



# The Results of the DCFTA Implementation during 2015-2017 (2.5 years)

# DCFTA – part of the Association Agreement

---

DCFTA - an agreement which is :

## **Free**

A better access to the market, withdrawal of import and export taxes, withdrawal of other barriers related to product and service trade

## **Deep**

Advanced partnership status with EU, directed to create more close political and economical relations

## **Comprehensive**

Includes also public acquisitions, competitiveness, intellectual property, sustainable development, etc.

## The expected benefits of DCFTA (long-term)

---

**5,4 %** an additional GDP growth

An increase of the national product by at least 142 mil. USD or about 2.8 billions MDL

**16 %** growth in exports to the EU

**8 %** growth in imports from the EU

Relatively improve the trade balance of RM

**99 %** of taxes will be reduced to zero

annual savings of 80 million USD for EU importers and 103 million USD for importers from RM

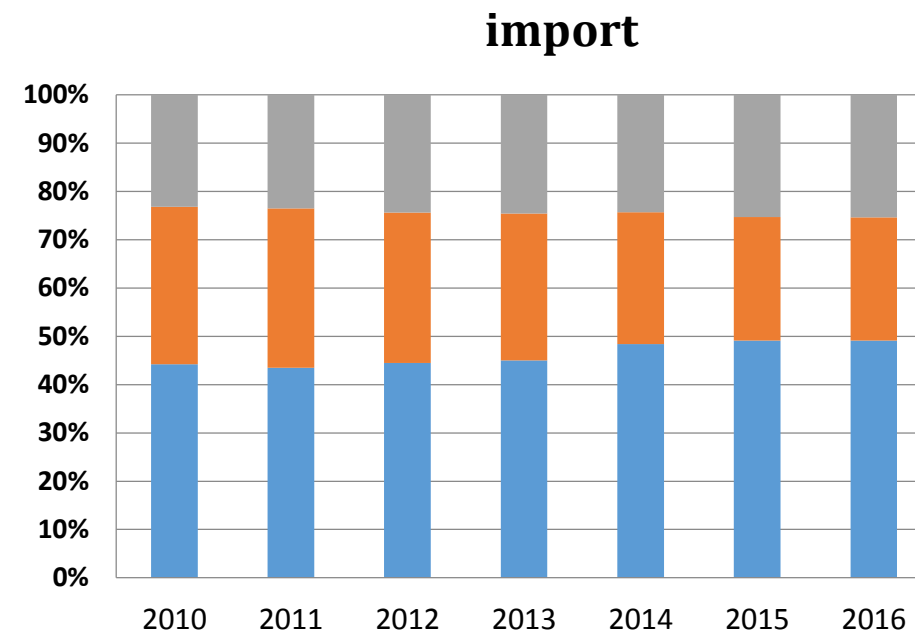
# A statistical overview: 2.5 years of DCFTA implementation

