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REPUBLIKA E SHQIPERISE

Ministria e Punëve Publike dhe Transportit

DREJTORIA E MARREDHENIEVE ME JASHTË DHE MENAXHIMIT TE PROJEKTEVE

Adresa: Sheshi Skënderbej, nr. 5, Tirana, Albania; Tel: (04) 2225196; Fax: (04) 2225196;

Nr. 6445/Prot.
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Tiranë, më 12/01/2011

Z. ERVIN MAZNIKU
DREJTOR I PERGJITSHËM
AUTORITETI I AVIACIONIT CIVIL

TIRANË

L E N D A : Përcillet Memorandum Mirëkuptimi

I nderuar z. Mazniku,

Bashkëlidhur ju përcjellim për dijeni dhe kompetencë të mëtejshme protokollin e Sesionit të 3-të Shqiptaro – Kroat për Bashkëpunimin Ekonomik dhe Tregtar si dhe një kopje të Memorandumit të Mirëkuptimit ndërmjet autoriteteve aeronautike të të dy vendeve, i cili u propozua për nënshkrim nga pala kroate.

Duke ju falenderuar për bashkëpunimin,

SOKOL OLLIASHI
REPUBLIKA E SHQIPERISE
MINISTERIA E PUNEVE PUBLIKE DHE TRANSPORTIT
TIRANE

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
AERONAUTICAL AUTHORITIES
OF
THE REPUBLIC OF ALBANIA
AND
THE REPUBLIC OF CROATIA**

1 The aeronautical authorities of the Republic of Albania, as represented by the Directorate General of Civil Aviation of the Ministry of Public Works, Transport and Telecommunication and the Republic of Croatia, as represented by the Directorate General for Civil Aviation of the Ministry of the Sea, Transport and Infrastructure (together 'the "Aeronautical Authorities"') have reached the understanding set out below:

European Common Aviation Area Agreement ('the ECAA Agreement')

a) The Aeronautical Authorities confirmed that they are applying between themselves the provisions of the ECAA Agreement, which was signed by its Contracting Parties at Luxembourg on 9 June 2006, on a provisional basis as provided by the Article 29 ('Entry into force') of the ECAA Agreement, pending its entry into force.

b) In case of any contradiction between the ECAA Agreement and this Memorandum of Understanding, the ECAA Agreement will prevail.

Entry into operation

2 This Memorandum will enter into operation on the date when it has been signed by both Participants.

.....
**for the Aeronautical Authorities
of the Republic of Albania**

**JURE ŠARIĆ
for the Aeronautical Authorities
of the Republic of Croatia**

Date:

Date:

STATUS
of Bilateral Air Services Agreements of the Republic of Croatia
(1 Dec. 2010)

No.:	Country:	Initialed:	Date on which the ASA has been		
			Signed:	Ratified (HR):	Came into force:

1.	Albania	07.07.1995.	02.08.1995.	19.10.1995.	23.06.2005.
		Zagreb	Zagreb		

"Agreement between the Government of the Republic of Croatia and the Government of the Republic of Albania Concerning Air Services"



REPUBLIC OF CROATIA
MINISTRY OF THE SEA, TRANSPORT
AND INFRASTRUCTURE
Directorate General for Civil Aviation

Miro Cvijin, MBA
Head of International Bilateral
and Multilateral Affairs Department

Prisavlje 14
HR-10000 Zagreb
CROATIA

Phone: +385 1 616 9075
+385 1 616 9060
Fax: +385 1 619 6393
e-mail: miro.cvijin@caacro.hr

**PROTOCOL OF THE THIRD SESSION OF THE JOINT
ALBANIAN-CROATIAN COMMISSION ON
THE ECONOMIC COOPERATION**

The third session of the Joint-Commission was held in Zagreb, on 6 December 2010, in compliance with the provisions of Article 9 of the Agreement on Economic Cooperation between the Government of the Republic of Croatia and the Government of the Republic of Albania, signed on 10 May 1993.

