	Total agriculture products	**9,309**	**11,140**		**19.68%**	**87,283**	**91,981**		**5.38%**
	Share to total trade flows	**5.80%**	**5.60%**		**22.64%**	**18.20%**	**16.90%**		**13.30%**

Table 4.6: Main agricultural products exports in mln ALL, 2011

HS Code	Description	2007	2008	2009	2010	2011	Share to total AP exports, in %	Growth rate 2010 - 2011
160416	Anchovies, prepared or preserved, whole or in pieces, but not minced	1,875.11	1,752.42	2,137.11	2,553.46	2,711.33	24%	6%
121190	Plants &pts of plants(incl sed&fruit) usd in pharm,perf,insect etc nes	1,686.72	1,870.75	1,196.48	1,332.24	1,923.91	17%	44%
50400	Guts, bladders and stomachs of animals except fish whole or in pieces	49.34	615.68	262.17	478.32	778.98	7%	63%
70200	Tomatoes, fresh or chilled	16.82	34.5	71.66	202.61	549.35	5%	171%
30749	Cuttle fish and squid,shelled or not,frozen,dried,salted or in brine	115.5	202.65	91.12	197.23	457.88	4%	132%
240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped	593.33	205.9	217.28	436.04	413.38	4%	-5%
200570	Olives prepard o preservd,oth than by vinegar o acetic acid,not frozen	158.34	181.69	188.04	309.95	348.54	3%	12%
121020	Hop cones, ground, powdered or pelleted and lupulin	63.01	74.7	350.73	329.93	328.81	3%	0%
80711	Watermelon	143.16	121.72	108.53	261.73	321.58	3%	23%
121490	Swedes,mangold,fodder root,hay,clover,sainfoin,forag kale,etc	74.36	138.45	243.42	381.76	291.44	3%	-24%
	Top ten exports					8,125.20	73%	
	Total AP exports					11,140.00		



4.2.2 Imports

Imports of agricultural products were valued at 91,981 million ALL, an increase of 5.4 percentage compared to 2010, marking a fall in its share of total imports by 1.3 percentage. In 2011 they accounted for 16.9% of total imports. The drop of import flows is observable in graph 4.3 as well.

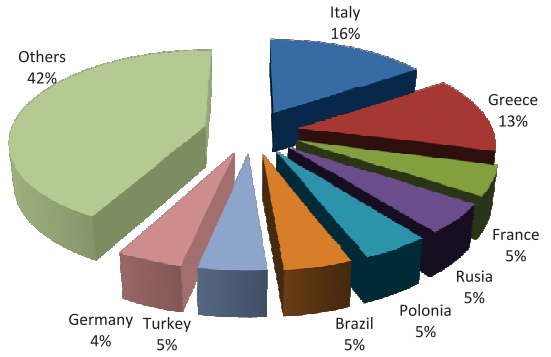
Imports of agricultural products to Albania are originating from a larger number of countries as the graph 4.5 shows. The main trading partners for agricultural products remain Italy and Greece, even though with lower shares, accounting for 16% and 13.2 % of total imports respectively. Their shares and values have decreased in 2011. Imports from Italy reached 14,438 mln ALL having decreased by 13% (while in 2010 they grew by 10%). Imports from Greece reached 12,274 mln ALL having decreased by 19 % (in 2010 imports from Greece increased by 17%)

Among other significant countries whose value of imports has increased are Russia (88%), France (134%), Brazil (96%), and Germany (142%). Decrease of imports value of agricultural products in 2011 was experienced with Bulgaria (-9%), Serbia (-10%) and USA (-6%).

Table 4.7: Main agricultural products imports in mln ALL, 2011

HS Code	Description	2007	2008	2009	2010	2011	Share to total AP imports, in %	Growth rate 2010 - 2011
100190	Wheat nes and meslin	6,548.60	7,979.39	5,289.28	7,006.51	10,918.95	12%	56%
240220	Cigarettes containing tobacco	5,102.89	6,821.53	8,019.42	10,300.16	8,126.70	9%	-21%
170199	Refined sugar, in solid form, nes	2,184.57	3,098.90	2,247.45	3,148.17	4,381.21	5%	39%
151219	Sunflower-sed/safflower oil&their fractions refind but nt chem modifid	1,781.97	3,091.27	2,177.71	2,587.21	3,360.81	4%	30%
220300	Beer made from malt	2,174.37	2,540.34	3,303.34	3,290.01	3,131.95	3%	-5%
20714	Parts of frozen chickens, etc.	412.94	902.61	1,249.46	2,204.89	2,905.72	3%	32%
220210	Waters incl mineral&aeratd,containg sugar o sweeteng matter o flavourd	1,190.02	1,422.72	1,619.93	2,290.12	2,684.79	3%	17%
210690	Food preparations nes	1,365.41	1,632.49	1,722.58	2,156.63	2,220.99	2%	3%
220290	Non-alcoholic beverages nes,excludg fruit/veg juices of headg No 20.09	831.18	1,105.53	1,478.28	1,756.49	1,874.57	2%	7%
190590	Communion wafers,empty cachets f pharm use&sim prod&bakers' wares nes	1,901.74	1,984.27	1,613.95	1,649.43	1,830.57	2%	11%
	Top ten imports					41,436.25	45%	
	Total AP imports					91,981.00		

Graph 4.5: Share of agricultural products imports, by country, 2011



The agricultural products imports structure is less concentrated that the structure of exports. The most imported products account only for 45 % of total imports as table 4.6 shows.

In 2011 wheat has become the most imported product, representing 12% of total agricultural products and noting an increase of 56% compared to 2010. This has surpassed cigarettes and Tabaco which is the second most imported good representing 9% of total agricultural products. This product has seen a fall of imports by 21% compared to 2010. Another product that has seen a drop in imports -5% is beer made of malt. For more details on shares and growth rates in percentage refer to table 4.6.

4.3 Trade in energy, minerals and base metals sector

4.3.1 Trade in electrical energy

In 2011 Albania produced lower levels of electricity compared to 2010 and this is reflected in the decrease in the levels of exports and increased levels of imports. Exports were valued at 6,672 million ALL thus decreasing by 36.9% compared to 2010. Exports of electricity are still characterized by instability and its share of total exports fell to 3.4% from 6.6% in 2010. The export of this product is still highly exposed to weather conditions.

Imports on the other hand increased by 90.5% and were valued at 22,575 million ALL. The countries Albania imported from were distributed across the region. Imports from Switzerland increased by 146% and were valued at 10,442 million ALL. Imports from Serbia were also higher at 6,112 million ALL or 35% higher than 2010.

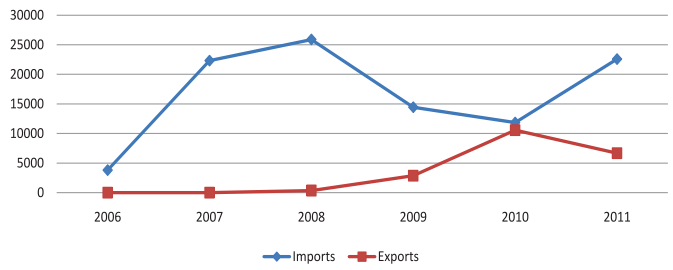
4.3.2 Trade in oil products

Trade of oil products reached 108.381 mln ALL 49% higher than in 2010. Trade in oil in 2011 accounted for 14.6% of total trade flows, 3.3 % higher than in 2010. The increase in trade volume has come from both imports valued at 73,330 mln ALL (35% increase) and exports valued at 35,051 mln ALL (90% increase).

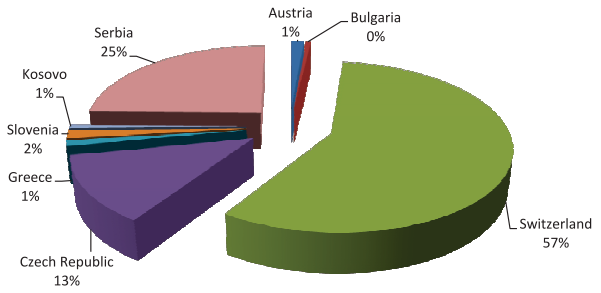
In terms of geographic distribution of exports, Italy remains the main exporting partner (21,190 mln ALL). Trade with Italy more than doubled in 2011, or a rise of 129% compared to 2010.

Other countries in the EU like Spain and Malta are the other two countries that Albanian oil products have been exported to. Exports to Spain were 5,532 mln ALL or 26% increase and exports to Malta were 4,676 mln ALL or 282% higher. Exports to Kosovo decreased for the second year running. In 2011 exports decreased by 13% while in Montenegro increased by 36%. Products within this category that are being exported are petroleum oil (85% of increase), aviation spirit, and light petroleum (953% of increase).

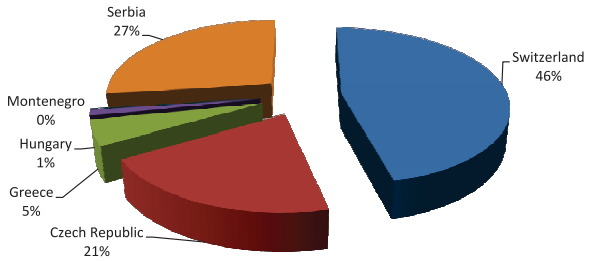
Graph 4.6: Trade Flow of electrical energy, in mln ALL



Graph 4.7: Share of electrical energy exports, by country, 2011

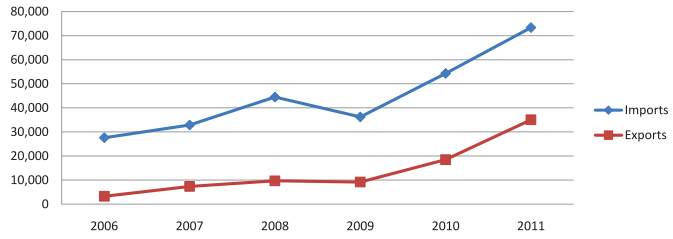


Graph 4.8: Share of electrical energy imports, by country, 2011



Major shifts in shares are to be observed in the geographic distribution of imports of oil products. Imports of oil products come mainly from Italy (40, 748 mln ALL), which accounts for a huge increase of 141% in 2011. While imports from Greece have dropped steadily from 2008 and in 2011 they decreased by 43%. Imports from, Israel

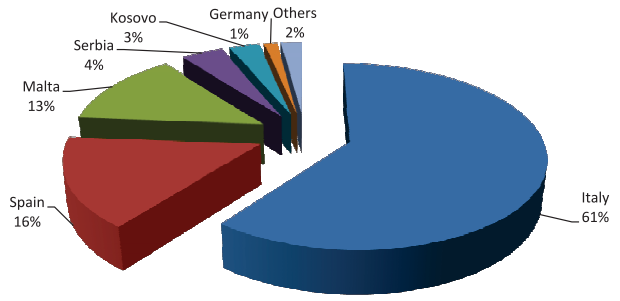
Graph 4.9: Trade Flows of oil products, in mln ALL



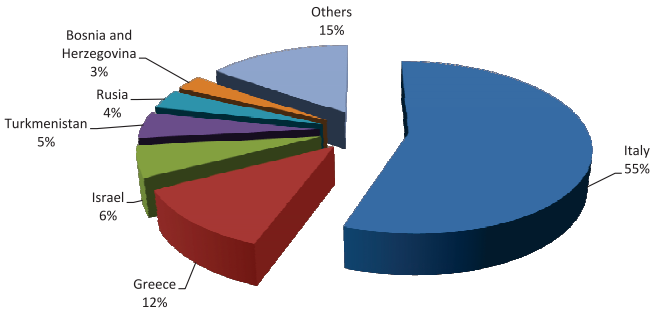
and Turkmenistan have also increased respectively by 41% and 1799%. While imports from Croatia dropped by 57% and placing and increased for Bosnia and Herzegovina (108%).

Bitumen and asphalt and Petroleum bitumen have experienced the largest increases in absolute values while the goods imported with the highest value were light petroleum and aviation spirit.

Graph 4.10: Shares of oil products' export by country, 2011



Graph 4.11: Shares of imports of oil products by country, 2011



4.3.3 Trade in mineral products

Mineral products trade volume reached 23,542 mln ALL which was unchanged compared to 2010. They account for 3.2% of total trade flows, experiencing a slight loss in terms of share (0.5%). Exports increased strongly by 8.3% while imports decreased by 15.5 %. This has also switched the positive trade balance of last year bringing exports to fully cover and exceed imports with a positive balance of 10,617 mln ALL in 2011, or 30% higher than 2010.

The most exported products remain chromium ores and different kinds of construction material as observable in table 4.8. However, in 2011 the export of this mineral decreased by 34% and was valued at 5,271 million ALL. Portland cement on the other hand has increased by 37% and with a value of 4,763 million ALL. As observed in 2011Copper ores have also increased by 79%.

In terms of geographic distribution, the main destination for Albanian exports is China but share of total exports has halved to 28% from 55% in 2010. Exports to Turkey have also increased significantly to 18% of overall export of metals and an annual increase of exports by 685%.

Imports of minerals are mainly represented by all kinds of construction materials again as observable in table 4.9. Most of them, as observed in 2010, have experienced decrease in 2011. This was due to the slowdown of construction industry

Table 4.8: Main exported mineral products in mln ALL, 2011

HS Code	Description	2007	2008	2009	2010	2011	Share to total sector exports, in %	Growth rate 2010-2011
261000	Chromium ores and concentrates	4,493.60	5,514.02	4,028.76	8,045.07	5,271.65	31%	-34%
252329	Portland cement nes	401.83	1,478.29	1,566.47	3,487.34	4,763.07	28%	37%
260300	Copper ores and concentrates	947.33	1,929.81	1,527.63	2,329.40	4,179.36	24%	79%
260111	Iron ores&concentrates,oth than roasted iron pyrites,non-agglomerated	682.33	585.51	648.4	726.92	1,564.16	9%	115%
251690	Monumental or building stone nes	168.55	224.19	286.46	332.38	317.01	2%	-5%
252321	Portland cement, white, whether or not artificially coloured	11.55	3.69	156.22	54.1	295.85	2%	447%
252310	Cement clinkers	693.46	259.41	73.44	491.44	176.03	1%	-64%
251400	Slate, whether or not roughly trimmed or merely cut etc	0.04		75.37	108.27	160.8	1%	49%
251520	Ecaussine & other calcareous monumental or building stone; alabaster		4.93	40.98	53.5	65.6	0%	23%
250100	Salt (includg table salt&denaturd salt) pure sodium chloride&sea water	7.69	18.29	16.56	10.81	61.92	0%	473%
	Top Ten exports					**16,855.46**	**99%**	
	Total MP exports					**17,079.00**		

in Albania during the previous year. Importing partners remain Greece and Italy, which account for slight changes in shares. Imports from Greece have decreased by 49% when compared to 2010, or 73% compared to 2009. Imports from Italy have decreased by a lower rate of 6% in 2011.

Graph 4.12: Share of mineral exports by country, 2011

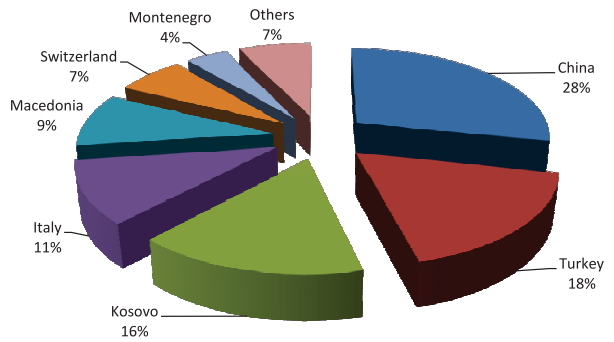


Table 4.9: Main imported mineral products in mlnALL, 2011

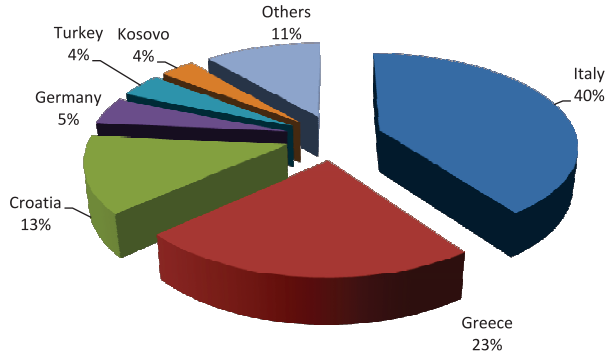
HS Code	Description	2007	2008	2009	2010	2011	Share to total Mineral imports, in %	Growth rate 2010-2011
252329	Portland cement nes	4,202.72	4,091.80	5,915.70	4,144.31	2,741.45	42%	-34%
252390	Hydraulic cements nes	2,367.31	2,669.68	3,387.94	2,005.46	1,727.49	27%	-14%
251511	Marble and travertine, crude or roughly trimmed	515.54	594.09	469.64	428.03	413.37	6%	-3%
252321	Portland cement, white, whether or not artificially coloured	101.26	202.76	129.97	213.67	214.09	3%	0%
250100	Salt (includg table salt&denaturd salt) pure sodium chloride&sea water	192.09	178.99	202.83	195.03	205.94	3%	6%
261000	Chromium ores and concentrates		76.5	11.41	104.48	192.87	3%	85%
251730	Tarred macadam	47.75	114.43	629.6	18.18	191.59	3%	954%
251749	Granules,chippings & powder nes,of 25.15 or 25.16 heat-treated or not	1.49	1.68	1.02	10.82	91.33	1%	744%
252220	Slaked lime	22.7	38.94	44.27	65.4	81.39	1%	24%
262190	Other remaining parts of metal		0.88	4.39	21.26	70.54	1%	232%
	Top ten imports					**5,930.06**	**92%**	
	Total MP imports					**6,462.27**		

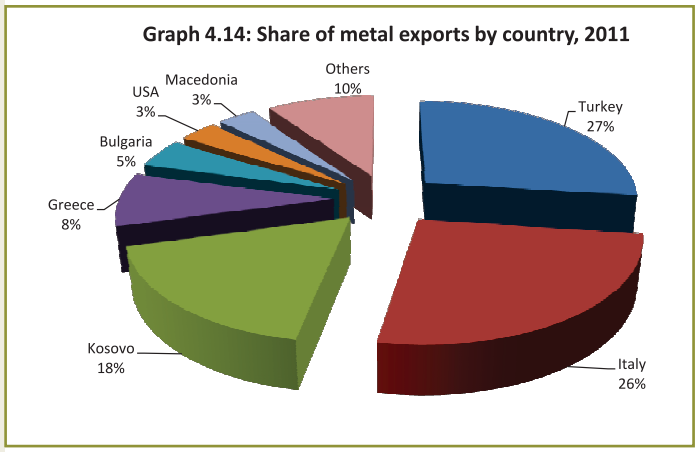
4.3.4 Trade in base metal and products thereof

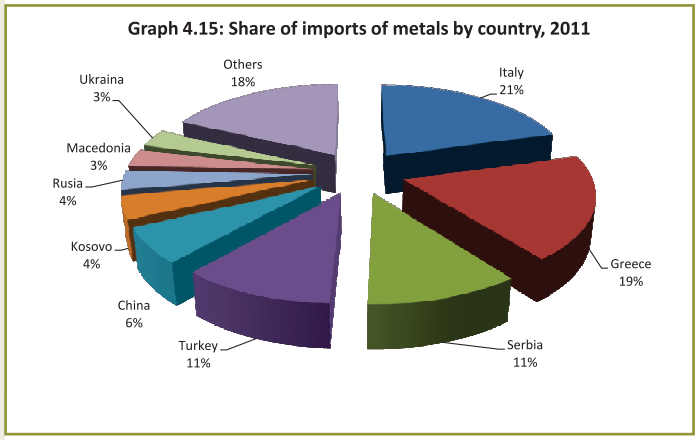
Exports were valued at 40,293 mln ALL having increased by 27.9 % in 2011, accounting for an increase of share to total exports reaching at 20.4%.

Main exporting partner countries are Italy, Turkey, Kosovo and Greece. Exports to all these countries experienced positive growth in 2010. Turkey has become the main exporting country for Albania at 10,935 million ALL or 26% higher than 2010. Exports to Italy increased by 8 % reaching at 10,379 mln ALL. Exports to Greece increased by 57% and were valued at 3,428 million ALL.

Graph 4.13: Share of mineral imports by country, 2011







The main exported item remains iron bars and rods and locks which all increased in 2011. However, the main exported products for this year are semi-finished products of iron which remain the most exported product like in 2010. In 2011 this product reached at 10,369 mln ALL registering a value 39% higher than in 2010 (see table 4.10). The other products listed in the top ten exports have not changed and supply mainly the construction and metal processing industries.