over **3 100 000 000 USD** export to the EU

**65,1 %** EU share in RM exports



# EU – as the main trading partner of Moldova



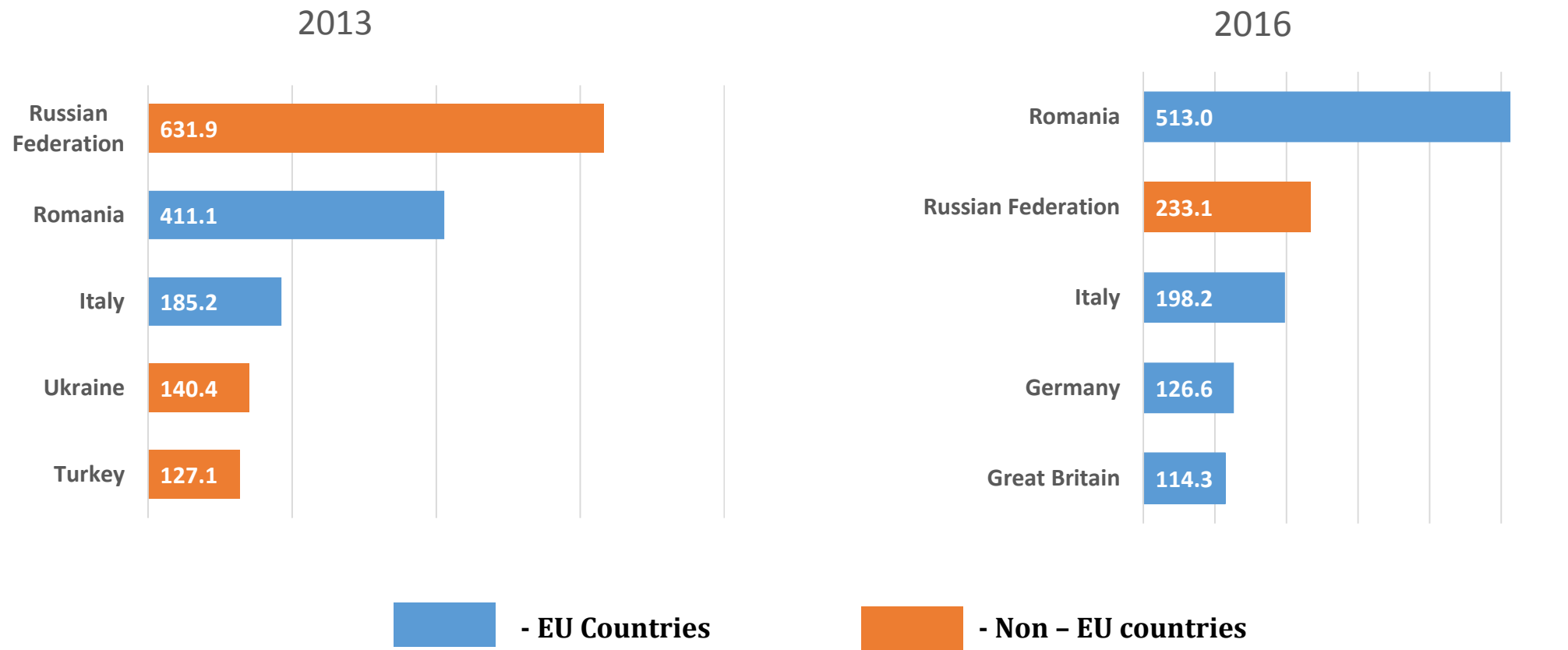
**Year 2016 (mil USD)**

	UE		CIS		Other countries		Total
Export	1332,4	65,1 %	414,2	20,3 %	298,7	14,6 %	2045,3
Import	1973,7	49,1 %	1027,4	25,6 %	1019,2	25,4 %	4020,3

