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Trade Liberalization in South East Europe:

Review of conformity of 23 FTAs with the MoU

Patrick A. Messerlin
Sébastien Miroudot

January 2004

In June 2001, seven countries[1] of South East Europe (SEE) agreed to conclude bilateral Free Trade Agreements (FTAs) in order to develop their mutual trade and promote economic integration in the region. This approach implied the signature of 21 agreements, of which 5 already existed. The 21 FTAs are now signed and their implementation has started. In 2002, Moldova joined the SEE liberalization process. With 8 countries, the network will eventually consist of 28 FTAs. This note takes account of the two first FTAs signed by Moldova (with Romania and Bosnia Herzegovina) and therefore it includes 23 FTAs. But it will focus mainly on the agreements signed by the original seven countries.

The paper provides an analysis of this network of 23 FTAs and studies their compliance with the principles of the Memorandum of Understanding on Trade Liberalisation and Facilitation (MoU) of June 2001. It also deals with how well the FTAs comply the trade coverage (Section 1) and other requirements (Section 2) of the MoU and suggests possible procedures to ensure implementation and proper functioning of the Trade Agreements in the short term (Section 3).

1. FTAS' COMPLIANCE WITH ARTICLE 1 OF THE MOU

As stated in the Memorandum of Understanding on Trade Liberalisation and Facilitation, bilateral FTAs are to conform to a small number of principles regarding trade coverage and liberalization pace, compliance with WTO rules and content on specific topics. Newly signed agreements must follow these principles. Pre-existing FTAs are also to be reviewed in order to comply with these provisions (art. 1.3).

1.1 TRADE COVERAGE

Trade coverage is one of the main issues in any FTA, and not surprisingly the MoU sets some standards to be fulfilled. Article 1.2 has three requirements. Firstly, all quantitative restrictions and measures having equivalent effect must be abolished upon entry into force of the agreement (art. 1.2.1). Secondly, import duties have to be eliminated on 90% of the signatories' mutual trade with a double criterion to measure it: 90% of the tariff lines of each signatory country and 90% of its trade value (art. 1.2.2). Lastly, liberalization should concern a large majority of goods upon entry into force of the agreement, with a transitional period for the most sensitive products that should not exceed 6 years (art. 1.2.3).

Table 1 is a summary of the compliance of the 23 FTAs with these principles. Column 1 indicates the FTA considered and Column 2 the signatory examined. FTAs and individual countries are mentioned in alphabetical order. This section analyses Columns 3 and 4 which present the trade coverage of the agreements as measured by the two MoU criteria: the share of liberalized tariff lines (Column 3) and the share of bilateral imports liberalized (Column 4).

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[1] Albania, Bosnia Herzegovina, Bulgaria, Croatia, Macedonia, Romania, Serbia & Montenegro.

The trade coverages provided rely on two assumptions. First, no consideration has been given to the time schedule of liberalization. Table 1 thus considers as freed products those which are liberalized at the signature date as well as those to be liberalized within the next years (the maximum number of years being six). The liberalization pace is analyzed in Columns 5 and 6 and will be commented below. Columns 3 and 4 give a view of the liberalization attained at the end of the transitional period (the date of which can be found in Column 6).

Second, a "freed line" is a tariff line of the Harmonized System classification (HS) at the six-digit level with no *ad valorem* or specific custom duty. Products on which tariffs are liberalized through the introduction of tariff-quotas (reduction or elimination of tariffs within quantitative restrictions) have been considered as not liberalized. The reason is that the degree of the remaining protection at the end of the period is unknown (one does not know the restrictiveness of the quotas at the end of the transition period). Quantitative restrictions reported in Column 7 of Table 1 don't affect the trade coverage because they should be abolished (though the date of elimination is sometimes unspecified).

The use of the HS nomenclature at the 6-digit level requires an aggregation of the national classifications (which are at the 8 to 10-digit level) that may have an impact on the results. For example: two national tariff lines, one freed and the other with a high duty rate, are aggregated in a single HS6 line with an average duty rate, and the resulting line is considered as not freed (because the duty rate is not 0%). The architecture of national custom tariffs could therefore introduce a distortion. Custom tariffs with uniform rates on large categories are not affected, but tariffs with a detailed discrimination of duty rates at the 8 to 10-digit level could be distorted. But as the HS classification is harmonized only at the six-digit level, it is not possible to analyze and compare the 23 FTAs in a different way.

There was a further complication with the change in the HS nomenclature that occurred in 2002, the year of negotiation of most of the FTAs. The 2002 HS nomenclature has 5224 lines against 5113 lines in the 1996 HS classification. About 400 lines have been redefined in the new nomenclature with no perfect correspondence with the previous ones. Some agreements use the 1996 nomenclature and the most recent the 2002 nomenclature. There are also FTAs with a different nomenclature for each signatory. Trade and tariff data given by countries also put together the different classifications. We had therefore to develop our own "translation tool" between the HS2002 and HS1996 nomenclatures with a new source of approximation in the results. The change in the HS classification could also be an issue in the FTAs implementation when tariff codes for exemptions or concessions are given in the old nomenclature.

If it is important to stress the technical limitations of the trade coverage analysis, it should also be borne in mind that it could only marginally affect the results of Table 1. Some agreements have been analyzed both in the HS2002 and HS1996 nomenclature and the difference in the results was less than 1 percentage point. Figures in Table 1 should therefore be considered as robust. The inherent technical approximations described above argue for a not too rigid interpretation of the 90% target.

Column 3 in Table 1 shows that 15 FTAs out of 23 are above the 90% target or very close to the threshold on the first criterion (share of HS lines liberalized). The measure based on the value of imports (Column 4) leads to lower results. Only 9 FTAs are clearly above the

90% target or close to it.

Combining the two criteria, Table 2 divides the sample of 23 FTAs into three groups of similar size:

- Group I includes 8 FTAs with a high level of trade liberalization, well above the MoU requirements on both criteria. 6 of them record a full liberalization of both tariff lines and mutual trade (100%)[2].
- Group II contains 8 FTAs, which fulfill only one of the two MoU targets. Almost all of them fail to meet the import-weighted coverage test. The agreement between Romania and Serbia & Montenegro is very close to the 90% target for the share of HS lines liberalized. It might be put in the first group, making group II more homogeneous. The 7 remaining FTAs are characterized by a significant number of HS lines liberalized but bilateral trade flows are relatively more concentrated in the lines which are not freed.
- Group III is composed of 7 FTAs, which are under the 90% target on both MoU criteria.

In Table 2, only FTAs are classified. There are sometimes important asymmetries between the trade coverage attained by each signatory to the same agreement. It generally stems from the MFN trade liberalization as far as tariff lines are concerned[3] and from differences in the type of products exchanged in the case of the import-weighted criterion. But any difficulty to meet the MoU requirements has its main explanation in the FTA coverage, even if it concerns only one of the signatory.

The results in Table 2 suggest a few comments. First of all, group III includes FTAs which are not very far from the MoU objectives, especially with regard to the share of tariff lines liberalized. The lowest coverage observed is 84.9% and typical results tend to be between 87 and 89%. These agreements are clearly in the reach of the MoU requirements.

The second criterion is more difficult to analyze. To understand the results, it is important to take into account the low volume of trade between some countries (or the low volume recorded by trade statistics). When trade flows concern only a small number of HS lines, the results depend entirely on the liberalization of these few lines -- hence the (sometimes very high) difference in some FTAs between the overall share of imports and of tariff lines liberalized. Table 3 gives an overview of bilateral trade statistics used in the trade coverage assessment. Thirteen of the 49 bilateral imports reported in Table 3 have a value less than 1 million dollars with goods exchanged on a very limited number of HS lines (67 at most, out of a total of 5224 lines).

The results seem also to be affected by the year chosen for import data, especially in the case of small trade flows. For example, in the FTA between Albania and Romania with 2001 trade data, Romania has surprisingly a trade coverage of only 1.3%. It is mainly explained by not liberalized imports of tobacco products to an amount of 750,000 dollars,

[2] In the agreement between Macedonia and Serbia & Montenegro, only 2 of the 5113 tariff lines are not freed (the trade coverage is nonetheless 100% when rounded and 99.9% with the second criteria because the two countries have trade flows on these two lines).

[3] Table 11 indicates for each country the percentage of HS lines liberalized at the MFN level. The percentage can be as high as 45% for Croatia or Moldova. It means that half of the liberalization effort required by the MoU has already been done at the multilateral level.

representing more than 90% of Romania's total 2001 imports from Albania (822,000 dollars). In Table 1 based on 2002 trade data, the trade coverage is now 82% because different products have been imported by Romania this year. This example is a bit extreme, but it highlights the careful reading needed with regard to the results in Column 4 for countries with a low volume of bilateral trade.

When trade flows are significant and diversified, the trade coverage in terms of imports is more in line with the first criterion. It suggests that as trade flows will increase between SEE countries as a result of the ongoing liberalization process, differences between the two coverage tests should progressively disappear, with the trade coverage converging to the tariff line coverage—hence suggesting the tariff line coverage as the key indicator.

1.2 TRADE COVERAGE IN AGRICULTURE AND MANUFACTURING SECTORS

In order to have a better idea of what distinguishes the three groups of FTAs, Table 4 introduces a distinction between agriculture and manufacturing sectors, based on the Harmonized System classification (HS chapters 1 to 24 for agriculture, and HS chapters 25 to 97 for manufacturing). Columns 4 and 5 report for each sector the share of HS lines freed (first MoU criterion) and Columns 7 and 8 the share of bilateral imports liberalized (second MoU criterion).

An overall view

Table 4 confirms that liberalization in agricultural products is what differentiates the three groups of FTAs described in Table 2. FTAs belonging to group I have either liberalized every tariff line without making a distinction between agricultural and industrial products (having therefore a 100% overall score) or almost fully liberalized the industrial goods but also included a significant number of agricultural goods in the liberalization process (more than a third of HS lines, having thus a trade coverage higher than 90%). FTAs in group II have also freed a sufficient number of agricultural HS lines to pass the first coverage test but the countries' trade tends to be concentrated in the agricultural products not liberalized. Columns 7 and 8 show for several countries a clear-cut result of this type with 0% of agricultural imports freed and 100% of industrial imported goods liberalized. This situation is even more frequent in the third group of FTAs. But Columns 4 and 5 highlight that for the 7 FTAs in group III, there are only a few concessions in agriculture (less than a third of HS lines freed) and it is also difficult to reach the 90% target in terms of tariff lines[4].

On average, the trade coverage is lower when measured by the share of imports liberalized. This is especially the case with countries with small trade flows (there is only one agreement with important trade flows and the same kind of imbalance between agricultural and manufacturing goods exchanged), and it is related to the goods traded, which are mainly in the agricultural chapters of the HS nomenclature. The double criteria approach of the MoU requires that this type of FTAs should do more on liberalization in agriculture to fulfill the requirements.

[4] Because agricultural products represent less than one fifth of HS tariff lines, the weighted average between no liberalization in the farm sector (0%) and complete liberalization of the industrial sector (100%) is approximately 86%, which is the kind of percentage observed in the last group of FTAs.

Among agricultural products, a comparison between Columns 4 and 7 also points out that goods traded are more likely to belong to tariff lines not freed. In 80% of the FTAs concerned, the share of agricultural imports liberalized is less than the share of tariff lines freed (disregarding the agreements with complete free-trade). Not surprisingly, barriers to trade in agriculture are mainly on the tariff lines with significant trade flows (see columns 4 and 7 of Table 4). Some of these barriers have to be removed to fulfill the second criterion of the MoU.

There is however a much more positive conclusion in Table 4. Column 5 definitely consolidates the idea of a *de facto* free trade area in industrial products among SEE countries. Every country has liberalized more than 98% of its industrial goods.

Table 5 presents a more detailed sectorial analysis based on the International Standard Industrial Classification (an UN industrial classification)[5]. Columns 3 and 4 indicate the trade coverage measured with the two MoU criteria. But this time, an average of the 23 FTAs has been worked out[6]. When there is a 100% coverage in Column 3 or 4, it means that the barriers to trade have been removed for all the products of the ISIC sub-group specified in everyone of the 23 FTAs.

Again, agriculture has on average a low coverage, as pointed out before by the HS analysis. The ISIC decomposition shows that almost all sub-categories of HS agricultural products (chapters 1 to 24) are concerned: agriculture in the limited sense of the word (cereals, livestock production…), fisheries, food products (manufactured), beverages and tobacco products.