Imports of metals were valued at 68,135 million ALL having also increased by 10.6 %. Their share to total imports remained almost the same as in 2010 at 12.5%. The main importing partners for metal products remain Italy, Greece, Turkey and the region as the graph 4.14 shows. Italy, as main partner, accounts for 14,086 mln ALL of imports, which has decreased by 6% compared to 2011. While Albania has increased its imports from other countries: Greece (16%), Turkey (18%) and Serbia (5%). The increase of imports from these countries is also reflected in the overall import of metals which is 10.6% higher in 2011.

Table 4.10: Main metal products exports in mln ALL, 2011

HS Code	Description	2007	2008	2009	2010	2011	Share to total Metals exports, in %	Growth rate 2010-2011
720711	Semi-fin prod,i/nas,rect/sq cross-sect cntg by wgt<.25% c,wdth<2X thk	0.09			7,434.86	10,369.17	26%	39%
721420	Bars & rods,i/nas,hr,hd or he,cntg indent,ribs,etc,prod dur rp/tar,nes	2,633.98	6,210.04	3,865.29	5,372.47	7,576.64	19%	41%
830140	Locks of base metal, nes	3,526.86	3,906.45	3,715.78	4,506.07	4,544.02	11%	1%
720241	Ferro-chromium containing by weight more than 4% of carbon	115.96	2,619.34	22.79	3,115.65	4,472.72	11%	44%
740400	Waste and scrap, copper or copper alloy	2,470.81	1,802.90	1,107.96	2,997.66	3,887.89	10%	30%
720449	Ferrous waste and scrap, iron or steel, nes	831.24	1,384.99	274.34	2,188.91	3,727.66	9%	70%
760200	Waste and scrap, aluminium	948.49	908.01	273.48	921.97	687.7	2%	-25%
830249	Mountings, fittings and similar articles of base metal, nes	293.09	566.43	260.06	595.75	548.99	1%	-8%
760120	Aluminium unwrought, alloyed	516.86	248.43	80.2	693.59	510.1	1%	-26%
760410	Bars, rods and profiles, aluminium, not alloyed	453.92	462.33	350.84	306.91	435.94	1%	42%
	Top ten imports					**36,760.82**	**91%**	
	Total Metal Products imports					**40,293.08**		

Table 4.11: Main imported metal products in mln ALL, 2011

HS Code	Description	2007	2008	2009	2010	2011	Share to total Metals exports, in %	Growth rate 2010-2011
720449	Ferrous waste and scrap, iron or steel, nes	3,708.37	3,758.93	3,642.71	10,529.52	14,030.23	21%	33%
721420	Bars & rods,i/nas,hr,hd or he,cntg indent,ribs,etc,prod dur rp/tar,nes	7,588.52	8,410.68	10,104.68	9,367.03	10,424.50	15%	11%
830160	Lock parts,includg parts of clasps o frames w clasps,of base metal,nes	3,415.00	3,755.18	3,535.14	4,388.02	4,445.39	7%	1%
730890	Structures&parts of structures,i/s (ex prefab bldgs of headg no.9406)	1,870.89	6,571.77	2,775.07	4,932.65	4,336.87	6%	-12%
760120	Aluminium unwrought, alloyed	1,525.72	1,411.62	1,183.81	1,554.63	1,795.96	3%	16%
721391	Shufra e shkopinj,punuar ne te nxehte,ne spirale te crregullta,sek.kryq-rrethor d<14mm	1,717.34	1,518.70	743.16	1,251.78	1,380.39	2%	10%
760429	Bars, rods and other profiles, aluminium alloyed	276.18	301.35	783.92	947.1	1,253.70	2%	32%
730419	Leather of Reptiles		4.13	375.27	1,053.66	1,210.91	2%	15%
720839	Produkt petezuar me rul,prej gize apo celik I palidhur,me trashesi <3mm,gjeresi>=600mm.	706.37	371.04	733.66	813.12	1,180.73	2%	45%
732690	Articles, iron or steel, nes	870.64	1,197.01	815.38	1,189.24	1,064.07	2%	-11%
	Top ten imports					**41,122.75**	**60%**	
	Total MP imports					**68,134.79**		

4.3.5 Trade in ICT

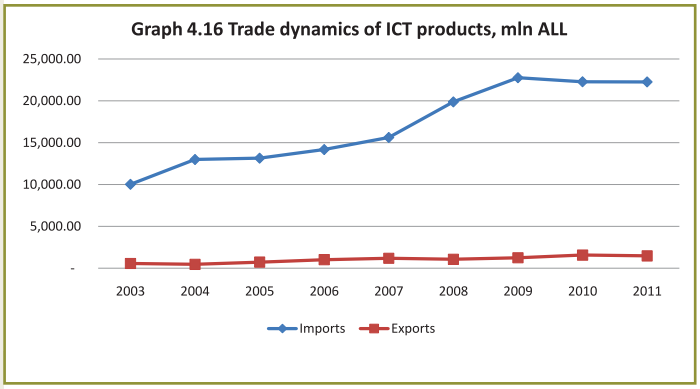
Information and communications technology (ICT) has become a key driver of economic growth over the past decade. The sector is among the most dynamic in goods and services trade, export orientated foreign direct investment (FDI) and cross-border mergers and acquisitions (M&A) particularly in telecommunications services. There is a significant global restructuring of ICT production activities, with the emergence of Eastern European and non-member and developing countries as both producers and new growth markets, and with the global relocation of ICT and ICT-enabled services production[17].

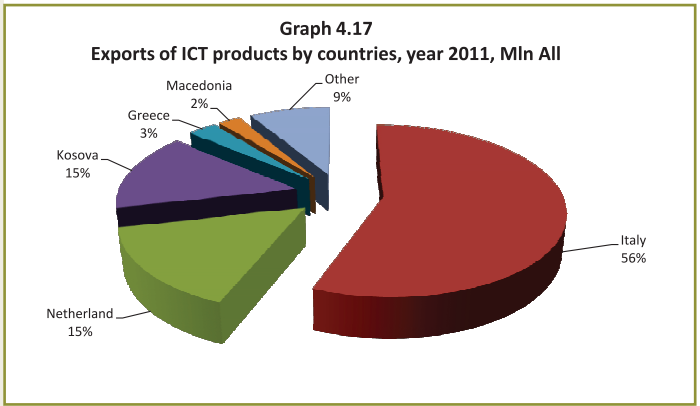
The rapid diffusion of the Internet, of mobile telephony and of broadband networks all demonstrate how pervasive this technology has become. According to OECD definition, ICT goods are those that are either intended to fulfill the function of information processing and communication by electronic means, including transmission and display, or which use electronic processing to detect, measure and/or record physical phenomena, or to control a physical process. ICT goods are defined by the OECD in terms of the United Nations Harmonized System.

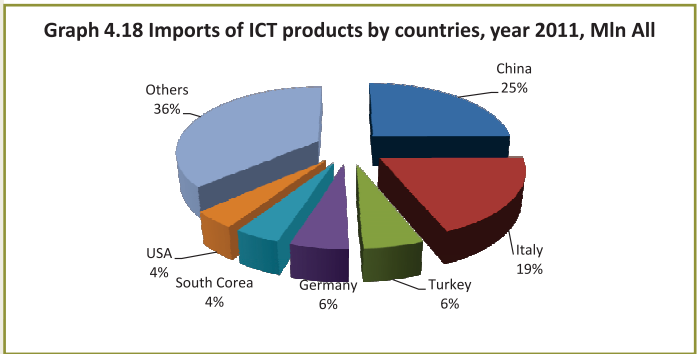
In the case of Albania, the ICT sector is still considered at early stages but developing at good pace. According to the Global Information Technology Report 2012, which is prepared and published by the World Economic Forum, Albania is ranked at the 68th position out of 142 countries[18]. The reports' evaluations and performances of Albania vary among the different indicators. It appears that Albania has reached good records in terms of skills and affordability in this field, but there isn't yet sufficient usage of technology and socio-economic impact is still weak. With reference to capacities and readiness, the Report shows that Albanian business presents weak abilities for innovation (place 119/142) and is one of the last countries in the world in terms of PCT patents applications per population. Despite the low rate of venture capital availability (124/142) and weak local competition (122/142), the fact that procedures required for starting a business are particularly simplified (28/142) somehow balances the overall indexes on business environment and information technology.

As graph 4.15 shows, trade of ICT products has experienced a slowdown in the last two years. After the decrease of 2009 and 2010, in 2011 both imports and exports have maintained almost the same figures as in 2010. Exports reached at

[17] OECD, Information Technology Outlook: ICT Trade and Globalization of the ICT, 2010.
[18] World Economic Forum, Global Information Technology Report 2012.







1,473 mln ALL, while imports were 22,270 mln ALL. As table 4.12 shows, exports are much more concentrated and top 10 exported products represent 92% of total ICT exports. This reflects a common pattern as other Albanian sectors as well. Top 10 imported products represent 56% of total ICT imports.

This sector presents a considerable trade deficit (88% in 2011), which was deepened mainly between 2007 and 2008.

As regarding geography of Albanian ICT trade, as in other sectors, exports are much more concentrated than imports. Italy is the main destination for ICT products that Albania exports, counting for 56% of total exports of this category. The Netherland and Kosovo are the second most important partners in terms of exports counting for 15% each.

On the other hand, imports share is spread between different countries. For 2011 the main partner is confirmed to be China. Albania is importing more than 25% of its ICT products from China. Italy is left behind with 19% of share on total Albanian imports. Other countries that follow are Turkey (6%), Germany (6%), USA (4%), South Korea (4%), etc.

Table 4.12 and 4.13 present main specific ICT products exported and imported in 2011. The structure of exports is once again highly concentrated and top ten products count for 92% of total exports. Top ten imported products amount at 56% on total imports. This sector does not represent a stabilized structure yet, in terms of trade, and therefore main traded products change often after each year.

Table 4.12 Main exported ICT products fo r 2011. mln all

HS6	Description	Mln all	Share on Total ICT Exports
854449	Electric conductors. for a voltage not exceeding 80 V	491.74	33%
851769	Other Telephonic Apparatus	390.79	27%
847330	Parts & accessories of automatic data processing machines & units thereof	192.65	13%
851770	Other Telephonic Apparatus	96.56	7%
852871	Other Color television	69.01	5%
847149	Digital Processing Units	39.20	3%
854442	Other Electric Conductors. Fitted With Connectors. Not Exceeding 80	22.95	2%
851762	Other Apparatus. for Carrier-current Line Systems	16.57	1%
901590	Parts and accessories for use with the apparatus of heading No 90.15	16.24	1%
852910	Aerials & aerial reflectors of all kinds. parts	13.21	1%
	Top 10 exported products	1,348.93	92%

Table 4.13 Main imported ICT products for 2011 . mln all

HS6	Description	Mln all	Share on Total ICT Imports
854449	Electric conductors. for a voltage not exceeding 80 V	2.859.40	13%
851762	Other Apparatus. for Carrier-current Line Systems	2.031.21	9%
852872	Other Color television	1.910.35	9%
851770	Other Telephonic Apparatus	1,246.39	6%
851712	Telephone Sets	1,131.15	5%
847150	Digital Processing Units	848.51	4%
852871	Other Color television	705.20	3%
851769	Other Telephonic Apparatus	645.59	3%
847130	Digital Automatic Data Processing Machines	614.19	3%
847330	Parts & accessories of automatic data processing machines & units thereof	581.20	3%
		12,573.18	56%

V Albania's Trade Geography

5.1 Main characteristics of trade geography

During 2011, the structure of geography of trade has not changed significantly, as compared to 2010, but further shifts in shares to total trade flows, following last year's tendencies are to be observed. The most important trade partner of Albania accounting for the highest share of exports to and imports from, remain the EU-27 countries.

Exports to the EU-27 countries account for 72 percent of total exports, having experienced a light increase of 2 percentage points in relative share as compared to the previous year. The yearly growth rate of exports to EU countries was 26%. Imports from EU-27 countries account for 65 percent of total imports. Their share has decreased by 4 percentage points.

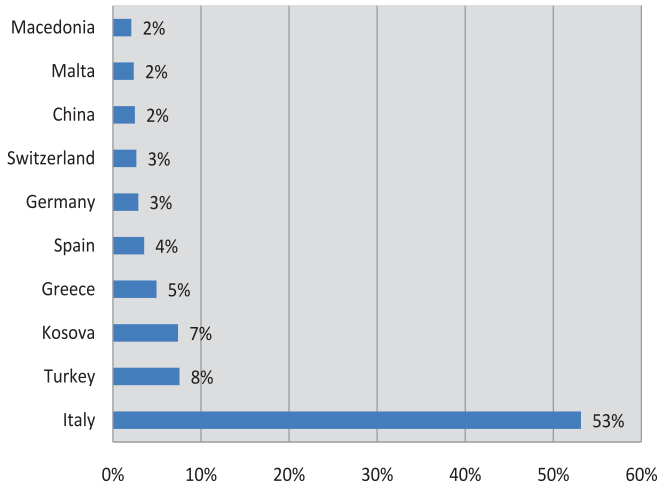
The second most important group of countries in terms of trade is the countries of the region. Their relative share of total exports reached 12%, where Kosovo is the main trading partner, and the share of total imports of the countries of the region reached 9%.

Other main countries exports shares to the total trade flows have experienced a slight decrease of 1%. This is in contrast to the previous year where they increased by 266% as compared with 2009. These countries represented 14% of total exports of Albania.

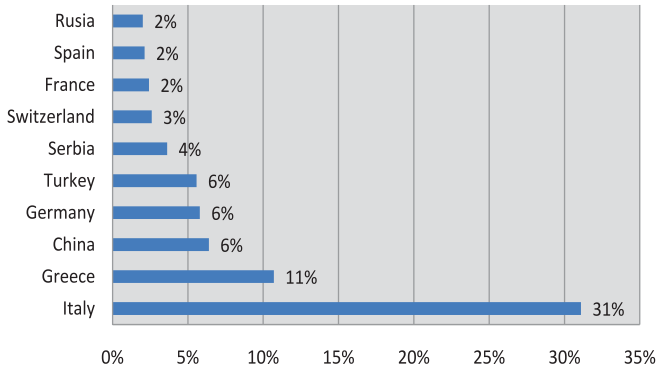
Table 5.1: The geography of Albania's trade flows, 2011

	Exports			Imports		
	Value	Share to total	Growth rate 2011/2010	Value	Share to total	Growth rate 2011/2010
	(Million ALL)	(in %)	(in %)	(Million ALL)	(in %)	(in %)
EU-27	**142,732.02**	**72%**	**26%**	**352,216.05**	**65%**	**7%**
Italy	104,941.25	53%	28%	169,152.14	31%	16%
Greece	9,788.28	5%	12%	58,241.41	11%	-15%
Spain	6,999.91	4%	25%	11,563.76	2%	73%
Germany	5,694.02	3%	27%	31,532.81	6%	55%
Malta	4,683.50	2%	282%	172.34	0%	-28%
Bulgaria	2,424.89	1%	49%	6,924.43	1%	-28%
Other EU countries	8,200.18	4%	-12%	74,629.16	14%	-4%
Countries of the region	**24,559.12**	**12%**	**50%**	**48,435.86**	**9%**	**1%**
Kosova	14,620.78	7%	50%	5,181.96	1%	19%
Macedonia	4,147.59	2%	59%	8,916.05	2%	-8%
Serbia	3,596.17	2%	85%	19,724.26	4%	12%
Montenegro	1,648.74	1%	9%	1,434.87	0%	-33%
Croatia	308.84	0%	22%	7,544.06	1%	-21%
Bosnia and Herzegovina	237.08	0%	-27%	5,429.77	1%	34%
Moldavia		0%	-100%	204.88	0%	-46%
Other countries	**27,198.35**	**14%**	**-1%**	**104,866.48**	**19%**	**37%**
Switzerland	5,279.21	3%	-21%	14,154.87	3%	17%
China	4,929.65	2%	-44%	34,779.97	6%	75%
Rusia	14.106923	0%	294%	10,912.59	2%	96%
Turkey	14,942.03	8%	55%	30,342.72	6%	8%
Ucraine	31.73	0%	2503%	6,642.11	1%	38%
USA	2,001.63	1%	-16%	8,034.22	1%	34%
RoW	**2,969.50**	**2%**	**-26%**	**38,485.61**	**7%**	**41%**

Graph 5.1: Countries exports' shares to total exports



Graph 5.2: Countries import's shares to total imports



The geography of trade is shown in more detail in the table 5.1 and in the graphs 5.1 and 5.2. While the table gives an overview of the importance of each country as part of the group-country, the importance of each single country with respect to their role as an export or import partner, is enhanced in the graphs 5.1 and 5.2 respectively.

In 2011, the main trading partner remained the EU -27 and Italy accounted for the highest shares of trade volume at 55% from EU -27 countries. Exports to Italy represented 73% of total exports to EU-27 countries. Also exports to Italy represent 53% of the shares of total exports, 2 percentage points higher than the previous year.

Greece on the other hand remains the other important trading partner within the EU-27 as it represents 14% of total trade volume. Greece however represents only 5% of total exports and is lower than exports to Turkey, 8%, and Kosovo, 7%. In terms of imports it remains an important partner after Italy. It represents 11% of total imports.

The countries of the region represent an important group of partners for the Albanian foreign trade, due to the geographic vicinity and the consistent amount of trade with these countries. Countries of the region with highest shares to total exports are Kosovo accounting for 7 percent of total exports, Macedonia accounting for 2 percent. Countries of the region ranked among the top ten countries from where we import the most (graph 5.2) is Serbia accounting for 4 percent.

5.2 Albania's trade with the EU-27

5.2.1 Trade flows with the EU-27

Trade flows between Albania and the EU-27 were valued at 494,948 mln ALL having increased by 12 percent during 2011. The share of EU-27 countries trade flows has decreased by 2 percentage points, to 67%.

Exports to the EU-27 account for 72 percent of total exports of Albania. Exports values have increased by 26% which is higher than the general increase of Albania's total exports.

Imports on the other hand increased by 6.9 % compared to 2010, thus Representing 65% of total imports of the country as you can observe in table 5.2.

The export/import coverage ratio has increased to 41 percent from 34 percent in 2010, the highest in the past four years and also higher than the total exports imports coverage ratio. Trade flows were mainly oriented towards Italy even this year, followed by Greece and then Germany, as you can observe in graph 5.3.

Italy's trade flows' share to total trade volumes with EU-27 has grown to 55 percent mainly because of the increase of exports. Greece trade flows' share to total trade volumes are at 14% percent accompanied by a decrease in absolute value of total trade flows.

Table 5.2: Summary of key trade indicators between Albania and the EU-27, in milion ALL, or in %					
Trade Indicators	**2007**	**2008**	**2009**	**2010**	**2011**
Albania - EU trade volume	317,940.32	368,814.96	372,740.11	442,259.67	470,636.62
Share tot total Albanai's trade volume	67%	67%	70%	69%	63%
Imports from the EU-27	237,225.46	279,207.01	291,130.48	329,266.34	328,561.90
Share to total Albania's import	63%	64%	68%	69%	60%
Exports to the EU-27	80,714.86	89,607.95	81,609.62	112,993.33	142,074.72
Share to total Albania's export	83%	80%	79%	70%	72%
Trade balance of the trade with EU-27	-156,510.60	-189,599.07	-209,520.86	-216,273.01	-186,487.17
Share to total Albania's trade balance	56%	58%	64%	68%	54%
Exports to the EU/Imports from EU, Coverage ratio	34%	32%	28%	34%	43%
Total Exports/Total Imports Coverage ratio	26%	26%	24%	34%	36%

5.2.2 Structure of exports to the EU-27

Exports to the EU were valued at 142,732.02 mln ALL in 2011 from 112,993 mln ALL the previous year having experienced an increase of 26%. Most of the EU countries members of EU-27 have experienced a significant increase on their export values such as Italy (28% with high impact in overall values), Germany (27%), Greece (12%), etc. Among countries to which exports grew with a high pace during 2010 we could mention Malta (282%) and Bulgaria (49%). Graph 5.4 gives a detailed view of countries shares to total exports of Albania to EU-27 countries.

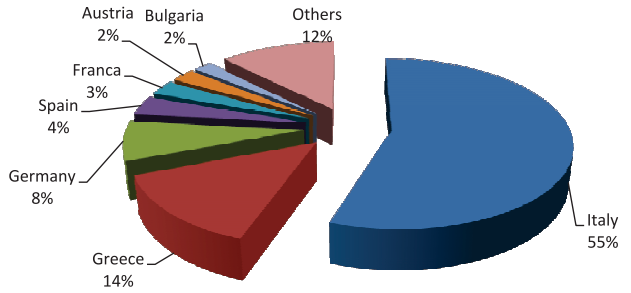
The structure of exports to the EU-27 countries reflects some changes in shares of categories.