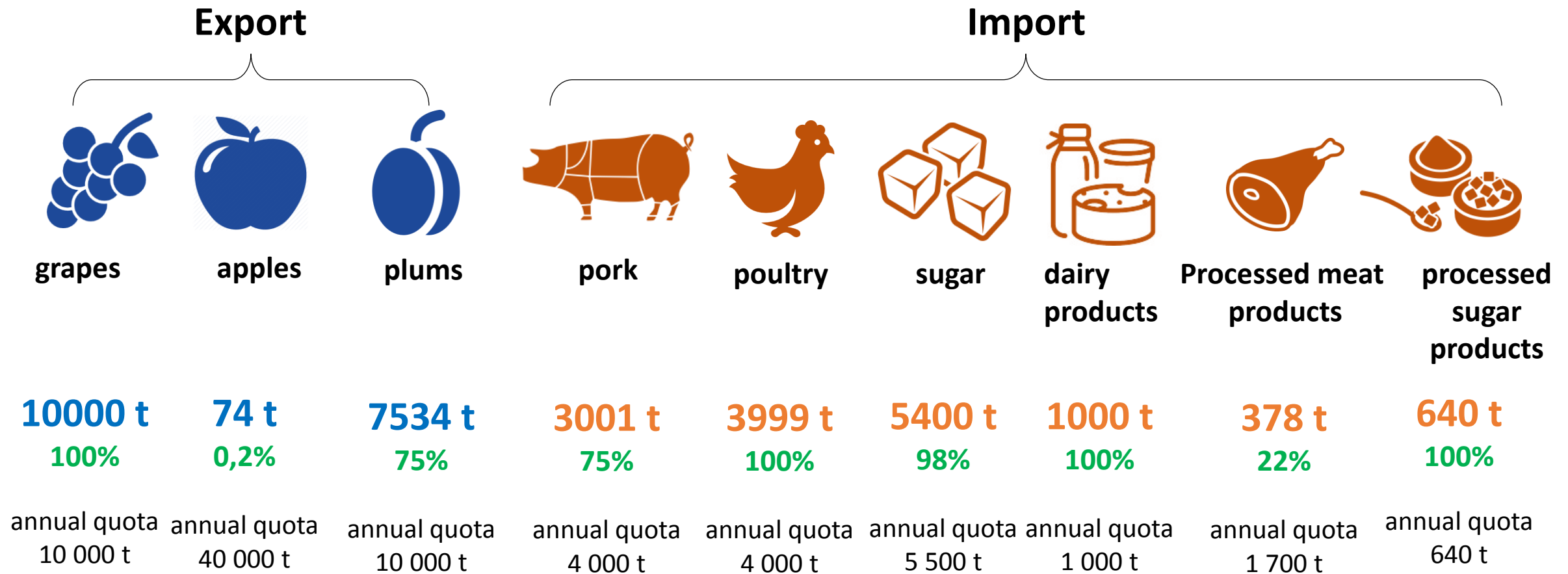
Source: National Bureau of Statistics

# EU – as the main trading partner of Moldova

## Top 5 export destinations of Moldovan goods 2013 vs 2016 (mil USD)



# Capitalization of export/import quotas 2016



[http://ec.europa.eu/taxation\\_customs/dds2/taric/quota\\_consultation.jsp?Lang=en&Origin=MD&Code=&Year=2016&Critical=&Status=&Expand=true](http://ec.europa.eu/taxation_customs/dds2/taric/quota_consultation.jsp?Lang=en&Origin=MD&Code=&Year=2016&Critical=&Status=&Expand=true)



# The anti-circumvention mechanism

During **2016** using the anti-circumvention mechanism  
mecanismul there were exported:



**barley**

**77 555 t**

**110%**

annual quota  
70 000 t



**corn**

**200 088 t**

**154%**

annual quota  
130 000 t



**wheat**

**559 863 t**

**746%**

annual quota  
75 000 t



**sugar**

**66 133 t**

**177%**

annual quota  
37 400 t



**refined grains  
(ethyl alcohol)**

**16 797 t**

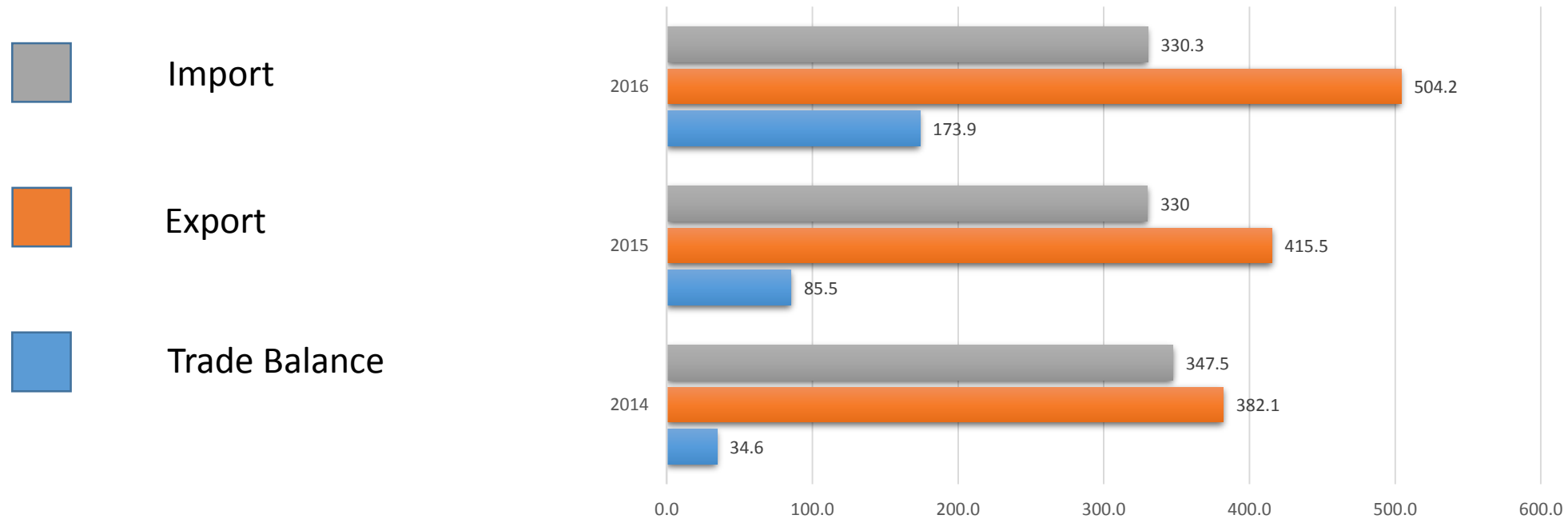
**672%**

annual quota  
2 500 t

[http://ec.europa.eu/taxation\\_customs/dds2/surv/surv\\_consultation.jsp?Lang=en&range=25&originCode=MD&survType=4&offset=8&Expand=true](http://ec.europa.eu/taxation_customs/dds2/surv/surv_consultation.jsp?Lang=en&range=25&originCode=MD&survType=4&offset=8&Expand=true)