The Albanian delegation was headed by Mr. Genci Muçaj, Director General, Directorate of Economic Corporation and Development, Ministry of Foreign Affairs.

The Croatian delegation was headed by Mrs. Ivana Sučić, Director General, Trade Policy and International Relations Directorate, Ministry of Economy, Labour and Entrepreneurship.

The members of both delegations are mentioned in Annex 1 and 2 of this Protocol. The third Session of the Commission approved the agenda, as it is presented in Annex 3 of this Protocol.

The third session of the Joint Commission was held in an atmosphere of warm, friendly and mutual understanding, which was the expression of the wish and will of both Sides to find the ways and means for the further increase and development of the economic cooperation between the two countries.

The heads of both delegations gave a summary of the economic situation in the respective countries and of the measures undertaken by the Governments of both countries with the aim of alleviating the consequences of the global economic and financial crisis.

The Croatian side informed on the developments that have taken place since the Croatia was granted the status of candidate country in June 2004. The accession negotiations with the EU were opened in October 2005. Since the start of the negotiations, Croatia opened thirty three chapters of the *acquis communautaire*, out of which twenty five chapters have been provisionally closed. The progress achieved in numerous chapters means that technical preparation in the accession negotiations is nearing its final phase.

The two sides exchanged information regarding the progress in the construction of the Adriatic-Ionian highway and expressed their interest for the development of this highway. They also discussed further cooperation, especially regional, in connection with the possible project of the Ionian-Adriatic Gas Pipeline.

During this meeting, different issues of common interest were discussed and the results of the talks are summed up in the following:

1. BILATERAL ECONOMIC AND TRADE RELATIONS

a) Overview of Economic and Trade Relations

Both Sides stated the wish of both Governments for intensifying more solid economic and trade relations and encouraging the investments and commodity exchange between the Republic of Croatia and the Republic of Albania.

Both Sides exchanged information regarding trade between the two countries.

In 2009, total commodity exchange between Croatia and Albania amounted to EUR 28.8 million (decrease 16.2% compared to 2008). Exports amounted to EUR 26.6 million (decrease by 14.4%),

whereas imports amounted to EUR 2.1 million (decrease by 32.8% compared to 2008). Thus, in 2009, the Republic of Croatia recorded a surplus in the amount of EUR 24.5 million.

In the first nine months of 2010, total commodity exchange between the two countries amounted to EUR 51 million, which represents an increase by 115.3% compared to the same period in 2009. Croatian exports to Albania amounted to EUR 47.6 million an increase by 116.8%, while imports amounted to EUR 3.4 million recording also an increase by 97.5% compared to the same period in 2009.

Albania reported that in 2009 the total trade volume with Croatia amounted to 33.2 million EUR with a decrease in both, imports and exports, compared to 2008. For the first nine months of 2010 the total trade volume with Croatia amounted to 53 million EUR with an increase in both, imports by 101% and exports by 95%, compared to the same period of 2009.

The representatives of both Sides expressed the satisfaction with the increase in commodity exchange between the two countries and agreed that the trade volume still does not represent the real potential of their economies. In this context, both Sides agreed to further foster bilateral contacts and achieve positive results for the expansion of commercial activity.

Albania reiterated the importance of the diagonal cumulation in fostering trade between the two countries. The Albanian side welcomed the explanation given with regard to the annex V of the Protocol of the rules of the origin and stressed the need to finalize this process, to allow the full implementation of the diagonal cumulation in the intraregional trade.

Both sides appreciated the good cooperation and the constructive role played by both countries in all CEFTA related activities. The Parties pointed out that the CEFTA 2006 Agreement is an excellent framework for further deepening of the cooperation. Croatia and Albania will continue to play an active role in all CEFTA structures.

Likewise, both Sides expressed their interest in the development and increase in trade activities, taking into consideration the growing role of the private sector, and emphasized the importance of economic cooperation in different fields stated later in the Protocol.

Furthermore, both Sides agreed to intensify cooperation between the Croatian Chamber of Economy and the Union of the Chambers of Commerce and Industry of the Republic of Albania, to promote their products at local and international Fairs, to inform the business communities about the opportunities existing in their respective countries, especially in the sectors stated later in this Protocol.