In 2011 textile and footwear remained the most exported category to the EU-27 countries representing 44% of total exports, but 4% lower than in 2010. This was represented mainly by inward processing items that are re-exported to their country of origin, mostly Italy and Greece.

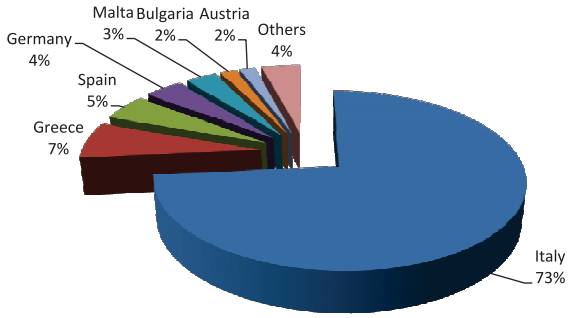
Mineral products now represent 25% of total exports from 18% in 2010. The structure of exports to the EU-27 countries by category is shown more explicitly in graph 5.4.

The ten most exported products in 2011 account for 52 percent of total exports from 44% in 2010. 5 categories are represented this year in the most exported items list: fuels, minerals, metals, textiles and footwear. For the first time from a long time the most exported product is not "uppers and parts" (HS 640610). The most exported product for 2011, the same as in 2010, was Petroleum oils. Petroleum oils account for 14% of total exports to EU-27 in 2010 having grown by 98 % in 2011.

Graph 5.3: Share of EU member to total Albania - EU-27 trade volume, 2011



Graph 5.4: Composition of exports to EU-27, by member countries, 2011



Graph 5.5: Structure of exports to EU-27 countries, 2011

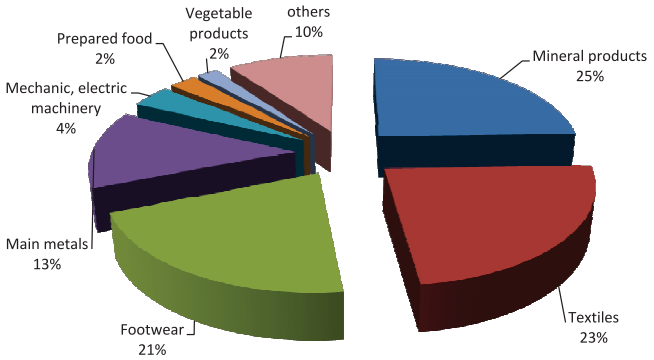
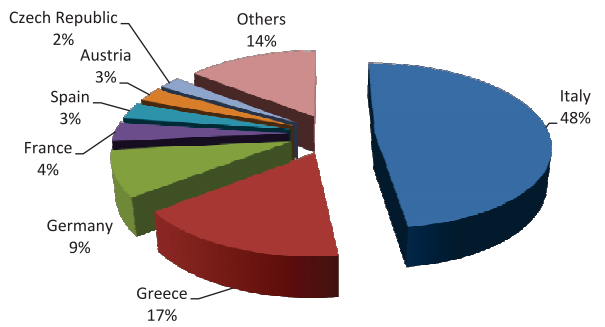


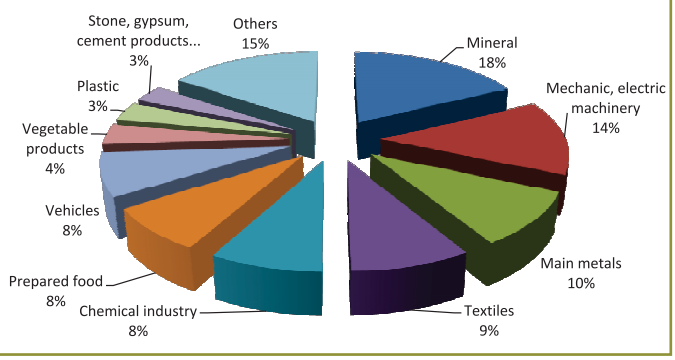
Table 5.3: Ten most exported products to the EU-27, 2011 (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Growth % 2011 - 2010	Growth % 2011 - 2007
270900	Petroleum oils and oils obtained from bituminous minerals, crude	1,753.88	4,196.13	5,943.87	7,020.48	15,759.55	31,262.83	98%	645%
640610	Uppers and parts thereof, other than stiffeners	10,807.41	10,175.43	8,339.43	7,703.41	8,964.95	10,239.08	14%	1%
620342	Mens/boys trousers and shorts, of cotton, not knitted	5,832.25	6,764.13	6,478.63	4,986.11	5,899.50	6,120.01	4%	-10%
640340	Footwear,outr sole of rber/plas/leathr,uppers of leathr w/met toe-cap	3.06		3.23	4.3	2,829.76	4,819.32	70%	
830140	Locks of base metal, nes	2,350.09	3,526.70	3,905.67	3,715.78	4,506.07	4,544.02	1%	29%
620520	Mens/boys shirts, of cotton, not knitted	2833.253	3197.941	3467.054	3,477.45	3,909.62	4,370.41	12%	N/A
740400	Waste and scrap, copper or copper alloy	2,759.82	2,449.65	1,775.23	1,052.77	2,948.85	3,859.16	31%	58%
720449	Ferrous waste and scrap, iron or steel, nes	948.01	565.77	827.92	248.55	1,590.73	3,256.90	105%	476%
720241	Ferro-chromium containing by weight more than 4% of carbon	967.29	115.96	2345.636	22.79	1,633.14	2,896.86	77%	2398%
640399	Footwear, outer soles of rubber/plastics uppers of leather, nes	139.1	391.77	545.58	676.58	1,985.07	2,785.51	40%	611%

Graph 5.6: Structure of imports from EU-27, by member countries, 2011



Graph 5.7: Structure of imports from EU-27, 2011



There are some other categories whose exports to the EU have experienced an increase. Exports of textiles are represented again by the same products groups: men's and boy's trousers, shirts and t-shirts. The main exported item accounting for 3% of total exports, 2 percentage points lower, has experienced 4% increase in 2011. Exports of this group of products is 23% higher than 2009. Exports of metal products are represented by locks of base metal which account for 2 percent of total exports an unchanged compared to the previous year.

5.2.3. Structure of imports from EU-27

Imports from EU-27 countries amounted to 352,216 mln in 2011 from 329,266 mln ALL in 2010, having increased by 7% as compared to 2010.

The share to total imports has however decreased by 4 percentage points to 65%.

Imports to this group of countries are represented by Italy and Greece which account for 44% of total imports. This reflects a drop in total imports from these countries mainly because of the drop in imports from Greece (-15%). Germany, Bulgaria, Malta and Spain, remain important import partners. Respective shares of imports of most important partners within EU-27 are explicitly shown in the graph 5.6 (above).

Imports from the EU-27 are spread more evenly between sectors than exports (graph 5.7). Mineral products represent 21% of total imports to the country. Machinery including transportation and mechanical machinery account for 16 percent

Table 5.4: Ten most imported products from the EU-27, 2011 (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Growth % 2011 - 2010	Growth % 2011 - 2007
271019	Light petroleum distillates nes	10,919.26	12,079.68	17,226.96	14,606.00	23,732.89	38,524.80	62.33%	218.92%
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc	3,988.18	5,784.82	5,729.78	5,681.60	5,296.11	8,909.56	68.23%	54.02%
300490	Medicaments nes, in dosage	3,384.09	5,098.86	5,579.59	6,185.29	8,537.11	8,902.95	4.29%	74.61%
271011	Aviation spirit	3,445.14	4,205.76	4,615.98	4,545.18	6,617.54	8,700.46	31.48%	106.87%
240220	Cigarettes containing tobacco	2,978.42	3,285.56	6,012.71	7,636.14	9,941.16	7,704.70	-22.50%	134.50%
721420	Bars & rods,i/nas,hr,hd or he,cntg indent,ribs,etc,prod dur rp/tar,nes	1,749.92	2,206.32	2,979.88	5,429.44	5,714.68	6,995.30	22.41%	217.06%
271600	Electrical energy	3,147.32	2,334.62	2,930.26	2,941.88	3,081.22	6,017.97	95.31%	157.77%
690890	Tiles, cubes and sim nes, glazed ceramics	1,571.05	1,584.59	2,467.24	2,153.01	4,585.31	4,831.90	5.38%	204.93%
100190	Wheat nes and meslin	456.81	471.21	2,494.54	1,418.99	2,278.62	4,785.45	110.02%	915.57%
410719	Leather of Reptiles	2,962.71	5,493.82	4,550.48	4,436.59	5,089.74	4,737.13	-6.93%	-13.77%

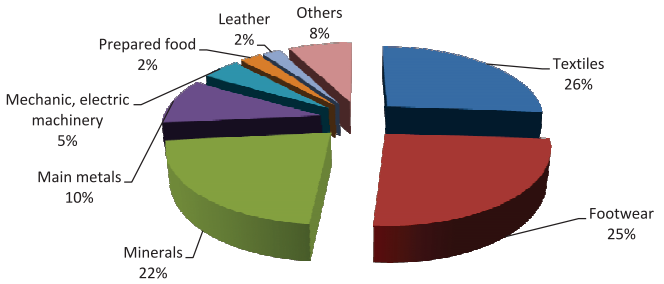
of total imports from EU-27. Another important imports' category are Main Metals for 12 percent of total imports from EU followed by edible food and beverages, Textiles and Chemicals.

Table 5.4 provides information about the most imported products at a 6 digit level. The 10 most imported products in 2011 accounted for 28 percent of total imports of EU-27, showing a lower degree of concentration than exports. Most of them have experienced significant growth when compared to the previous year and when compared to 2005. Exemptions from this rule are imports of cigarettes which dropped by 22.5%.

These products are for some years now on the list of top imported products. They represent raw materials for different industry sectors such as construction, outward processing or for the economy in overall, but also commodities dedicated for the end customer such as medicaments, cigarettes etc.

Graph 5.8: Trade with Italy, 2011

Graph 5.9: Structure of exports to Italy, 2011

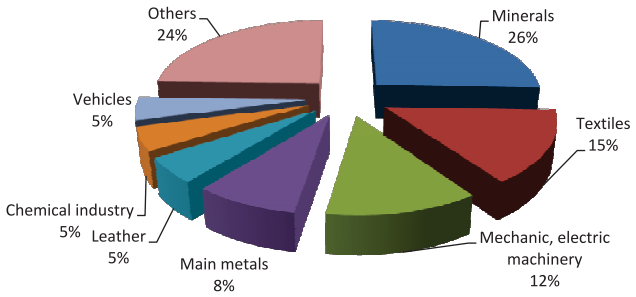


5.2.4 Trade with Italy

Trade volume with Italy reached 274, 088 mln ALL in 2011, having increased by 20.2 percent in comparison to 2010 (tab 5.1). Trade volume with Italy represents 37% of total trade volume of Albania. Exports reached 104.941 mln ALL in 2011 having increased in total by 28 percent. Imports reached 169.152 mln ALL, having increased by 16 percent. The trade deficit decreased by 121 million ALL in 2011 (-64.206) compared to 2010 (-64.085).

Exports to Italy are mainly represented from textile and footwear products which account for 25 percent

Graph 5.10: Structure of imports from Italy, 2011

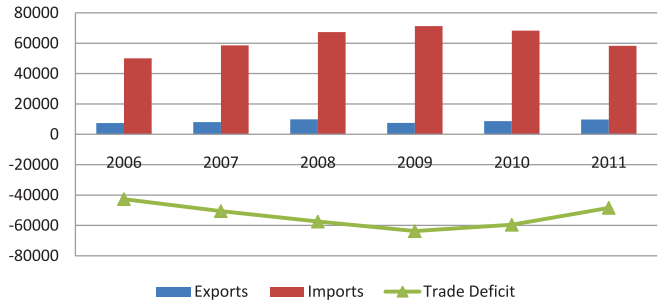


of total exports to the country. Textile products value of exports has experienced an increased by 13.2 percent as compared to 2010 while the value of exports of footwear products has increased by 21 percent.

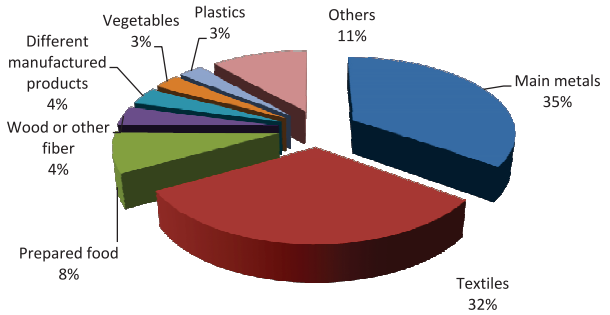
Other important categories in terms of exports to Italy are Minerals and fuels accounting for 22 percent of total exports to this country, now representing 22% of total exports to Italy.

While petroleum oils and oils obtained from bituminous minerals, crude was the most exported product to Italy at 21.179 million ALL representing 20% of the value of total exports which increased by 109% compared to 2010. The ten most exported products accounted for 57% of total products. For more details refer to the table A.3.1 in Annex III.

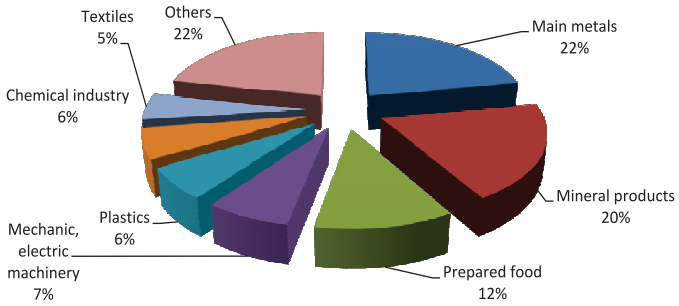
Graph 5.11: Trade with Greece, 2011



Graph 5.12: Structure of exports to Greece, 2011



Graph 5.13: Structure of imports from Greece, 2011



Imports from Italy are less concentrated as you can observe in graph 5.10. In contrast to previous years mineral products in 2011 accounted for the highest share of imports (26%) followed by textiles, machinery and main metals.

The most imported product in 2011 from Italy was light petroleum at 32.420 million ALL and it experienced an increase from 155% from 2010. Aviation spirit was the second most imported product from Italy and it increased by 119% compared to 2010. The top ten imported products account for 37 percent of total imports from Italy (table A.3.2, Annex III).

5.2.5 Trade with Greece

Trade volume with Greece reached 68,008 mln ALL having decreased by 16.3 percent from 2010. Exports were valued at 9,788 mln ALL, having experienced an increase of 12 percent in 2011. Imports for the second time running stopped their upward trend and decreased by 15 percent having reached 58.241 mln ALL having.

The trade deficit reached 48.453 mln ALL having decreased by 19 percent mainly due to the converse trend between exports and imports. The coverage imports coverage ratio was 17% and has increased by 4 percentage points.

In contrast to 2010 exports to Greece are mainly represented by main metals and have replaced textile products which are now the second most exported product to Greece. Main metals were valued at 3,428 million ALL and increased by 57% compared to 2010 and represent 35% of total exports to Greece. Exports in textiles on the other hand also increased by 7% in 2011 and reached a value of 3.116 million ALL.

On the other hand products that experienced a drop in exports were woods and other fibers (-12%), live animals (-72%), stone (-26), footwear and hats (-65). The graph 5.12 below gives a more detailed view of the structure of exports to Greece.

The ten most exported products to Greece account for 59 percent of total exports. The main exported item is ferrous waste and scrap which has doubled in weight compared to 2010. In 2011 it accounted for 30% of total exports to Greece with a value of 3.073 million ALL and an annual increase of 121%.

Tabaco exports fell by 5% and they account for only 4% of total exports to Greece. Other products that dropped their export levels were men/boys trousers (-9%), women/girls blouses (-11.3%). For a more detailed overview, refer to table A.3.3 in Annex III.

Imports from Greece are mainly represented by bars and rods which account for 11 % of total imports at a value of 6,501 million ALL reflecting an annual increase of 42%. Imports of light petroleum on the other hand halved in value to 4.863 million ALL. The top ten imported products account for 38% of total imports. These data is shown more explicitly in table A.3.4 of Annex III.

5.2.6 Trade with Germany

Trade with Germany was valued at 37,226 mln ALL having increased by 50% in ALL. Exports reached 5,694 mln ALL having increased by 27 percent, a trend observed in 2010 as well. Imports reached 31,533 mln ALL increasing by 55.4%. Trade deficit was 25,838 mln ALL increasing by 63% reflecting a higher increase in value of imports. The imports coverage ratio has decreased therefore by 4 percentage points to 22 percent. A better overview of trade flow developments is shown in graph 5.14

Exports to Germany have increased consistently since 2007 and in 2011 they were 140 % higher. The main category, covering 43% of total exports were textile and its products which increased by 6.3% in 2011. Footwear and hats has also increased considerably in value from 2007, from a mere 51 million ALL to 1274 million ALL therefore by more than 2403%. Vegetable products are the third most exported products and it also increased in exports at around 20% in 2011. A more detailed overview of the structure of exports is given in graph 5.15.

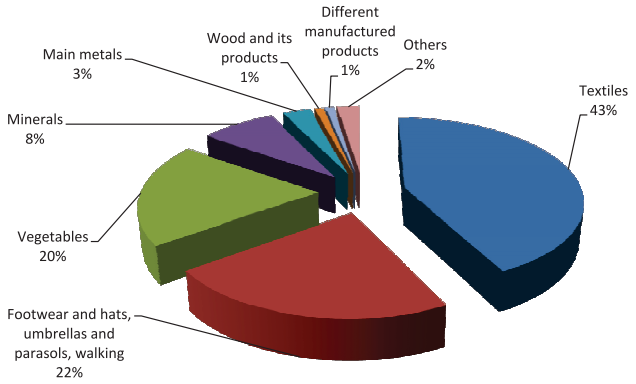
The most exported products to Germany account in total for 76% or for the largest part of overall exports to Germany. Main items in this list are textile products, which account for 50% of total exports, 4% higher than 2010. However, the most exported product to Germany was plant and parts of plants which accounted for 16% of total exports at a value of 928 million ALL.

The category that had the highest value in imports was vehicles. The value of this category was 12,872 million ALL or 82% higher than 2010. This increase in imports reflects the changes to custom duties for vehicles from the Albanian government. The two most imported products from Germany were automobiles reflecting 24% of total imports at a value of 7,617 million ALL. While medicaments were the third most imported product reflecting 6% of total eight.

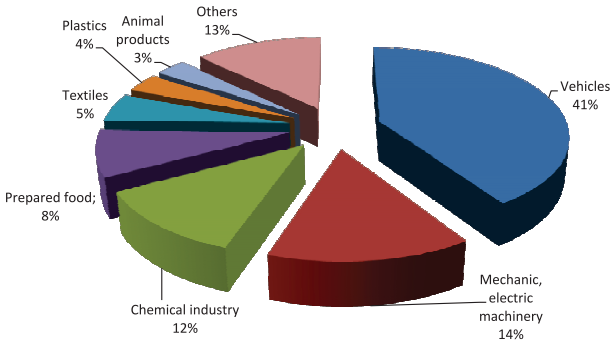
Other categories that reflected a significant increase were chemical industrial (12%) and prepared food and drinks (8.4%). For a more detailed overview please refer to table 3.6 in Annex III.

Graph 5.14: Trade with Germany, 2011

Graph 5.15: Structure of exports to Germany, 2011



Graph 5.16: Structure of imports from Germany, 2011

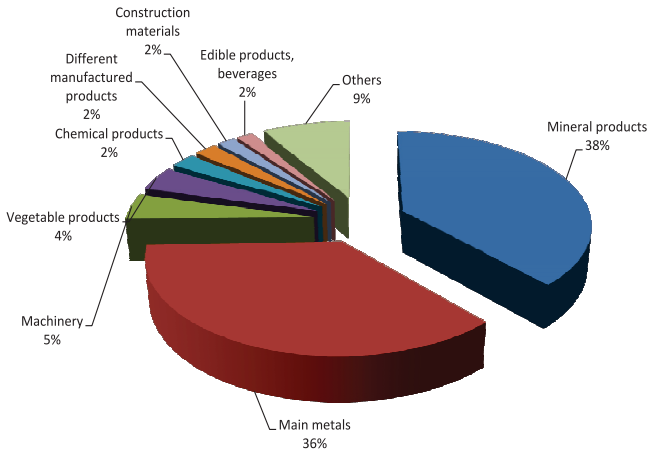


5.3 Albania's trade in the region -dynamics and structure

Albania's trade flows with the countries of the region increased by 14% in 2011. The volume of trade with the region amounted 72,995mln ALL representing 10 percent of the total Albania's trade volume, same as in 2010 (tab 5.1). Trade flows to the region grew with 59 percent as compared to 2009. The export/imports coverage ratio increased by 2 percentage points to 36 percent which shows that

Exports to the region have increased significantly in 2011 as compared to imports from the region. Exports to the region from Albania were valued 24,599 mln ALL or 50 percent higher than 2010. The share of exports to total exports has increased by 2 percentage points to 12 percent in 2011 (see table 5.5).

