



European
Commission

EU-MOLDOVA TRADE

DEEP AND COMPREHENSIVE FREE TRADE AREA (DCFTA)

Reforms that benefit people and business - FACTSHEET

The EU is Moldova's most important trading partner, with a share of about half of Moldova's total trade. Since September 2014 when a free trade area was set up, both partners can trade freely with each other. The free trade area (DCFTA) is part of the Association Agreement between the EU and Moldova and aims to gradually integrate Moldova's economy with the European economy. The path to closer integration includes more trade and investment but the key is the reform of Moldova's economy.

WHAT HAS THE AGREEMENT DELIVERED TO DATE?

- Trade is increasing significantly, thanks to Moldovan exports. A sharp rise in trade began already in 2014, prior to the signature of the Association Agreement. EU imports from Moldova rose by 20% overall and imports of agricultural products by over 30%. EU exports to Moldova remain stable; there has been no sudden increase of EU exports to Moldova.
- Exports to the EU of some Moldovan products doubled or even tripled in the first six months of free trade area. These include honey, grapes, dried fruits, wheat, barley, sugar, leather articles, synthetic yarns and certain machinery. Exports of wine, carpets and some clothing products also increased significantly.
- Moldova is making progress in complying with EU sanitary requirements. This means that since November 2014 Moldovan caviar can now be sold in the EU. Preparations to admit Moldovan eggs are underway.
- Moldovan service providers can access the EU market for services as never before. The Moldovan market has also opened up to European know-how and technology in services. Companies may offer services by going to the country or across the border (e.g. online).
- Moldovan companies can now open subsidiaries or offices in the EU and benefit from direct presence and access to customers in the EU, in almost any manufacturing or services sector. EU companies can do the same in Moldova. They can send their staff for training, exchange know-how, or search for a business partner.
- Moldova and the EU are creating domestic advisory groups composed of civil society and business representatives. They will advise the Moldovan Government and the European Commission on draft laws and monitor the DCFTA reform process.
- The EU is helping Moldova with reforms to make it easier to export. Technical assistance includes specific programmes and/or advisory expertise from EU countries to the Government of Moldova.
- A special facility for small and medium-sized business has been launched. It will provide help for local banks and make it easier for small and medium-sized businesses to get funding from local banks to modernise their business. The facility is a joint initiative of the European Commission, the the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).



Did you know that...

In the first six months of the free trade agreement the EU imported nearly 15,000 tonnes of sugar from Moldova, a rise of 350% compared to the corresponding period the year before.

Source: Eurostat



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WHAT ARE THE NEXT STEPS IN 2015?

- Moldova, with EU help, will finalise the reform programme for rules on animal and plant health and hygiene. The reform plan will become part of the agreement in the autumn. These reforms will open the EU market for even more Moldovan agricultural products. They will make Moldovan products safer for Moldova's consumers and boost their exports to other markets too.
- Moldovan and EU civil society organisations will meet in the summer for the first time in Chisinau. They will discuss the impact of the free trade agreement on Moldovan society and exchange best practices for their involvement in domestic law-making and monitoring of reform process.
- EU-Moldova governmental consultations will continue checking the reform process. The EU will continue providing advisory and financial assistance to meet the aims of the free trade agreement and to keep the reforms on track. EU and Moldovan business also need to intensify their efforts to get in contact with each other, to explore opportunities and to find business partners, for example through chambers of commerce or business associations. Small and medium-sized businesses should also use the financing opportunities offered by the special facility set up to help them.
- EU and Moldovan traders need to remember that they can export/import duty free, but proof of Moldovan/EU origin needs to be provided.

You can also send an email to TRADE-DCFTA-MD@ec.europa.eu to find out more or ask specific questions.

Did you know that...

Under the free trade agreement Moldovan exports of carpets have shot up. In the first six months of the Agreement, Moldova exported 813 tonnes of carpets to the EU, 70% more than in the corresponding period the year before.

Under the free trade agreement, the EU market has opened up for Moldova's wine exports. In the first six months of the agreement, the EU imported Moldovan wine worth more than €13 million, nearly 24% more than in the equivalent period the year before.



Source: Eurostat

Useful links

- Export Helpdesk – your gateway to the EU market
<http://exporthelp.europa.eu/thdapp/index.htm>
- TARIC database on products subject to duty-free quotas for import to the EU
http://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp?Lang=en
- SURVEILLANCE database on products subject to anti-circumvention mechanism at import to the EU
http://ec.europa.eu/taxation_customs/dds2/surv/surv_consultation.jsp?Lang=en
- EU-Moldova trade relations (European Commission website)
<http://ec.europa.eu/trade/policy/countries-and-regions/countries/moldova/>
- EU Delegation to Moldova
http://eeas.europa.eu/delegations/moldova/index_en.htm