# EU – as the main trading partner of Moldova

## Export relations with agri-food products and related to agriculture (mil. euro)



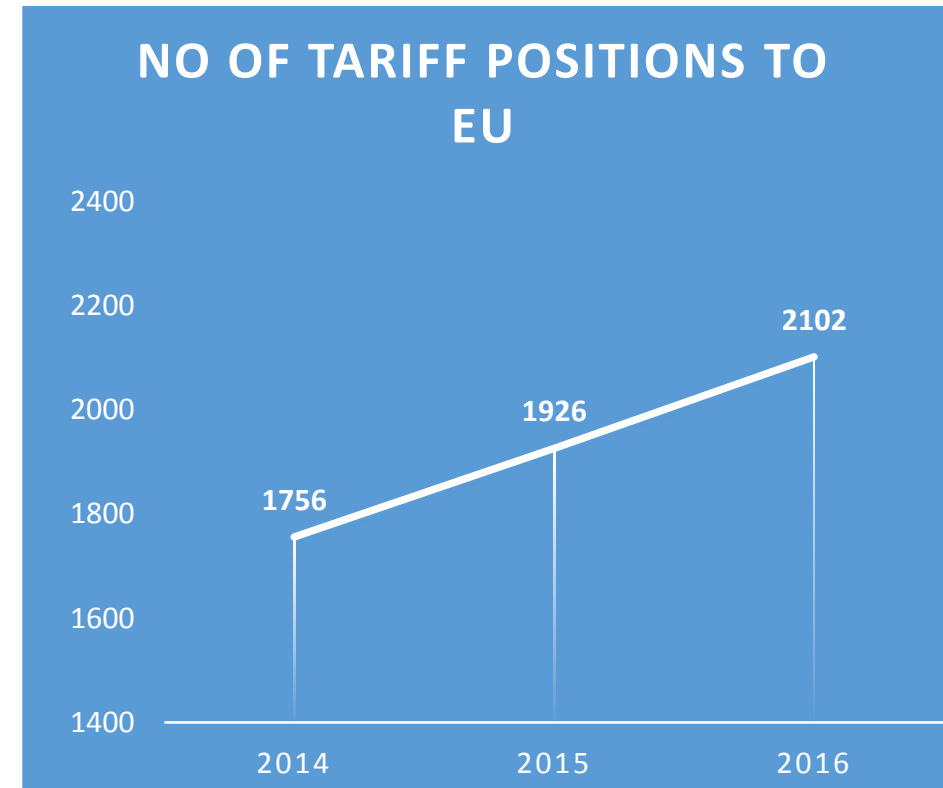
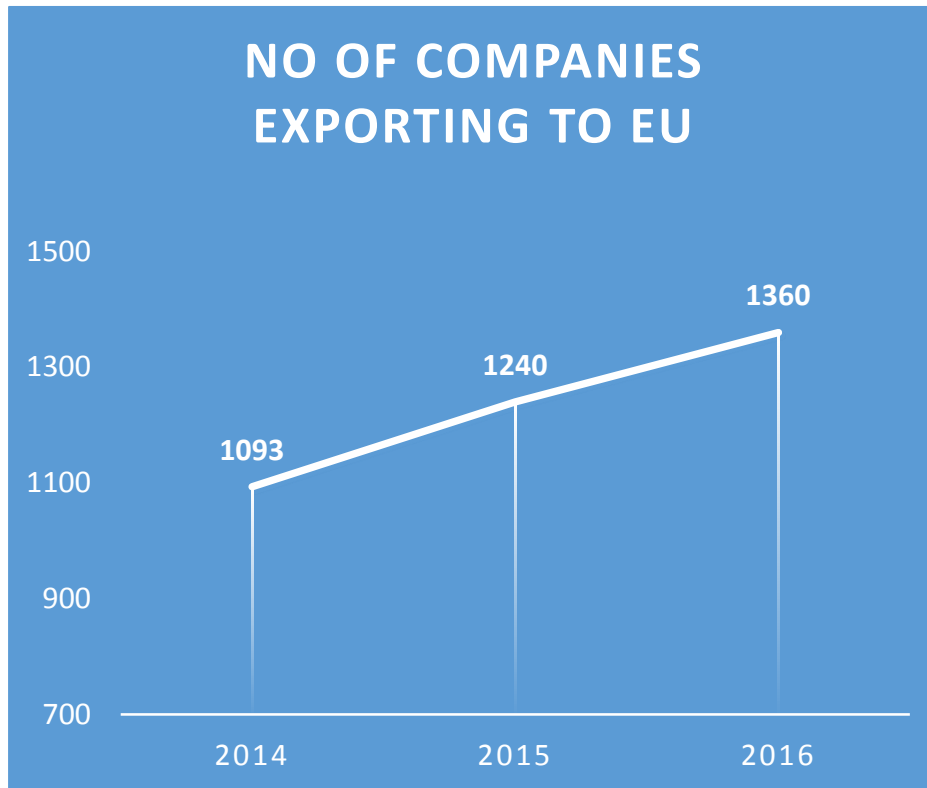
**1360** companies that export to the EU