Graph 5.17: Structure of exports to the region, 2011



Imports from the region reached 48,435 mln ALL or 1% higher than 2010. Imports from the region share to the total imports have decreased by 1 percentage point to 9 percent of total imports. Most exported and imported products with the region are shown in Annex III.

The regional trade of Albania has its geographical characteristics. Kosovo remains Albania's main exporting partner in the region accounting for 60 percent of exports to the region and 50 percent increase in 20111. Macedonia is the second most important country in terms of exports accounting for 16 percent of exports to the region and 59% percent increase.

Serbia and Montenegro are the other two main partners in Albania exports accounting 14 and 7 percent of the export shares from the region and have experienced a considerable growth. Exports to Serbia have experienced a considerable growth of 85% percent as compared to 2010. Exports to Bosnia and Herzegovina have decreased by 27%.

Imports from the region are mainly represented by Serbia which accounts for 40 percent of total regional imports and it is 3 percentage points higher than 2010, Macedonia which account for 18 percent of total imports of the region and Croatia which account 16% of total imports from the region or 4 % lower than 2010.

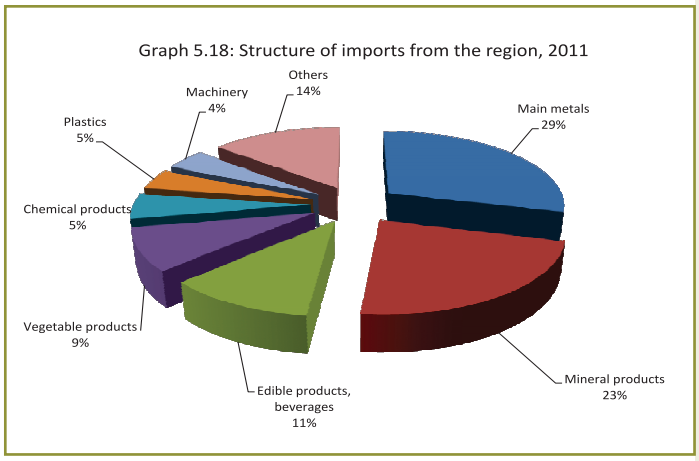
The following graphs 5.17 and 5.18 show the overall picture of the structure of exports to and imports from the region. Exports to the region are mainly represented by the export of mineral products which account for 38 percent of total exports to the region. Their value reached 9,374 mln ALL having increased by 56 percent as compared to 2010.

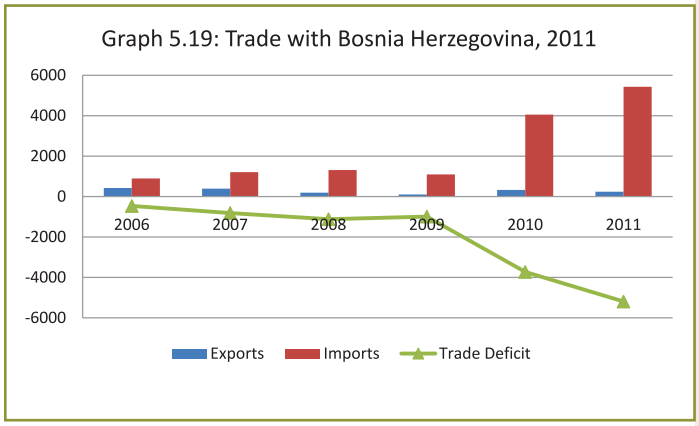
Table 5.5: Summary of key trade indicators between Albania and Regional Countries, in milion ALL, or in %

Trade Indicators	2007	2008	2009	2010	2011
Albania - Regional Countries trade volume	39,649.04	56,591.85	46,020.19	64,225.99	72,995.05
Share tot total Albania's trade volume	8%	10%	9%	10%	10%
Imports from the Regional Countries	29,932.17	41,131.79	33,250.81	47,819.11	48,435.86
Share to total Albania's import	8%	9%	8%	10%	9%
Exports to the Regional Countries	9,716.88	15,460.05	12,769.38	16,406.88	24,559.19
Share to total Albania's export	10%	14%	12%	10%	12%
Trade balance Regional Countries	-20,215.29	-25,671.74	-20,481.43	-31,412.23	-23,876.67
Share to total Albania's trade balance	7%	8%	6%	10%	7%
Exports /Imports Regional Countries, Coverage ratio	32%	38%	38%	34%	51%
Total Exports/Total Imports Coverage ratio	26%	26%	24%	34%	36%

The ten most exported products account for 70 percent of total exports. Iron bars and roads are placed first followed by Portland cement and electrical energy. No major differences are observed in the list of top exports. A more detailed view is shown in table A.2.1 of Annex II.

Structure of imports from the region is mainly represented by the import of main metals which account for 29 percent of total imports, 17 % higher than 2010, as you can observe in the graph 5.18. Imports of mineral products reached 10,949 mln ALL and increased by 17 2% and now represent 22.6% of total imports from the region. While prepared food represent 11.3% of total imports and have experienced a growth 7.4%. The ten most imported products from the region account for 55 percent of total imports where ferrous waste and scarp or 21 % of total imports and it was followed by electrical energy valued at 6,114 mln ALL or 35% more than in 2010. For a more detailed view refer to table A.2.2 in Annex II.





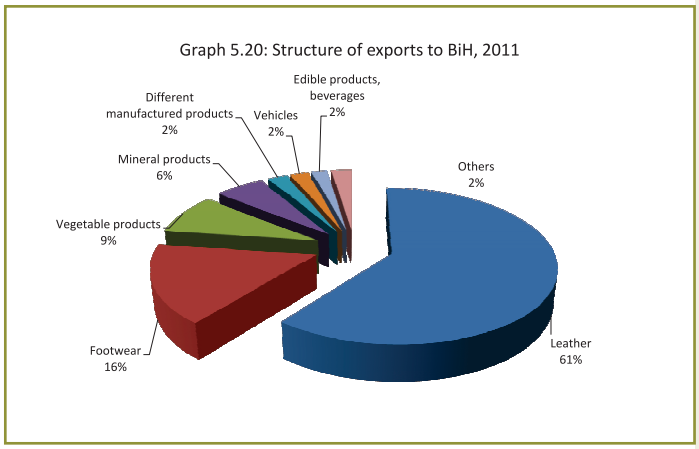
5.3.1 Trade with Bosnia and Herzegovina

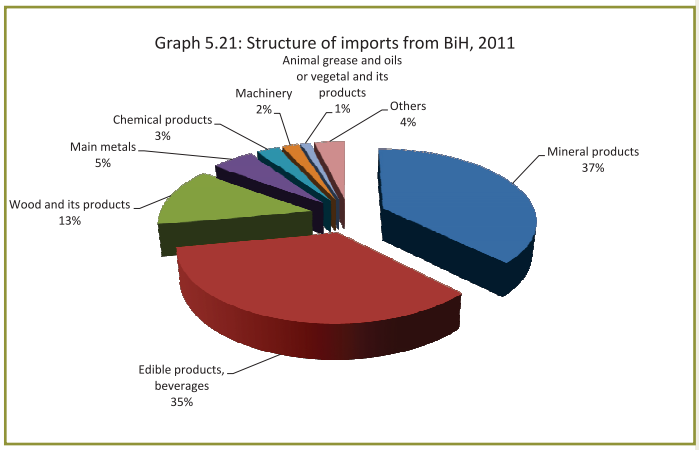
Trade volume with Bosnia & Herzegovina reached 5,667 mln having considerably increased by 30 percent in 2011. The trade deficit was valued at 5,193 mln ALL having increase by 39 percent. This was due to the highest increase of imports in percentage and absolute value against the increase of exports as you can observe in graph 5.19.

This has increased the share and therefore the importance of Bosnia & Herzegovina to 1% of total trade flows of Albania. Exports to Bosnia & Herzegovina decreased by 27 percent and reached 237 mln ALL. Imports from Bosnia and Herzegovina increased also by 34% 5,430 mln ALL. The import's coverage ratio decreased further to 4 percent, in 2011 losing 4% from the previous year.

Exports are mainly represented by leather with a share of 61 percent with accounting a value of 143 mln ALL and decreasing by 48%. While footwear and hats present 17% of total exports and increased by 69% in 2011.

Imports are a bit more dispersed, representing a larger number of categories. Here we have a shift from the previous year's structure.



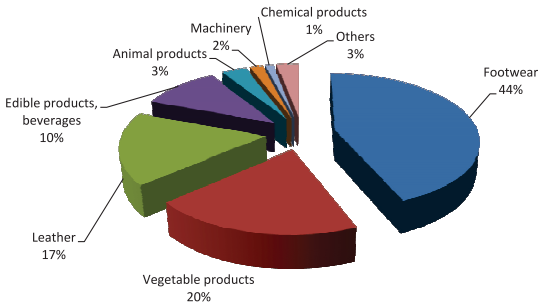


The main sector now mineral products with 37% share to the total of imports accounting 2,037 mln ALL followed by prepared foods with a share of 35% accounting 1,878 mln ALL. For a better picture of Bosnia and Herzegovina structure of imports see graph 5.21.

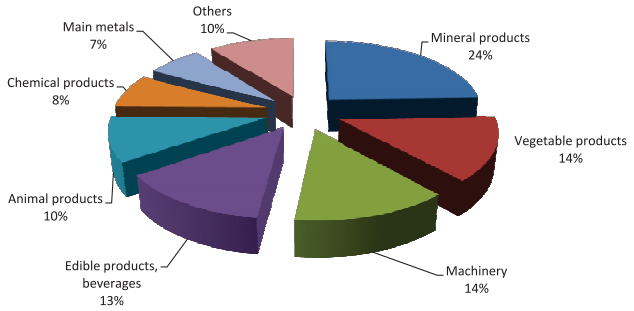
The ten most imported products account for 92% of total of imports, representing mainly the above mentioned categories. The most imported product is a new one: refined sugar with a value of 1,692 mln ALL with a share of 31 % of all Bosnia and Herzegovina imports. Yet some other products groups falling under agriculture products category, fuel and medicaments have experienced a further upward trend.

Graph 5.22: Trade with Croatia, 2011

Graph 5.23: Structure of exports to Croatia, 2011



Graph 5.24: Structure of imports from Croatia, 2011



5.3.2 Trade with Croatia

Trade with Croatia was valued at 7,852 mln ALL during 2011 or 20% lower than in 2010. The decrease in imports by 21.2% has made the major contribution to the fall in trade while exports have increased by 22.4%. The import coverage ratio remains low, only 4 percent, and 1 percentage point higher than the previous year.

Exports to Croatia were valued at 308 mln ALL where the main categories exported to Croatia were footwear and hats, vegetable products and leather. These three categories represent 80% of the total exports to the country. This is also observed in the top ten products where footwear accounts for 29% of exports followed by leather accounting for 17%.

While exports have experienced positive growth rates imports have shown considerable decrease in the categories of mineral products, vegetable products and mechanic and electric machinery. Mineral products account for 25% of total imports with a value of 1,845 mln ALL or 44% lower than in 2010.

Imports of mechanic machinery were valued at 1,025 mln ALL which decreased by more than 47% compared to 2010. Despite the main category being imported are mineral products the main products that was imported from Croatia was prepared anchovies 912 mln ALL with an increase of more than 5000% compared to the previous year. Also same as in the previous year butanes have increased by more than 47% in imports and represents 11% of the total share of imports from Croatia.

5.3.3 Trade with Kosovo

Trade volume with Kosovo has increased steadily in the past three years. In 2011 trade volume was value at 19,802 mln ALL and 40.2% higher than in 2010. Trade with Kosovo represents 3% of total trade volume and it was 1% higher than in 2010. This positive trend has been aided by both increases in exports and imports. However trade balance with Kosovo is positive where exports have increased at a higher rate than imports.

In 2011 exports were valued at 14,620 mln ALL or 50% higher than 2010. The main categories

exported to Kosovo were main metals and mineral products. Exports of main metals increased by 46% and they represented 49% of total exports to the country. Mineral products represent 26% of the total share of exports and increased by 37%. The top ten exported products account for 73% of total exports where bars and rods and their export increased by more than 46% accounting for 43% of the total exports.

The other two products were Portland cement and petroleum bitumen representing 14% and 5% of total exports respectively. The second most important category is vegetable products with 22.4% of shares experiencing a decrease of 16.2% from 2010. This category is followed by prepared food which represents 9.4 % of total imports from this country. Mineral products on the other hand have shown the highest increase of imports by 322% and now represent 4.3% of total share. The top ten imported products listed in table A.3.10, Annex III, account for 84% of total imports. All of them are from the main three categories: metals, vegetables and foods and beverages.

Imports from Kosovo were valued at 5,181 mln ALL having increased by 19%. The main imports are metals with a share of 55.6% accounting 2,879 mln ALL and having an increase of 92%. Its share to total imports from Kosovo is 20% higher in 2011 than in 2010. The main products of this category are ferrous scraps.

5.3.4 Trade with Macedonia

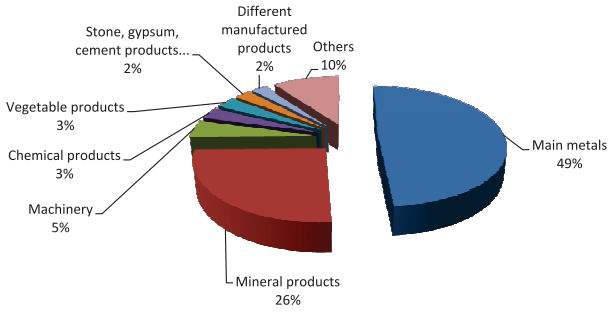
Trade with Macedonia reached 13,063 mln ALL, having increased by 6% in 2011, thus reversing the negative trend observed in the previous two years. However, the increase in trade volume is still lower than the total trade volume which increased by 15%. The increase in trade volume was driven by increase in exports by 59% and the fall in imports by 8% has not affected greatly this positive trend.

Mineral products registered the highest category at 1,609 mln ALL which accounted for 38% of total share of exports to the country. The mineral products increased by more 31% in 2011.

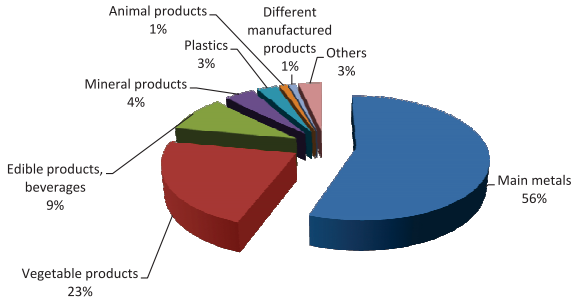
Main metals registered the highest increase in exports by 314% and now account for 32% of total exports. While exports of mechanic machinery fell by 30% the other categories also experienced positive growth rates.

Graph 5.25: Trade with Kosovo, 2011

Graph 5.26: Structure of exports to Kosovo, 2011



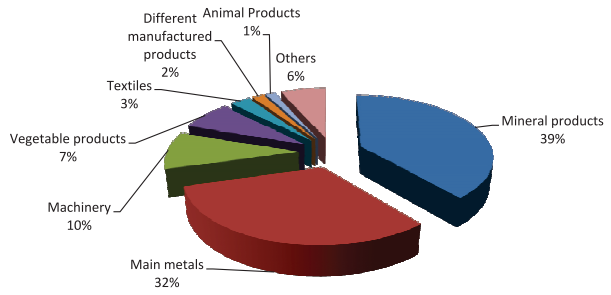
Graph 5.27: Structure of imports from Kosovo, 2011



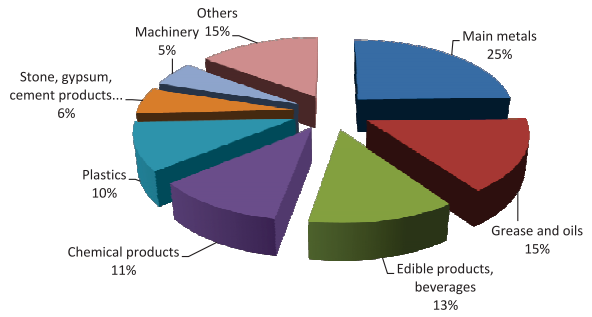
The top exported products account for 82 percent of total exports. The most important being bars and rods and replacing portland cement but it has decreased with 5.9 % from the previous

Graph 5.28: Trade with Macedonia, 2011

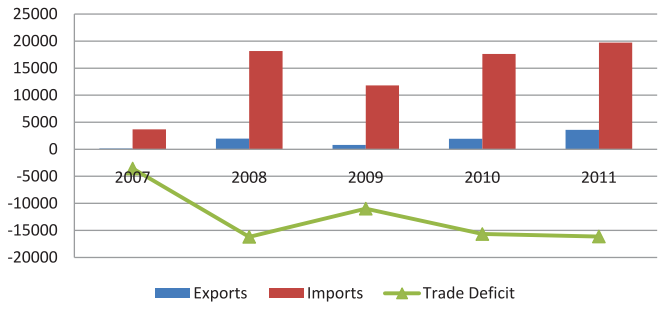
Graph 5.29: Structure of exports to Macedonia, 2011



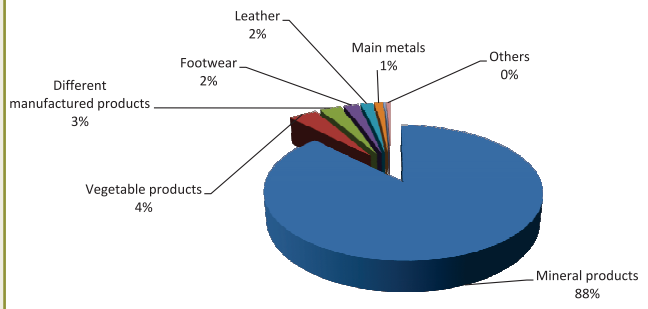
Graph 5.30: Structure of imports from Macedonia, 2011



Graph 5.31: Trade with Serbia, 2011



Graph 5.32: Structure of exports to Serbia, 2011



year. Articles for electrical purpose have mostly. Exports of bars and rods increased by 333% and now account for 29% of total exports. Portland cement accounts for 16% of total exports behind iron ores. You can have more detailed information in the table 3.11 of Annex III.

Imports from Macedonia were valued at 8,915 mln ALL, having decreased by 8.2% in 2011. Main metals remain the most imported category and it represents 25% of total exports. The other two categories animal grease and prepared food have shown positive growth trends by 38% and 27% respectively.

The ten most imported products from Macedonia account for 50 percent of total imports. The most imported product is sunflower oil with a share of 16% of all imports from Macedonia 6% higher than the previous year and an increase of 38% while ferrous waste is the second most imported product. A more detailed version is shown in table A.3.12 of Annex III.

5.3.5 Trade with Serbia

Trade volume with Serbia was valued at 23,320 mln ALL an increase of 19.2 percent. Exports increased by 84.5% while imports by 12%. Despite these positive growth rates in exports trade volume with Serbia remains at 3% same as in 2010.

Exports to Serbia reached 3,569 mln ALL % or 84.5% higher than 2010. Graph 5.32 shows the structure of exports to this country. Mineral products remain the most exported category and in 2011 it experienced a 108% increase accounting for 88% of total exports. The most exported good was within this category and it was electrical energy at 1,650 mln ALL or 9% higher than 2010. The second product in the top ten was aviation spirit representing 40% of total share.

Imports from Serbia reached 19,724 mln ALL having increased by 12%. The structure of imports from Serbia is shown in graph 5.33. The share of main metals has dropped to 38 % from 41% in 2010, while their absolute value has increased by 4.7%. Imports of mineral products increased by 44% and their value was 6,554 mln ALL or 33% of total imports from Serbia. This increase in mineral products category is mainly to the increase in imports of energy. In 2011 imports of this product was 35% higher and it accounted for 31% of total imports.

Imports of other products from the top ten list have experienced increases in values and shares as you can observe in table 3.14 of Annex III.

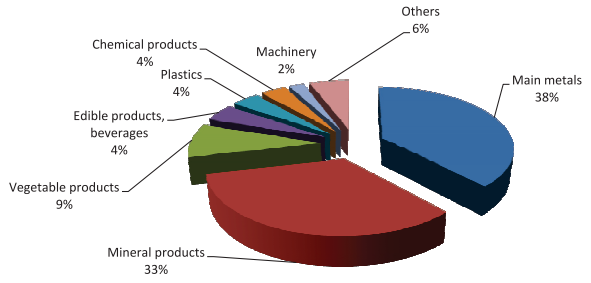
5.3.6 Trade with Montenegro

Trade with Montenegro was 3,083 mln ALL or 15.4% lower than in 2010. This decrease was mainly due to the fall in imports by 33% as exports increased by 9.3%.

