

ON THE PRIVATIZATION AND EXTERNAL DEBT

In the system of Ministry of Economic Cooperation and Trade operate 10 enterprises from which 5 enterprises are enterprises of the foreign trade. They are the following:

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|--------------------------------------|--------|
| 1. The Enterprise of Agro export | Tirana |
| 2. The Enterprise of Industrialimpex | Tirana |
| 3. The Enterprise of Artexportimport | Tirana |
| 4. The Enterprise of Machineryimpex | Tirana |
| 5. The Enterprise of Albkoop | Tirana |

All the above-mentioned enterprises are included in the process of the privatization and transformation in commercial companies.

Enterprises in the process of direct privatization:

The Enterprise of Machineryimpex	Tirana
The Enterprise of Albkoop	Tirana

Enterprises in the process of transforming in trade companies

The Enterprise of Agroexport	Tirana
The Enterprise of Industrialimpex	Tirana
The Enterprise of Artexportimport	Tirana

For all the enterprises is accomplished the process of estimation of the state capital and the respective documentation is sent to the branches of the Public Companies in Tirana and Durrës, and to the Ministry of Public Economy and Privatization to follow the further procedures for the privatization and the transformation in trade companies.

The privatization of the trade companies, that will be created from the transformation of the foreign affairs enterprises, is predicted to be accomplished during the year 1999.

To make possible the total privatization of these enterprises, it is necessary to cancel the total debt of 60 millions of US Dollars, mainly formed before the year 1992, from non respecting of the bilateral contracts between the enterprises of the foreign affair and private and state firms of different countries of Europe during the period of immediate decentralization of the foreign trade.

The debt is not arranged within the general debt of the Albanian state and it has not changed after 1992. According to the law nr.8377, on 22.7.1998 "For the declaration of the moratorium for the unpaid debts of the ex-enterprises of the foreign trade of the Republic of Albania to the foreign creditors", the debt is congealed and by means of a specific law will be determined the criteria of the systematization and the payment of the debt

Tirana, on 11.01.1999

THE POLICY OF ALBANIA IN THE FIELD OF FOREIGN TRADE

As known, from several years, Albania is oriented towards the development of a free-trade system, based on the basic principles of the market economy.

Albania offers nondiscrimination conditions between native and foreign subjects in the trade field, and is working for the completion and the approaching of its legislation with the requirements and the rules of trade of the World Trade Organization.

It is important to underline that, our legislation has had some positive changes, that will be deepened in the future to the approaching of the trade rules of our country with those of the European Union. So, technical rules are determined and approved in many specific fields, according to EU directives, as in the field of the import of pharmaceuticals products (predicted in the law of the medicines), the animal products (predicted in the law of veterinary service), the agricultural products (predicted in the law for the food), etc.

We underline that, till 31.12.1997, Albania has had a preferential treatment from the European Union in the field of textile trade, (after the Agreement for the export of the textile products to the EU countries, that was signed on 15.06.1993 in Brussels). As a result the Albanian export of textile products for the period 1993-1997 has been as follows:

VALUES IN 000/\$					
THE YEAR	1993	1994	1995	1996	1997
TEXTILE CLOTH.	10440	22660	35320	51893	34654

By the end of the term of this Agreement, the Albanian exports to the EU countries till the end of the year 1998 were arranged according to the directive Nr.3281/94, on 19.12.1994, of the EU, similar to the export of some other industrial products.

This Agreement has been a great help for Albania, because it made possible the employment of a considerable number of people in the industry of the cloths. As the above-mentioned Directive deadline was 31.12.1998, we think that, our efforts for extending the term of the agreement will be of interest for the future textile export.

At the same time, Albania is obtaining preferences for some elaborated products of the food industry, according to the Directive Nr.1256/96 of the Council of the Ministers of the European Union. It has made possible the entering of the investments in the food industry.

We will mention the investments for the fish and tomatoes industrialization etc., but we should underline, that the Albanian fresh agricultural products have several tax and non tariff barriers to the EU countries, that make impossible the export of these products in those countries.