Table 5 confirms that the trade coverage is on average higher (and above the MoU target) when measured by the tariff lines freed. Bilateral imports are on average liberalized at 87.8%, below the MoU target.

A focus on manufacturing sectors

Table 5 also highlights the high level of liberalization in almost all manufacturing sub-sectors. The mining/quarrying sector and electricity (included in the manufacturing sector in the HS decomposition) are fully liberalized in every FTA. Of the 25 manufacturing industries reported in Table 5, 18 are in a situation of complete free trade and the 7 remaining categories have an average trade coverage between 97 and 99.9%. This is the concrete illustration of the "quasi free trade area" created in South East Europe by the network of bilateral FTAs.

High trade coverage in manufacturing (between 98% and 100%) calls for an examination of the few products which are not freed. Table 6 gives a complete list of the 110 industrial HS 6-digit lines excluded from liberalization. This list adds up the exemptions of the 23 FTAs, but no agreement has excluded all these lines. The lowest trade coverage in industry (98.5%, see Table 4) represents an exclusion of 68 lines. Moreover, 25 of these 110 products are exemptions found in only one agreement and for only one signatory. On average, each product of Table 6 is excluded from liberalization by 7 signatories.

The manufacturing sectors with limited exceptions to free trade are: textiles (but only

[5] The ISIC classification has been revised several times. The ISIC rev.3 has new codes at the 3-digit level. We use the former codes (ISIC rev.2).

[6] The detailed results by sector and by FTA are in Tables 12 and 13 at the end of the paper.

raw fibers, which are considered by most FTAs as agricultural goods), wood products (natural cork), chemicals (mannitol and sorbitol, essential oils, albumins, gelatin…, other examples of products classified as "agricultural goods" in the FTAs), iron & steel (a few number of "flat-rolled products of iron or non-alloy steel"), transport equipment ("motor vehicles for the transport or ten or more persons") and "other industries" (where are listed products of animal origin like skins, feathers, bones… identified as agricultural goods in the HS nomenclature). It is clear that most of these goods are not sensitive industrial products ruled out from liberalization but rather products treated as agricultural in the FTAs and classified as manufactured in the HS or ISIC nomenclatures. With the exception of motor vehicles, these products are raw materials and not finished goods.

1.3 COVERAGE IN AGRICULTURE

As previously mentioned, we consider a line freed in the trade coverage analysis only if all trade barriers have been removed and products can be imported duty-free without any quantitative restriction. In some of the FTAs, concessions are merely granted under the form of a preferential treatment rather than by establishing free trade. The trade coverage results in Table 1 don't reflect this liberalization effort, as only freed lines are reported.

In order to take this preferential aspect into account, Table 7 details the concessions in agriculture of the different FTAs. Of the 23 FTAs examined, 6 institute free-trade in agriculture, 11 liberalize a limited number of HS lines and 6 grant only preferences, their "freed lines" (Column 7) being restricted to the lines already liberalized at the MFN level. These six agreements with no real bilateral liberalization in agriculture are not surprisingly the ones with difficulties to reach the MoU criteria (they are all in Group III in Table 2).

There is a great variety of instruments used to grant preferences for agricultural products: tariff-rate quotas (TRQs) either duty-free or with a preferential duty rate, tariff ceilings, preferential duty rates without quota. Among these instruments, duty-free TRQs for a large quantity of the good considered deserve special attention. Column 8 of Table 7 indicates that this type of TRQs concerns a limited number of tariff lines. Moreover, the figures in Column 8 show that trade coverages in agriculture would not be significantly improved by considering lines with duty-free TRQs as freed. The total number of agricultural lines in the HS 2002 nomenclature is 729. Taking for granted a 99% trade coverage in industrial goods, about 250 lines have to be liberalized in agriculture in order to fulfill the MoU criteria. Adding lines in Columns 7 and 8 is not sufficient for countries in Group III to reach 250. In other words, Table 7 results indicate that any real improvement of the trade coverage in agriculture implies the liberalization of a certain number of goods, as it is done in a majority of FTAs with lists of duty-free products.

The key conclusion is thus that, with an almost complete liberalization in the manufacturing sector, only 35% of the agricultural HS lines need to be freed in order to reach the 90% MoU target.

Table 8 presents a list of the most liberalized agricultural goods in the 23 FTAs. Each product in this list is liberalized by at least 54% of the 46 FTAs' signatories (at most 93% and on average 67%). The 282 HS lines thus obtained would allow to reach a trade coverage in agriculture of 38.7%. Such a coverage would be sufficient to fulfill the MoU trade coverage criteria (when combined with a 99% trade coverage in industrial goods)

As a result, this list of 282 HS lines could serve, for the countries missing the MoU thresholds, as a basis for further regional liberalization in agriculture in order to fulfill these criteria. It should however be pointed out that this list mainly includes agricultural products which are not produced in the region and so it does not constitute an adequate basis for efficiency gains in the agricultural liberalization process. Therefore, an additional number of lines may need to be liberalized.

1.4 LIBERALIZATION PACE

The second part of Table 1 (Columns 5 and 6) deals with the liberalization pace of the FTAs. As previously reminded, the MoU requires that the import duties on a “large majority of goods” should be removed upon entry into force of the agreements and that the transitional period for the remaining goods should not exceed 6 years. In every agreement, Column 6 reports transitional periods of 6 years or less. A majority of FTAs have transitional periods shorter than 6 years. For the last agreements signed at the beginning of 2003, the trade liberalization will be completed in 2008.

The high share of tariff lines freed upon entry into force in most of the FTAs (Column 5) suggests that the trade liberalization will be very significant in the region as soon as all the agreements are implemented.

The seven FTAs signed by Bosnia Herzegovina are different regarding the liberalization pace. In these agreements, the liberalization is gradual and asymmetrical (except for Albania where it is symmetrical in the gradual approach). The partner country removes the totality of import duties (on the lines it has agreed to liberalize) upon entry into force of the FTA, whereas Bosnia liberalizes every product by reducing duty rates every year until they are abolished. The 25-26% of tariff lines liberalized by Bosnia from the implementation of its FTAs correspond to the lines already freed at the multilateral level (with 0% MFN duty rates).

1.5 QUANTITATIVE RESTRICTIONS

Columns 7 and 8 of Table 1 show that there are still some quantitative restrictions in a small number of FTAs, on imports or exports. All the agreements signed by Serbia & Montenegro have quantitative restrictions on a limited number of products. Their abolition is clearly stated but the date of their suppression is not always given.

The FTA between Moldova and Romania (signed in 1993, prior to the ongoing SEE trade liberalization) has also a significant number of quantitative restrictions but listed for the year 1994. Some of these barriers may have already disappeared.

The abolition of quantitative restrictions should not be an issue in the implementation of the FTAs, as their number is limited and the agreements offer various methods to deal with sectorial economic difficulties in compliance with WTO rules.

Another type of quantitative restriction is common in the FTAs[7]: the use of tariff quotas (TRQs) to grant concessions in agriculture (see section 1.3). It is questionable whether this practice is in accordance with the MoU, although quantitative restrictions in this case are

[7] TRQs are generally not considered as quantitative restrictions because they do not limit the import quantity.

not used to create barriers to trade but to offer preferential duty rates on a limited quantity of agricultural imports.

2. FTA COMPLIANCE TO OTHER MOU GUIDELINES

The MoU specifies a few guidelines for the envisaged FTAs, and the compliance of the available FTAs to these guidelines is examined in this section.

2.1 AN OVERVIEW

Table 9 provides a broad framework for assessing whether the available FTAs follows the MoU guidelines. It suggests three main conclusions. First, the general impression is that the FTAs do follow the guidelines, although, as one could expect, pre-MoU FTAs miss some key guidelines, mostly those related to the "behind the border" agenda, that is, public procurement, services and TRIPs. Moreover, because of a very different environment, the FTA texts between Bulgaria and Croatia on the one hand, and Romania on the other hand do not follow the structure of the other existing FTAs.

Second, if one leaves aside the pre-MoU FTAs, all the other FTA agreements have a very similar or almost identical structure.. They are based on many common Articles, the order and the wording of which differ only at the margin, and are of similar length.

Lastly, the FTAs generally make reference to the WTO agreement corresponding to the topic they cover. They make an explicit reference to EC legal framework in only two cases, when dealing with the pan-European (or European) rules of origin and when evoking the harmonization of sanitary and phytosanitary standards with EC standards.

These observations reinforce a crucial conclusion reached when looking at the tariff and non-tariff reduction and elimination in the region: it would not be a difficult task to merge all these FTAs in an unique legal instrument for at least 19, out of the 23 available texts. Moreover, these 19 agreements involve all the countries, so that the 4 "marginal" texts involve only four countries (and three of them only marginally).

2.2 CONTINGENT PROTECTION

As often said, FTA agreements are worth the value of their provisions dealing with the instruments of the so-called "contingent protection" (safeguard, antidumping and countervailing measures). Too many or too loose provisions of this type may endanger the balance between market opening and domestic stability. Table 10 shows that a substantial portion of the FTA texts -- from one-fourth to one-third, as measured by the number of words -- are devoted to the various instruments of contingent protection. They can be divided in three broad categories.

Agriculture

First, there are the instruments specific to agriculture. The key one is the "special safeguard" which can include up to four key components: (1) mandatory ("shall") consultation between the two Parties, (2) the test of "serious disturbances," (3) possibility for a country "pending [an appropriate] solution, [..] to take measures it deems necessary," and

(4) the fact that a measure "should" not go beyond what is strictly necessary to remedy the situation (the "proportionality" test). Table 10 shows that the last condition is not present in all the FTA texts.

The special safeguard for agriculture is a source of concern because it imposes no robust counterbalance to the inevitable efforts of vested interests to close again the farm and food markets. Moreover, as many FTAs have substantial limits on trade liberalization in agriculture, one could not expect the regional farm trade to expand to such an extent that it will provide better prices and smaller volatility (these achievements would have required a deeper farm liberalization providing larger markets). As a result, complaints on the existing liberalization should be expected to abound.

Reforming this provision (see below) is all the more desirable because all but two of the FTA texts include an article on agricultural policy which states that trade liberalization commitments "shall not restrict in any way the pursuance of the respective agricultural policies" of the Parties, and that Parties "shall notify to the Joint Committee changes in their respective agricultural policies." These provisions are ambiguous. Clearly, trade liberalization should not restrict the pursuance of the farm policy of a country, but it can impose some constraints on the instruments to be used for achieving such a goal. For instance, the Doha Round (as the Uruguay Round) should restrict the ability to use export subsidies. –I It is essential to underline the fact that this restriction is good for the subsidizing country, since there are much less costly and much more efficient ways to support farmers. It may be too early to clarify the existing FTA provisions on agriculture, but it may be already time to think about ways to make this essential distinction between an agricultural policy and the instruments used for implementing this policy.

Whole economy

The second type of contingent protection instruments are not sector specific (presumably, they could also be used in agriculture). They concern all the sectors producing goods, and consist in five provisions: a general safeguard, structural adjustment, re-export, balance of payments, antidumping and countervailing measures.

The general safeguard clause can rely on up to seven components: (1) the existence of an import surge, (2) the existence of serious injury, (3) the fact that the foreign and domestic products are similar or are (4) directly competitive, (5) the existence of serious disturbances, (6) the possibility of an injury limited to a region, and (7) the reference to the WTO safeguard provision. The first observation to be made is that not all FTA texts refer to the WTO, and hence take directly into account concepts such as "unforeseen events," "causal relationship," etc. Although the WTO texts are not always clear, the jurisprudence of the Dispute Settlement cases is becoming very useful in the day-to-day handling of the cases. Not to have an explicit reference to this jurisprudence is thus regrettable. Second, there are redundancies (serious injury vs serious disturbances; like- or similar products vs directly competitive products) which can only be a source of future troubles in terms of interpretation. Lastly, taking into account regional injury opens the door to very narrow vested interests, at the detriment of the general interest of the domestic consumers.

The provision on "structural adjustment" can include up to five key components: (1) the notions of "infant industry" or "certain sectors undergoing restructuring or facing serious difficulties," (2) a cap on "increased customs duties" (25 percent) to be imposed in the case of such infant industries, (3) a cap on the total imports (15 percent in value terms) which could be concerned by such tariffs, (4) the fact that this provision is limited to the implementation period of the FTA texts, and (5) a reference to the Joint Committee. All this language raises some serious questions since it opens the possibility of severe reversals of the desired liberalization.