**over 60%** of the total number

**2102** exported tariff positions to the EU



## EU – as the main trading partner of Moldova



## EU - the main provider of Foreign Direct Investment (FDI)

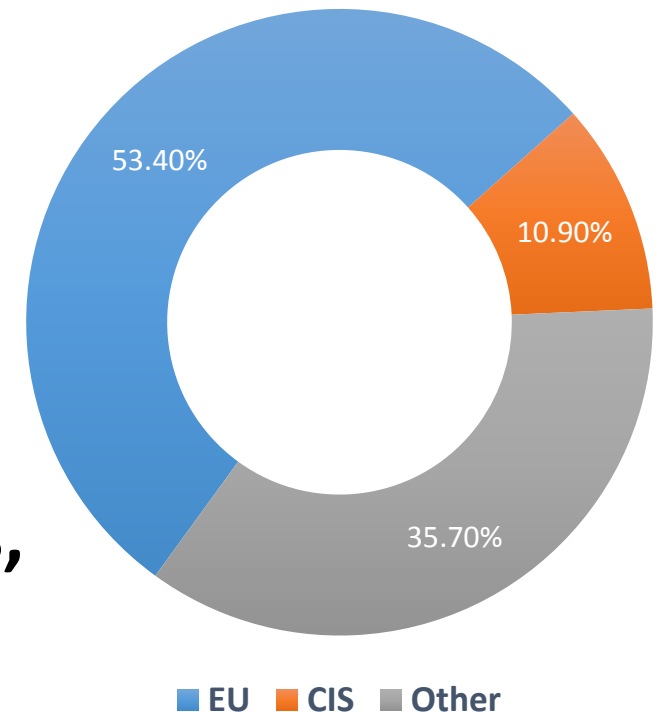
---

**53,4 %** of the total FDI is from EU

**28** EU Member States invested in Moldova

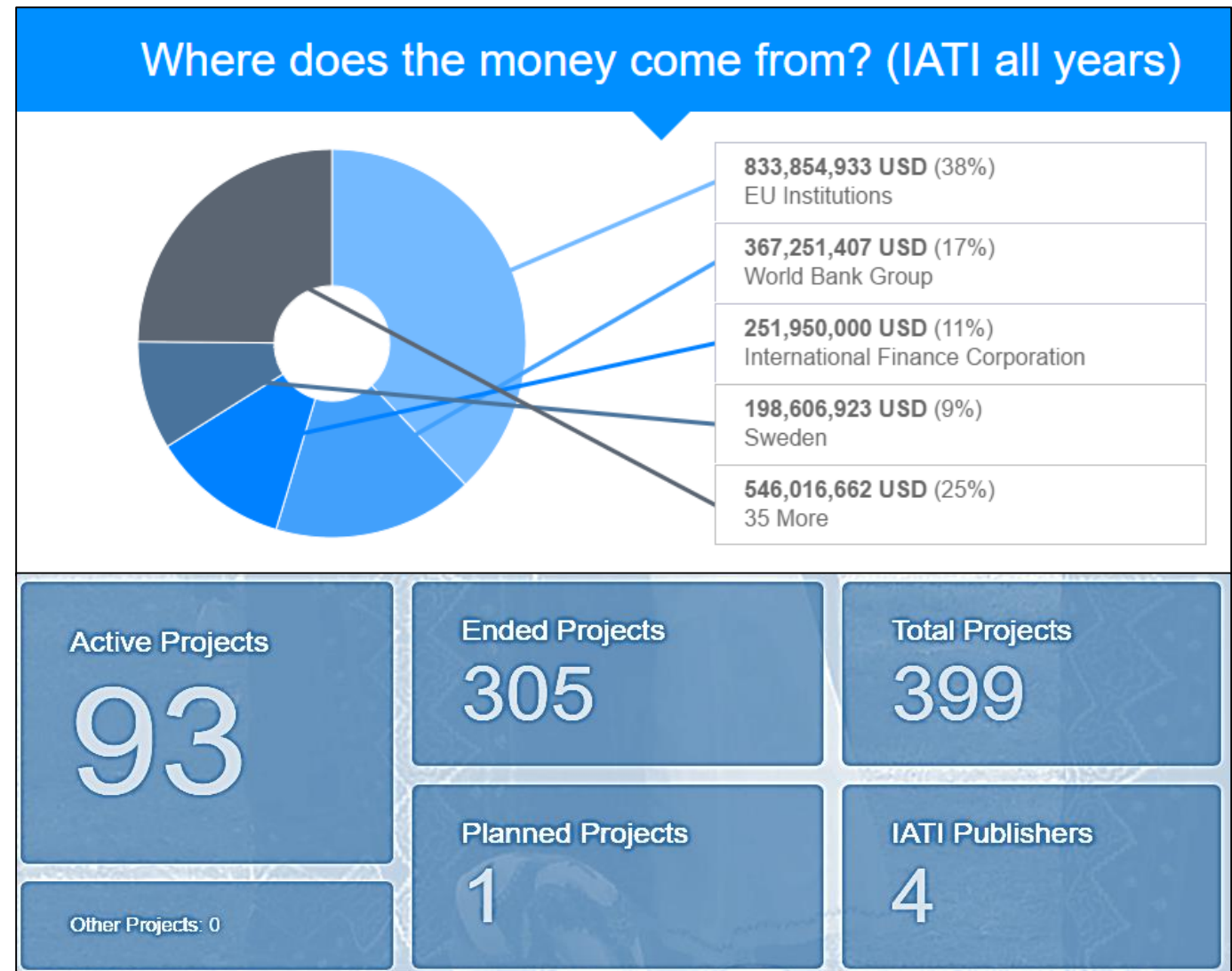
**4** of the **top 5** countries that invested in Moldova are from the EU (Netherlands, Cyprus, France, Spain)

