Temporary trade-liberalisation measures supplementing trade concessions applicable to Moldovan products under the EU/Euratom /Moldova Association Agreement

2022/0188(COD) - 09/06/2022 - Legislative proposal

PURPOSE: to increase trade flows from Moldova by granting additional tariff-free imports into the Union for Moldovan agricultural products, taking into account the crisis situation in Moldova following the Russian invasion of Ukraine.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Russia's military aggression against Ukraine since 24 February 2022 has had a **profoundly negative impact on Moldova's ability to trade with the rest of the world**. In this difficult context, Moldova has asked the EU to ensure as much as possible the conditions for Moldova to reorient its trade with the rest of the world towards the EU and to further deepen its trade relations with the Union.

In order to mitigate the negative effects on the Moldovan economy, it is necessary to **increase the degree of market liberalisation**, in particular for agricultural products subject to annual duty-free tariff quotas under Annex XV-A of the Association Agreement between the EU and Moldova establishing a deep and comprehensive free trade area.

CONTENT: the Commission is proposing a regulation to **introduce temporary trade liberalisation measures** for a period of one year with a view to increasing the degree of market liberalisation, in particular with regard to seven agricultural products which are usually subject to annual duty-free tariff quotas.

Under Annex XV-A of the Association Agreement, **seven agricultural products** from Moldova are subject to TRQs. These products are: tomatoes, garlic, table grapes, apples, cherries, plums and grape juice. Two of these products (**plums and table grapes**) were exported by Moldova in large volumes to third markets, in particular to Russia, Belarus and Ukraine.

For these products, it is appropriate to introduce additional duty-free quotas to temporarily support the redirection to the Union, if needed, of the sales volumes originally directed to those markets. **For the remaining products (tomatoes, garlic, apples, cherries and grape juice),** the newly introduced quotas would consist of an additional duty-free volume of the same size as the one foreseen in the Association Agreement.

These temporary and exceptional measures will support and foster the existing trade flows from Moldova to the Union and support Moldova’s economy.

The trade-liberalisation measures provided for under the present proposal for a Regulation are taken in observance of the commitment in Article 2 of the Association Agreement which enshrines as essential elements of the Agreement the **respect for democratic principles, human rights and fundamental**

freedoms as well as the countering of the proliferation of weapons of mass destruction, related materials and their means of delivery.

The Parties commit in particular to the general principles of respect for the principle of the rule of law and good governance, the fight against corruption, criminal activities, organised or otherwise, including those of transnational character, and terrorism, and the respect for the principles of sustainable development and effective multilateralism.

Furthermore, the trade-liberalisation measures contained in this proposal aim at ensuring that the Union's common commercial policy is conducted in the context of the principles and objectives of the Union's external action.

Based on an estimation according to the level of imports from Moldova in 2021, the European Union will see a loss of customs revenue corresponding to around EUR 0.3 million annually. Therefore, the impact on the EU's own resources will be very limited.