As well as in the past, the promotion of Croatian business entities will be stimulated as a whole by organizing their participation at the international fair Klik Ekspo Klik which is being held every year in Tirana at the end of November.

b) Legal Framework

Both sides expressed their satisfaction with the current bilateral economic legal framework, creating thus a favorable and safe business environment for the entrepreneurs of both sides. Both sides mentioned that the Additional Protocol concerning the Agreement for the Encouragement and Reciprocal Protection of Investments well as the Additional Protocol concerning the Agreement on Economic Bilateral Cooperation were signed on February 10, 2009. The Agreement on Maritime Transport signed on December 2, 1994 was amended and came into force on January 22, 2007.

Both Sides underlined the importance of the legal solution provided for the signing of the additional protocol to the Agreement on Amendment of and Accession to the Central European Free Trade Agreement – CEFTA 2006 Agreement, signed in Bucharest on December 19, 2006, and in force for Croatia and Albania since August 22, 2007.

2. ENHANCING COOPERATION IN PRIORITY SECTORS

2.1. Maritime Transport

The Croatian Side expressed its wishes to cooperate and provide port services for Albanian goods wherever that is possible. A common feeder service should be discussed with a potential shipping company which would have an economic interest in such a business.

The Croatian Side proposes forming a Croatian-Albanian Maritime Cooperation Committee which would comprise working groups for different areas of cooperation, including for training of maritime staff, and could explore the possibilities for exchange of experience having in mind the Croatian experience with the implementation of the EU maritime legislation.

Additionally, it is suggested that one working group could comprise representatives of ports, port authorities, freight forwarders, maritime agents and shipping agencies with the aim of preparing a project proposal for the establishment of the shipping line i.e. a new service between the ports of Durres, Split and Rijeka where the trans-shipment of commodities for the market of the Republic of Croatia, Albania, Bosnia and Herzegovina and the states of the Central Europe would be carried out reducing both the pressure on road transport as well as its negative impact on the environment. The abovementioned project should participate in Marco Polo II Programme of the European Union.

2.2. Air Transport

Air services between Zagreb and Tirana had been operating for very short period of time in the year 1993 by Croatian air carriers Anić Airways and Croatia Airlines. As explained by the concerned carriers, that service had ceased due to low passenger demand at that time.

Bearing in mind contemporary development of air transport in Europe, and also in order to facilitate reopening of air services between the two Countries as well as to facilitate development of mutual cooperation between the two Countries in the field of civil aviation in general, the Croatian Side has proposed the conclusion of a bilateral arrangement (Memorandum of Understanding) on bilateral provisional application of the European Civil Aviation Area (ECAA) Agreement.

The draft of such an arrangement (Memorandum of Understanding) was given to the Albanian Side. The aforementioned Agreement generated by the European Commission, parties to which are both the Republic of Croatia and the Republic of Albania, regulates air transport in most of Europe on a contemporary way and at multilateral level, thus between those two countries as well.

The Croatian Side considers such a bilateral arrangement as necessary due to the fact that the ECAA Agreement is formally still not in force. Once the ECAA Agreement comes into force it will supersede all bilateral air services agreements among its Parties, including such an agreement between Croatia and Albania. However that will take time.

The Albanian Side has expressed its interest for the Croatian proposal that has to be considered carefully. Upon its consideration, the Croatian Side will be informed accordingly.

2.3. Railway Transport

Regarding railway transport both Sides agree that there is a possibility for cooperation, especially in the field of supporting railway industry such as railway vehicles and infrastructure equipment.

Croatian railway industry is interested in further cooperation in the modernization and procurement of railway vehicles and railway infrastructure which includes designing, production and modernization of all kinds of railway vehicles – all kinds of wagons, trams, locomotives, cargo wagons, as well as the

production of new railway vehicles. Croatian companies are interested in the realization of already started business activities on the Albanian market

Both Sides will present their situation and possibilities regarding mentioned issues and find common possible solutions.