FDI by geographical area on  
31.12.2016 (%)



## EU - one of the main development partners

over **20**  
projects and  
programs funded  
by the EU to  
support DCFTA  
implementation  
efforts



**over 4500** – jobs created by PARE 1+1, PNAET,  
LGS (2012-2016)

**9** business incubators built with EU assistance

**2** Incubators under construction (Călărași and  
Cahul)

**over 650** jobs created due to business  
incubators



# DCFTA implementation

## Key sectors



# Access to the market for goods and customs administration

---

## Achievements

[Authorized Economic Operator](#) implementation at all border passing points (100 AEO at present).

Quality management system implementation at all VS subdivisions(ISO 9001:2008).

[Drawback duties clause](#) – reduction up to 1% of customs taxes for 32 tariff positions

Adherence to [PAN-EURO-MED](#) Convention, which replaced the RM – EU AA II Protocol and allowed diagonal cumulation for the origin of raw material from 40 countries

Adherence to the [Trade Facility Agreement \(TFA\)](#) within [World Trade Organization \(WTO\)](#) and creation of National Committee for Trade Facility



## Priorities

Negotiation with EU regarding the mutual recognition of AEO status

Until the end of 2017 to make the transition to the [HS 2017](#) harmonized system for description and coding of goods.

Finalizing the TFA action plan and to implement it.

Development of new Customs Code in according to EU Customs Code.

To simplify the procedure for obtaining the origin certificate including the implementation of [home based customs clearance procedure](#)

# Technical barriers for trading, standardization, metrology ( TBT)

---

## Achievements

Registered progress in the harmonization of national legislation to EU acquis related to TBT sector

Undertaken steps for quality infrastructure sector in the process of adherence to the international bodies (CENELEC, EURAMET, WELMEC, EA MLA)

Adoption of over **14,400** European/international standards and annulment of approximately **11,600** conflicting Moldovan standards, which were outdated as well



## Priorities

Harmonization of legislation regarding the medical devices, medicines for human and veterinary use, chemicals, construction materials

To obtain the membership of international bodies in the field of quality infrastructure

Provision of equipment for laboratories and consumables for express testing

Implementation of necessary measures for launching the negotiations and signing the **ACCA Agreement** (toys, construction materials, LVD's)

# Sanitary and Phytosanitary Measures (SPS)

---

## Achievements

The right to export a wide range of **crop products, honey and caviar**

perform audit missions of the DG SANTE team for **eggs (type B), poultry**

Initiation of the ANSA laboratories modernization and accreditation of CRDV on food safety aspect

**Opening** of 3 border control points: Tudora, Criva, Leuseni



## Priorities

International accreditation of the National Center for Veterinary Diagnosis laboratory in the field of animal health

Extension of animal products list with the right to be exported to EU, **such as, eggs (type B), poultry, dairy products**

Approval of “ Food Safety Strategy”

Implementation of **RASFF** quick alert system for food products and fodder and of **RAPEX** quick alert system for dangerous products

## Achievements

**Institutional Reform** - optimization of number of control institutions by reduction of number of control bodies from approximatively 70 to 18, including 5 independent regulators

**Procedural Reform** – implementation of management automated informational system and release of permissiveness documents, and implementation of one-stop-shop solutions, which is to be launched in June 1, 2017, and which could reduce the administrative costs up to 46%, which is up to 62 mln annually

Optimization of No of released permissiveness acts for business environment (a reduction of 114 acts out of 416 existent, which is 25%)



## Priorities

**Implementation** of control institutions reform and ensuring the functionality of one-stop-shops

To continue the revision and optimization of the whole specter of permissive acts and licenses, including the simplification of permissiveness acts for import/export transactions

Development and implementation of “**Tacit Approach**” for obtaining the permissiveness acts.