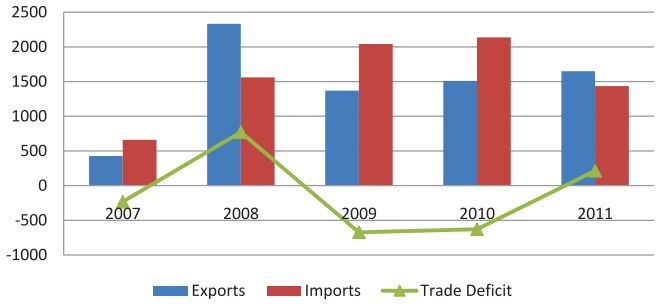
Exports to Montenegro reached 1,648 mln ALL. Graph 5.35 shows the structure of exports to Montenegro where no major shifts in importance as compared to the previous year, are observed. Main sectors are still minerals and metals. The ten most exported products accounts for 78% of total exports. The most imported product remains Portland cement with a share of 26% of all exports to Montenegro. A more detailed overview is given in table 3.15 of Annex III.

Imports from Montenegro dropped to 1,434 mln ALL. The structure of imports from Montenegro is given in graph 5.36. Table A.3.16 of Annex III shows the list of ten most imported products, which account for 85% of total imports.

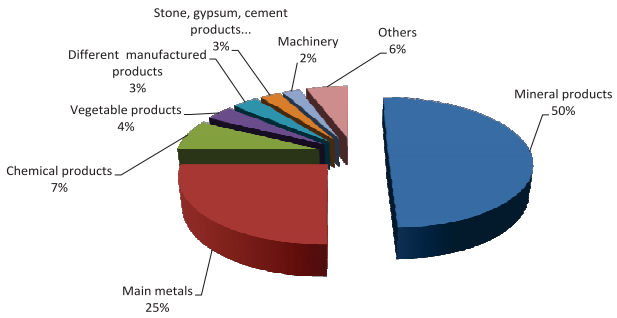
Graph 5.33: Structure of imports from Serbia, 2011



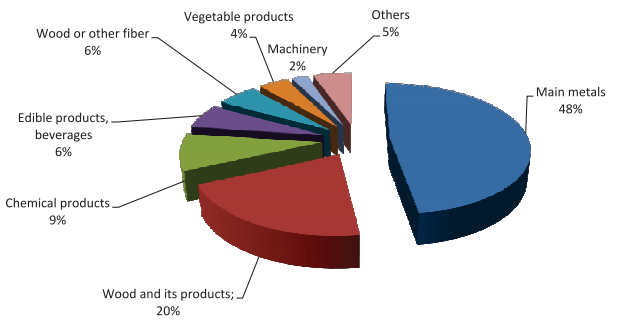
Graph 5.34: Trade with Montenegro, 2011

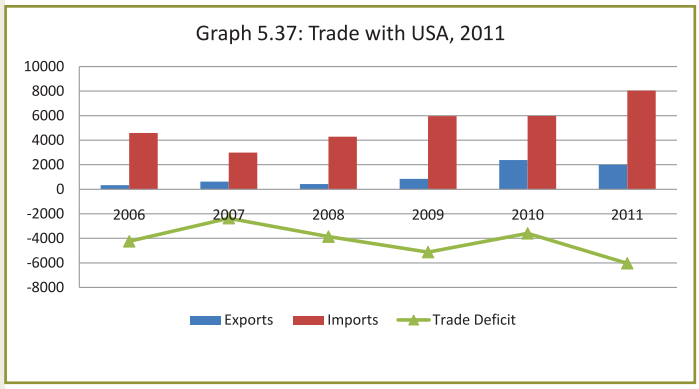


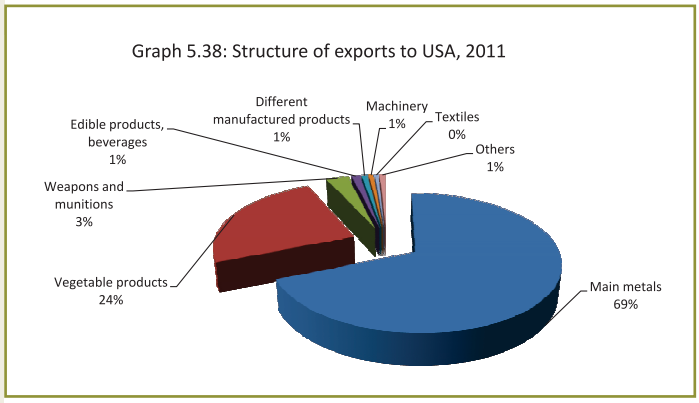
Graph 5.35: Structure of exports to Montenegro, 2011

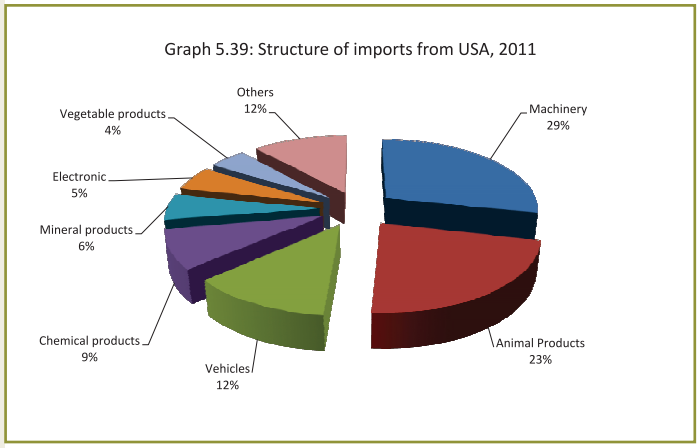


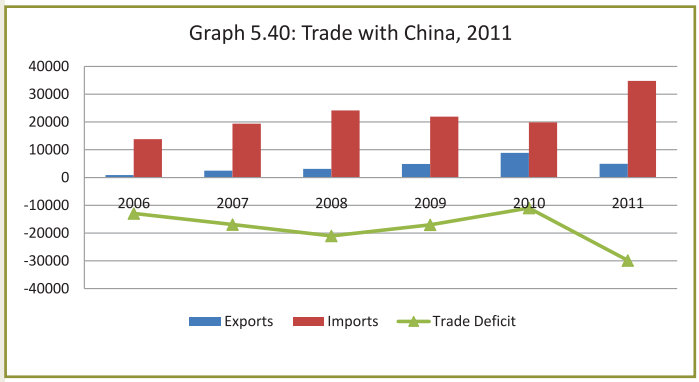
Graph 5.36: Structure of imports from Montenegro, 2011











5.4 Albania's trade with other selected countries

5.4.1 Trade with USA

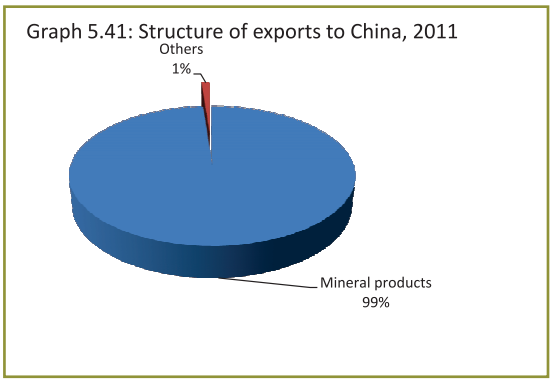
Trade volumes with USA reached 10, 035 mln ALL having increased by 20% in 2010. This growth was due to the increase of imports as exports decreased by 16%.

Exports to the USA were 2,001 mln ALL. The main category of exports now is main metals with a share of 69%. This category however, decreased by 21% while the other categories like vegetable products, weapons and munitions, prepared food all experienced positive growth rates. The top ten exported products account for 98% of total exports where ferro chromium accounts for 69% of total exports. The latter was 1,375 mln ALL and increased by 11% compared to 2010.

Imports from the USA reached 8,033 mln ALL or 34.5% higher than in 2010. Mechanic machinery has overtaken live animal as the most imported category from the USA. Imports of machinery were 118% higher than in 2010 and represented 28.6% of total imports. Live animal on the other hand experienced a decrease in imports by 21.3%. Vehicle is the third most imported category at 1,001 mln ALL or 10% higher.

5.4.2 Trade with China

Trade volumes with China were valued at 39,709 mln ALL having experienced a 38.2% increase which is more than double the increase in total trade volume registered for Albania during 2011. This increase in trade volume with China has been driven by the increase in imports by more than 75%



while exports to China have decreased by 44.4%.

Exports to china were 4,929 mln ALL. The main category experiencing a fall in exports was mineral products which still accounts for 98% of total exports to the country. This was reflected by the fall in exports of chromium ores (- 50.6%) and copper ores (-42%).

Imports from China were valued at 34,779 mln ALL from 19,876 mln ALL in 2010. This reflects an increase of 75% driven mainly by increased imports of machinery (160%) textile (89%) and main metals (62%).

For a more detailed overview of most imported products refer to table A.4.4 of annex IV.

5.4.3 Trade with Turkey

Trade volumes with Turkey reached 45,284 mln ALL having increased by 20 percent. Turkey is one of the few constant trade partners experiencing an overall increase in trade flows and keeping a constant share of 6% to total trade flows.

The increase in trade volumes is mainly due to the increase of the value of exports, while imports have increased at a lower rate. This has contributed for a reduction of the trade deficit by 17 percent, to 15,400 mln ALL.

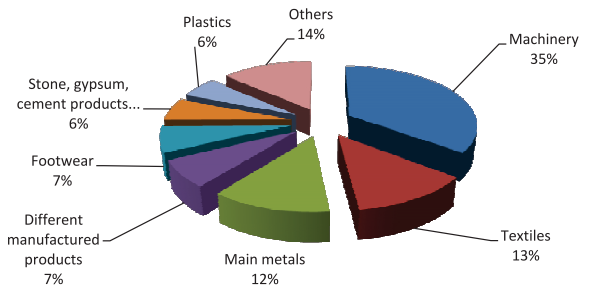
Exports to Turkey were valued at 14,942 mln ALL having experienced an increase of 55% in 2011. This is due to the increase by 39.5% increase of semi-finished products. Second most exported product is copper ores which was not exported in 2010. On the other sheep and lamp skin has increased by 158% compared to 2010. The structure of exports to Turkey is given in graph 5.44.

Imports from Turkey on the other hand reached 30,342 mln ALL having increased by 7.8% and now represent 6% of total imports. They are represented by a large number of categories as shown in graph 5.45 and which are almost the same categories as last year. Metals account for 24.5% of total imports and an increase by 18 percentage points compared to 2010.

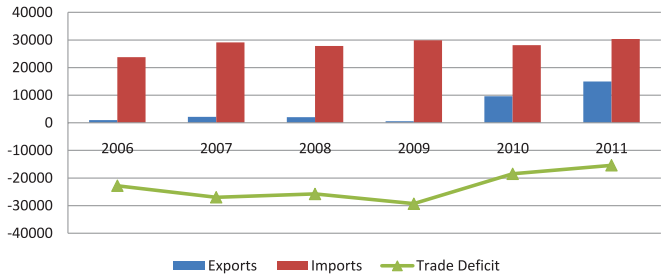
Textiles account for 15% of total imports (8% fabric and 7% garment) and increased by 13.5% compared to 2010 while mechanic machinery increased by 7.4%. These categories contribute for the largest share of imports from Turkey. Imports from Turkey are highly dispersed. The main product is again bars and rods followed by light sweet biscuits which have experienced a slight increase of 1%.

For a more detailed overview of most imported products refer to table A.4.6 of annex IV.

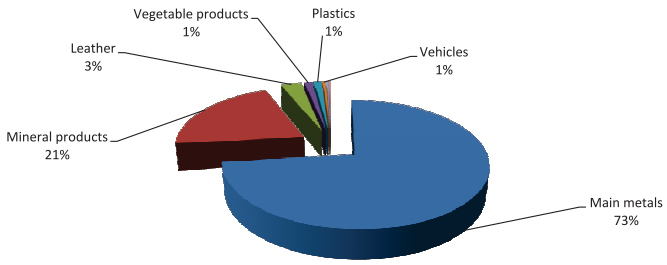
Graph 5.42: Structure of imports from China, 2011



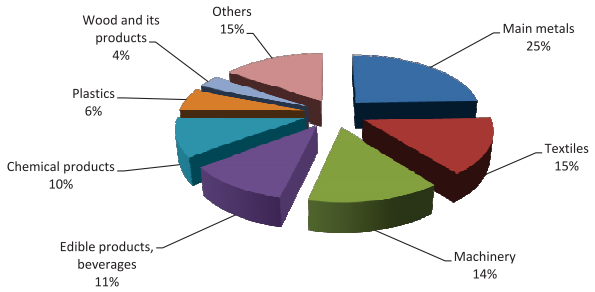
Graph 5.43: Trade with Turkey, 2011



Graph 5.44: Structure of exports to Turkey, 2011



Graph 5.45: Structure of imports from Turkey, 2011



VI Integration Processes and Trade-Related Institutional Developments

6.1. Developments under the WTO membership commitments

Albania joined the WTO on the premise that membership to the organization would enable a small open economy like itself to benefit from a multilateral trading system by defending and promoting its interests effectively. So far Albania, as an active participant in the WTO, has had a good record of making timely notifications - as it has never been involved in a dispute under WTO rules in the past decade.

Albania is aware that it can benefit from the WTO membership and trade opening only if it becomes competitive by reforming domestically. According to a WTO Secretariat report on the trade policies and practices Albania has maintained an ambitious program of economic, legal and institutional reform, largely driven by WTO Membership and its desire to join the EU. In so doing, it has continued to engage in a remarkable process of transformation from a closed, centrally-planned economy to one that is liberal, market-oriented and private-sector driven[19].

As a member of World Trade Organization (WTO) in 2000, Albania become part of the international trade system. In this way, the country's trade policies compilation subdued to some duties generated by this membership as well as to the need for adoption of country's legislation in conformity with global trade rules.

Albania committed to:

(i) liberalize its tariff regime by employing a tariff reduction process (bound rates and sectorial initiatives);

(ii) to perform all commitments derived by the agreements on Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary Standards (SPS);

(iii) Albanian Customs Code emphasizes that custom valuation will take place in compliance with the requirements of WTO;

(iv) Albania is a member of WIPO (World Intellectual Property Organization) since 1992 and it has recognized some international agreements in this area. Albania has committed to implement the entire TRIPS Agreement and the legislation regarding author's copyrights. Albania has also signed the respective memorandum related to Intellectual Property Regime.

According to the WTO secretariat report since its membership Albania has made considerable progress towards liberalizing and streamlining its trade regime in recent years. Customs procedures have been streamlined, and a centralized electronic system has been introduced, which has reduced customs clearance times. Tariffs are relatively low. Nearly 40% of Albania's tariff lines are duty free, and no tariff peaks are present; the highest level is 15%. Albania's average applied tariff is higher for agricultural products, at 8.8% (WTO definition), than non-agricultural products, at 4.2%. Albania grants tariff preferences to EU member states, Turkey, and CEFTA countries. Rates for CEFTA countries differ, largely because of agricultural products, since industrial goods are mostly granted duty-free treatment. The average rate for all products from all countries is 1.3%, while goods classified as agricultural (WTO definition) face an average rate of 6.3%. Only trade with Kosovo is fully duty free.

Albania applies a VAT at a general rate of 20%, on imported and domestically produced goods. Albania applies few non-tariff measures. There are no prohibited imports, except for products considered to be hazardous to public health, and import licensing is used mainly for SPS purposes, security, protection of the environment, and for compliance with obligations under international conventions.

Albania has in place some special customs regimes that contain specific provisions or treatment for exports or re-exports of goods processed in

[19] Trade Policy review, April 2010, Reaping the benefits of reform and liberalization, WTO.

Albania. New legislation on anti-dumping and countervailing measures as well as on safeguards was introduced in 2007. These new laws have been notified to the WTO and scrutinized by Members. Since its accession to the WTO, Albania has not undertaken any anti-dumping or subsidy investigations or maintained any anti-dumping or countervailing measures

6.2 Developments under the Interim Agreement with the EU

All the Western Balkans countries have been offered Stabilization and Association Agreements (SAAs) and have a clear EU perspective. In 2000, the EU granted autonomous trade preferences to all the Western Balkans. These preferences, which were renewed in 2005 and subsequently in 2011 until 2015, allow nearly all exports to enter the EU without customs duties or limits on quantities. Only wine, baby beef and certain fisheries products enter the EU under preferential tariff quotas. This preferential regime has contributed to an increase in the Western Balkans' exports to the EU. In 2011, the EU was the region's largest trading partner for both imports (61.3%) and exports (64.5%)[20].

The European Union (EU) is also the main economic and trade partner for Albania. The country's trade exchange share with EU is dominant compared to all other countries of the region. The most important legal and institutional development for Albania was in 2006 with the Interim Agreement between Albania and the EU, which entered into force on December the 1st, 2006. Being an integral part of the Stabilization and Association Agreement between Albania and the EU the Interim Agreement deals exclusively with the trade issues and trade liberalization between the two parties. This Agreement is an important instrument for fostering the integration of Albania into the European Community. Considering the predominance of the EU as a trade partner of Albania, the Interim Agreement has had a great impetus in the liberalization of Albania's foreign trade.

The Stabilization and Association Agreement (SAA) signed by European Community (EC) and Albania in June 2006 was ratified by all member states of the community and entered into force in April 2009. The full tariff liberalization from the Albanian part should have been completed by end of 2011, while European community has fully liberalized almost all tariff lines with the entry into force of the agreement in December 2006 with exception of some agriculture products which are under protective measures.

Therefore SEE countries have full access in the market of their main partner, the EU. Starting from the year 2000, the region has benefited from the autonomous preferential regime established by the European Union, which gives an 'exceptional unlimited duty-free access to the EU market for nearly all products (excluding only wine, sugar, certain beef products and certain fisheries products, which enter the EU under preferential tariff quotas, as negotiated under the SAAs) originating in the Western Balkans'. The regime was renewed in 2005, and now it is extended until 31 December 2015[21].

Compliance with the technical standards remains one of the largest factors impeding the expansion of trade with the EU, which has always been the largest partner of Albania. Reaching these standards would help in the growth of trade volumes and deepen trade relations by joining more sophisticated value chains. The liberalization schedule can be checked below.

For Albanian-originating products exported to the EC:

(i) Industrial products: all duty free upon entering into force of the Agreement (01.12.2006)

(ii) Agricultural products: tariff liberalization according to the table 6.1:

[20] http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/regions/balkans/

[21] The tariff reductions under the new Regulation amending Council Regulation (EC) No 1215/2009, adopted on 24 November 2011, are applied retroactively to allow importers to claim compensation for the duties paid in 2011.

Table 6.1: Tariff liberalization of agriculture products exported to the EU

CN code	Reference	Description	Status in the IA
0102, 0201 and 0202	Paragraph 1 of Article 27 of IA	Baby-beef and bovine meat	MFN treatment
07 and 08	Paragraph 1 of Article 27 of IA	Vegetables and fruits	Only ad valorem duty is waived, while specific duty remains in force
1701 and 1702	Paragraph 1 of Article 27 of IA	Sugar	Tariff quota of 1,000 tons
220410 and 220421	Annex I of Protocol 3 of IA, p	Wine sector: Quality sparkling wine and Wine of fresh grapes	Exempted from duty within the quantity of 5,000 hl
220429	Annex I of Protocol 3 of IA, p	Wine sector: Wine of fresh grapes	Exempted from duty within the quantity of 2,000 hl
CN codes of trout, carp, sea bream and sea bass from chapter 03 16041311 16041319 16042050 160416 16042040	Annex III of IA, p	Fishery: trout, carp, sea bream, sea bass, sardines, anchovies	Duty free within 50 tons quota for trout Duty free within 20 tons quota for carp Duty free within 20 t quota for sea bream Duty free within 20 t quota for sea bass (reduction scale over quota for the above) 6% of MFN for 100 tons of quota for sardines (MFN over quota) Duty free 1,000 tons of quota for anchovies with increasing quota next year up to 1,600 tons
All agricultural products not mentioned above			Duty free

The agreement foresees duty free regime for a list of 323 processed agricultural products originating from Albania entering the EC markets.

