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

2022/0188(COD) - 05/07/2022 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 572 votes to 28, with 32 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on temporary trade-liberalisation measures supplementing trade concessions applicable to Moldovan products under the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part.

The European Parliament adopted its position at first reading under the ordinary legislative procedure by taking over the Commission's proposal.

The proposal aims to introduce **temporary trade liberalisation measures for a period of one year**, with a view to increasing the degree of market liberalisation, in particular as regards seven agricultural products which are usually subject to annual duty-free tariff quotas.

Seven products are concerned, notably: 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

Additional duty-free quotas

The regulation provides for additional duty-free quotas in order to temporarily redirect trade to the EU and to provide Moldova with an accessible market.

The duties for **plums and table grapes** should be increased to the volume originally intended for third markets. For the remaining products (**tomatoes, garlic, apples, cherries and grape juice**), the newly introduced duty-free tariff-rate quotas would consist of an additional duty-free volume of the same size as the one provided for in the Association Agreement.

Conditions for entitlement to the trade-liberalisation measures

The trade-liberalisation measures are subject to the following conditions:

- **compliance with the rules of origin of products** and the procedures related thereto as provided for in the Association Agreement;

- Moldova’s **abstention from introducing new duties or charges** having equivalent effect and new quantitative restrictions or measures having equivalent effect for imports originating in the Union, from increasing existing levels of duties or charges or from introducing any other restrictions, including discriminatory internal administrative measures, unless clearly justified in the war context; and

- Moldova's 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, respect for the principles of the rule of law and good governance, fight against corruption, criminal activities, organised or otherwise, including those of transnational character, and terrorism, and respect for the principles of sustainable development and effective multilateralism.

Where the Commission finds that there is sufficient evidence that Moldova has failed to meet the above conditions, it may, by means of an implementing act, suspend in whole or in part the trade liberalisation measures provided for in the Regulation.

Safeguard clause

Subject to an investigation by the Commission, the Regulation provides for the possibility to suspend temporarily the trade-liberalisation measures referred to in this Regulation with regard to one or more products falling under the scope of this Regulation which cause, or threaten to cause, serious difficulties to Union producers of like or directly competing products.

In examining whether serious difficulties to Union producers of like or directly competing products, the Commission should take account, among other things, of the following factors concerning Union producers, where relevant information is available: (i) market share, (ii) production, (iii) stocks, (iv) production capacity, (v) capacity utilisation, (vi) employment, (vii) imports, (viii) prices.