

## UPDATE ON LICENSING OF TRADABLE ITEMS

### Ministry of Defense: Export and import of armaments and munitions

The system of the export –import of the military items (guns, munitions, explosive and chemical products) is regulated by an internal regulation is not yet a law. Simultaneously, it is subject to the obligations that stem from international conventions ratified by the Republic of Albania.

The export of armament and munitions is performed in accordance with the Decision of the Council of Ministers, no. 365, dated 6/06/1994 “On the extermination and sales of armament and munitions that have or are about to expire as well as on sales of surplus stock of armament and munitions”. Based on this decision, the Ministry of Defense is authorized to exterminate or sell infantry, sapper and artillery munitions (and other) which have expired according to the allowed parameters as well as laboratory analyses. In addition to these, the same thing can be done for munitions, which are surplus or stock as well as bullets of different guns. This decision is valid for one year and is renewed at the end of each year.

The Ministry of Defense has set the criteria for the munitions and armament that shall be considered surplus or stock as well as the regulations of their sales in the Regulation approved by the Council of Ministers dated 10/08/1994 “On the sales of armament and munitions”. The objective of this sales is to make possible for the Ministry of Defense to activate the resources which are stock or surplus as well as other products of armament, munitions and other military items in order for it to cover the costs of the reform of modernizing military structures as well as reconstructing the military industry.

According to this regulation, the sales of armament and munitions as well as other military products is organized by the Ministry of Defense through the issuing of licenses.

In each case, the license is authorized by an order of the Minister of Defense. The license is untransferable. It can be renewable partly or totally by the Minister of Defense in the cases when the activity does not fall completely in the field foreseen in the license, when the provisions foreseen in the regulation are breached or when the licensee ceases to exist as a juridical person for major reasons.

The licensed enterprises and firms, before signing the contract for each sale, are obliged to be supplied with Export Authorization by the Ministry of Defense and for this they need to submit a number of documents.

In the framework of the execution of this decision, we have compiled the Regulation of issuing the licenses, which has come into power by the Order of the Minister of Defense no. 402, dated 1998. Based on this regulation, we have founded the commission of issuing the licenses, which is the unique authority in the territory of the Republic of Albania that is entitled to issue such authorizations (licenses) to state and private entities. These subjects that are issued such license can produce eruptive and explosion products and distribute or trade them according to the specifications in the license. The Minister of Defense approves the composing and the number of members of this commission.

The license is a professional authorization in written form, which is revocable and which allows its possessor to exercise one or some determined activities in the field of production of eruptive and explosion products as well as their distribution and trade according to the specifications in it. It

is not transferable from one person to another. It is issued to any juridical person only in the official name of the firm, is valid for a period of two years and is renewable.

The right to be issued a license is possessed by those firms that meet the conditions according to the Albanian legislation.

#### Ministry of Agriculture and Food:

There are no restrictions on imports of agricultural commodities or food products in existing legislation, laws, or by-laws. There are no specific licensing requirements for imported agricultural commodities or food products.

With regard to exports, there is a temporary ban on the export of live mollusks and fish to protect sensitive areas inhabited by these animals. The ban is expected to be lifted by the end of 1999.

Ministry of Agriculture and Food issues licenses for professional and services activities for export and import of agriculture products

For exercising profession issue licences in Veterinary, fishing, food, protection of plants, etc.

#### In veterinary sector

a. permission of exercising activity of clinic and veterinary pharmacy

This kind of permission is based on the equality principal and doesn't allow any kind of discrimination for physical and juridical persons, foreign and domestic persons.

B. Permission on export and import for live animals and their products (included fishes and other water products), and pharmaceutical veterinary products as well, within 10 days- 2 months. This kind of permission, is aiming to be eliminated within the year.

#### In plants protection

a. Permission for exercising of pesticide trade, based on profession and other criteria

This kind of permission is based on the equality principal and doesn't allow any kind of discrimination for physical and juridical persons, foreign and domestic persons. It's for relevant qualified and educated persons.

B. Permission on export-import of plants products. This kind of permission is based on the equality principal and doesn't allow any kind of discrimination for physical and juridical persons, foreign and domestic persons. It's for relevant qualified and educated persons.

C. Permission for export and import of sapling seeds. This permission is issued according to law on "Seed and sapling" and on sub legal acts, as well. There is no quantitative restrictions.

D. Permission for product of saplings and seeds. This permission is issued according to law on "Seed and sapling" and on sub legal acts, as well. There is no quantitative restrictions.

#### In agro-food sector

Permission for agriculture foods. This kind of permission is based on the equality principal and doesn't allow any kind of discrimination for physical and juridical persons, foreign and domestic

persons for every person, physical and juridical, foreign and domestic. It is based on the Food Law and some relevant regulates.