For EC-originating products exported to Albania:

1. industrial products: all duty free, except some products such as salt, Portland cement, some fuel categories, some cosmetics and detergents, some plastics, some footwear, fuels, tiles, used tires, construction steel, wooden furniture, which will be reduced through a reduction scale in the lifespan of 5 years[22].
2. agriculture products: tariff liberalization according to the table 6.2:

[22] 80% of MFN duty upon entry into force, 60% of MFN duty in the first year, 40% of MFN duty in the second year, 20% in the third year, 10% in the fourth year, duty free in the fifth year

Table 6.2: Tariff liberalization of agriculture products exported to the Albania

CN code	Reference	Description	Status in the IA
CN codes of agriculture chapters	Annex II (a) of IA	701 tariff lines of primary agriculture products not considered sensitive for Albania	Duty free
CN codes of agriculture chapters	Annex II (b) of IA	495 tariff lines of primary agriculture products considered as semi-sensitive for Albania	Scaled reduction
10019091 10019099	Annex II (c) of IA	Common wheat and muslin seed Spelt, common wheat and muslin (excl. seed)	Duty free within tariff quota of 20,000 tons
CN codes of chapters 05, 13, 14, 15, 17, 19, 21, 29, 33, 35 and 38	Annex II (a) of Protocol 2 of IA	148 tariff lines of processed agricultural products not considered sensitive for Albania	Duty free
CN codes of chapter 22	Annex II (b) of Protocol 2 of IA	Alcoholic spirits	Duty free
CN codes of chapters 07, 18, 19, 20, 21, 22, 23 and 24	Annex III (c) of Protocol 2 of IA	103 tariff lines including vegetables, chocolates/cacao, flour products, prepared vegetables/fruits, sauces, waters, beer and tobacco	Scaled reduction in five years
CN codes of chapter 04 and 21	Annex II (d) of Protocol 2 of IA	Milk and butter, ketchup	MFN treatment
220410 220421	Annex I of Protocol 3 of IA	Quality sparkling wine and Wine of fresh grapes	Duty free within quota of 10,000 hl

6.3. Developments under CEFTA Agreement

On December 19, 2006, Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia and the United Nations Interim Administration Mission in Kosovo (UNMIK) on behalf of Kosovo in accordance with United Nations Security Council Resolution 1244 signed an Agreement to amend and enlarge the Central European Free Trade – CEFTA 2006. The CEFTA 2006 regional free-trade agreement replaced the individual bilateral free-trade agreements Albania had signed with Bosnia and Herzegovina; Croatia; the Former Yugoslav Republic of Macedonia; Moldova; Serbia and Montenegro; and UNMIK/Kosovo (United Nations Interim Administration Mission in Kosovo).[23] Most of these stemmed from commitments under the Stability Pact, particularly a memorandum of understanding (MOU) signed in 2001 on Trade Facilitation and Liberalization under which Albania and the other signatory states to the MOU agreed to negotiate a network of bilateral free-trade agreements

Following the necessary ratification processes, CEFTA 2006 entered into force on 26 July 2007 for five signatories (Albania, Macedonia, Moldova, Montenegro and UNMIK/Kosovo), for Croatia on 22 August 2007, Serbia on 24 October 2007 and for Bosnia and Herzegovina on 22 November 2007. The speed with which the Parties ratified this ambitious agreement indicates the importance of this Agreement to economic development in the region.

[23] WTO document WT/REG/GEN/N/5, 7 August 2007.

This comprehensive Agreement's main objectives are, inter alia, to expand trade in goods and services and foster investment by means of fair, stable and predictable rules, eliminate barriers to trade between the Parties, provide appropriate protection of intellectual property rights in accordance with international standards and harmonize provisions on modern trade policy issues such as competition rules and state aid. It also includes clear and effective procedures for dispute settlement and facilitates the gradual establishment of the EU-Western Balkan countries zone of diagonal accumulation of origin, as envisaged in the European Commission's Communication of 27 January 2006.

The Agreement fully conforms to the WTO rules and procedures and EU regulations. Effectively implemented, the Agreement provides an excellent framework for the Parties to prepare for EU accession, thus continuing the tradition of the original CEFTA, whose founding members are now in the EU.

Developments in 2011

2011 was an important year for the CEFTA agreement. With particular reference to Albania, it represented a preparatory year for January 2012 when the Republic of Albania took over the CEFTA Chairmanship (1 January 2012).

During the year 2011, almost all CEFTA committees and sub-committees have met and developments affected especially the sub-committee on Agriculture including Sanitary and Phytosanitary Issues, the sub-committee on Customs and Rules of Origin and the sub-committee on Technical Barriers to Trade and Non-Tariff Barriers.

The most important development for 2011 is probably the signature of the additional protocol. After two years of negotiations, Albania, Croatia, Macedonia, Montenegro, Moldova and Serbia agreed on more liberalized concessions in trade of agricultural products by signing the Additional Protocol to the Agreement. The Parties abolished all customs duties on imports, all charges having equivalent effect, and all import duties of a fiscal nature in trade between them on all the products other than those subject to bilateral concessions as listed in Annex 10 of the agreement. The Additional Protocol entered into force on 13 November 2011 for Albania, Croatia and Macedonia, on 15 December 2011 for Serbia, on 6 January 2012 for Montenegro and on 13 January 2012 for Moldova. This liberalization is considered to be vital for the CEFTA region as it seeks to benefit from the significant opportunities which exist in trade in agriculture and improve the competitiveness of the regional economy. This should be an important step in further reducing trade barriers and is expected to have positive effects on the overall economy of the region.

The annual CEFTA Week was also organized in November in Paris, by the Chair country (Kosovo). One of the key aims of this conference is to promote CEFTA to a wide audience both within the CEFTA Parties and internationally and to demonstrate the economic impact the agreement is having on the region. A number of seminars and debates were held in the day and a half leading up to the CEFTA Joint Committee meeting which addressed different aspects of CEFTA and were presented to different interests including government officials, international organizations, the business community, the diplomatic community, the academic world and journalists.

Other developments were related to diagonal accumulation of origin. The application of diagonal accumulation between Albania, Croatia, Macedonia, Serbia and the EFTA States will start on 01 January 2012. As for the accumulation between Serbia, Norway and Switzerland it has already started on 01 June 2011. The diagonal accumulation is foreseen by the Free Trade Agreements that these countries have signed with the EFTA States.

Other Agreements:

Free Trade Agreement between the Republic of Albania and the EFTA States and agreements on agriculture between the Republic of Albania and the Swiss Confederation and the Principality of Liechtenstein, the Republic of Albania and the Kingdom of Norway and the Republic of Albania and the Republic of Iceland (Law No.10288 dated 17 / 06/2010), entered into force on:

01 November 2010 between the Republic of Albania, the Swiss Confederation and the Principality of Liechtenstein; 01 August 2011 for Norway and, 01 October 2011 for Iceland.

Through this agreement and additional agreements on agriculture Albania and the EFTA countries establish a free trade area, in order to promote prosperity and economic development, aiming at achieving gradual liberalization and opening the markets between them.

Free Trade Agreement between the Republic of Albania and the Republic of Turkey entered into force on 01/05/2008, after being ratified by Law No. 9733 dated 14/05/2007.

Through this agreement the two countries created opportunities to increase trade exchanges between them, provide greater opportunities for economic development of Albania, the opportunity to increase foreign investment, particularly in Albania.

In 2011 an additional protocol was signed between Albania and Turkey. This protocol aims the expansion of fields of economic cooperation between the two countries, especially in the energy sector.

6.4 Main legal acts related to trade

The characteristic for this year is that a significant number of laws and decisions have enacted about tax system and custom duty in Albania, affecting trade directly as well as domestic market. So, the impact on taxation matters aims to create regulation and procedures for the administration of tax obligations as well as to bring together and establish up to date standards that guarantee fair competition as well as equal and neutral treatment. During 2011 have been also enacted a significant number of laws and other legal acts influencing international economic relations, business and investment climate. In addition, in 2011, the most of laws and legal acts enacted are those that affect directly custom duty, custom code and tax system.

Different taxes, such as the income tax and the value added tax (VAT), have been subject to change as reflected in the laws and decisions below:

- Directive of MF no.3 and no.13, no.24 respectively dated 07.01.2011, dated 26.05.2011 and 07.11.2011 "For some additions in the directive no. 5 dated 30.1.2006 "On income taxes" changed
- Directive of MF no 9, dated 26.04.2011 "For some additions in the directive no. 5 dated 30.1.2006 "On income taxes" changed relation to the individual annual statement of income"
- Directive of MF no15 dated 07.07.2011; no.25 dated 08.11.2011 and no.26 dated 02.12.2011 "For some changes in the directive no.17 dated 13.5.2008 "On value added tax" changed
- Decision of the Parliament no.147, dated 22.12.2011 "Not to approve the draft law "On some additions and changes in Law No. 7928, dated 27.4.1995 "On value added tax", changed.

Some additions and changes to the excises and custom duties are announced in:

- Law no 10404, dated 24.03.2011 and Law no.10456 dated 21.07.2011 "For some additions and changes in the law no.8976 dated 12.12.2002 "For excises in the Republic of Albania" changed
- Decision of the Parliament no.98, dated 25.04.2011 "For rejection of the decree no.6975 dated 12.4.2011 of the President of the Republic "On the return for review of Law No. 10 404, dated 24.03.2011 "On some changes and additions to Law no. 8976, 12.12.2002 "On excise duties in the Republic of Albania ", amended
- Directive of MF no.12, dated 18.05.2011 "About the procedures of implementation of the Law no.10 418, dated 21.4.2011"On the legalization of capital and the forgiveness of a portion of debt tax and customs"
- Directive of MF no.12/1 dated 26.05.2011; no.12/2 dated 15.06.2011 and no.12/3 dated 04.07.2011 "Fore some changes in the directive no.12 dated 18.05.2011"About the procedures of implementation of the Law no.10 418, dated 21.4.2011"On the legalization of capital and the forgiveness of a portion of debt tax and customs"
- Law no 10459, dated 21.07.2011 and Law no 10492, dated 145.12.2011 "For some changes in law no. 9981 date 8.9.2008 « On the approval of custom tariffs' levels » changed
- Directive of MF no.23 dated 25.10.2011 "On procedures of the review of customs value, sources of information and deadline of

publication of the available data file, as well as clearance of vehicles and their spare parts"

- CMD no.910 dated 28.12.2011 "For the approval and official publication of the harmonized commodity nomenclature, 2012.

Some new changes and approvals occurred to the tax system:

- Law no.10415, dated 07.04.2011 "For some changes and additions in Law no. 9920 dated 19.5. 2008 "For the tax procedures in the Republic of Albania", changed
- Law no.10458, dated 21.07.2011 "For some changes in the Law no.9975, dated 28.7.2008 "For the national taxes", changed
- Directive of MF no.18 dated 23.08.2011 "For some additions and changes in the Directive no.26, dated 4.9.2008 "For the national taxes", changed
- CMD no.899, date 14.12.2011 "For mandatory disclosure of tax declarations and other tax documents, only through the electronic form"

As mentioned above, during 2011 some Laws and other legal acts affecting international economic relations were enacted. With intention to provide facilitating conditions and correct procedures for trade development some laws concern the compliance of Albania in international conventions where the major intention is economic cooperation, as for example, avoiding the double taxation and preventing fiscal evasion related to income taxes and capital.

- Law no.10397 dated 17.03.2011 "For the compliance of the Republic of Albania with the convention "For law applicable to food obligations"
- Law no.10406 dated 31.03.2011 "On the compliance of the Republic of Albania with the "International Agreement on tropical timber, 2006"
- Some others include ratification of the agreement between the Council of Ministers (CM) of the Republic of Albania and some other governments of different countries.

Such agreements, CM of the Republic of Albania has made with some different government: the Government Kingdom of Denmark; Singapore; Federal Republic of Germany; Government of Macedonia and Bosnia-Herzegovina.

- Law no.10382 dated 24.02.2011 "For the ratification of"The agreement between the CM of the Republic of Albania and the Government Kingdom of Denmark on cooperation for development"
- Law no.10396 dated 17.03.2011"For ratification of the "Agreement between the Council of Ministers of the Republic of Albania and the Government of Federal Republic of Germany for sea transportation"
- Law no.10402 dated 24.03.2011"For the ratification of "The agreement between the CM of the Republic of Albania and the Government of the Republic of Singapore, on avoiding the double taxation and preventing fiscal evasion related to income taxes.
- CMD no.508 dated 06.07.2011"For the approval of"The cooperation agreement between the CM of the Republic of Albania and the Republic of the Macedonia in the context of the accession process in European Union
- Law no.10477 dated 03.11.2011"For the ratification of "The agreement between the CM of the Republic of Albania and the CM of the Republic of Bosnia-Herzegovina to resolve the debt of the Republic of Albania to pay the amounts in the account of goods exchange between the Republic of Albania and the former Socialist Federal Republic of Yugoslavia

An important area remains the consumers' protection and safety:

- A large number of laws and directives through various articles aim life, health, environmental protection and public interest.
- Also these laws and directives determine responsible structures for market survey in order to the product meets the essential requirements or other safety requirements
- product. The rights and powers of the responsible structure, and
- principles for the control of imported products that enter in the territory of Albania, in cooperation with customs authorities.

- Law no.10444 dated 14.07.2011"For some additions and changes in the Law no.9902, dated 17.4.2008 "For Consumer Protection"
- Law no.10480 dated 17.11.2011"For general safety of non-food products"
- Law no.10489 dated 15.12.2011" For trading and market survey of non -food products"
- Order of the Ministry of Agriculture no 328 dated 22.11.2011"On determining of the criteria and requirements for veterinary certification for certain animal species and their fresh meat, which enter in the Republic of Albania from certain countries, as well as other territories under the administration of these states'

An important field remains also the business climate. Aiming to improve this field and to offer facilitating conditions, are enacted some specific laws and decisions with tariff nature and non-tariff nature to regulate the market process, Through the legal framework determined conditions and procedures for the companies in connection with the capital limit, deadlines and procedures for the growth border when it is lower.

A very important directive is that for establishment of Innovation Fund, under AIDA (Albanian Investment Development Agency), which provides assistance in the form of direct subsidies, micro enterprises, small and medium-sized, up to 400 000 (four hundred thousand.) by the scheme that covers from 30% to 50% of eligible costs and approved, within the above limit.

Below are some laws and directives related:

- CMD no.615 dated 07.09.2011 "For distance trading contracts in financial services for the customers"
- CMD no.667 dated 28.09.2011"For establishment of Innovation Fund"
- Law no.10475 dated 27.10.2011"For changes in the Law no.9901, dated 14.4.2008 "For Commercial and trading companies"

For a more detailed outlook of the legislative acts of 2011, please refer to Annex V.

Annex 1

Most exported and imported products with the EU

Table A 1.1 Ten most exported products to the EU-27 (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
270900	Petroleum oils and oils obtained from bituminous minerals, crude	1,753.88	4,196.13	5,943.87	7,020.48	15,759.55	31,262.83	22%	98%
640610	Uppers and parts thereof, other than stiffeners	10,807.41	10,175.43	8,339.43	7,703.41	8,964.95	10,239.08	7%	14%
620342	Men/boys trousers and shorts, of cotton, not knitted	5,832.25	6,764.13	6,478.63	4,986.11	5,899.50	6,120.01	4%	4%
640340	Footwear, sole leather,uppers of leather w/met toe-cap	3.06		3.23	4.30	2,829.76	4,819.32	3%	70%
830140	Locks of base metal	2,350.09	3,526.70	3,905.67	3,715.78	4,506.07	4,544.02	3%	1%
620520	Men/boys shirts, of cotton, not knitted	2,833.25	3,197.94	3,467.05	3,477.45	3,909.62	4,370.41	3%	12%
740400	Waste and scrap, copper or copper alloy	2,759.82	2,449.65	1,775.23	1,052.77	2,948.85	3,859.16	3%	31%
720449	Ferrous waste and scrap, iron or steel	948.01	565.77	827.92	248.55	1,590.73	3,256.90	2%	105%
720241	Ferro-chromium containing by weight more than 4% of carbon	967.29	115.96	2,345.64	22.79	1,633.14	2,896.86	2%	77%
640399	Footwear, outer soles of rubber/plastics uppers of leather, nes	139.10	391.77	545.58	676.58	1,985.07	2,785.51	2%	40%
	TOP TEN EXPORTS TO EU						74,154.09	52%	
	TOTAL EXPORTS TO EU						142,732.02		

Table A 1.2 Ten most imported products from the EU-27 (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
271019	Light petroleum distillates nes	10,919.26	12,079.68	17,226.96	14,606.00	23,732.89	38,524.80	11%	62%
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc	3,988.18	5,784.82	5,729.78	5,681.60	5,296.11	8,909.56	3%	68%
300490	Medicaments nes, in dosage	3,384.09	5,098.86	5,579.59	6,185.29	8,537.11	8,902.95	3%	4%
271011	Aviation spirit	3,445.14	4,205.76	4,615.98	4,545.18	6,617.54	8,700.46	2%	31%
240220	Cigarettes containing tobacco	2,978.42	3,285.56	6,012.71	7,636.14	9,941.16	7,704.70	2%	-22%
721420	Bars & rods indented, ribs	1,749.92	2,206.32	2,979.88	5,429.44	5,714.68	6,995.30	2%	22%
271600	Electrical energy	3,147.32	2,334.62	2,930.26	2,941.88	3,081.22	6,017.97	2%	95%
690890	Tiles, cubes and sim nes, glazed ceramics	1,571.05	1,584.59	2,467.24	2,153.01	4,585.31	4,831.90	1%	5%
100190	Wheat nes and meslin	456.81	471.21	2,494.54	1,418.99	2,278.62	4,785.45	1%	110%
410719	Unprocessed leather parts	2,962.71	5,493.82	4,550.48	4,436.59	5,089.74	4,737.13	1%	-7%
	TOP TEN IMPORTS FROM EU						100,110.23	28%	
	TOTAL IMPORTS FROM EU						352,216.05		

Annex 2

Most exported and imported products with the Region

Table A 2.1 Ten most exported products to the Region (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
721420	Bars & rods, indented	1,128.77	2,633.98	6,210.04	3,863.21	4,795.62	7,550.63	31%	57%
252329	Portland cement nes	77.43	401.83	1,402.99	1,566.47	2,045.93	3,209.88	13%	57%
271600	Electrical energy				1,194.02	1,605.07	1,685.36	7%	5%
271011	Aviation spirit			217.80			1,575.83	6%	N/A
260111	Iron ores & concentrates, other than roasted iron	420.55	682.20	585.42	648.40	718.91	1,307.29	5%	82%
271320	Petroleum bitumen	1,034.38	1,102.89	1,862.11	546.03	1,316.09	681.71	3%	-48%
760410	Bars, rods and profiles, aluminium, not alloyed	139.42	300.07	351.71	298.33	258.96	391.51	2%	51%
252321	Portland cement, white, whether or not artificially coloured	0.13	5.38	3.21	156.22	54.10	295.85	1%	447%
940350	Bedroom furniture, wooden, nes	200.19	288.65	262.66	215.32	164.62	288.37	1%	75%
690410	Building bricks	0.14		64.03	73.28	21.06	244.20	1%	1060%
	TOP TEN EXPORTS TO REGION						17,230.63	70%	
	TOTAL EXPORTS TO REGION						24,559.15		

Table A 2.2 Ten most imported products from the Region (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
720449	Ferrous waste and scrap, iron or steel, nes	587.95	3,280.64	2,441.72	2,606.62	8,118.62	10,371.72	21%	28%
271600	Electrical energy		5,430.28	13,625.65	4,915.87	4,531.99	6,114.00	13%	35%
170199	Refined sugar, in solid form, nes	48.35	93.98	107.62	221.77	2,045.70	1,756.67	4%	-14%
151219	Sunflower-sed/safflower oil&their fractions refind but nt chem modifid	24.63	103.81	979.95	424.29	1,301.61	1,650.52	3%	27%
271320	Petroleum bitumen			1.93	93.96	355.29	1,501.90	3%	323%
100590	Maize (corn) nes	589.37	811.96	1,013.12	1,056.01	1,613.84	1,424.00	3%	-12%
110100	Wheat or meslin flour	44.04	353.49	458.32	622.40	996.84	998.08	2%	0%
160416	Anchovies, prepared or preserved, whole or in pieces, but not minced		1.19			17.65	912.72	2%	5073%
440710	Lumber, coniferous (softwood) 6 mm and thicker	740.08	804.42	622.12	598.47	786.39	890.08	2%	13%
271113	Butanes, liquefied	412.18	1,310.25	612.03	129.37	585.37	860.63	2%	47%
	TOP TEN IMPORTS FROM REGION						26,480.32	55%	
	TOTAL IMPORTS FROM REGION						48,435.86		

