

THE TRADE POLICY OF THE REPUBLIC OF MOLDOVA IN THE CONTEXT OF DCFTA

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The results presented refer to the Deep and Comprehensive Free Trade Agreement (DCFTA) and its contribution to Moldova's economic development.

The research aims to analyze Moldova's trade flows with EU countries in the context of DCFTA. To achieve the proposed goal, the following objectives have been advanced: to analyze the DCFTA and its long-term goal; to study its effects from 2014 to 2019; to analyze the non-tariff barriers in the context of DCFTA. To carry out this research, the following methods were used: The research is based on the analysis of secondary data provided by the National Bureau of Statistics. The time series examined refers to 2010-2019. Also, scientific materials, publications, scientific articles were used. The methods applied are quantitative and qualitative analysis.

Based on the results obtained, it was found that between 2005 and 2014, the importance of the European Union as a destination market for Moldovan exports has grown remarkably, partly at the expense of exports to the Commonwealth of Independent States (CIS). The re-orientation of Moldova's exports, determined a decrease in CIS exports, even though it is still representing an important destination for agri-food products, which accounts for 15% in 2019 of the total exports in Moldova. The most relevant trade partner for agri-food products in Russian Federation, and it imports mostly vegetable products, beverages, and different types of alcoholic drinks. In comparison with the pre-DCFTA (the year 2014), the total exports within the CSI countries decreased by approximately 40% by the year 2019. The sharp decrease, started in 2014, when Russia banned wine imports, after signing the DCFTA agreement with the EU. The exports to the other countries register a slight increase of 43% in the period of 2014-2019 and accounted for 18% of the total exports in 2019. DCFTA had a positive impact on the economic development of the Republic of Moldova and has also been an effective stimulator of trade between Moldova and EU countries. As a result, the share of agri-food exports in total exports increased from 35% in 2011-2014 to 39% in 2015-2018. This performance is particularly remarkable in the context in which the agri-food sector was considered the most vulnerable to trade liberalization with the EU, removing one of the biggest fears about the negative competitive shock that the DCFTA could have on domestic producers of agri-food products. Despite the implementation of the DCFTA, Moldova is still an import-dependent country. The reason for importing more animal products is because of the Sanitary and Phytosanitary measures (SPS) and it represents one of the future goals for Moldova, which is to expand the list of products of animal origin with export right on the EU market, obtaining the right of export for eggs and subsequently for poultry meat. Actions in this area should aim in two directions: the regulatory part and the support given to the producers.

The research results allowed the formulation of the following conclusions and recommendations: the implementation of the Deep and Comprehensive Free Trade Agreement has managed to achieve remarkable results, by bringing positive effects, which are felt after the increase in exports of products, especially food. Even though it managed to reduce the trade balance until it entered into force in 2016, it doubled in 2019. Economic growth in terms of the GDP indicator, even if it is not significant enough, is still a relevant consequence for the Moldovan economy. Exports to the European Union increased from 53% in 2014 to 66% in 2019. The application of sanitary and phytosanitary measures on the exported products increases their competitiveness in the European market. It is important to remark that all the possibilities for sustainable economic growth are analysed and implemented every year by setting priorities and achieving them in the shortest possible time. Their realization is efficient, sustainable, and qualitative.

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