The provision on re-exports and exports can include up to three components: (1) the possibility of taking measures limiting exports, notably in case of shortages, (2) the necessity to have non-discriminatory measures, and (3) the need to take measures "no longer than necessary." This clause should also be a source of deep concern (particularly in agriculture where liberalization may be so limited that it may not be powerful enough to eliminate the volatility of the farm markets). However, experience suggests that measures on re-exports are rarely taken. An useful improvement would simply be to expand the legal capacity of the Joint Committee (see below).

The balance-of-payments provision refers to the GATT 1994 text and to IMF Article VIII. The current practice is not to use such a provision for trade purpose, and this provision may be of limited use.

The last type of instruments covers antidumping and countervailing measures, although only a minority of the FTA texts refer to countervailing measures. The articles of the FTA texts dealing with these instruments consist in a mere reference to WTO texts and practices.

2.3 CONCLUDING REMARK

Being embodied in 23 FTAs, all these provisions on contingent protection, though based on almost identical texts, generate a serious risk that there will be 23 different ways of implementing these delicate provisions. Such a multiplicity of enforcement may open the door to a "race to the bottom," with one case of loose enforcement setting the wrong standard for the whole region -- and the wrong signal to the world business community.

As a result, there are two possible solutions for getting the right balance -- and moving forward towards a "fully" regional free-trade area. As suggested above, joint interpretative agreements on the existing texts will minimize the risks of both divergent and economically-costly interpretations. Second, there is nothing which would limit the Joint Committees created by all the FTA texts to form a regional joint body for contingent protection matters, comprising the representatives of all the countries involved in the ongoing exercise.

3. *RECOMMENDATIONS FOR THE SHORT TERM*

The following recommendations are for the short term (the coming year). Most of them rely on an effort to disseminate the information on the signed FTAs, and to build systematic information of their implementation and functioning. As a result, they are developed around the notion of a regional "information and notification package" (INP) which would be available on a website common to all the countries of the region.

Ideally, the INP would have two inter-connected pages, one devoted to the governments and one devoted to businessmen. The governments' page would essentially provide the general information on the signed FTAs (their texts and their annexes) and the most precise possible information on the delicate points of the FTAs which have been pointed out above. The business page will serve as the basis for a (cross-) notification procedure, informing about the true difficulties met by firms from the region and from the rest of the world when they are using the FTAs. (Cross-notification would ensure that the most pressing issues from the business perspective will be covered in totality and dealt with in priority.) The following recommendations try to minimise the administrative burden for the governments, and to facilitate the participation of the business people.

3.1. TARIFF QUOTAS

The above analysis of the FTAs treats all tariff quotas (TRQs) as a barrier. TRQs with a (preferential) duty rate within the quota limits are undoubtedly trade barriers. This approach may seem quite strong for duty-free TRQs, but it is based on two alternative situations. If one assumes that the pre-FTA level of protection was low, the frequently observed absence of any trade for the tariff lines under TRQ before the FTA signature suggests that there was no need for quantitative limits on market access. If, alternatively, one assumes that the pre-FTA level of protection was high (so that potential trade was already severely constrained), the small amount of quantities allowed under most of the TRQs suggests that the potential expansion of trade will rapidly meet the constraints imposed by the quota component of the TRQs. In both cases, TRQs are trade barriers.

The problem may be compounded by the following situation. For each country, it happens in a certain number of cases that TRQs are found in some FTAs, but not in all the FTAs signed by the country in question (for instance, as underlined above, six FTAs institute free-trade in agriculture). This situation is an incentive to trade deflection: some quantities entering free from country A into country B could be diverted to country C, if country C has imposed a TRQ only on imports from A. Of course, rules of origin are made for addressing such an issue. It is thus plausible that, in order to prevent such a trade deflection, particularly complex and cumbersome rules of origin are imposed by country C on imports from both countries A and B.

Lastly, there is no information in the various FTAs on how the quota component of the TRQ will be allocated between the various importers and exporters. Such an information is decisive for assessing the ultimate protectionist capacity of the instrument. For instance, the usual rule "first come, first served" favors quick and well informed operators, who are not necessarily the most efficient producers. This remark is important for two reasons. Firstly, it suggests that incompletely fulfilled TRQs are not a sure sign of a generous quota component of the TRQs, a problem to be dealt within the coming years. Secondly, it reminds everybody that quotas have a major negative consequence: they create rents for those who get them (again, not necessarily the most efficient producers) and they deprive governments of tariff revenues.

Such a complex situation makes it impossible to assess whether TRQs are, and will be, binding with great facility and certainty. What is important for solving this issue is to improve as quickly as possible information on the TRQ functioning. Hence, we recommend the three following procedures.

1. The Working Group could issue an initial official document listing all the TRQs, with precise information on three aspects:
   a. the tariff component (whether tariffs are ad valorem or specific, their level before the FTA and after the transition period, etc.) at the most detailed level of the tariff classification. Based on current information, all the tariff-quotas created by all the FTAs involve 360 tariff lines at the 6-digit level.
   b. the quota component: its size, and the procedure used for giving the import licenses.
   c. data on trade flows for the years 1999-2002.

   This information should be regularly updated, and posted on the governments' page of the suggested INP website.
2. On a regular, and as frequent as possible, basis, the Customs of all the Trade Working Group members would report data on the demands for licenses, and on the imports effectively done (the two figures may not coincide). The level and speed at which the quota components are filled will give a first -- though very crude because depending on the license procedure -- idea of the real protection impact of the measure.
3. A very useful additional information will be provided by businessmen notifying their difficulties for getting licenses (for instance, too cumbersome rules).

After a few months, it will be possible to have a first idea of the TRQs which may be binding and those which may not be.

To the extent that the above analysis of the TRQs assumes that all of them are binding, there may be a need for immediate action for the countries having signed FTAs not meeting the 90 percent threshold. In the other cases, governments could consider two alternatives for improving the situation:

1. For the TRQs appearing as not binding, governments could envisage both a rapid elimination of the quota and tariff components, and shift the goods in question into the main list of the products to be liberalised.
2. For the TRQs appearing to be binding, two typical cases need to be considered. If the quota is small (in terms of domestic consumption), any further liberalization should consist in reducing the over-quota tariff (it should not aim to expand the quota component). If the quota component is large relative to domestic consumption, further liberalisation should consist in a fast relaxation (increase) of the quota.[8]

[8] The reason for these choices is as follows. A TRQ creates rents, that is, people interested in its survival because they benefit from it. For instance, let us assume a world price of 100 euros, and a MFN tariff of 20 percent, except on the quota where the tariff is nil. Importers having licenses to import under the quota component will price the imported goods at 120 euros (or slightly less), keeping the 20 euros (MFN tariff-equivalent) for them as a rent by unit. If the quota is small, any incremental increase of the quota will not change the domestic price (there will still be quantities imported under the full tariff), but it will expand the quantities on which importers can get the 20 euro rent by unit. Consumers will get no benefits from increasing the quota component, and government will loose money (the MFN tariff revenues formerly levied on the additional quantities under quota become rents). By contrast, if the government decides to decrease the MFN

3.2 NON-TARIFF BARRIERS

The procedure suggested for tariff-quotas could be used for all the conceivable non-tariff barriers (NTBs), be they pure quantitative restrictions, minimum prices, tariff surcharges, etc. The problem is to limit the burden of such a work for the governments' side. As a result, attention should focus on a priority list of the most damaging NTBs -- the "hard-core" NTBs. The Trade Working Group could easily make such a list by using the existing lists from WTO or UNCTAD sources, and by choosing the hard-core NTBs based on their extensive knowledge of the most relevant barriers in the region.

All the recommendations suggested for the TRQs for the government component of the INP could then be applied to the chosen hard-core NTBs. There may need to be some adjustments.

By contrast, there is no reason to impose limits on the scope of the NTBs for which businessmen will be allowed to notify. In fact, businessmen may have a different view of what they see as hard-core NTBs than trade officials. A possible difference about the scope of the hard-core NTBs opens the question of whether governments should or shall react to the notifications about NTBs that they have not listed as hard-core, but that businessmen have selected as such.

3.3 CONTINGENT PROTECTION: ANTIDUMPING AND ANTISUBSIDY

The looseness of the FTA texts on this topic, and the great danger that it may create in the coming years, has been shown above. A first remedy could be to re-draft the existing FTA texts in order to put them more in accordance with WTO rules. However, this option is not likely to show a positive cost-benefit balance. The costs in terms of renegotiation may be high, and the benefits limited because the WTO regulations on contingent protection are notoriously defective and are lacking basic economic sense. Hopes that the Doha Round will address these flaws successfully are slim.

An alternative remedy, more pragmatic, should be considered. If they work well, FTAs will increase the market shares of the producers from the region in (almost) each country of the region. What governments want is that these increased market shares are not accompanied by social and political turmoils. The easiest way to make a compromise between these two partly conflicting objectives is to use the "*de minimis*" clause, that is, the threshold under which a measure will not be taken against imports, even if these imports are allegedly dumped or subsidised.

In this perspective, a code of interpretation of the FTA existing provisions on antidumping and antisubsidy measures could be drafted by the Trade Working Group. The main provisions of this code could be, among others:

1. A reminder that all of the countries of the region being (or in the process of being)

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tariff from 20 to 10 percent, the domestic price will decrease from 120 to 110 euros (consumers will be happy) and the rents will be reduced (making the rent-seekers less induced to lobby for the survival of the TRQ). If the quota is large relative to the domestic consumption, then an increase of the quota could quickly free the whole market, eliminating the rents and benefiting the consumers.

WTO members, all the WTO procedures on antidumping and antisubsidy should be respected.

2. A precise and progressive programme of increasing the *de minimis* thresholds. For instance, the threshold for imports from the region would be, say, 5 percent in 2003, 10 percent by the year 200-- (date to be negotiated), 20 percent by the year 200-- (date to be negotiated), etc.[9] At one point in the future, the threshold would become so high that the use of antidumping and antisubsidy measures between the countries of the region would loose any attraction, and could be eliminated (*de jure* or *de facto*), meaning that a fully integrated regional market would have been achieved.
3. This use of the threshold approach requires (at least) two additional decisions. First is whether the threshold will be applied to the imports of each country of the region, or whether it would be apply to the aggregate sum of the imports of the region. Of course, the first solution is preferable. Second is whether the threshold will be defined, as in the WTO context, in terms of import shares (that is, the share of the allegedly dumped or subsidised imports in total imports). Import shares are not the most economically sound indicator: total imports may be very small, compared to domestic consumption, meaning that measures could be taken even if the alleged imports represent a tiny percentage of the domestic consumption. The correct basis for the threshold is the share in domestic consumption, that is, the share of the imports under investigation in total domestic consumption (the sum of imports and the domestic production sold in the country) of the good in the economy in question.
4. A normalized spreadsheet could be designed for calculating the thresholds in order to ensure a homogeneous enforcement of the code of interpretation. In fact, this spreadsheet could usefully include additional, economically sound information on some key aspects of the investigations done in these procedures. For instance, it would be very useful to provide, on a routine basis, the information gathered during the investigation on the market shares of the foreign defending firms and of the domestic complaining firms (all in terms of domestic consumption). Such information will shed an useful light on the level of competition in the market in question. A lot of antidumping cases consist in keeping or creating market power. Announcing in advance that such an information will be routinely provided will protect the authorities from the pressures of firms having such an intent, while keeping the procedures available for firms really in difficulties (the "*raison d'être*" of these procedures). In other words, it will help the authorities to keep antidumping and antisubsidy measures under tight control.

All these recommendations are necessary, but they do not address the key problem mentioned above, that is, the serious risks of substantial differences in the bilateral implementation of contingent protection. Divergences could emerge at every step of the procedures, possibly creating quite a chaotic situation in the region after a while. Of course, one could hope that after a while, regional "norms" would emerge. However, such a hope could be serious only if

[9] One should check whether this approach could be attacked as discriminatory under WTO rules.

there is, right from the start, a deep understanding of what should be the common behavior.

For ensuring this initial condition, the most straightforward, and probably the best, approach would be a "Joint Regional Committee" dealing with all the contingent protection cases covered by the FTAs under the supervision of the Trade Working Group. There are endless variations on the form that such a Committee could take. For instance, it may not be a permanent body, but simply consist in joint sessions of all the bilateral committees in charge of monitoring the implementation of the FTAs. A stronger version would be that the necessary investigations may be left to the authorities of the country where the case has been lodged, but under the close supervision of the Joint Committee that will take the decision on the measures to be adopted. Another possibility would be that the Joint Committee (or the joint sessions of the bilateral committees) will simply work as an Appelate Body.