**To reduce the reporting burden** for the economic operators

To simplify the voluntary liquidation procedure of a business

Optimization of the authorization procedure for constructions and other sectors

Digitization of public service processes

## Achievements

Promotion of universal post service, liberalization of post market (low regarding post services)

Insurance of **shared access to existent communication infrastructure** for all telecommunications operators, to relevant tariffs, guaranteed by law.

Conditions **for IT industry** park communications guaranteed by law

Conditions for creation **of 112 Unique National Service** for emergency calls

Approved Program for transition from analogical terrestrial television to the digital terrestrial one



## Priorities

Alignment to the best European standards for competencies matters for the sector regulatory authority (law regarding electronic communication)

Creation **of 112 Unique National Service** for emergency calls

Creation of IT industry parks (common tax of 7%, VAT granting for the import of equipment, state control limitations, etc.)

## Achievements

**Shareholders Transparency.** National Bank (NBM) elaborated an action plan which consists of identification of final beneficiaries of the Bank shareholding

**Fighting against money laundry and terrorism financing -** at the beginning of 2017, a separated subdivision for the entities surveillance in the field of prevention and fight against money laundry was created within NMB.

liberalization of some capital operations assets, which will eliminate the authorization requirement by NMB

Adoption of law regarding the mandatory insurance for civil auto liability for the damages cause by motor vehicles

Adoption of law regarding the financial guaranteeing contracts



## Priorities

**Credit risk**, including non-performing loans, “big” exposures and exposures towards the affiliated persons. NMB will perform field verifications to the licensed banks in view of verification of the quality of assets, “big” exposures, exposures towards affiliated persons, and will evaluate the credit risk related policies and practices

**Internal Governance.** NMB will require from the banks to have a rigorous administration framework, which will include a clear organizational structure, with well defined, transparent and coherent responsibilities.

**Fighting against money laundry and terrorism financing** NMB will check if banks have adequate policies and procedures with regards to this aspect

## Achievements

Important progress in adoption of legislation framework (law regarding the electricity and natural gas – implementation of III energy package)

Reduction of price for natural gas and electricity import with about **28%** which subsequently contributed to the decrease of tariffs for average consumers

Creation of high level coordination group for the energy market and energy systems interconnections

Adoption of regulations for the labelling of products having and energy impact, ecological designing of products having an energy impact



## Priorities

Successful implementation of interconnection projects of networks for electricity transmission and natural gases between RM and Romania

Launching of LEA Vulcănești Chișinău 400 kV construction

To connect to the energy community system until the end of 2020

To restructure the existent debts, for the natural gas, in the thermo-energetic sector

To revise the procedures for establishing the tariffs for the natural gas and thermic energy, in according to the IMF agreement

Implementation of the 2016-2018 Road Map regarding the liberalization of gas and electricity markets

## Achievements

Approximation to the European system of Public Procurement (New law in the field of public procurement)

Approval of “[2016 -2020 Public Procurement Sector Development Strategy](#)” in Republic of Moldova (will facilitate the online application procedures, will fight corruption and bureaucracy in the process of organization of national tenders)

RM became full member of World Trade Organization (WTO) regarding public procurements – [GPA](#).

Adoption of Law regarding Public Procurement

Creation of Agency for complaints resolution



## Priorities

Development and implementation of regulations, which derive from the law regarding Public Procurement

Implementarea “Strategiei de dezvoltare a sectorului achiziții publice 2016 – 2020”  
Implementation of “2016 -2020 Public Procurement Sector Development Strategy”

Development of e-procurement concept and its implementation

Asigurarea funcționalității Agenției pentru soluționarea contestațiilor Ensuring the activity of the Agency for complaints resolution





Thank you for your attention!!!