2.4. Road Transport

Both sides acknowledged the importance of the further development of the cooperation on the road transport and agreed that the committees on both sides will discuss on technical level.

2.5. Industry

The Croatian Side proposes the intensifying of the cooperation in the field of industry. Special interest is shown for strengthening of already established economic cooperation in the sector of food industry, chemical, pharmaceutical, production of building material, construction, textile industry, production of footwear, electrical industry, electronics, production of machinery, metal-working industry, wood processing industry, as well as furniture industry and the service sector.

The Croatian Side is interested in strengthening of activities in connecting of Croatian and Albanian companies, as well as in improving of different promotional activities related to the presentation of Croatian economic potentials on the Albanian market and the presentation of possibilities for investing in the Republic of Croatia.

The Croatian Side presented the possibilities of its shipbuilding industry which can offer construction of diversified types of ships such as tankers for special types of cargo, working ships, warships, fishing boats, as well as smaller vessels for sport and entertainment. In Croatia, there is a series of specialized and renowned shipbuilders which due to their references can satisfy the needs of most varied requests of customers.

Croatian company Đuro Đaković expresses great interest in production of special vehicles, rolling stock, production of equipment for industrial facilities and energy plants, as well as production of steel constructions.

2.6. Energy

Both Sides agreed on the further improvement of the energy cooperation in terms of administrative practices, transfer of expertise, personnel training and the organization of other joint activities in the sectors of common interest. In this regard, it was emphasized that this cooperation could grow and expand. Therefore both Sides expressed the readiness to encourage the relevant companies to cooperate in this field.

The Albanian Side considers that this cooperation in the future could be increased by supplying energy to Albania from Croatian companies, providing equipment to the Albanian Energy Cooperation and building of energy sources in Albania, as hydropower or thermal stations.

Both Sides agreed to consider possibilities for cooperation in the field of oil and gas exploration, particularly in the domain of marketing crude oil by products.

Both Sides stated that it could be of mutual interest to exchange experience and information in the framework of:

- liberalization and privatization of energy sector,
- the field of liberalization of market energy,
- the establishment of regional market energy,
- the implementation of the Treaty on the Establishment of the Energy Community.

Croatian Energy Institute "Hrvoje Požar" already offered elaboration of the energy strategy to the Albanian Side, while the State Office for Radiological and Nuclear Safety submitted all Croatian laws and legislation in English to the Albanian Side as the result of first meeting of Croatian-Albanian nuclear energy working group.

Furthermore, the Croatian Side proposes cooperation between the Croatian Compulsory Oil Stocks Agency (HANDA) and the Albanian counterpart on the creation of legislative framework for compulsory oil stocks, establishment of the entity for forming of compulsory oil stocks, as well as storage of Albanian compulsory oil stocks on the Croatian territory. Also, it proposes collaboration on creation of the Adriatic spot market for oil and oil derivatives.

Both Sides support cooperation between Croatian and Albanian companies on research and exploitation of gas and oil in Albania, as well as the construction of interconnections of Croatian and Albanian gas pipelines as a part of Ionian-Adriatic Pipeline, Trans Adriatic Pipeline, and EC Gas Ring.

The Croatian Side welcomes the cooperation between Albanian Electric Company and Croatian companies (Končar and others) that participate in the construction and reconstruction of energy plants in Albania. This collaboration could also be extended to the supply of equipment for city and railway transport.

Both countries are cooperating in the framework of regional projects for the construction of gas pipeline network that will connect both countries even other countries of the region.

The future Cooperation among both countries could include Croatian institutions acknowledgment and experience in hydrocarbon sector regarding:

Drawing up and termination of the secondary legal framework for natural gas sector in compliance with EU standards.

The Croatian Side expects others possible/desirable ways of cooperation in energy since the Croatian companies INA, HEP and others have interest in doing business in Albania.