3.4 CONTINGENT PROTECTION: SAFEGUARDS

Safeguard measures could be subjected to the same recommendations as those dealing with antidumping and antisubsidy. But four additional specific recommendations are suggested.

1. Two improvements of the special safeguard in agriculture could be envisaged. First, it seems reasonable to introduce the proportionality test (the fourth condition) in all the FTA texts which do not contain such a clause – or alternatively in a joint code of interpretation signed by all the countries. Second, a better definition of the second condition (serious disturbances) could be worked out, and again included in the joint interpretation code.
2. Concerning the general safeguard provision, improvements of the existing clause could include (1) a systematic reference to the WTO text and jurisprudence, (2) a simplification of certain terms (keep only similar products and serious injury) in a joint interpretative agreement to be established, and (3) soften or eliminate the reference to regional injury.
3. Concerning the structural adjustement provision, improvements could (1) include a joint interpretative agreement stating that the caps on the measures should be reduced over time (for instance, additional tariffs taken during the second year of implementation could not be higher than 10 percent, and the total amount of imports involved could not be larger than 8 percent, with stricter caps for the third and fourth years of implementation), (2) eliminate the notion of infant industry simply because tariffs are not the best instrument to deal with such an issue, and (3) to expand the legal capacity of the Joint Committee to limit the use of such a provision.
4. Concerning the balance-of-payments provision, an useful improvement would, once again, be to expand the legal capacity of the Joint Committee.

3.5 ANNUAL REVIEW OF THE FTAS

FTAs should be subjected to an annual review. In order to keep this exercise within doable limits and to maximise its benefits, it may be useful to consider the option of a joint review at the regional level. This annual event would allow improving the visibility and the credibility of the FTAs for the businessmen from the region and from the rest of the world. In fact, this exercise will not require much additional work from the authorities, in addition to the above recommendations. This is because all the delicate points (tariff-quotas, non-tariff barriers, and contingent protection) would have been already discussed in the appropriate fora.

There are two additional main topics for such a joint review. First is the review of the tariff and non-tariff liberalisation, that is, checking whether countries have been respectful of the deadlines and other provisions included in the treaties. This event will offer the opportunity to provide a joint reaction to all the notifications and other requests coming from the business community during the past year.

Second is the discussion of "systemic improvements" in the regional trade regime. For instance, this event would give the opportunity to the signatories to accelerate their liberalisation programmes (that has been the case for the European Community during the 1960s). It could also address longer term issues.

By definition, the annual review should be done at the Ministerial level. But it should be also prepared at the appropriate level. The current Trade Working Group of the Stability Pact is the natural body to prepare these annual reviews.

4. Concluding remarks

Table 11 highlights the existence of a liberalization process at the multilateral level that complements the regional trade liberalization. Looking at SEE tariffs with respect to the rest of the world suggests two important points for the implementation of the FTAs. First, the higher the MFN tariffs are, the less likely the SEE consumers will gain from the free trade areas. For illustration case, assume a simple case where the producers in one SEE country are inefficient, and thus eliminated by competitors from other SEE countries. If the importing SEE country maintains high MFN tariffs, its consumers may still pay high prices for the goods produced in the other SEE countries. This issue is likely to emerge during the implementation process. Second, MFN tariffs of SEE countries seem often close—many of them differ by 5 percentage points or even less. In such cases, incentives to divert trade are probably small—a good news from the implementation point of view.

Table 1. Summary of FTAs compliance with article 1.2 of the MoU

		Trade coverage (art. 1.2.2)		Liberalization pace (art. 1.2.3)		Quantitative restrictions (art. 1.2.1)	
FTA (year of entry into force)	Country	Share of HS lines liberalized (%)	Share of mutual trade liberalized (%)	Share of HS lines freed upon entry into force (%)	End of transitional period	Number of lines with QRs upon entry into force	Year of abolition?
1	2	3	4	5	6	7	8
1. ALB-BIH (2003)	Albania	91,0	91,7	4,7	1 Jan. 2008	-	-
	Bosnia Herzegovina	93,0	88,6	26,6			
2. ALB-BUL (2003)	Albania	86,2	70,0	83,7	1 Jan. 2007	-	-
	Bulgaria	87,0	83,8	72,4			
3. ALB-CRO (2003)	Albania	85,7	95,8	82,0	1 Jan. 2008	-	-
	Croatia	87,4	53,2	84,0			
4. ALB-MAC (2002)	Albania	91,6	79,5	87,4	1 Jan. 2008	-	-
	Macedonia	93,1	89,6	59,8			
5. ALB-ROM (2003)	Albania	85,8	99,6	83,4	1 Jan. 2007	-	-
	Romania	86,5	82,0	82,9			
6. ALB-S&M (2003)	Albania	89,7	37,5	85,9	1 Jan. 2007	-	-
	Serbia & Montenegro	89,3	89,1	88,6		25	Not specified
7. BIH-BUL (2003)	Bosnia Herzegovina	91,5	75,9	27,2	1 Jan. 2005	-	-
	Bulgaria	88,9	95,6	88,9	entry into force		
8. BIH-CRO (2001)	Bosnia Herzegovina	100,0	100,0	25,6	1 Jan. 2004	-	-
	Croatia	100,0	100,0	100,0	entry into force		
9. BIH-MAC (2002)	Bosnia Herzegovina	100,0	100,0	25,6	1 Jan. 2005	-	-
	Macedonia	100,0	100,0	99,9		2	31 Dec. 2003
10. BIH-MOL (2003)	Bosnia Herzegovina	100,0	100,0	26,2	1 Jan. 2006	-	-
	Moldova	100,0	100,0	44,9			
11. BIH-ROM (2003)	Bosnia Herzegovina	91,8	83,7	27,1	1 Jan. 2005	-	-
	Romania	88,7	89,9	88,7	entry into force		
12. BIH-S&M (2002)	Bosnia Herzegovina	100,0	100,0	25,6	1 Jan. 2004	18 (QR on exports)	Not specified
	Serbia & Montenegro	100,0	100,0	99,9			
13. BUL-CRO (2002)	Bulgaria	93,9	95,6	69,3	1 Jan. 2003	-	-
	Croatia	94,5	91,7	88,0			
14. BUL-MAC (2000)	Bulgaria	87,7	89,1	40,2	1 Jan. 2005	-	-
	Macedonia	86,3	87,2	82,1			
15. BUL-ROM (1999)	Bulgaria	94,6	98,0	71,4	1 Jan. 2002	-	-
	Romania	94,6	94,4	79,7			
16. BUL-S&M (2003)	Bulgaria	88,4	87,4	80,8	1 Jan. 2007	-	-
	Serbia & Montenegro	87,6	94,0	78,1		25	31 Dec. 2004
17. CRO-MAC (1997)	Croatia	99,1	87,8	98,3	1 Jan. 2005 (revised FTA)	-	
	Macedonia	99,3	88,8	99,1		2	31 Dec. 2003
18. CRO-ROM (2003)	Croatia	88,1	47,8	87,9	1 Jan. 2005	-	-
	Romania	87,6	71,4	87,5			
19. CRO-S&M (2003)	Croatia	94,7	90,3	89,1	1 Jan. 2007	5 (on exports)	Not specified
	Serbia & Montenegro	93,9	77,6	91,1		25	
20. MAC-ROM (2003)	Macedonia	84,9	86,0	83,3	1 Jan. 2007	-	-
	Romania	86,3	59,8	85,6			
21. MAC-S&M (1996)	Macedonia	100,0	99,9	97,4	1 Jan. 1999	62 (on exports)	Not specified
	Serbia & Montenegro	100,0	99,9	98,7		129 (on exports)	
22. MOL-ROM (1994)	Moldova	100,0	100,0	100,0	entry into force	221 (on exports)	Not specified
	Romania	100,0	100,0	100,0		109 (on exports)	
23. ROM-S&M (2003)	Romania	88,8	89,9	86,2	1 Jan. 2007	-	-
	Serbia & Montenegro	88,5	96,9	86,9		25	31 Dec. 2005

Data: national statistics, bilateral imports 2002 (2001 for Serbia&Montenegro). Imports for Bosnia Herzegovina are replaced by partner country's exports. When missing, bilateral imports are replaced by world imports.

Table 2. Results of the trade coverage analysis with both MoU criteria

		Free Trade Agreements	
Group I (8 FTAs)	Agreements fulfilling both 90% trade coverage criteria	BIH-CRO BIH-MAC BIH-MOL BIH-S&M BUL-CRO BUL-ROM MAC-S&M MOL-ROM	
Group II (8 FTAs)	Agreements fulfilling only one of the two 90% trade coverage criteria	Tariff-based indicator under 90%: ROM-S&M	Import-based indicator under 90%: ALB-BIH ALB-MAC ALB-S&M BIH-BUL BIH-ROM CRO-MAC CRO-S&M
Group III (7 FTAs)	Agreements under both 90% trade coverage criteria	ALB-BUL ALB-CRO ALB-ROM BUL-MAC BUL-S&M CRO-ROM MAC-ROM	

Table 3. Bilateral imports of SEE countries in 2002 (value, 1000USD) and number of HS 6-digit lines with products traded

Imports of: / from:	Albania	Bosnia Herzegovina	Bulgaria	Croatia	Macedonia	Moldova	Romania	Serbia & Montenegro
Albania		**703** *22 lines*	**29 086** *758 lines*	**28 527** *107 lines*	**14 722** *599 lines*	**1 156** *9 lines*	**15 530** *112 lines*	**774** *67 lines*
Bosnia Herzegovina	**74** *13 lines*		**10 608** *499 lines*	**704 119** *3104 lines*	**18 285** *451 lines*	**0** *0 lines*	**14 598** *187 lines*	-
Bulgaria	**145** *38 lines*	**879** *62 lines*		**14 051** *165 lines*	**17 910** *523 lines*	**3 716** *92 lines*	**161 561** *885 lines*	**23 612** *521 lines*
Croatia	**265** *36 lines*	**166 293** *1565 lines*	**15 381** *465 lines*		**66 709** *602 lines*	**1 299** *70 lines*	**44 663** *610 lines*	**53 145** *1194 lines*
Macedonia	**931** *56 lines*	**13 240** *285 lines*	**114 054** *1886 lines*	**54 551** *1014 lines*		**129** *5 lines*	**8 107** *207 lines*	**165 924** *1973 lines*
Moldova	-	**16** *3 lines*	-	-	-		**126 230** *1914 lines*	-
Romania	**5** *5 lines*	**587** *44 lines*	**148 293** *1416 lines*	**5 707** *266 lines*	**1 351** *59 lines*	**50 253** *457 lines*		**25 426** *426 lines*
Serbia & Montenegro	**778** *25 lines*	**129 531** *1237 lines*	**138 342** *959 lines*	**172 327** *1846 lines*	**126 186** *967 lines*	-	**152 827** *468 lines*	

Data: national statistics, value of bilateral imports 2002 (2001 for Serbia&Montenegro). Imports for Bosnia Herzegovina are replaced by partner country's exports.
"-" means that data are missing.

