Procedure file

Basic information

COD - Ordinary legislative procedure (ex-codecision procedure)

2024/0029(COD)

Awaiting Council's 1st reading position

Regulation

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

Subject

6.20.03 Bilateral economic and trade agreements and relations

6.40.15 European neighbourhood policy

8.20.01 Candidate countries

Geographical area Moldova

Key players **European Parliament**

Committee responsible

INTA International Trade

Rapporteur

Appointed

24/01/2024

GREGOROVÁ Markéta

Shadow rapporteur

ерр

KALNIETE Sandra

TUDOSE Mihai

PAET Urmas



KRAH Maximilian



WASZCZYKOWSKI

Witold Jan



SCHOLZ Helmut

Committee for opinion

Rapporteur for opinion

Appointed

BUDG Budgets

The committee decided not to give an opinion.

13/02/2024

AGRI Agriculture and Rural Development

LINS Norbert

Council of the European Union

European Commission	Commission DG	Commissioner
	Trade	DOMBROVSKIS Valdis

Key events						
31/01/2024	Legislative proposal published	COM(2024)0051	Summary			
26/02/2024	Committee referral announced in Parliament, 1st reading					
07/03/2024	Vote in committee, 1st reading					
08/03/2024	Committee report tabled for plenary, 1st reading	A9-0079/2024				
13/03/2024	Decision by Parliament, 1st reading	<u>T9-0155/2024</u>	Summary			

Technical information				
Procedure reference	2024/0029(COD)			
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)			
Procedure subtype	Legislation			
Legislative instrument	Regulation			
Legal basis	Treaty on the Functioning of the EU TFEU 207-p2			
Other legal basis	Rules of Procedure EP 159			
Stage reached in procedure	Awaiting Council's 1st reading position			
Committee dossier	INTA/9/14112			

Documentation gateway						
Legislative proposal		COM(2024)0051	31/01/2024	EC	Summary	
Committee draft report		PE759.004	13/02/2024	EP		
Amendments tabled in committee		PE759.641	20/02/2024	EP		
Specific opinion	AGRI	PE759.088	27/02/2024	EP		
Committee report tabled for plenary, 1st reading/single reading		A9-0079/2024	08/03/2024	EP		
Text adopted by Parliament, 1st reading/single reading		T9-0155/2024	13/03/2024	EP	Summary	

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

PURPOSE: to increase the trade flows concerning all imports from Moldova by suspending all outstanding tariffs and import duties applied to Moldovan products.

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: Russias unprovoked and unjustified war of aggression against Ukraine since 24 February 2022 has had a profoundly negative impact on the ability of the Republic of Moldova to trade with the rest of the world, in particular because exports from the Republic of Moldova relied on transit via Ukrainian territory and on Ukrainian infrastructure, which are currently largely unavailable.

Under such critical circumstances, and to mitigate the negative effects on Moldovas economy of Russias war of aggression against Ukraine, it is necessary to accelerate the development of closer economic relations between the Union and Moldova and to provide continued support to

Moldovas economy.

Regulation (EU) 2023/1524 of the European Parliament and of the Council will remain in force until 24 July 2024. These measures have provided flexibility and certainty for Moldovan producers and have further deepened Moldovas trade relations with the EU and supported its economy. However, the situation remains extremely challenging and therefore Moldova has asked the EU to retain the current conditions to enable the country to continue its trade with the EU and with the rest of the world via the EU.

CONTENT: given Russias continued war of aggression against Ukraine and the ongoing impact on Moldova, and considering that Moldova was granted EU candidate status in June 2022 and Accession Negotiations were opened in December 2023, the Commission proposes a Regulation of the European Parliament and of the Council that will renew these trade-liberalisation measures for a period of one year as of the date the current measures expire (i.e. as of 25 July 2024).

The measures should take the form of a temporary suspension of all outstanding tariffs under Title V of the Association Agreement. This concerns fruits and vegetables subject to the entry-price system and seven agricultural products subject to tariff-rate quotas (tomatoes, garlic, table grapes, apples, cherries, plums and grape juice).

Through these measures the Union will deepen economic integration between Moldova and the Union and temporarily provide appropriate economic support to the benefit of the Republic of Moldova and the economic operators that are affected by Russias war of aggression against Ukraine.

The trade-liberalisation measures set out in this proposal for a Regulation are in line with the Association Agreement which commits to respecting democratic principles, human rights and fundamental freedoms as well as to countering the proliferation of weapons of mass destruction, related materials and their means of delivery.

In addition, under the same Article, the Parties commit in particular to respecting the rule of law and good governance, the fight against corruption, criminal activities, organised or otherwise, including those of transnational character, and terrorism, as well as the principles of sustainable development and effective multilateralism. The trade-liberalisation measures themselves would need, as a prerequisite, to respect these essential elements and general principles.

The trade-liberalisation measures outlined in this proposal aim to ensure that the EUs common commercial policy is conducted in line with the principles and objectives of the EUs external action.

According to the proposal, a safeguard mechanism will apply on the basis of regular monitoring, allowing for any measure which is necessary to be imposed.

Budgetary implications

According to an estimate based on Moldovas imports of the products concerned in 2021, which was the last year before autonomous trade measures were introduced, the EU will see a loss of customs revenue corresponding to around EUR 0.3 million per year. Therefore, the impact on the EUs own resources will be very limited.

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

The European Parliament adopted by 459 votes to 65, with 57 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 products from the Republic of Moldova 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 proposal.

Russias unprovoked and unjustified war of aggression against Ukraine since 24 February 2022, has had a profoundly negative impact on the ability of the Republic of Moldova to trade with the rest of the world, in particular because exports from the Republic of Moldova rely on transit via Ukrainian territory and on Ukrainian infrastructure, which are currently largely unavailable.

In 2022, the European Parliament and the Council adopted Regulation (EU) 2022/1279, which puts in place temporary trade-liberalisation measures supplementing trade concessions applicable to products from Moldova under the EU-Moldova Association Agreement.

The present legislative proposal aims to once again renew these trade-liberalisation measures for a period of one year as of the date on which the current measures expire (i.e., as of 25 July 2024). Under the proposed regulation, all outstanding tariffs under Title V of the Association Agreement will be suspended. This concerns fruits and vegetables subject to the entry-price system and tariff-rate quotas, namely tomatoes, garlic, table grapes, apples, cherries, plums and grape juice. Most Moldovan exports already benefit from duty-free access to the EU market under the Association Agreement.

The proposal introduces a strengthened safeguard mechanism to prevent and counteract adverse market effects in the EU Member States. The Commission can take any necessary measures, including the reintroduction of customs duties if it finds that imports of a specific product covered by this regulation leads to market disturbances in the EU or any of its Member States. The Commission will regularly monitor the impact of the trade-liberalisation measures in terms of import volumes and prices.

Trade liberalisation measures are subject to Moldova's compliance with 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, 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.