In fishing sector

Permission for the exercising of fishing, based on the law of "Fishing and Acqua culture" This kind of permission is based on the equality principle and doesn't allow any kind of discrimination for physical and juridical persons, foreign and

which are allowed to be exported). Other items include: scraps of iron and steel (72.04) except the scraps of stainless steel and waste of iron arising from the buckets of furnaces; copper and copper articles (74.01 - 74.19) except copper rustic, electrolytic copper and small copper handicraft products which are not produced from copper molds;

New items added to the list include hides of cattle (41.01) defined as fresh, dried, limed, salted, stretched or otherwise treated but not tanned or

No. 98, dated 4/02/1998 "On the invalidation of the Decision of the Council of Minister no. 153, dated 26/03/1997 and no.200, dated 2/05/1997 as well as some amendments on the Decision of the Council of Ministers no. 360 , dated 10/7/1995";

No. 321, dated 23/05/1998 "On some amendments Decision of the Council of Ministers no. 360 , dated 10/7/1995 " On the regime of export and import from and in the Republic of Albania".

Ministry of Public Economy and Privatization is the institution charged with the issuing of the authorizations for producing the following items:

1. Mining Concessions which are issued for the following activities:

- Exploration
- Prospecting and exploration
- Prospecting
- Exploitation

Of the minerals of our country.

The procedures for issuing the concessions for such activities are based on the Mining Law of Albania no. 7796, dated 17.12.1996, from which we can quote:

Mining right means a permission issued in accordance with this Law to engage in activities related to prospecting, exploitation or mining.

2. Concession for exercising the activities in the following fields:

- Mechanical Industry
- Industry of Leather-shoes processing, rubber and plastic
- Industry of clothes made of cotton and wool textiles as well as their mixing.
- Industry of wood processing
- Industry of consume chemical productions
- Industry of glass and ceramic products

The procedures for issuing such concessions are determined by the Decisions of the Council of Ministers no. 295, dated 13/06/1994, no. 198, dated 2/05/1997 and no. 98 dated 4/02/1998.

The Ministry of Industry, Transport and trade determine and respective regulations for the criteria, conditions and procedures for issuing concessions for exercising the activity in the fields of transport and industry and foresee all the measures that shall be taken in case such regulations are breached.

Having in mind that these are concessions for exercising an activity, we emphasize that they do not have an impact on the regime of export and import.

Ministry of Health

The accession of Albania in WTO leads to the liberalization of trade. Within this framework, we aim that the health service, being an important component in the life of the country, shall have a very positive impact by this accession.

It is obvious that the commercial aspect of this service is related with the import and production of drugs, medical materials and equipment as well as the offering of professional services. All the above mentioned areas are covered by state law or private subject. The later, following the opening of our country, include even foreigners. The respecting of commercial regulations and rights should be performed without damaging the quality of services.

The strategy for the importing of drugs and medical materials and equipment will be as follows: a tariff regime that goes towards zero. The following of this strategy is important because it enables the purchase of the above mentioned items which usually have high process from medical institutions which have limited budgets. In this mode, we shall make available medicines with high quality as well as part of medical materials that until now are in the form of donations. Low tariffs toward tariffs zero shall have a positive impact also on the local production (up to-date only pharmaceuticals). It would be advisable that a protection policy for the local production be followed until the tariffs become zero, through differentiating of tariffs of raw material from those of ready-made medicines.

The local production shall be developed in accordance with the commercial rights (patents). The quality shall be guaranteed for import as well as the local production through the non-tariff technical barriers. Such regulations do exist already. They are approved and shall be improved and completed based on the utilized regulations in the countries that are members of WTO. In this way, they should not be extra barriers that shall hinder the entering of goods.

#### DATA ON THE PROGRESS OF THE PRIVATIZATION PROCESS

| SECTOR         | No. Of enterprises for privatization | DEADLINE  |
|----------------|--------------------------------------|---|
| Strategic      |                                      |   |
| Albpetrol      | 4                                    | End of year 2000 and on   |
| Energetic body | 1                                    | Partly 1999-2000  |
| Telecomm       | 1                                    | End of year 1999 and on   |
| AMC            | 1                                    | Second quarter of 1999  |
| Alb chromium   | 1                                    | First half of 1999  |
| Alb copper     | 1                                    | First half of 1999  |
| Railways       | 1                                    | After year 2000   |
| Airports       | 1                                    | Only services, year 2000  |
| Harbors        | 1                                    | Only services, year 2000  |
| Non-strategic  | 469                                  | 300 within the first and second quarter of 1999. The rest, which still have legal issues, etc., will be on going. |