Table 4. Trade coverage in the agricultural and manufacturing sectors

FTA	Country	Share of HS tariff lines freed (%)			Share of bilateral imports liberalized (%)		
		All products	Agriculture	Manufacturing	All products	Agriculture	Manufacturing
1	2	3	4	5	6	7	8
1. ALB-BIH	Albania	91,0	38,8	99,5	91,7	59,5	100,0
	Bosnia Herzegovina	93,0	51,4	99,7	88,6	0,0	100,0
2. ALB-BUL	Albania	86,2	5,1	99,4	70,0	0,0	100,0
	Bulgaria	87,0	11,0	99,4	83,8	0,0	100,0
3. ALB-CRO	Albania	85,7	5,1	98,6	95,8	0,0	100,0
	Croatia	87,4	14,2	99,0	53,2	0,0	100,0
4. ALB-MAC	Albania	91,6	41,9	99,5	79,5	19,4	99,9
	Macedonia	93,1	52,0	99,6	89,6	65,0	100,0
5. ALB-ROM	Albania	85,8	5,3	98,9	99,6	80,4	100,0
	Romania	86,5	10,3	98,9	82,0	0,0	100,0
6. ALB-S&M	Albania	89,7	29,4	99,4	37,5	14,6	100,0
	Serbia & Montenegro	89,3	27,0	99,4	89,1	0,0	100,0
7. BIH-BUL	Bosnia Herzegovina	91,5	42,0	99,5	75,9	7,9	97,1
	Bulgaria	88,9	24,6	99,3	95,6	0,0	97,6
8. BIH-CRO	Bosnia Herzegovina	100,0	100,0	100,0	100,0	100,0	100,0
	Croatia	100,0	100,0	100,0	100,0	100,0	100,0
9. BIH-MAC	Bosnia Herzegovina	100,0	100,0	100,0	100,0	100,0	100,0
	Macedonia	100,0	100,0	100,0	100,0	100,0	100,0
10. BIH-MOL	Bosnia Herzegovina	100,0	100,0	100,0	100,0	100,0	100,0
	Moldova	100,0	100,0	100,0	100,0	-	100,0
11. BIH-ROM	Bosnia Herzegovina	91,8	43,3	99,6	83,7	61,3	100,0
	Romania	88,7	28,4	98,5	89,9	0,0	100,0
12. BIH-S&M	Bosnia Herzegovina	100,0	100,0	100,0	100,0	100,0	100,0
	Serbia & Montenegro	100,0	100,0	100,0	100,0	100,0	100,0
13. BUL-CRO	Bulgaria	93,9	59,8	99,3	95,6	17,8	100,0
	Croatia	94,5	62,1	99,7	91,7	79,1	100,0
14. BUL-MAC	Bulgaria	87,7	10,9	100,0	89,1	0,8	100,0
	Macedonia	86,3	0,3	100,0	87,2	0,0	100,0
15. BUL-ROM	Bulgaria	94,6	61,5	100,0	98,0	48,1	100,0
	Romania	94,6	62,1	99,8	94,4	58,6	100,0
16. BUL-S&M	Bulgaria	88,4	19,3	99,6	87,4	45,1	99,7
	Serbia & Montenegro	87,6	15,0	99,4	94,0	2,5	99,9
17. CRO-MAC	Croatia	99,1	93,3	100,0	87,8	26,6	100,0
	Macedonia	99,3	94,9	100,0	88,8	58,7	100,0
18. CRO-ROM	Croatia	88,1	14,2	99,9	47,8	0,4	100,0
	Romania	87,6	11,2	99,8	71,4	0,5	100,0
19. CRO-S&M	Croatia	94,7	62,1	100,0	90,3	54,3	100,0
	Serbia & Montenegro	93,9	59,8	99,4	77,6	13,6	99,9
20. MAC-ROM	Macedonia	84,9	0,3	98,6	86,0	0,0	100,0
	Romania	86,3	10,3	98,6	59,8	0,0	100,0
21. MAC-S&M	Macedonia	100,0	100,0	100,0	99,9	100,0	99,8
	Serbia & Montenegro	100,0	100,0	100,0	99,9	100,0	99,9
22. MOL-ROM	Moldova	100,0	100,0	100,0	100,0	100,0	100,0
	Romania	100,0	100,0	100,0	100,0	100,0	100,0
23. ROM-S&M	Romania	88,8	22,4	99,6	89,9	3,4	100,0
	Serbia & Montenegro	88,5	20,3	99,5	96,9	1,0	99,9

Data: national statistics, bilateral imports 2002 (2001 for Serbia&Montenegro). Imports for Bosnia Herzegovina are replaced by partner country's exports. Missing bilateral imports data are replaced by world imports. Agriculture: HS chapters 1 to 24 - Manufacturing: HS chapters 25 to 97.

Table 5. Average trade coverage by ISIC sector

ISIC codes	ISIC items	Average trade coverage (%) measured by the share of HS lines freed	Average trade coverage (%) measured by the share of bilaterl imports liberalized
1	2	3	4
111	Agriculture	59,9	40,3
121	Forestry	74,9	92,0
122	Logging	100,0	100,0
130	Fisheries	57,2	65,6
210	Coal mining	100,0	100,0
220	Petroleum, Natural Gas	100,0	100,0
230	Other mining	100,0	100,0
290	Stone, salt, etc.	100,0	100,0
311	Food products	46,7	49,9
312	Other food products	50,6	46,1
313	Beverages	35,8	38,4
314	Tobacco	29,7	41,2
321	Textiles	99,4	100,0
322	Wearing Apparel	100,0	100,0
323	Leather & Products	100,0	100,0
324	Footwear	100,0	100,0
331	Wood Products	99,4	100,0
332	Furniture & fixtures	100,0	100,0
341	Paper & Products	100,0	100,0
342	Printing & Publishing	100,0	100,0
351	Industrial Chemicals	99,7	99,0
352	Other Chemicals	97,0	99,8
353	Petroleum Refineries	100,0	100,0
354	Petroleum & Coal Products	100,0	100,0
355	Rubber Products	100,0	100,0
356	Plastic Products, nec	100,0	100,0
361	Pottery, China, etc.	100,0	100,0
362	Glass & Products	100,0	100,0
369	Non-metallic Products	100,0	100,0
371	Iron & Steel	99,7	99,9
372	Non-Ferrous Metals	100,0	100,0
381	Metal Products	100,0	100,0
382	Machinery	100,0	100,0
383	Electrical Machinery	100,0	100,0
384	Transport Equipment	99,9	99,8
385	Professional Goods	100,0	100,0
390	Other industries	98,6	98,7
400	Electricity	100,0	100,0
	All	**92,7**	**87,8**

Average trade coverage is the arithmetic mean of the 23 FTAs in the database. ISIC codes in Column 1 are ISIC rev.2. Import data: bilateral imports 2002 (2001 for Serbia&Montenegro). Imports for Bosnia Herzegovina are replaced by partner country's exports. Missing bilateral imports data are replaced by world imports.

Table 6 - List of industrial goods excluded from liberalization in at least one FTA[1]

(HS 2002 codes)

2905 43	4301 30	7209 27
2905 44	4301 60	7209 28
2905 45	4301 70	7209 90
2939 11	4301 80	7211 14
3301 11	4301 90	7211 19
3301 12	4501 10	7211 23
3301 13	4501 90	7211 29
3301 14	5001 00	7211 90
3301 19	5002 00	8702 10
3301 21	5003 10	8702 90
3301 22	5003 90	
3301 23	5101 11	
3301 24	5101 19	
3301 25	5101 21	
3301 26	5101 29	
3301 29	5101 30	
3301 30	5102 11	
3301 90	5102 19	
3302 10	5102 20	
3501 10	5103 10	
3501 90	5103 20	
3502 11	5103 30	
3502 19	5201 00	
3502 20	5202 10	
3502 90	5202 91	
3503 00	5202 99	
3504 00	5203 00	
3505 10	5301 10	
3505 20	5301 21	
3809 10	5301 29	
3809 91	5301 30	
3809 92	5302 10	
3809 93	5302 90	
3823 11	7208 10	
3823 12	7208 25	
3823 13	7208 26	
3823 19	7208 27	
3823 70	7208 36	
3824 60	7208 37	
4101 20	7208 38	
4101 50	7208 39	
4101 90	7208 40	
4102 10	7208 51	
4102 21	7208 52	
4102 29	7208 53	
4103 10	7208 54	
4103 20	7209 16	
4103 30	7209 17	
4103 90	7209 18	
4301 10	7209 26	

[1] This list of 110 HS lines includes the exemptions from all the 23 FTAs. 25 products in this list are exemptions for only one of the 46 FTAs' signatories. The others are common to several signatories (between 2 and 28 with an average of 7).

Table 7 - Concessions in agriculture

FTAs	Full liberalization	Partial liberalization[1]	TRQs 0% within quota	TRQs preferential duty rate within quota	Maximum or preferential duty rates (without quota)	Number of HS6 (2002) lines (for each signatory)			
						freed (incl. MFN)	TRQs 0%	TRQs pref. duty rate	Max. or pref. duty rates
1	2	3	4	5	6	7	8	9	10
1. ALB-BIH		X				283 / 375	-	-	-
2. ALB-BUL			X			37 / 80	51 / 78	-	-
3. ALB-CRO			X			37 / 97	68 / 54	-	-
4. ALB-MAC		X	X			305 / 376	13 / 16	-	-
5. ALB-ROM			X			39 / 75	30 / 32	-	-
6. ALB-S&M		X	X			214 /197	51 / 50	-	-
7. BIH-BUL		X				306 / 179	-	-	-
8. BIH-CRO	X					All (729)	-	-	-
9. BIH-MAC	X					All (729)	-	-	-
10. BIH-MOL	X					All (729)	-	-	-
11. BIH-ROM		X				316 / 207	-	-	-
12. BIH-S&M	X					All (729)	-	-	-
13. BUL-CRO		X	X	X	X	444 / 680	1 / 2	27 / 39	145 / 145
14. BUL-MAC			X	X		78 / 2	24 / 22	61 / 45	-
15. BUL-ROM		X		X	X	448 / 453	-	11 / 12	147 / 147
16. BUL-S&M		X	X	X		141 / 109	71 / 71	85 / 85	-
17. CRO-MAC		X	X			680 / 692	42 / 28		
18. CRO-ROM			X	X		97 / 76	4 / 2	22 / 20	-
19. CRO-S&M		X	X	X	X	453 / 436	4 / 4	153 / 153	119 / 119
20. MAC-ROM			X	X		2 / 75	12 / 11	2 / 2	-
21. MAC-S&M	X					All (729)	-	-	-
22. MOL-ROM	X					All (729)	-	-	-
23. ROM-S&M		X		X		163 / 148	-	63 / 63	

[1] 'Partial liberalization' means that a FTA liberalizes a limited number of HS lines in addition to the lines already freed at the multilateral level.

Table 8 - List of agricultural products that are liberalized in a majority of FTAs[1]
(HS 2002 codes)

0101 10	0307 60	0804 50	1201 00	1302 31	1605 90
0101 90	0307 91	0805 40	1202 10	1302 32	1702 11
0102 10	0307 99	0805 90	1202 20	1302 39	1702 50
0103 10	0501 00	0806 20	1203 00	1401 10	1801 00
0104 10	0502 10	0813 40	1204 00	1401 20	1802 00
0104 20	0502 90	0814 00	1205 10	1401 90	1803 10
0105 19	0503 00	0901 11	1205 90	1402 00	1803 20
0106 11	0504 00	0901 12	1207 10	1403 00	1804 00
0106 12	0505 10	0901 90	1207 20	1404 10	1805 00
0106 19	0505 90	0902 10	1207 30	1404 20	1901 10
0106 20	0506 10	0902 20	1207 40	1404 90	1903 00
0106 31	0506 90	0902 30	1207 50	1502 00	2103 10
0106 32	0507 10	0902 40	1207 60	1504 10	2301 10
0106 39	0507 90	0903 00	1207 99	1504 20	2301 20
0106 90	0508 00	0904 11	1208 10	1504 30	2302 50
0208 10	0509 00	0904 12	1208 90	1505 00	2303 10
0208 20	0510 00	0904 20	1209 10	1506 00	2303 20
0208 30	0511 10	0905 00	1209 21	1508 10	2303 30
0208 40	0511 91	0906 10	1209 22	1508 90	2304 00
0208 50	0511 99	0906 20	1209 23	1509 10	2305 00
0208 90	0601 10	0907 00	1209 24	1509 90	2306 10
0302 12	0601 20	0908 10	1209 25	1511 10	2306 20
0302 21	0602 10	0908 20	1209 26	1511 90	2306 30
0302 22	0602 20	0908 30	1209 29	1513 11	2306 41
0302 23	0602 30	0909 10	1209 30	1513 19	2306 49
0302 29	0602 40	0909 20	1209 91	1513 21	2306 50
0302 31	0602 90	0909 30	1209 99	1513 29	2306 60
0302 32	0604 10	0909 40	1210 10	1515 11	2306 70
0302 33	0604 91	0909 50	1210 20	1515 19	2306 90
0302 34	0604 99	0910 10	1211 10	1515 21	2307 00
0302 35	0713 40	0910 20	1211 20	1515 30	2308 00
0302 36	0713 90	0910 30	1211 40	1515 40	2309 90
0302 39	0714 10	0910 40	1211 90	1515 50	
0302 40	0714 20	0910 50	1212 10	1515 90	
0302 50	0714 90	0910 91	1212 20	1518 00	
0302 61	0801 11	0910 99	1212 30	1520 00	
0302 62	0801 19	1006 10	1212 91	1521 10	
0302 63	0801 21	1006 20	1212 99	1521 90	
0302 64	0801 22	1006 30	1213 00	1522 00	
0302 65	0801 31	1006 40	1214 10	1603 00	
0302 66	0801 32	1007 00	1214 90	1604 11	
0307 10	0802 11	1008 10	1301 10	1604 12	
0307 21	0802 12	1008 20	1301 20	1604 16	
0307 29	0802 21	1008 30	1301 90	1604 19	
0307 31	0802 22	1008 90	1302 11	1604 20	
0307 39	0802 50	1102 30	1302 12	1604 30	
0307 41	0802 90	1106 10	1302 13	1605 10	
0307 49	0804 10	1106 20	1302 14	1605 20	
0307 51	0804 20	1106 30	1302 19	1605 30	
0307 59	0804 40	1109 00	1302 20	1605 40	

[1] Each product in this list is liberalized by at least 54% of the 46 FTAs' signatories (at most 93% and on average 67%). The 282 HS lines thus obtained represent a trade coverage in agriculture of 38,7% that is sufficient to fulfill the MoU trade coverage criteria (with a full liberalization of industrial goods).