Giving similar preferences to the Albanian export towards the EU countries will be a great help for the Albanian farmers and the Albanian agriculture. It will rise the agricultural production, the employment level, the income of the Albanian farmers etc.

In the bilateral relations, Albania has signed several agreements that form the legislative framework in the governmental level between our country and its partners.

So, the Albanian Government has sign several agreements as follows:

The Trade Agreement: with USA, Romania, China, Hungary, Egypt, etc; there are 6 in total.

Agreements for the Trade and Economic Cooperation: with EU, Poland, Austria, Bulgaria, Macedonia, Switzerland, etc. There are 7 in total.

Agreements for the Bilateral Encouraging and the Protection of the Investment: with England, Germany, Greece, France, Denmark, Israel, Macedonia, Turkey, China, Portugal, etc. There are 28 in total.

Agreements for the Economic, Industrial and Technical Cooperation: with Germany, Italy, Greece, France, Turkey, the Czech Republic, Slovenia, China, Holland, Egypt, etc. There are 15 in total.

The signing of these agreements is accompanied by a total transformation of the export-import system. The tax system is actually characterized by:

1. A relatively simple tax structure.
2. A relatively low of the state in the export-import activity (there are no export subventions and no minimal export limitations, but for the unprocessed leather and the copper, scraped iron and steel.
3. A relative opening (there are no quantity limitations)

The signing of the above-mentioned agreements and the measures taken inside our country has brought as a result the application and the rise of their effectiveness.

Albania estimates as vital the development and the expansion of the relations of the trade and economic cooperation, and those in the investment field with the other world countries.

So, the priority is given to the preparation of the legislative framework with the EU countries and our neighbors.

Now, we are ready to discuss for the Agreement for the Protection and the Encouraging of the Investments with Spain, This agreement will complete the signing of similar agreements with all the EU countries.

Albania is its own efforts to be a member of the World Trade Organization, where we have the observer status since 1992. The actual Government considers as a priority the objective, that Albania should be a member of this organization.

Our work for the preparation of the legislation in the trade, custom, service, investment, intellectuality field, etc is in conformity with the requirements of WTO.

ANNOUNCEMENT

On the Agreements for the Protection and the Encouraging of the Investments,
that Albania has signed with several countries:

NR	COUNTRY	THE PERIOD OF THE SIGNING	
1	Greece	March	1991
2	Turkey	June	1992
3	Romania	May	1994
4	Bulgaria	April	1994
5	Macedonia	February	1998
6	Germany	October	1991
7	Italy	September	1991
8	France	June	1995
9	Austria	March	1993
10	Switzerland	September	1992
11	Finland	June	1997
12	Denmark	September	1995
13	Sweden	March	1995
14	Holland	April	1994
15	Great Britain	March	1994
16	Slovenia	October	1997
17	Croatia	May	1993
18	Hungary	January	1996
19	The Czech Republic	June	1994
20	Poland	March	1993
21	Russian Federation	December	1994
22	USA	November	1991
23	Israel	January	1996
24	Tunisia	October	1993
25	Egypt	December	1994
26	China	February	1993
27	Malaysia	January	1994
28	Portugal	September	1998

ANOUNCEMENT

ON THE AGREEMENTS FOR THE TRADE AND ECONOMIC COOPERATION, THAT THE REPUBLIC OF ALBANIA HAS SIGNED WITH THE OTHER COUNTRIES:

NR	COUNTRY	THE PRIOD OF THE SIGNING	
1	Greece	March	1988
2	Turkey	June	1990
3	Romania	April	1989
4	Bulgaria	April	1994
5	Macedonia	January	1998
6	Germany	June	1988
7	Italy	November	1989
8	France	February	1988
9	Austria	March	1994
10	Switzerland	October	1995
11	Holland	February	1993
12	Slovenia	May	1992
13	Croatia	May	1993
14	The Czech Republic	June	1994
15	Poland	March	1993
16	The Russian Federation	April	1995
17	USA	May	1992
18	Egypt	December	1994
19	China	February	1993
20	Malaysia	January	1994