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Master thesis

**LIBERALIZATION IMPACT OF THE TRADE KOSOVO –
ALBANIA IN THE ECONOMY OF KOSOVO**

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INTRODUCTION

The Free Trade Agreement has a wide interest to be discussed of, because the problem of free circulation of wares and services creates direct impacts for; the producers of agricultural and industrial products, traders, investors, consumers, observing institutions of trade (institutions for controlling products, customs services, police services etc).

My personal motivation to deal with this topic in the field of the Free Trade Agreement was on the study of rules for the easy circulation of wares and services, analysis of the effects of competition in the free market, analysis of possibilities for the increase of mutual market, analysis of possibilities for the increase of the development of mutual investments, analysis of possibilities for the increase of consumers' welfare, etc.

As a result of confrontation of the global market with marketing challenges and as a need to avoid global trade challenges, results that the progress of marketing rules through the Agreement of the World Organization of Trade and Regional Organizations of Free Trade. So in June of 2001, the ministers of trade of region countries, signs the Memorandum of Understanding for the liberalization and facilitation of trade by enabling the signature of FTAs, which would stimulate co-operation and trade exchange with intensives.

The project of this theme is a confrontation with challenges that result from the Agreement of the World Organization of Trade and of regional organizations of free trade.

Through this study, it is aimed to analyze the problem of organizing and implementing the Agreement of the Free Trade and creation of trade facilities in the circulation of wares and services and also other benefits which result from this bilateral agreement within the economical - trade space of the two countries in region (Kosovo and Albania).

This study is based on the base information of study is linked to the relevant documents of the; World Organization of Trade, Free Trade Agreement, International standards on the quality of wares, Customs system, etc.

During the study, there were given necessary explications on the opinions of different authors regards to theories on the function of concepts on market, by illustrating the importance of theories that link with the liberalization of the market,

In this study, I have concentrated in details about the Harmonization of wares' standards, which are an object of the facilitation of the trade circulation and the form of their implementation to the full liberalization of the circulation of wares (with a zero scale of clearance).

The main part of the study of The Free Trade Agreement Kosovo – Albania, is the description of the impact of the Free Trade Agreement in the economy of Kosovo, respectively its impact in the increase of the trade circulation, export increase, increase of the

trade volume, rearrangement of the trade consortium of Albania towards Kosovo, strengthening of two countries as trade partners towards third markets, etc.

Through this study, we emphasized the benefits that were brought by the implementation of the Free Trade Agreement and challenges that appeared during its implementation, especially the placement of trade barriers with the purpose of protecting markets for political purposes.

1.1 Importance of the research of this issue

The importance of the study of this theme is on the importance of free trade which is profitable and conservative of the life quality of the human kind, through the obligation of trade pairs, in order to exchange products and qualitative services during the general use.

So, the free trade enables the transfer of wares from the producers to the last consumer in a controlled form, through respecting the exchange standards.

This topic consists of; the facilitation of the circulation of wares in region, importance of trade developments as strategic priorities of countries in region.

The conditions of signing and implementing the FTA, enable the regional integration between two countries, that depends on their tariff obstacles and bilateral obstacles in the two countries.

The size of the country, number of population, economical potentials are important factors which influence the processes of the economical and trade integrations, through the production of trade effects in these countries, at the same time are conditional of the establishment of stable trade reports.

CONCLUSIONS

FTA Kosovo – Albania was the first main document that served for training Kosovo as a new country partner in trade co-operation within the integrations of region countries and beyond.

Signing this agreement influenced positively in the increase of trade exchange of Kosovo's economy.

1. The trade exchange Kosovo – Albania has had an impact in encouraging local investments and attraction of foreign investments.
2. As a result of the implementation of FTA, the trade barriers were removed between Kosovo and Albania.
3. The scale of competition of local products has increased in the market of Albania.
4. Effects of the trade co-operation had an impact on the process development of the deep integration, by resulting to the invisibility of borders.
5. The surveillance of the exchange of wares and services between Kosovo and Albania was intensified.
6. The scale of the trade informality and fiscal evasion was reduced.
7. There was an improvement of communication between two countries through the surveillance of statistical data on the export-import of wares that are exchanged within these two countries.
8. The possibility of protection of rights of the author in these two countries, was improved.
9. Standards on the quality and safety of products that are exchanged by these two countries are more respected.
10. An adequate trade environment for investments was created within the mutual market.
11. Trade policies were improved by becoming more efficient about the trade exchange, and definition of priorities in the development of the two countries.