Table 9. The FTAs: Key provisions mentioned by the MoU, as of May 2003

Signatories	ALB-BIH	ALB-BUL	ALB-CRO	ALB-S&M	ALB-MAC	ALB-ROM	BIH-BUL	BIH-CRO	BIH-S&M	BIH-MAC	BIH-MOL	BIH-ROM
	1	2	3	4	5	6	7	8	9	10	11	12
Year [a]	i2002	i2002	s2002	i2002	a2002	s2003	i2003	a2001	a2002	a2002	s2002	i2002
Number of words	5895	5455	5516	5561	5360	4974	6320	5685	5169	6142	5420	5856
1. Non-tariff barriers												
Rules of origin	15,34	23	24	25	25	15	17	16	12	24	18	17
reference to PanEur rules	yes	[b]	[b]	[b]	[b]	[b]	yes	yes	yes	yes	yes	yes
ref. to custom cooperation	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Standards (TBT)	7	8	8	9	9	9	16	8	8	8	7	16
reference to WTO	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Standards (SPS)	14	13	14	15	15	14	15	14	11	14	15	15
reference to WTO	yes	yes	--	yes	yes	yes	yes	yes	yes	yes	yes	yes
reference to EC harmoniz.	yes	yes	--	yes	yes	--	yes	yes	yes	yes	--	--
2. Contingent protection												
Safeguard												
specific (agriculture)	13	12	13	14	14	13	14	13	10	13	14	14
reference to WTO	--	--	--	--	--	--	--	--	--	--	--	yes
general	26,30	17,20	19,22	20,23	20,23	26,30	28,32	27,31	23,27	20,23	29	28,32
reference to WTO	--	--	--	--	--	--	--	--	yes	--	--	yes
Antidumping	25	16	18	19	19	26	27,32	26,31	22,27	19,23	28	27,32
reference to WTO	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Subsidies and CVDs	22,30	16	28,22	19	19	22,30	27,32	23,31	19,27	27,23	24,26	28,32
reference to WTO	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
3. Competition rules												
Competition provisions	21,30	25	27,22	27	27	21,30	23	22,31	18,27	26	23,26	23,32
reference to EC	--	--	--	--	--	--	--	--	--	--	--	--
state monopolies	19	19	21	22	22	19	21	20	16	--	21	21
State aid	22,30	25	28,22	28	27	22,30	24,27	23,31	19,27	27,23	24,26	24,32
reference to WTO	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
reference to EC	--	--	--	--	--	--	--	--	--	--	--	--
4. Behind the border agenda												
Public procurement	23	28	31	31	30	23	25	24	20	28	25	25
liberalization	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
reference to WTO	yes	yes	yes	yes	yes	--	yes	yes	yes	yes	--	--
Services	33	32	32	32	31	32	37	36	31	--	--	34
liberalization	yes	yes	yes	yes	yes	yes	yes	yes	yes	--	--	yes
reference to WTO	yes	yes	yes	yes	yes	yes	yes	yes	yes	--	--	yes
reference to EC	--	--	--	--	--	--	--	--	--	--	--	yes
TRIPs	24	27	30	30	29	24	26	25	21	30	27	26
reference to WTO	yes	yes	yes	yes	yes	yes	yes	--	--	yes	yes	yes

Table 9 (end). The FTAs: Key provisions mentioned by the MoU, as of May 2003

Signatories	BUL-S&M	BUL-ROM	BUL-CRO	BUL-MAC	CRO-S&M	CRO-MAC	CRO-ROM	S&M-MAC	S&M-ROM	MAC-ROM	MOL-ROM
	13	14 [*]	15	16	17	18	19 [*]	20	21	22	23
Year [a]	i2003		a2002	a2000	s2002	a1997	a2003	a1996	s2003	s2003	a1994
Number of words	5690	1466	5480	5565	5006	5142		2674	5117	5099	3531
1. Non-tariff barriers											
Rules of origin	16	--	15	25	15	15	--	10	15	16	9
reference to PanEur rules	--	--	--	[b]	--	[b]	--	--	--	[b]	[b]
ref. to custom cooperation	--	--	yes	yes	yes	yes	--	--	yes	yes	yes
Standards (TBT)	10	--	9	10	--	9	--	8	9	10	--
reference to WTO	yes	--	yes	yes	--	--	--	--	yes	yes	--
Standards (SPS)	15	--	14	15	14	14	--	9	14	15	11
reference to WTO	--	--	--	yes	--	--	--	--	yes	yes	--
reference to EC harmoniz.	--	--	--	yes	--	--	--	--	--	--	--
2. Contingent protection											
Safeguard											
specific (agriculture)	14	--	13	14	13	13	--	--	13	14	--
reference to WTO	--	--	--	--	--	--	--	--	--	--	--
general	27,31	--	26,30	20,23	26,29	26,30	--	17,19	26,3	27,31	21,25
reference to WTO	--	--	--	--	--	--	--	--	--	--	--
Antidumping	26,31	--	25,30	19,23	25,29	25,30	--	16,19	25,30	26,31	20,25
reference to WTO	yes	--	yes	yes	yes	yes	--	--	yes	yes	--
Subsidies and CVDs	--	--	22,30	27,23	--	--	--	16,19	--	23,31	17,25
reference to WTO	--	--	yes	yes	--	--	--	yes	--	yes	--
3. Competition rules											
Competition provisions	22,31	--	21,30	27,23	21,29	21,31	--	--	21,3	22,31	16
reference to EC	--	--	--	--	--	--	--	--	--	--	--
state monopolies	20	--	19	22	19	19	--	--	19	20	14
State aid	23,31	--	22,30	27,23	22,29	22,31	--	16,19	22,30	23,31	17,25
reference to WTO	--	--	yes	yes	yes	yes	--	--	yes	yes	--
reference to EC	--	--	--	--	--	--	--	--	--	--	--
4. Behind the border agenda											
Public procurement	24	--	23	30	23	23	--	--	23	24	18
liberalization	yes	--	yes	yes	yes	yes	--	--	yes	yes	yes
reference to WTO	yes	--	yes	yes	--	yes	--	--	--	--	--
Services	36	--	35	--	34	--	--	--	32	33	--
liberalization	yes	--	yes	--	yes	--	--	--	yes	yes	--
reference to WTO	yes	--	yes	--	yes	--	--	--	yes	yes	--
reference to EC	--	--	--	--	yes	--	--	--	yes	--	--
TRIPs	25	--	24	29	24	24	--	14	24	25	19
reference to WTO	yes	--	yes	yes	yes	--	--	--	yes	yes	--

Sources: The Free trade agreements. Note [*] The BUL-ROM and CRO-ROM agreements are the accession treaties of Bulgaria and Croatia to CEFTA.
Notes: [a] i=initialled, s=signed, a=applied. [b] These provisions are included in the protocols.

Table 10. The FTAs: Key provisions mentioned by the MoU, as of May 2003 (provisional results)

Signatories	ALB-BIH	ALB-BUL	ALB-CRO	ALB-S&M	ALB-MAC	ALB-ROM	BIH-BUL	BIH-CRO	BIH-S&M	BIH-MAC	BIH-MOL	BIH-ROM
	1	2	3	4	5	6	7	8	9	10	11	12
Year [a]	i2002	i2002	s2002	i2002	a2002	s2003	i2003	a2001	a2002	a2002	s2002	i2002
Number of words	5895	5455	5516	5561	5360	4974	6320	5685	5169	6142	5420	5856
Nbr words on safeguards	1519	1459	1538	1435	1385	1452	1522	1367	1498	1518	1380	1481
Share (%)	25,8	26,7	27,9	25,8	25,8	29,2	24,1	24,0	29,0	24,7	25,5	25,3
1. Agriculture and special safeguard												
Agricultural policy [b]	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Special safeguard [c]	1-4	1-3	1-4	1-4	1-3	1-3	1-4	1-3	1-3	1-3	1-3	1-3
2. General safeguard and associates												
General safeguard [d]	1-6	1-6	1-6	1-6	1-6	1-6	1-6	1-6	1-7	1-6	1-6	1-7
Structural adjustement [e]	1-5	1-5	1-5	1-5	1-5	1-5	1-3,5	1-5	1-5	1-5	1-5	1-5
Re-export [f]	1	1-3	1-3	1-3	1-3	1	1	1-3	1-3	1-3	1-3	1
Balance of payments [g]	1-2	1-2	1-2	1-2	1-2	1	1	1	1	1-2	1	1
3. Antidumping and countervailing measures												
Antidumping and CVD [h]	1-2	1-2	1-2	1-2	1-2	1	1	1	1	1	1	1

Signatories	BUL-S&M	BUL-ROM	BUL-CRO	BUL-MAC	CRO-S&M	CRO-MAC	CRO-ROM	S&M-MAC	S&M-ROM	MAC-ROM	MOL-ROM
	13	14 [*]	15	16	17	18	19 [*]	20	21	22	23
Year [a]	i2003		a2002	a2000	s2002	a1997	a2003	a1996	s2003	s2003	a1994
Number of words	5690	1466	5480	5565	5006	5142		2674	5117	5099	3531
Nbr words on safeguards	1503	--	1377	1500	1198	1638	--	747	1490	1461	1018
Share (%)	26,4	--	25,1	27,0	23,9	31,9	--	27,9	29,1	28,7	28,8
1. Agriculture and special safeguard											
Agricultural policy [b]	yes	--	yes	yes	yes	yes	--	no	yes	yes	no
Special safeguard [c]	1-3	--	1-4	1-3	1-4	1-4	--	--	1-4	1-3	--
2. General safeguard and associates											
General safeguard [d]	1-6	--	1-6	1-6	1-6	1-6	--	1-7	1-6	1-6	1-6
Structural adjustement [e]	1-5	--	1-5	1-5	no	1-5	--	no	1-6	1-5	1-5
Re-export [f]	1-3	--	1	1-3	1-2	1	--	no	1	1	1
Balance of payments [g]	1	--	1	1-2	1	1	--	1	1	1	3
3. Antidumping and countervailing measures											
Antidumping and CVD [h]	1	--	1	1	1	1	--	1-2	1	1	3

Sources: The Free trade agreements. Note [*] The BUL-ROM and CRO-ROM agreements are the accession treaties of Bulgaria and Croatia to CEFTA.

Notes [a] i=initialled, s=signed, a=applied.

[b] yes=notification of changes of agricultural policy; no=no notification.

[c] 1=consultation required, 2=serious disturbances, 3=immediate measures, 4=proportionality.

[d] 1=import surge, 2=serious injury, 3=like-product, 4=directly competitive product, 5=serious disturbances, 6=regional injury, 7=reference to the WTO safeguard provision.

[e] 1=infant industry, 2=cap on the tariff, 3=cap on the import coverage, 4=limited to the implementation period, 5=reference to the Joint Committee.

[f] 1=measures to be taken, 2=non-discriminatory measures, 3=no longer than necessary.

[g] 1=measures to be taken, 2=limited duration, 3=not to go beyond.

[h] 1=only antidumping, 2=antidumping and CVD, 3=non classifiable.

[g] 1=reference to GATT/WTO, 2=reference to IMF, 3=non classifiable.

