

FREE TRADE AGREEMENT BETWEEN THE EFTA STATES AND THE REPUBLIC OF ALBANIA

SUMMARY

The Free Trade Agreement between the EFTA States and Albania was signed in Geneva on 17 December 2009.

The main focus of the Agreement is the liberalisation of trade in goods. All customs duties on industrial products, including fish and other marine products, are abolished from the entry into force of the Agreement. Additional agricultural agreements between the individual EFTA States and Albania form an integral part of the instruments establishing the free trade area.

THE FREE TRADE AGREEMENT

The Agreement consists of a total of 43 Articles, five Annexes and two Protocols. The Agreement covers the following main subjects:

- **Trade in Goods**
- **Intellectual Property**
- **Investment, Services and Government Procurement**
- **Administration and Dispute Settlement**

TRADE IN GOODS

With the entry into force of the Agreement, all customs duties on industrial products, including fish and marine products (Annex II), originating in the Parties are abolished (Article 8).

The Agreement also provides for tariff concessions on processed agricultural products (Protocol A). Trade in basic agricultural products is covered by three bilateral agricultural agreements between the respective EFTA State and Albania. These agreements provide for substantial concessions on both sides, while taking into account the respective sensitivities of the Parties.

The rules of origin and the methods of administrative co-operation set out in Protocol B, and its seven Appendices, are based on the Pan-Euro-Mediterranean model text. This will allow for cumulation of materials originating in the EFTA States, Albania and the other "Pan-Euro-Med" member countries once the respective agreements are in place between those countries and Albania.

The Agreement contains detailed provisions on trade facilitation (Annex III). Sanitary and phytosanitary measures and technical regulations are dealt with in Chapter 2 and refer to WTO law. Furthermore, the Agreement includes provisions on state trading enterprises, subsidies, anti-dumping, and anti-competitive practices affecting the trade relations between the Parties as well as disciplines on safeguard measures.

INTELLECTUAL PROPERTY

The provisions on protection of intellectual property rights (Article 23 and Annex V) cover *inter alia*, patents, trademarks, copyrights and geographical indications. They are based on the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) and provide for a high level of protection, taking into account the principles of most favoured nation treatment and of national treatment.

INVESTMENT, SERVICES AND GOVERNMENT PROCUREMENT

The provision on investment (Article 24) mainly refers to investment promotion and contains a review clause (5 years). The Agreement also ensures the free transfer of payments for current transactions and capital movements, subject to a provision on balance of payment difficulties, which is based on the respective WTO provisions (Chapter 5).

Regarding services, the Agreement refers to the GATS, containing in particular a “most favoured nation” provision and a review clause in accordance with GATS (Article 25).

The Agreement also includes a provision on public procurement aiming in particular at ensuring transparency and avoiding discrimination (Article 26).

ADMINISTRATION AND DISPUTE SETTLEMENT

In Chapter 6, the Agreement establishes a Joint Committee, which supervises and administers the Agreement and oversees its further development. The Joint Committee may take decisions in cases provided for by the Agreement and make recommendations in other matters.

Chapter 7 contains rules and procedures for the settlement of disputes arising under the Agreement between one or more of the EFTA States and Albania.