Annex 3

Most exported and imported products with the EU and regional countries

Table A 3.1 Ten most exported products to Italy (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
270900	Petroleum oils and oils obtained from bituminous minerals, crude	1,753.88	4,196.13	5,117.50	6,322.35	10,134.77	21,179.46	20%	109%
640610	Uppers and parts thereof, other than stiffeners	10,800.81	10,161.13	8,219.03	7,663.96	8,964.58	10,134.30	10%	13%
620342	Mens/boys trousers and shorts, of cotton, not knitted	4,889.97	6,158.76	5,698.94	4,336.47	5,018.60	5,583.06	5%	11%
640340	Footwear,outr sole of rber/plas/leathr,uppers of leathr w/met toe-cap	3.06		3.23		2,802.10	4,766.30	5%	70%
830140	Locks of base metal, nes	2,349.76	3,526.62	3,904.98	3,715.43	4,504.62	4,542.30	4%	1%
620520	Men/boys shirts, of cotton, not knitted	2,666.54	3,049.64	3,356.22	3,387.38	3,685.52	4,106.42	4%	11%
640399	Footwear, outer soles of rubber/plastics uppers of leather, nes	139.10	391.77	514.64	368.62	1,059.72	2,584.17	2%	N/A
160416	Anchovies, prepared or preserved, whole or in pieces, but not minced	1,875.81	1,791.35	1,666.09	1,991.97	2,368.81	2,562.66	2%	8%
610910	T-shirts, singlets and other vests, of cotton, knitted	1,525.05	1,685.09	2,229.72	2,241.13	2,409.79	2,297.24	2%	-5%
640510	Footwear with uppers of leather or composition leather, nes	2,006.93	2,113.07	2,170.58	2,345.25	2,927.00	2,182.91	2%	-25%
	TOP TEN EXPORTS TO ITALY						59,938.82	57%	
	TOTAL EXPORTS TO ITALY						104,941.24		

Table A 3.2 Ten most imported products from Italy (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
271019	Light petroleum distillates nes	123.23	232.27	280.92	606.92	12,714.56	32,419.73	19%	155%
271011	Aviation spirit	53.227633	468.794722	257.74	98.12	2,825.25	6,198.85	4%	119%
410719	Leather	2,962.71	5,493.82	4,547.18	4,224.49	5,009.54	4,695.18	3%	-6%
830160	Lock parts,includg parts of clasps o frames w clasps,of base metal,nes	2,034.43	3,411.25	3,744.05	3,525.48	4,381.56	4,436.84	3%	1%
640610	Uppers and parts thereof, other than stiffeners	3,240.67	2,277.13	2,004.95	1,418.06	2,420.23	3,013.57	2%	25%
640699	Parts of footwear nes	458.13	880.66	736.26	1,111.09	1,948.72	2,678.65	2%	37%
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc	1,418.23	2,269.01	1,833.75	1,708.89	1,740.49	2,381.72	1%	37%
850300	Parts of electric motors,generators,generatg sets & rotary converters	355.23	523.89	1,238.21	1,267.30	1,846.99	2,152.38	1%	17%
730890	Structures&parts of structures,i/s (ex prefab bldgs of headg no.9406)	480.15	725.92	2,478.50	1,146.71	1,307.98	1,746.62	1%	34%
854449	Electric conductors, for a voltage not exceeding 80 V, nes	21.87	124.07	429.96	1,058.50	1,552.30	1,663.93	1%	7%
	TOP TEN IMPORTS FROM ITALY						61,387.47	36%	
	TOTAL IMPORTS FROM ITALY						169,147.23		

Table A 3.3 Ten most exported products to Greece (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
720449	Ferrous waste and scrap, iron or steel, nes	859.22	564.94	822.23	245.74	1,390.74	3,074.70	31%	121%
240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped	179.00	591.31	205.90	215.29	433.59	413.38	4%	-5%
620443	Womens/girls dresses, of synthetic fibres, not knitted	54.66	61.37	76.06	125.61	176.11	400.39	4%	N/A
200570	Olives prepard o preservd,oth than by vinegar o acetic acid,not frozen	119.88	158.23	181.51	184.76	298.76	325.41	3%	9%
620341	Men/boys trousers and shorts,of wool or fine animal hair,not knitted				421.24	305.74	278.08	3%	-9%
610711	Men/boys underpants and briefs, of cotton, knitted	300.59	323.58	331.96	161.24	207.74	257.11	3%	24%
610620	Womens/girls blouses and shirts, of man-made fibres, knitted	116.90	151.74	129.90	507.16	198.65	236.99	2%	19%
392330	Carboys, bottles, flasks and similar articles of plastics	56.53	88.43	229.80	385.49	381.35	215.88	2%	-43%
610610	Womens/girls blouses and shirts, of cotton, knitted	1,074.39	1,004.43	911.10	209.31	236.98	210.10	2%	-11%
070200	Tomatoes, fresh or chilled		0.60	3.54	22.67	33.01	170.33	2%	416%
	TOP TEN EXPORTS TO GREECE						5,582.36	57%	
	TOTAL EXPORTS TO GREECE						9,788.28		

Table A 3.4 Ten most imported products from Greece (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
721420	Bars & rods,i/nas,hr,hd or he,cntg indent,ribs,etc,prod dur rp/tar,nes	1,464.06	1,361.20	1,562.72	4,701.29	4,570.93	6,501.40	11%	42%
271019	Light petroleum distillates nes	7059.2685	11238.9924	16,426.70	13,088.65	9,989.23	4,864.77	8%	-51%
271011	Aviation spirit	2,853.59	3,698.30	4,301.64	4,394.73	3,543.67	2,253.80	4%	-36%
240220	Cigarettes containing tobacco	1,505.48	1,128.16	1,863.02	2,272.14	2,967.98	2,191.44	4%	-26%
220300	Beer made from malt	986.45	1,271.80	1,229.84	1,331.46	1,162.38	1,207.77	2%	4%
271600	Electrical energy			355.08	4.04		1,164.97	2%	N/A
080510	Oranges, fresh or dried	659.19	528.39	458.79	939.49	1,106.41	1,134.07	2%	2%
252329	Portland cement nes	1,619.79	2,014.42	2,072.83	3,634.00	2,171.44	898.72	2%	-59%
010392	Swine, live except pure-bred breeding weighing 50 kg or more	80.21	196.64	254.74	482.45	750.38	812.62	1%	8%
271320	Petroleum bitumen	0.39	153.36	159.16	1,399.47	465.60	736.57	1%	58%
	TOP TEN IMPORTS FROM GREECE						21,766.14	37%	
	TOTAL IMPORTS FROM GREECE						58,219.40		

	Table A 3.5 Ten most exported products to Germany (mln ALL)								
HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
121190	Plants &pts of plants(incl sed&fruit) usd in pharm,perf,insect etc nes	686.78	837.30	754.32	399.76	490.55	928.69	16%	89%
640351	Footwear, outer soles and uppers of leather, covering the ankle, nes			156.16	443.30	638.35	733.77	13%	15%
620690	Women/girls blouses and shirts,of other textile materials,not knitted	512.44	446.76	404.25	665.34	680.26	635.24	11%	-7%
620342	Men/boys trousers and shorts, of cotton, not knitted	89.10	110.58	177.81	515.73	795.87	486.59	9%	-39%
270900	Petroleum oils and oils obtained from bituminous minerals, crude						437.92	8%	N/A
640359	Footwear, outer soles and uppers of leather, nes		50.89	100.20	1.74		310.83	5%	N/A
620322	Men/boys ensembles, of cotton, not knitted			19.26	1.43		295.25	5%	N/A
620520	Men/boys shirts, of cotton, not knitted				2.22	179.05	239.87	4%	34%
620333	Men/boys jackets and blazers, of synthetic fibres, not knitted				9.14	0.21	148.77	3%	71082%
121490	Swedes,mangold,fodder root,hay,clover,sainfoin,forag kale,etc	3.25	15.39	46.42	116.78	166.15	136.78	2%	-18%
	TOP TEN EXPORTS TO GERMANY						4,353.72	76%	
	TOTAL EXPORTS TO GERMANY						5,694.02		

	Table A 3.6 Ten most imported products from Germany (mln ALL)								
HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc	1,878.66	2,470.40	2,400.51	2,814.20	2,184.48	4,831.24	15%	121%
870333	Automobiles with diesel engine displacing more than 2500 cc	974.85	1,754.32	1,721.85	1,731.44	1,649.32	2,785.95	9%	69%
300490	Medicaments nes, in dosage	633.53	913.93	856.12	1,015.61	1,350.73	1,794.03	6%	33%
240220	Cigarettes containing tobacco	96.03	978.33	2,316.72	1,659.42	63.92	1,541.95	5%	2312%
870421	Diesel powered trucks with a GVW not exceeding five tonnes	781.83	674.35	688.42	761.76	652.56	976.50	3%	50%
870322	Automobiles w reciprocatg piston engine displacg > 1000 cc to 1500 cc	157.44	211.35	237.32	394.61	430.26	683.97	2%	59%
870323	Automobiles w reciprocatg piston engine displacg > 1500 cc to 3000 cc	286.36	318.42	280.89	295.61	274.38	580.11	2%	111%
870324	Automobiles with reciprocating piston engine displacing > 3000 cc	246.03	351.74	297.65	354.21	311.64	551.86	2%	77%
870210	Diesel powered buses with a seating capacity of > nine persons	167.66	143.86	210.38	266.54	143.42	453.41	1%	216%
100190	Wheat nes and meslin				172.25		361.98	1%	N/A
	TOP TEN IMPORTS FROM GERMANY						14,560.99	46%	
	TOTAL IMPORTS FROM GERMANY						31,532.80		

Table A 3.7 Ten most exported products to Croatia (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
640510	Footwear with uppers of leather or composition leather, nes		32.75	75.01	42.16	69.18	88.14	29%	27%
410120	Leather		25.53	8.15		16.91	53.05	17%	214%
640340	Footwear,outr sole of rber/plas/leathr,uppers of leathr w/met toe-cap					2.30	32.19	10%	1299%
080711	Watermelon	1.45	0.69	4.26	6.23	25.09	26.40	9%	5%
121190	Plants &pts of plants(incl sed&fruit) usd in pharm,perf,insect etc nes	24.88	25.43	43.79	22.21	21.37	21.40	7%	0%
160416	Anchovies, prepared or preserved, whole or in pieces, but not minced	137.15		13.80	8.72	65.19	12.57	4%	-81%
160414	Tunas,skipjack&Atl bonito,prepard/preservd,whole/in pieces,ex mincd					1.41	11.26	4%	697%
160413	Sardines,sardinella&brislg o sprats prep o presvd,whole o pce ex mincd			0.37		0.17	7.99	3%	4635%
640590	Footwear, nes			2.39		6.13	6.59	2%	8%
640399	Footwear, outer soles of rubber/plastics uppers of leather, nes						6.44	2%	N/A
	TOP TEN EXPORTS TO CROATIA						266.03	86%	
	TOTAL EXPORTS TO CROATIA						308.84		

Table A 3.8 Ten most imported products from Croatia (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
160416	Anchovies, prepared or preserved, whole or in pieces, but not minced		1.19			17.65	912.72	12%	5073%
271113	Butanes, liquefied	412.13	1,269.15	612.03	127.40	585.37	860.63	11%	47%
252329	Portland cement nes	896.03	55.51			947.58	806.35	11%	-15%
100590	Maize (corn) nes	8.77	67.12	370.93	69.33	342.94	466.56	6%	36%
030563	Anchovies, salted and in brine, but not dried or smoked	85.93	72.84	130.36	346.66	119.29	458.59	6%	284%
720449	Ferrous waste and scrap, iron or steel, nes					102.63	406.87	5%	296%
100190	Wheat nes and meslin		12.59	124.02	768.91	628.29	335.94	4%	-47%
340220	Surface-active prep, washing & cleaning prep put up for retail sale	18.88	71.44	63.14	227.05	231.41	242.94	3%	5%
853710	Boards,panels,includg numerical control panels,for a voltage </=1000 V		81.80	4.28	29.90	266.22	213.16	3%	-20%
871000	Tanks and other armoured fighting vehicles, motorised, and parts						212.48	3%	N/A
	TOP TEN IMPORTS FROM CROATIA						4,916.24	65%	
	TOTAL IMPORTS FROM CROATIA						7,544.06		

Table A 3.9 Ten most exported products to Kosova (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
721420	Bars & rods,i/nas,hr,hd or he,cntg indent,ribs,etc,prod dur rp/tar,nes	1,034.44	2,030.18	4,286.17	3,298.93	4,257.92	6,220.78	43%	46%
252329	Portland cement nes			23.12	148.97	990.53	2,116.59	14%	114%
271320	Petroleum bitumen	408.98	435.46	1,017.81	406.82	1,076.21	663.70	5%	-38%
260111	Iron ores&concentrates,oth than roasted iron pyrites,non-agglomerated		82.28	15.93	386.38	352.93	405.43	3%	15%
760410	Bars, rods and profiles, aluminium, not alloyed	16.24	32.84	92.54	130.36	104.62	286.98	2%	174%
151219	Sunflower-sed/safflower oil&their fractions refind but nt chem modifid	8.59	70.31	19.28	25.90	96.10	221.92	2%	131%
690410	Building bricks	0.14			0.95		219.77	2%	N/A
271312	Petroleum coke, calcined						182.42	1%	N/A
760421	Profiles, hollow, aluminium, alloyed	0.37	4.52		10.72	176.48	159.39	1%	-10%
040700	Eggs, bird, in shell, fresh, preserved or cooked	3.06	16.88	93.14	13.40	20.34	146.71	1%	621%
	TOP TEN EXPORTS TO KOSOVA						10,623.69	73%	
	TOTAL EXPORTS TO KOSOVA						14,620.78		

Table A 3.10 Ten most imported products from Kosova (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
720449	Ferrous waste and scrap, iron or steel, nes	511.65	688.27	831.32	380.89	877.32	1,720.96	33%	96%
110100	Wheat or meslin flour	0.40	150.41	186.37	310.70	816.41	847.52	16%	4%
730110	Sheet piling,i/s whether/not drilled/punchd/made from assem elements	0.02	0.11	0.20			643.28	12%	N/A
071420	Sweet potatoes, fresh or dried, whether or not sliced or pelleted	154.84	305.80	279.55	411.68	493.89	265.86	5%	-46%
220210	Waters incl mineral&aeratd,containg sugar o sweeteng matter o flavourd	3.08	15.60	7.78	61.54	130.86	213.11	4%	63%
251730	Tarred macadam		47.75	114.27	626.86	18.18	191.59	4%	954%
730619	Tubes			6.66	29.62	270.82	157.99	3%	-42%
760200	Waste and scrap, aluminium	155.96	213.77	65.65	6.38	198.02	154.47	3%	-22%
730611	Other tubes			2.32	108.28	96.41	98.82	2%	2%
230230	Wheat bran, sharps and other residues, pelleted or not	12.58	27.50	24.25	22.55	66.96	70.36	1%	5%
	TOP TEN IMPORTS FROM KOSOVA						4,363.94	84%	
	TOTAL IMPORTS FROM KOSOVA						5,181.96		

Table A 3.11 Ten most exported products to Macedonia (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
721420	Bars & rods,i/nas,hr,hd or he,cntg indent,ribs,etc,prod dur rp/tar,nes	94.32	89.05	701.41	325.84	276.06	1,197.39	29%	334%
260111	Iron ores&concentrates,oth than roasted iron pyrites,non-agglomerated	420.44	599.92	569.49	262.00	365.98	901.86	22%	146%
252329	Portland cement nes	77.43	158.65	677.72	1,054.75	701.71	660.37	16%	-6%
854810	Parts of bateries		72.91	74.75	84.93	112.94	136.47	3%	21%
854590	Articles of carbon/graphite,of a kind usd for electrical purposes,nes	118.13	195.07	191.10	7.37	86.46	123.61	3%	43%
121190	Plants &pts of plants(incl sed&fruit) usd in pharm,perf,insect etc nes	77.06	81.86	96.66	79.23	76.27	121.55	3%	59%
560110	Sanitary articles of waddg of textile mat i.e. sanitary towels,tampons				2.43	75.67	118.59	3%	57%
121490	Swedes,mangold,fodder root,hay,clover,sainfoin,forag kale,etc			6.60	16.29	47.09	77.63	2%	65%
852340	Prepared unrecorded media for media recording				16.86	73.74	42.19	1%	-43%
410210	Sheep or lamb skins, raw, with wool on, nes	10.70	6.30	23.76	14.24	21.43	40.24	1%	88%
	TOP TEN EXPORTS TO MACEDONIA						3,419.91	82%	
	TOTAL EXPORTS TO MACEDONIA						4,147.59		

Table A 3.12 Ten most imported products from Macedonia (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
151219	Sunflower-sed/safflower oil&their fractions refind but nt chem modifid	0.01	41.24	749.04	389.44	998.85	1,382.45	16%	38%
720449	Ferrous waste and scrap, iron or steel, nes	23.01	19.66	247.71	46.45	74.58	631.78	7%	747%
220210	Waters incl mineral&aeratd,containg sugar o sweeteng matter o flavourd	49.78	117.05	6.29	14.36	7.15	442.76	5%	6094%
391721	Tubes, pipes and hoses, rigid; of polyethylene	14.99	23.42	86.37	185.66	304.89	349.52	4%	15%
680911	Plaster boards etc not ornamental facd o reinforcd w paper/paperboard	129.28	216.04	267.46	278.85	293.93	347.29	4%	18%
300490	Medicaments nes, in dosage	229.00	470.76	445.68	542.27	787.34	333.81	4%	-58%
720429	Waste and scrap, of alloy steel, other than stainless				127.23	230.45	240.02	3%	4%
010290	Bovine, live except pure-bred breeding	10.54	29.31	246.07	257.99	194.91	238.47	3%	22%
210210	Yeasts, active	144.36	142.80	164.73	190.69	205.96	228.14	3%	11%
730890	Structures&parts of structures,i/s (ex prefab bldgs of headg no.9406)	134.92	208.67	286.21	209.24	68.71	224.96	3%	227%
	TOP TEN IMPORTS FROM MACEDONIA						4,419.22	50%	
	TOTAL IMPORTS FROM MACEDONIA						8,915.91		

	Table A 3.13 Ten most exported products to Serbia (mln ALL)								
HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
271600	Electrical energy				405.32	1,513.79	1,650.13	46%	9%
271011	Aviation spirit			217.73			1,447.86	40%	N/A
940350	Bedroom furniture, wooden, nes		28.40	95.21	80.14	77.24	95.63	3%	24%
410120	Leather		6.94	9.28	10.81	28.53	57.83	2%	103%
252321	Portland cement, white, whether or not artificially coloured						52.47	1%	N/A
080711	Watermelon			22.53	28.78	40.38	50.76	1%	26%
070200	Tomatoes, fresh or chilled		1.18	0.20	1.92	10.83	47.93	1%	342%
640340	Footwear,outr sole of rber/plas/leathr,uppers of leathr w/met toe-cap				1.45	10.33	33.84	1%	227%
640510	Footwear with uppers of leather or composition leather, nes			47.71	9.63	22.00	33.45	1%	52%
721420	Bars & rods,i/nas,hr,hd or he,cntg indent,ribs,etc,prod dur rp/tar,nes		33.23	1,060.71	169.43	71.79	12.24	0%	-83%
	TOP TEN EXPORTS TO SERBIA						3,482.14	97%	
	TOTAL EXPORTS TO SERBIA						3,596.17		

	Table A 3.14 Ten most imported products from Serbia (mln ALL)								
HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
720449	Ferrous waste and scrap, iron or steel, nes		757.26	969.20	1,916.75	6,767.35	6,982.71	35%	3%
271600	Electrical energy		1,648.29	13,625.65	4,915.87	4,531.99	6,112.99	31%	35%
100590	Maize (corn) nes		1.88	530.59	969.74	1,267.10	956.98	5%	-24%
100190	Wheat nes and meslin		34.94	78.12	43.97	64.86	435.78	2%	572%
220290	Non-alcoholic beverages nes,excludg fruit/veg juices of headg No 20.09		1.42	114.32	191.69	299.24	372.10	2%	24%
340220	Surface-active prep, washing & cleaning prep put up for retail sale		48.16	148.11	185.75	269.25	360.12	2%	34%
690510	Roofing tiles, ceramic		32.53	112.69	166.01	267.80	306.13	2%	14%
390120	Polyethylene having a specific gravity of 0.94 or more		0.33	3.28	74.62	167.23	231.05	1%	38%
271019	Light petroleum distillates nes			3.18	0.35	1.36	216.99	1%	15809%
271490	Bitumen and asphalt; asphaltites and asphaltic rocks						214.21	1%	N/A
	TOP TEN IMPORTS FROM SERBIA						16,189.07	82%	
	TOTAL IMPORTS FROM SERBIA						19,724.26		