Table 11. Average tariffs, by country, HS product group and ISIC sector

Nbr of items HS96	Nbr of items HS02	HS or ISIC3	Country / year / nomenclature	Albania 2002 (HS96)	Bosnia Herzegovina 2002 (HS02)	Bulgaria 2002 (HS02)	Croatia 2002 (HS02)	Macedonia 2002 (HS02)	Moldova 2002 (HS96)	Romania 2002 (HS02)	Serbia & Montenegro 2002 (HS96)
			1. Overall indicators								
			All products - average ad valorem tariff	**7,4**	**6,0**	**9,7**	**5,0**	**12,6**	**5,0**	**17,1**	**9,4**
5113	5224		Number of tariff lines (HS6)	5113	5224	5224	5224	5224	5113	5224	5113
			Number of lines with specific tariffs	0	161	74	131	79	30	0	124
			% of lines freed at the MFN level	2,0	26,2	13,9	45,3	0,9	44,9	7,0	0,0
			2. Average tariffs by HS product groups								
704	729	HS 1-24	Agriculture	9,5	5,0	16,7	10,2	20,8	10,1	23,1	16,9
4409	4494	HS25-97	Manufacturing	7,0	6,2	8,6	4,2	11,2	4,2	16,1	8,2
			3. Average tariffs by ISIC sector								
213	218	111	Agriculture	7,6	3,0	12,0	7,2	17,7	9,5	17,4	12,5
19	17	121	Forestry	9,6	0,3	0,3	3,6	1,6	9,5	4,8	3,7
8	8	122	Logging	2,0	0,6	0,0	0,0	2,0	0,0	6,4	1,0
49	53	130	Fisheries	13,5	1,8	8,9	6,6	13,5	9,7	18,9	11,0
4	4	210	Coal mining	8,0	1,3	1,0	0,0	0,0	0,0	0,0	2,0
3	3	220	Petroleum, Natural Gas	4,7	3,3	5,2	3,3	3,6	0,0	10,5	4,6
23	23	230	Other mining	2,0	0,1	0,0	0,0	2,0	0,0	2,4	1,0
75	73	290	Stone, salt, etc.	2,3	0,8	1,0	3,6	9,4	3,7	5,9	3,3
363	378	311	Food products	8,8	6,0	20,2	11,2	21,8	10,2	25,1	19,3
55	54	312	Other food products	10,1	4,5	17,9	9,7	16,4	8,7	21,5	15,0
24	24	313	Beverages	14,0	12,7	13,9	25,7	46,5	3,8	79,9	28,0
6	6	314	Tobacco	11,7	15,0	15,0	26,9	52,5	7,5	93,0	22,5
681	707	321	Textiles	8,8	9,8	15,5	7,9	18,0	6,8	22,9	12,5
134	134	322	Wearing Apparel	14,8	14,6	21,0	14,1	33,9	14,8	28,9	26,8
48	53	323	Leather & Products	11,3	7,1	7,3	6,2	17,4	9,8	13,3	12,7
17	17	324	Footwear	13,8	14,4	20,3	11,3	26,1	11,5	23,5	19,4
64	67	331	Wood Products	8,8	4,9	9,0	2,5	11,3	1,9	12,8	7,5
22	22	332	Furniture & fixtures	13,8	9,5	15,6	9,7	24,7	10,3	19,3	19,1
118	120	341	Paper & Products	9,2	5,1	8,3	2,9	9,1	3,4	13,0	6,8
29	29	342	Printing & Publishing	7,6	6,3	6,0	1,8	19,3	9,7	8,4	12,1
683	689	351	Industrial Chemicals	3,4	2,7	7,1	1,2	5,0	3,1	14,9	3,2
243	264	352	Other Chemicals	5,6	4,2	6,4	2,5	9,1	3,0	18,4	5,0
14	17	353	Petroleum Refineries	8,5	1,4	11,0	7,8	8,4	0,4	9,3	3,2
13	13	354	Petroleum & Coal Products	11,4	1,5	4,3	3,6	5,3	1,6	7,4	4,8
62	76	355	Rubber Products	11,8	8,7	11,7	4,3	11,6	6,8	18,3	13,1
22	22	356	Plastic Products, nec	14,0	12,6	14,7	6,4	20,9	4,0	18,3	18,7
15	15	361	Pottery, China, etc.	9,8	8,4	16,1	6,3	25,5	13,2	20,1	15,1
66	63	362	Glass & Products	9,1	8,4	11,9	5,2	11,5	9,5	15,0	10,2
83	79	369	Non-metallic Products	11,7	5,7	9,0	7,2	18,5	10,0	10,8	9,4
205	204	371	Iron & Steel	9,2	4,0	4,9	0,6	4,9	0,0	15,9	3,1
164	182	372	Non-Ferrous Metals	7,1	2,6	3,6	1,1	6,9	0,0	7,1	4,8
219	218	381	Metal Products	11,4	8,9	10,1	7,4	13,6	3,4	17,2	11,0
505	506	382	Machinery	2,7	6,1	5,9	2,9	7,1	0,9	13,3	6,4
290	288	383	Electrical Machinery	6,0	7,0	6,8	3,1	10,8	3,9	11,6	8,4
146	148	384	Transport Equipment	4,1	5,6	5,0	5,6	8,5	2,8	19,4	5,8
220	222	385	Professional Goods	6,2	5,2	5,2	1,2	9,5	4,3	11,0	5,7
207	207	390	Other industries	11,8	7,7	7,3	4,8	13,9	6,9	16,9	13,2
289	296	111-130	Agriculture	8,6	2,5	10,5	6,7	15,6	9,2	16,6	11,3
105	103	210-290	In-between	2,5	0,7	0,9	2,6	7,2	2,6	5,0	2,8
4718	4824	311-390	Manufacture	7,4	6,4	9,9	4,9	12,5	4,8	17,4	9,4
1	1	400	Electricity	2,0	0,0	0,0	0,0	0,0	0,0	6,0	1,0

Table 12. FTA coverage, by country and ISIC sector: tariff line-based indicators

ISIC codes	ISIC items / Country w/	Alb BiH	Alb Bul	Alb Cro	Alb Mac	Alb Rom	Alb S&M	BiH Alb	BiH Bul	BiH Cro	BiH Mac	BiH Mol	BiH Rom	BiH S&M	Bul Alb	Bul BiH	Bul Cro	Bul Mac	Bul Rom	Bul S&M	Cro Alb	Cro BiH	Cro Bul	Cro Mac	Cro Rom
111	Agriculture	37,2	9,2	5,2	54,9	8,3	40,4	61,0	61,0	100,0	100,0	100,0	60,6	100,0	23,4	47,7	68,5	23,9	71,6	45,9	27,2	100,0	73,2	96,8	31,9
121	Forestry	70,6	11,8	10,5	100,0	11,8	70,6	100,0	100,0	100,0	100,0	100,0	100,0	100,0	94,1	100,0	100,0	94,7	100,0	100,0	15,8	100,0	100,0	100,0	15,8
122	Logging	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
130	Fisheries	83,0	11,3	10,2	12,2	11,3	13,2	90,6	83,0	100,0	100,0	100,0	83,0	100,0	13,2	13,2	98,0	12,2	98,1	13,2	12,2	100,0	98,0	100,0	12,2
210	Coal mining	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
220	Petroleum, Natural Gas	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
230	Other mining	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
290	Stone, salt, etc.	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
311	Food products	38,6	10,8	11,8	37,2	11,4	28,0	44,2	27,8	100,0	100,0	100,0	29,9	100,0	6,1	14,8	55,1	7,7	56,6	9,0	9,6	100,0	55,6	90,7	12,7
312	Other food products	31,5	0,0	0,0	52,7	0,0	37,0	46,3	38,9	100,0	100,0	100,0	38,9	100,0	5,6	29,6	45,5	10,9	48,1	7,4	18,2	100,0	58,2	96,3	20,0
313	Beverages	20,8	0,0	0,0	45,8	0,0	8,3	25,0	4,2	100,0	100,0	100,0	4,2	100,0	0,0	4,2	12,5	0,0	12,5	0,0	0,0	100,0	12,5	83,3	0,0
314	Tobacco	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	100,0	100,0	100,0	0,0	100,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	100,0	0,0	83,3	0,0
321	Textiles	99,4	99,2	96,8	99,3	97,2	99,4	100,0	100,0	100,0	100,0	100,0	100,0	100,0	99,3	99,9	99,4	99,7	100,0	99,9	99,1	100,0	99,6	100,0	99,1
322	Wearing Apparel	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
323	Leather & Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
324	Footwear	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
331	Wood Products	97,0	97,0	100,0	96,9	100,0	97,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	97,0	100,0	96,9	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
332	Furniture & fixtures	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
341	Paper & Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
342	Printing & Publishing	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
351	Industrial Chemicals	99,3	98,8	99,7	99,6	99,7	99,3	99,6	99,4	100,0	100,0	100,0	100,0	100,0	98,8	99,1	98,5	100,0	100,0	99,1	100,0	100,0	99,6	100,0	100,0
352	Other Chemicals	97,0	95,5	88,9	97,5	89,8	96,6	97,0	96,2	100,0	100,0	100,0	97,3	100,0	96,2	90,5	97,1	98,4	99,6	97,0	91,4	100,0	98,8	100,0	97,9
353	Petroleum Refineries	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
354	Petroleum & Coal Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
355	Rubber Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
356	Plastic Products, nec	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
361	Pottery, China, etc.	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
362	Glass & Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
369	Non-metallic Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
371	Iron & Steel	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
372	Non-Ferrous Metals	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
381	Metal Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
382	Machinery	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
383	Electrical Machinery	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
384	Transport Equipment	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
385	Professional Goods	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
390	Other industries	97,1	94,7	94,7	99,0	94,7	97,6	99,5	99,5	100,0	100,0	100,0	99,5	100,0	99,0	99,5	99,5	99,0	100,0	99,5	99,0	100,0	99,5	100,0	99,0
400	Electricity	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
	All	91,0	86,2	85,7	91,6	85,8	89,7	93,0	91,5	100,0	100,0	100,0	91,8	100,0	87,0	88,9	93,9	87,7	94,6	88,4	87,4	100,0	94,5	99,1	88,1

ISIC rev. 2. Each percentage represents the share of tariff lines liberalized by the country in the first line when importing goods of the ISIC sector reported originating in the country in the second line.

ISIC codes	ISIC items (Country w/)	Cro S&M	Mac Alb	Mac BiH	Mac Bul	Mac Cro	Mac Rom	Mac S&M	Mol BiH	Mol Rom	Rom Alb	Rom BiH	Rom Bul	Rom Cro	Rom Mac	Rom Mol	Rom S&M	S&M Alb	S&M BiH	S&M Bul	S&M Cro	S&M Mac	S&M Rom	Mean
111	Agriculture	71,6	54,9	100,0	12,7	97,7	4,6	100,0	100,0	100,0	31,2	48,6	72,0	35,7	26,6	100,0	54,6	40,4	100,0	37,6	71,1	100,0	50,0	59,9
121	Forestry	100,0	100,0	100,0	10,5	100,0	11,8	100,0	100,0	100,0	11,8	100,0	100,0	10,5	11,8	100,0	11,8	70,6	100,0	100,0	100,0	100,0	11,8	74,9
122	Logging	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
130	Fisheries	90,6	100,0	100,0	6,1	100,0	7,5	100,0	100,0	100,0	7,5	13,2	98,1	6,1	7,5	100,0	7,5	9,4	100,0	9,4	90,6	100,0	7,5	57,2
210	Coal mining	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
220	Petroleum, Natural Gas	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
230	Other mining	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
290	Stone, salt, etc.	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
311	Food products	54,5	45,5	100,0	3,0	93,4	1,6	100,0	100,0	100,0	5,6	14,3	56,6	6,9	5,3	100,0	12,7	24,1	100,0	5,6	50,3	100,0	11,6	46,7
312	Other food products	72,2	60,0	100,0	7,3	96,3	1,9	100,0	100,0	100,0	16,7	35,2	51,9	20,0	16,7	100,0	27,8	37,0	100,0	3,7	72,2	100,0	24,1	50,6
313	Beverages	33,3	29,2	100,0	0,0	83,3	0,0	100,0	100,0	100,0	0,0	4,2	12,5	0,0	0,0	100,0	4,2	8,3	100,0	0,0	33,3	100,0	4,2	35,8
314	Tobacco	0,0	0,0	100,0	0,0	83,3	0,0	100,0	100,0	100,0	0,0	0,0	0,0	0,0	0,0	100,0	0,0	0,0	100,0	0,0	0,0	100,0	0,0	29,7
321	Textiles	100,0	99,3	100,0	99,6	100,0	97,0	100,0	100,0	100,0	97,5	97,3	99,4	99,3	97,2	100,0	99,4	99,4	100,0	99,3	100,0	100,0	99,4	99,4
322	Wearing Apparel	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
323	Leather & Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
324	Footwear	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
331	Wood Products	100,0	98,4	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	97,0	100,0	97,0	100,0	100,0	100,0	99,4
332	Furniture & fixtures	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
341	Paper & Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
342	Printing & Publishing	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
351	Industrial Chemicals	100,0	99,6	100,0	100,0	100,0	99,7	100,0	100,0	100,0	99,7	99,7	100,0	100,0	99,7	100,0	99,3	99,3	100,0	98,8	100,0	100,0	99,3	99,7
352	Other Chemicals	100,0	97,9	100,0	97,5	100,0	89,4	100,0	100,0	100,0	89,8	91,7	99,6	97,5	89,8	100,0	96,2	96,6	100,0	96,6	100,0	100,0	96,2	97,0
353	Petroleum Refineries	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
354	Petroleum & Coal Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
355	Rubber Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
356	Plastic Products, nec	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
361	Pottery, China, etc.	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
362	Glass & Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
369	Non-metallic Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
371	Iron & Steel	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	87,7	100,0	100,0	99,7
372	Non-Ferrous Metals	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
381	Metal Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
382	Machinery	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
383	Electrical Machinery	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
384	Transport Equipment	100,0	100,0	100,0	100,0	100,0	100,0	98,6	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	98,6	100,0	99,9
385	Professional Goods	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
390	Other industries	100,0	99,0	100,0	94,7	100,0	94,7	100,0	100,0	100,0	95,2	99,5	100,0	95,2	95,2	100,0	97,1	97,6	100,0	99,5	100,0	100,0	97,1	98,6
400	Electricity	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
	All	94,7	93,1	100,0	86,3	99,3	84,9	100,0	100,0	100,0	86,5	88,7	94,6	87,6	86,3	100,0	88,8	89,3	100,0	87,6	93,9	100,0	88,5	92,7