2.7. Small and Medium Enterprises

Both Sides, while considering very important the role of SME in the economic development of each country, agreed to make all efforts aiming at the improvement of contacts among the SME of both countries, supporting their initiatives and the development of the cooperation between Albanian Ministry of Economy, Trade and Energy and the Ministry of Economy, Labour and Entrepreneurship of the Republic of Croatia.

Both Sides agreed to initiate a Memorandum of Understanding in the field of SME between the two countries that will define concrete goals, tools and working group in charge of the implementation of Memorandum.

However, there is already an envisaged cooperation in the field of entrepreneurship development through the South East European Centre for Entrepreneurial Learning (SEECEL), established by eight countries of the region and hosted by the Republic of Croatia.

The Albanian National Coordinator of Small Business Act for Europe is a voting member of the SEECEL's Governing Board. The SEECEL's activities are aimed toward raising the entrepreneurial competences through lifelong entrepreneurial learning with the final goal of enhancing the SMEs competitiveness (www.seecel.hr)

Both Sides agreed to exchange information about SME cooperation opportunities and market information for the potential exporters from both countries.

2.8. Investment

The Croatian Side presented the Law on Investment Incentives which entered into force on January 1, 2007, and which has also been applied to new investments in the area of free zones in the Republic of Croatia since 2008.

By this Law, legal regulations in the field of investment incentives in the Republic of Croatia were harmonized with the *acquis communautaire*, thus creating a simulative legal framework for investments.

The Albanian side presented the Law of Foreign Investment the Law on the Concession as well as the investment opportunities in Albania with the information about industrial zones in the country.

Both Sides agreed to organize annual meeting of Croatian and Albanian companies at the specific time and place arranged with the relevant institutions.

The Croatian Side also presented the possibilities of investing in the Republic of Croatia.

2.9. Finance and social insurance

The Albanian side expressed its interest on the intensification of contacts at administrative level among the institutions of both countries, customs and tax administrations for exchange of experience.

The Albanian side expressed its interest to further consolidate and develop the institutional cooperation between Institute of Social Insurance of the Republic of Albania and the Croatian Retirement Fund, in particular, as associate members of ISSA and based on the strategy of Albanian government to be a member of the European Union. Having the good will to promote the extension of relationship, by exchanging their experience, we would propose to sign the Protocol on mutual cooperation.

2.10. Consumer Protection

Both Sides valued the necessity of establishing cooperation between the respective institutions in both countries. They agreed that in the future this cooperation will be carried out through the establishment of contacts among institutions competent for consumer protection and market surveillance.

Further exchange of experience and enhancement of cooperation between the two countries in this field is also recommended. Therefore, one should create contacts, organize visits or study tours, as well as intensify consultations in this area.

2.11. Public Procurement

Both Sides have agreed on further improvement of cooperation in the development of public procurement system in the context of the EU integration, especially in the area of establishment and promotion of electronic procurement.

2.12. Agriculture

Both Sides expressed the wish to further expand the cooperation in the sector of agriculture and agreed to encourage the respective authorities to take the necessary measures in this respect.

Regarding the Annual Working Meeting of the Ministers of Agriculture from South-East Europe that are members of the SWG (Standard Working Group for Rural Development) which was held in Zagreb on November 23, 2010. bilateral meetings at the ministerial level took place.

The Albanian Side expressed its interest regarding:

- the exchange of experience in the field of reforms and legal approximation in agriculture, food and consumer's protection field, in the framework of the efforts for the common integration to EU,
- the exchange of experience in drafting policies and projects on rural development, the manufacturing companies and the respective quality control structures in joint fairs.

Both Sides highlighted the importance of the participation of the respective agricultural businesses in joint fairs.

Both Sides decided that the Fourth Session of Joint Croatian-Albanian Commission on the Economic Cooperation will be held in Tirana. The exact date of the session will be agreed by diplomatic channels.

Concluded in Zagreb, on December 6, 2010 in two originals in the English language, both texts being equally authentic.

For the Republic of Albania

Mr. Genci Muçaj
Director General

For the Republic of Croatia

Mrs. Ivana Sučić
Director General