Table A 3.15 Ten most exported products to Montenegro (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
252329	Portland cement nes		187.98	702.15	362.51	353.69	432.92	26%	22%
252321	Portland cement, white, whether or not artificially coloured		0.36	0.67	153.36	52.34	238.31	14%	355%
271011	Aviation spirit			0.06			127.97	8%	N/A
721420	Bars & rods,i/nas,hr,hd or he,cntg indent,ribs,etc,prod dur rp/tar,nes		35.27	161.76	69.00	189.84	120.21	7%	-37%
321490	Non-refractory surfacg preparations for facades,walls,floors,ceilings		1.55	14.91	48.74	63.71	106.54	6%	67%
760410	Bars, rods and profiles, aluminium, not alloyed		69.91	232.06	148.34	148.71	96.45	6%	-35%
720429	Waste and scrap, of alloy steel, other than stainless						54.61	3%	N/A
760421	Profiles, hollow, aluminium, alloyed			75.48	9.19	9.09	41.68	3%	359%
930000	Military weapons, other than revolvers						35.29	2%	N/A
940350	Bedroom furniture, wooden, nes		6.38	25.83	18.63	22.32	25.75	2%	15%
	TOP TEN EXPORTS TO MONTENEGRO						1,279.74	78%	
	TOTAL EXPORTS TO MONTENEGRO						1,648.74		

Table A 3.16 Ten most imported products from Montenegro (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
720449	Ferrous waste and scrap, iron or steel, nes		174.65	393.49	262.54	296.74	629.40	44%	112%
440710	Lumber, coniferous (softwood) 6 mm and thicker		63.21	87.70	188.28	185.85	202.01	14%	9%
381190	Prepared additives for mineral oils or for other similar liquids, nes					22.12	116.72	8%	428%
220300	Beer made from malt		12.88	51.64	38.27	54.71	54.45	4%	0%
481920	Cartons,boxes and cases,folding,of non-corrugated paper or paperboard		6.30	38.79	71.24	61.18	49.80	3%	-19%
440392	Logs, Beech		0.90		11.61	6.33	46.51	3%	635%
760200	Waste and scrap, aluminium			3.30		9.07	34.69	2%	282%
110100	Wheat or meslin flour		1.00	40.19	167.66	101.27	32.55	2%	-68%
220421	Grape wines nes,incl fort&grape must,unfermntd by add alc in ctnr</=2l		9.26	16.75	15.91	27.22	26.43	2%	-3%
440320	Logs, poles, coniferous nes			2.86	2.52	20.13	23.88	2%	19%
	TOP TEN IMPORTS FROM MONTENEGRO						1,216.44	85%	
	TOTAL IMPORTS FROM MONTENEGRO						1,434.87		

Table A 3.17 Ten most exported products to Bosnia and Herzegovina (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
410120	Leather	269.09	254.78	89.15	38.90	143.68	76.16	32%	-47%
410150	Unprocessed leather				7.94	112.44	67.76	29%	-40%
640510	Footwear with uppers of leather or composition leather, nes				5.43	10.05	27.48	12%	173%
271320	Petroleum bitumen			19.66			13.59	6%	N/A
640340	Footwear,outr sole of rber/plas/leathr,uppers of leathr w/met toe-cap				2.56	4.68	11.69	5%	150%
080711	Watermelon	3.34	5.01	2.34	2.21	6.38	7.11	3%	12%
070200	Tomatoes, fresh or chilled			1.46	0.37	1.26	5.39	2%	327%
940350	Bedroom furniture, wooden, nes	5.95	7.19				5.26	2%	N/A
761100	Reservoirs,vats&sim cont of aluminium,cap >300L,o/t compr/liq gas type						2.95	1%	N/A
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc					0.00	2.63	1%	1888898%
	TOP TEN EXPORTS TO BOSNIA AND HERZEGOVINA						220.04	93%	
	TOTAL EXPORTS TO BOSNIA AND HERZEGOVINA						237.08		

Table A 3.18 Ten most imported products from Bosnia and Herzegovina (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
170199	Refined sugar, in solid form, nes				0.02	1,058.08	1,692.38	31%	60%
271320	Petroleum bitumen				91.72	355.29	1,462.12	27%	312%
440710	Lumber, coniferous (softwood) 6 mm and thicker	556.65	678.23	529.85	402.18	592.12	685.75	13%	16%
270400	Coke&semi-coke of coal,lignite o peat,agglomeratd o not,retort carbon		18.11	225.36	2.59	368.64	467.78	9%	27%
721391	Bars with d<14mm	1.61					173.60	3%	N/A
160100	Sausage&sim prod of meat,meat offal/blood&food prep basd on these prod	2.89	12.88	54.41	116.70	238.96	154.79	3%	-35%
300490	Medicaments nes, in dosage	2.19	10.69	47.30	42.04	155.27	131.37	2%	-15%
271019	Light petroleum distillates nes			0.04	0.03	236.71	107.58	2%	-55%
151219	Sunflower-sed/safflower oil&their fractions refind but nt chem modifid	7.11		176.96	7.21	93.55	60.53	1%	-35%
040120	Milk not concentrated & unsweetened exceeding 1% not exceeding 6% fat	15.24	29.87	10.12	26.04	52.89	44.94	1%	-15%
	TOP TEN IMPORTS FROM BOSNIA AND HERZEGOVINA						4,980.84	92%	
	TOTAL IMPORTS FROM BOSNIA AND HERZEGOVINA						5,429.77		

Annex 4

Most exported and imported products with other countries

Table A 4.1 Ten most exported products to USA (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
720241	Ferro-chromium containing by weight more than 4% of carbon					1,240.86	1,375.61	69%	11%
121020	Hop cones, ground, powdered or pelleted and lupulin				232.15	184.62	240.72	12%	30%
121190	Plants &pts of plants(incl sed&fruit) usd in pharm,perf,insect etc nes	259.37	219.09	288.25	228.45	209.90	226.39	11%	8%
950590	Festive,carnival o oth entertainment art incl conjurg tricks&nov jokes		0.29	7.30	9.34	6.64	16.18	1%	144%
121130	Dry coca leaves			7.00		21.76	12.56	1%	-42%
630900	Worn clothing and other worn articles	8.86	5.89	9.48	18.71	13.60	9.96	0%	-27%
090950	Fennel or juniper seeds				1.44		5.94	0%	N/A
870323	Automobiles w reciprocatg piston engine displacg > 1500 cc to 3000 cc			1.88	3.98	1.05	4.68	0%	347%
200799	Jams,fruit jellies,fruit/nut purée&paste,ckd prep,sugard,sweetend/not					2.59	4.61	0%	78%
220820	Spirits obtained by distilling grape wine or grape marc	3.32	4.43	4.30	0.65	4.21	4.31	0%	2%
	TOP TEN EXPORTS TO USA						1,900.96	95%	
	TOTAL EXPORTS TO USA						2,001.63		

Table A 4.2 Ten most imported products from USA (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
020714	Parts of frozen chickens	218.43	202.28	382.21	756.40	1,115.24	1,366.52	17%	23%
271311	Petroleum coke, not calcined					133.84	458.87	6%	243%
300490	Medicaments nes, in dosage	51.17	154.60	21.63	18.40	34.99	420.32	5%	1101%
852340	Magnetic Discs, Unrecorded			10.00	382.09	12.08	372.37	5%	2983%
851762	Other telephonic apparatus			1.24	22.01	25.29	298.69	4%	1081%
870324	Automobiles with reciprocating piston engine displacing > 3000 cc	56.82	85.77	430.31	395.03	281.68	282.18	4%	0%
020329	Swine cuts, frozen nes	358.15	87.31	192.62	594.84	703.17	237.71	3%	-66%
870333	Automobiles with diesel engine displacing more than 2500 cc	9.20	77.24	160.97	163.30	120.96	207.44	3%	71%
870520	Mobile drilling derricks						162.83	2%	N/A
843143	Parts of boring or sinking machinery, whether or not self-propelled					24.42	158.60	2%	550%
	TOP TEN IMPORTS FROM USA						3,965.54	49%	
	TOTAL IMPORTS FROM USA						8,033.90		

	Table A 4.3 Ten most exported products to China (mln ALL)								
HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
261000	Chromium ores and concentrates	882.75	2,475.95	2,819.87	3,516.05	6,387.29	3,152.82	64%	-51%
260300	Copper ores and concentrates				1,338.84	2,329.40	1,336.58	27%	-43%
260111	Iron ores&concentrates,oth than roasted iron pyrites,non-agglomerated					8.01	256.87	5%	3107%
251690	Monumental or building stone nes				18.74	46.67	66.85	1%	43%
391590	Plastics waste and scrap nes				20.50	44.30	62.48	1%	41%
262030	Ash and residues containing mainly copper						20.92	0%	N/A
050400	Guts, bladders and stomachs of animals except fish whole or in pieces						16.84	0%	N/A
440792	Lumber, Beech				11.52	14.11	15.86	0%	12%
470710	Waste and scrap of unbleached kraft or corrugated paper and paperboard						0.38	0%	N/A
847330	Parts&accessories of automatic data processg machines&units thereof		0.00			0.00	0.04	0%	13492%
	TOP TEN EXPORTS TO CHINA						4,929.64	100%	
	TOTAL EXPORTS TO CHINA						4,929.65		

	Table A 4.4 Ten most imported products from China (mln ALL)								
HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
640299	Footwear, outer soles/uppers of rubber or plastics, nes	392.58	640.57	736.35	642.49	799.58	1,253.05	4%	57%
730431	Tubes,pipe&hollow profiles,i/nas,smls,cd/cr,of circ cross section,nes	0.77	6.34	2.00	1.16	0.96	844.32	2%	88204%
851712	Telephone sets			8.94	44.32	21.76	661.35	2%	2940%
690890	Tiles, cubes and sim nes, glazed ceramics	113.62	214.78	236.58	119.20	259.55	611.92	2%	136%
851762	Other telephone apparatus			30.71	54.98	29.22	580.79	2%	1888%
950300	Electronic toys, trains, etc.			183.89	228.20	328.44	535.44	2%	63%
841510	Air conditioning machines window or wall types, self-contained	98.70	292.71	339.57	421.20	288.53	534.54	2%	85%
730419	Line pipe of a kind used for oil or gas pipelines				321.40	721.97	526.59	2%	-27%
852872	Of televisions			1.79	67.75	91.96	470.32	1%	411%
847130	Digital instruments for data processing	9.39	5.17	8.43	21.23	63.45	460.14	1%	625%
	TOP TEN IMPORTS FROM CHINA						6,478.47	19%	
	TOTAL IMPORTS FROM CHINA						34,779.97		

Table A 4.5 Ten most exported products to Turkey (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
720711	Semi-fin prod,i/nas,rect/sq cross-sect cntg by wgt<.25% c,wdth<2X thk					7,434.86	10,369.17	69%	39%
260300	Copper ores and concentrates	70.52		688.30	180.96		2,842.78	19%	#DIV/0!
720449	Ferrous waste and scrap, iron or steel, nes	542.32	258.49	556.16	24.94	596.34	469.65	3%	-21%
410210	Sheep or lamb skins, raw, with wool on, nes	135.10	147.66	75.62	25.76	103.49	267.38	2%	158%
261000	Chromium ores and concentrates		214.49	58.52	19.85	387.44	198.83	1%	-49%
121190	Plants &pts of plants(incl sed&fruit) usd in pharm,perf,insect etc nes	101.12	130.58	219.07	151.78	159.70	170.63	1%	7%
391590	Plastics waste and scrap nes	12.71	30.88	43.91	4.01	63.07	155.47	1%	147%
410510	Lamb unprocessed leather	10.56	5.79	16.64	13.06	36.47	92.78	1%	154%
731442	Grill, netting, fencing, iron or steel, plastic coated						55.60	0%	#DIV/0!
890190	Cargo vessels nes&oth vessels for the transport of both persons&goods			10.43			54.40	0%	#DIV/0!
	TOP TEN EXPORTS TO TURKEY						14,676.68	98%	
	TOTAL EXPORTS TO TURKEY						14,942.03		

Table A 4.6 Ten most imported products from Turkey (mln ALL)

HS Code	Description	2006	2007	2008	2009	2010	2011	Share to total in %	Change Rate 11-10
721420	Bars & rods,i/nas,hr,hd or he,cntg indent,ribs,etc,prod dur rp/tar,nes	1,702.78	2,097.15	2,603.35	2,685.33	2,083.91	3,097.45	10%	49%
190531	Biskota te embela	358.27	431.34	452.54	776.24	1,014.59	1,028.93	3%	1%
760429	Bars, rods and other profiles, aluminium alloyed	149.03	123.89	52.47	402.93	492.61	774.59	3%	57%
291615	Oleic,linoleic or linolenic acids, their salts and esters						763.55	3%	#DIV/0!
721391	Bars with d<14mm	105.32	347.84	2.72	170.08	609.72	598.28	2%	-2%
441011	Parts of wood			63.91	549.55	536.19	576.94	2%	8%
190590	Communion wafers,empty cachets f pharm use&sim prod&bakers' wares nes	837.17	915.94	853.76	372.37	415.64	517.45	2%	24%
210500	Ice cream and other edible ice, whether or not containing cocoa	87.94	142.40	257.07	340.47	389.17	507.12	2%	30%
300490	Medicaments nes, in dosage	24.76	101.47	220.56	322.24	421.00	492.60	2%	17%
570242	Carpets of man-made textile mat,of woven pile construction,made up,nes		1.67	14.77	241.84	399.80	466.61	2%	17%
	TOP TEN IMPORTS FROM TURKEY						8,823.52	29%	
	TOTAL IMPORTS FROM TURKEY						30,342.72		

Annex 5

List of trade -related acts enacted during 2010

Type of legal acts	No.	date	Act
Directive of MF	3	07.01.2011	For some additions in the directive no. 5 dated 30.1.2006 “On income taxes” changed
Law	10382	24.02.2011	For the ratification of ”The agreement between the CM of the Republic of Albania and the Government Kingdom of Denmark on cooperation for development
CMD	187	09.03.2011	For some additions and changes in Decision no 1078, dated 29.12.2010 of CM "For authorization of Kurum International, sh.a. in the import of metal waste iron and steel, for recycling purposes".
Law	10384	24.02.2011	For some additions in the Law no.9870, dated 4.2.2008 “ For standardization"
Law	10396	17.03.2011	For ratification of the "Agreement between the Council of Ministers of the Republic of Albania and the Government of Federal Republic of Germany for sea transportation”
Law	10397	17.03.2011	For the compliance of the Republic of Albania with convention “For law applicable to food obligations "
Law	10402	24.03.2011	For the ratification of ”The agreement between the CM of the Republic of Albania and the Government of the Republic of Singapore, on avoiding the double taxation and preventing fiscal evasion related to income taxes.
Law	10406	31.03.2011	On the compliance of the Republic of Albania with "International Agreement on tropical timber, 2006
Law	10404	24.03.2011	For some additions and changes in the law no.8976 dated 12.12.2002 “For excises in the Republic of Albania” changed
Decision of the Parliament	98	25.04.2011	For rejection of the decree no.6975 dated 12.4.2011 of the President of the Republic "On the return for review of Law No. 10 404, dated 24.03.2011 "On some changes and additions to Law no. 8976, 12.12.2002 "On excise duties in the Republic of Albania ", amended
Law	10415	07.04.2011	For some changes and additions in Law no. 9920 dated 19.5. 2008 “For the tax procedures in the Republic of Albania”, changed
Law	10 403	24.03.2011	For ratification of the "Agreement, with exchange of notes, for correction of the agreement between the Republic of Albania and Federal Republic of Germany on avoiding of double taxation and fiscal evasion, for taxes on income and on capital ", signed on 6 April 2010 in Berlin
Directive of MF	9	26.04.2011	For some additions in the directive no. 5 dated 30.1.2006 “On income taxes” changed relation to the individual annual statement of income
Directive of MF	12	18.05.2011	About the procedures of implementation of the Law no.10 418, dated 21.4.2011"On the legalization of capital and the forgiveness of a portion of debt tax and customs "
Directive of MF	12/01/	26.05.2011	Fore some changes in the directive no.12 dated 18.05.2011"About the procedures of implementation of the Law no.10 418, dated 21.4.2011"On the legalization of capital and the forgiveness of a portion of debt tax and customs "
Directive of MF	13	26.5.2011	For one addition in the directive no. 5 dated 30.1.2006 “On income taxes” changed
Directive of MF	12/02/	15.06.2011	Fore some additions in the directive no.12 dated 18.05.2011"About the procedures of implementation of the Law no.10 418, dated 21.4.2011"On the legalization of capital and the forgiveness of a portion of debt tax and customs "
Directive of MF	12/03/	04.07.2011	Fore some changes in the directive no.12 dated 18.05.2011"About the procedures of implementation of the Law no.10 418, dated 21.4.2011"On the legalization of capital and the forgiveness of a portion of debt tax and customs "
CMD	442	16.06.2011	For approval of conditions to confirming documents of the validity terms and claims processing procedures for authorizing the trading of precious and semiprecious minerals precious
Directive of MF	15	07.07.2011	For some changes in the directive no.17 dated 13.5.2008 “On value added tax” changed.
Law	10444	14.07.2011	For some additions and changes in the Law no.9902, dated 17.4.2008 “For Consumer Protection”
Law	10456	21.07.2011	For some additions and changes in the Law no.8976, dated 12.12.2002 ““For excises ”, changed
Law	10458	21.07.2011	For some changes in the Law no.9975, dated 28.7.2008 “For the national taxes", changed
Law	10459	21.07.2011	For some changes in law no. 9981 dt 8.9.2008 « On the approval of custom tariffs' levels » changed
Directive of MF	18	23.08.2011	For some additions and changes in the Directive no.26, dated 4.9.2008 “For the national taxes", changed
CMD	508	06.07.2011	For the approval of ”The cooperation agreement between the CM of the Republic of Albania and the Republic of the Macedonia in the context of the accession process in European Union
CMD	615	07.09.2011	For distance trading contracts in financial services for the customers
CMD	667	28.09.2011	For establishment of Innovation Fund
Directive of MF	23	25.10.2011	"On procedures of the review of customs value, sources of information and deadline of publication of the available data file, as well as clearance of vehicles and their spare parts
Directive of MF	24	07.11.2011	For some changes and additions in the directive no. 5 dated 30.06.2006 “On income taxes” changed
Directive of MF	25	08.11.2011	For some changes in the directive no.17 dated 13.5.2008 “On value added tax” changed.
Law	10475	27.10.2011	For a changes in the Law no.9901, dated 14.4.2008 “For Commercial and trading companies"
Law	10477	03.11.2011	For the ratification of ”The agreement between the CM of the Republic of Albania and the CM of the Republic of Bosnia-Herzegovina to resolve the debt of the Republic of Albania to pay the amounts in the account of goods exchange between the Republic of Albania and the former Socialist Federal Republic of Yugoslavia

Type of legal acts	No.	date	Act
CMD	753	02.11.2011	For one addition in the decision no. 1040 dated 22.12.2010 of the CM "For approval and official publication of the harmonized commodity nomenclature, 2011".
CMD	783	10.11.2011	For the procedures of the division of the annual income tax funds used by Local Government units
Law	10480	17.11.2011	For general safety of non-food products
CMD	797	16.11.2011	For an addition in the decision no.776, dated 4.6.2008 of CM "On the announcement of the economic zone in Elbasan"
Directive of MF	26	02.12.2011	For one change in the directive no.17 dated 13.5.2008 "On value added tax" changed.
Directive of MF	27	07.12.2011	For some changes in the Directive no.25, dated 30.11.2007 "On procedures of the review of customs value, sources of information and deadline of publication of the available data file, as well as clearance of vehicles and their spare parts"
Law	10489	15.12.2011	" For trading and market survey of non -food products "
Law	10492	15.12.2011	For one change in law no. 9981 dt 8.9.2008 « On the approval of custom tariffs' levels » changed
CMD	899	14.12.2011	For mandatory reporting of tax statements and other tax documents, only through the electronic form
CMD	910	28.12.2011	For the approval and official publication of the harmonized commodity nomenclature, 2012.
Order of the Ministry of Agriculture	328	22.11.2011	On determining of the criteria and requirements for veterinary certification for certain animal species and their fresh meat, which enter in the Republic of Albania from certain countries, as well as other territories under the administration of these states'
Decision of the Parliament	147	22.12.2011	Not to approve the draft law "On some additions and changes in Law No. 7928, dated 27.4.1995 "On value added tax", changed
CMD	895	21.12.2011	For some changes and additions in the decision no.306, dated 24.5.2006 of CM "On approval of list of materials and sportive equipment that will be excluded from customs duties and procedures of exclusion ", changed
CMD	929	21.12.2011	For authorization of society "Kurum International" sh.a for the import of metallic waste iron and steel, for recycling purposes