Table 12

Table 13. FTA coverage, by country and ISIC sector: import-based indicators

ISIC	Country	Alb	Alb	Alb	Alb	Alb	Alb	BiH	BiH	BiH	BiH	BiH	BiH	BiH	Bul	Bul	Bul	Bul	Bul	Bul	Cro	Cro	Cro	Cro	Cro
codes	ISIC items w/	BiH	Bul	Cro	Mac	Rom	S&M	Alb	Bul	Cro	Mac	Mol	Rom	S&M	Alb	BiH	Cro	Mac	Rom	S&M	Alb	BiH	Bul	Mac	Rom
111	Agriculture	-	0,0	0,0	7,3	0,0	0,3	0,0	2,5	100,0	100,0	100,0	99,8	100,0	-	-	87,8	33,3	87,4	12,2	0,0	100,0	22,7	11,4	0,4
121	Forestry	-	-	-	-	-	-	-	100,0	100,0	-	-	-	100,0	-	-	-	100,0	-	100,0	-	100,0	100,0	-	-
122	Logging	-	-	-	-	-	-	-	-	100,0	-	-	100,0	100,0	-	-	-	100,0	100,0	100,0	-	100,0	-	-	-
130	Fisheries	-	-	-	0,0	-	-	-	0,0	100,0	-	-	-	100,0	-	-	-	-	100,0	-	100,0	100,0	-	-	-
210	Coal mining	-	-	-	-	-	-	-	-	-	-	-	-	100,0	-	-	-	100,0	100,0	100,0	-	100,0	-	-	-
220	Petroleum, Natural Gas	-	-	100,0	100,0	-	-	-	-	100,0	-	-	-	-	-	-	100,0	-	100,0	100,0	-	-	-	-	-
230	Other mining	-	-	-	-	-	-	-	-	-	-	-	-	100,0	-	100,0	-	100,0	100,0	100,0	-	100,0	-	-	-
290	Stone, salt, etc.	-	100,0	-	100,0	-	-	-	100,0	100,0	100,0	-	100,0	100,0	100,0	-	-	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
311	Food products	86,6	0,0	0,0	27,6	96,7	21,1	100,0	10,0	100,0	100,0	100,0	0,4	100,0	-	-	5,1	84,2	52,6	89,1	0,0	100,0	82,8	73,3	0,0
312	Other food products	-	0,0	0,0	95,0	0,0	-	-	0,0	100,0	100,0	100,0	0,0	100,0	0,0	0,0	0,0	0,0	45,8	0,0	-	100,0	44,0	15,0	0,0
313	Beverages	-	0,0	0,0	24,7	0,0	9,3	-	0,0	100,0	100,0	-	-	100,0	-	-	-	0,0	4,9	0,0	-	100,0	0,0	3,0	-
314	Tobacco	0,0	0,0	0,0	0,0	-	-	-	-	100,0	100,0	-	-	-	-	-	-	0,0	-	-	-	-	-	-	-
321	Textiles	-	100,0	100,0	99,8	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
322	Wearing Apparel	-	100,0	-	100,0	100,0	-	-	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
323	Leather & Products	-	-	-	-	-	-	100,0	100,0	100,0	100,0	-	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
324	Footwear	-	100,0	-	100,0	-	-	-	100,0	100,0	100,0	-	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
331	Wood Products	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
332	Furniture & fixtures	100,0	100,0	-	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
341	Paper & Products	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
342	Printing & Publishing	100,0	100,0	100,0	100,0	100,0	-	-	100,0	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
351	Industrial Chemicals	-	99,8	100,0	99,3	100,0	100,0	-	78,8	100,0	100,0	-	100,0	100,0	100,0	82,5	100,0	100,0	100,0	98,4	-	100,0	100,0	100,0	100,0
352	Other Chemicals	100,0	100,0	100,0	100,0	100,0	100,0	-	99,4	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	99,8	100,0	100,0	100,0	100,0	100,0	100,0	100,0
353	Petroleum Refineries	-	100,0	100,0	100,0	100,0	-	-	100,0	100,0	100,0	-	-	-	-	-	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
354	Petroleum & Coal Products	100,0	-	-	100,0	-	-	-	-	100,0	-	-	-	100,0	-	-	-	100,0	-	-	-	100,0	-	-	-
355	Rubber Products	-	100,0	100,0	100,0	100,0	-	-	100,0	100,0	100,0	-	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
356	Plastic Products, nec	-	100,0	100,0	100,0	100,0	-	-	100,0	100,0	100,0	-	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
361	Pottery, China, etc.	-	100,0	100,0	100,0	100,0	-	-	100,0	100,0	100,0	-	100,0	100,0	100,0	-	-	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
362	Glass & Products	-	100,0	-	100,0	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	-	-	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
369	Non-metallic Products	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
371	Iron & Steel	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
372	Non-Ferrous Metals	-	100,0	100,0	100,0	100,0	-	-	100,0	100,0	100,0	-	100,0	100,0	-	-	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
381	Metal Products	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
382	Machinery	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
383	Electrical Machinery	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
384	Transport Equipment	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
385	Professional Goods	-	100,0	100,0	100,0	-	-	100,0	100,0	100,0	100,0	-	100,0	100,0	-	-	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
390	Other industries	-	100,0	-	100,0	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0
400	Electricity	-	100,0	100,0	-	-	-	-	-	-	-	-	-	100,0	-	-	-	-	-	-	-	100,0	-	-	-
	All	91,7	70,0	95,8	79,5	99,6	37,5	88,6	75,9	100,0	100,0	100,0	83,7	100,0	83,8	95,6	95,6	89,1	98,0	87,4	53,2	100,0	91,7	87,8	47,8

ISIC rev. 2. Each percentage represents the share of imports liberalized by the country in the first line when importing goods of the ISIC sector reported from the country in the second line.

ISIC codes	ISIC items / Country w/	Cro S&M	Mac Alb	Mac BiH	Mac Bul	Mac Cro	Mac Rom	Mac S&M	Mol BiH	Mol Rom	Rom Alb	Rom BiH	Rom Bul	Rom Cro	Rom Mac	Rom Mol	Rom S&M	S&M Alb	S&M BiH	S&M Bul	S&M Cro	S&M Mac	S&M Rom	Mean
111	Agriculture	57,4	3,0	100,0	4,8	57,7	0,0	100,0	-	100,0	0,0	0,0	7,4	16,6	0,0	100,0	6,0	0,0	100,0	36,5	23,0	100,0	14,4	40,3
121	Forestry	100,0	-	-	63,4	-	-	100,0	-	100,0	-	-	100,0	-	-	-	0,0	-	100,0	100,0	100,0	-	100,0	92,0
122	Logging	100,0	100,0	-	100,0	-	-	100,0	-	100,0	-	100,0	-	100,0	-	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0
130	Fisheries	100,0	-	-	0,0	100,0	-	100,0	-	100,0	-	0,0	100,0	-	-	100,0	0,0	-	100,0	0,0	47,3	-	-	65,6
210	Coal mining	-	-	100,0	-	-	-	100,0	-	-	-	-	-	-	-	-	-	-	100,0	-	-	-	-	100,0
220	Petroleum, Natural Gas	-	-	-	-	100,0	-	-	-	100,0	-	-	-	-	-	-	-	-	-	-	-	-	-	100,0
230	Other mining	-	-	-	-	-	100,0	100,0	-	-	-	-	-	-	-	-	-	-	100,0	100,0	100,0	100,0	100,0	100,0
290	Stone, salt, etc.	100,0	100,0	100,0	100,0	100,0	-	100,0	-	100,0	-	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
311	Food products	52,4	-	100,0	0,6	57,4	0,0	100,0	-	100,0	-	0,0	81,5	0,0	0,0	100,0	1,7	0,0	100,0	2,1	20,8	100,0	0,0	49,9
312	Other food products	92,8	100,0	100,0	0,1	53,3	0,0	100,0	-	100,0	-	-	52,3	77,5	-	100,0	2,6	0,0	100,0	0,0	74,0	100,0	0,0	46,1
313	Beverages	30,2	100,0	-	0,0	99,0	0,0	100,0	-	100,0	-	-	18,7	-	-	100,0	0,0	0,0	100,0	0,0	2,0	100,0	0,0	38,4
314	Tobacco	-	-	100,0	-	0,1	-	100,0	-	-	-	-	0,0	0,0	-	100,0	-	-	100,0	0,0	0,0	100,0	-	41,2
321	Textiles	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0
322	Wearing Apparel	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0
323	Leather & Products	100,0	-	-	100,0	100,0	100,0	100,0	-	100,0	-	100,0	100,0	-	-	100,0	100,0	-	100,0	100,0	100,0	100,0	-	100,0
324	Footwear	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0
331	Wood Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	-	100,0	100,0	100,0	-	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0
332	Furniture & fixtures	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
341	Paper & Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	-	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0
342	Printing & Publishing	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	-	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0
351	Industrial Chemicals	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	99,0
352	Other Chemicals	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	-	100,0	99,8	100,0	100,0	93,1	99,8
353	Petroleum Refineries	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	-	-	100,0	100,0	-	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0
354	Petroleum & Coal Products	100,0	-	-	100,0	100,0	-	100,0	-	100,0	-	-	100,0	-	-	-	-	-	100,0	100,0	100,0	100,0	100,0	100,0
355	Rubber Products	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	-	-	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
356	Plastic Products, nec	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	-	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
361	Pottery, China, etc.	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	-	-	100,0	100,0	-	100,0	-	-	100,0	100,0	100,0	100,0	100,0	100,0
362	Glass & Products	100,0	100,0	-	100,0	100,0	100,0	100,0	-	100,0	-	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0
369	Non-metallic Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	-	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0
371	Iron & Steel	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	95,7	100,0	100,0	99,9
372	Non-Ferrous Metals	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	-	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
381	Metal Products	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
382	Machinery	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0
383	Electrical Machinery	100,0	-	100,0	100,0	100,0	100,0	100,0	-	100,0	-	-	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0
384	Transport Equipment	100,0	100,0	100,0	100,0	100,0	100,0	94,5	-	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	97,9	100,0	99,8
385	Professional Goods	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0	100,0	-	100,0	100,0	100,0	-	100,0	100,0	-	100,0	100,0	100,0	100,0	100,0	100,0
390	Other industries	100,0	75,4	100,0	100,0	100,0	100,0	100,0	-	100,0	-	100,0	100,0	99,9	-	100,0	83,6	-	100,0	100,0	100,0	100,0	95,3	98,7
400	Electricity	-	-	100,0	100,0	-	-	100,0	-	-	-	-	100,0	-	-	-	100,0	-	100,0	100,0	-	-	100,0	100,0
	All	90,3	89,6	100,0	87,2	88,8	86,0	99,9	100,0	100,0	82,0	89,9	94,4	71,4	59,8	100,0	89,9	89,1	100,0	94,0	77,6	99,9	96,9	87,8