



EUROPEAN PARLIAMENT

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*Plenary sitting*

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**A8-0020/2014**

21.10.2014

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## **RECOMMENDATION**

on the draft Council decision on the conclusion, on behalf of the European Union, of 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  
(09828/2014 – C8-0130/2014 – 2014/0083(NLE))

Committee on Foreign Affairs

Rapporteur: Petras Auštrevičius

***Symbols for procedures***

- \* Consultation procedure
- \*\*\* Consent procedure
- \*\*\*I Ordinary legislative procedure (first reading)
- \*\*\*II Ordinary legislative procedure (second reading)
- \*\*\*III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

## CONTENTS

	<b>Page</b>
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION .....	5
OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE .....	6
RESULT OF FINAL VOTE IN COMMITTEE .....	10



## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the draft Council decision on the conclusion, on behalf of the European Union, of 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**

**(09828/2014 – C8-0130/2014 – 2014/0083(NLE))**

**(Consent)**

*The European Parliament,*

- having regard to the draft Council decision (09828/2014),
  - having regard to 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 (17903/2013),
  - having regard to the request for consent submitted by the Council in accordance with Article 217 and Article 218(6), second subparagraph, point (a), Article 218(7) and Article 218(8), second subparagraph, of the Treaty on the Functioning of the European Union (C8-0130/2014),
  - having regard to its resolution of 15 September 2011 containing the European Parliament's recommendations to the Council, the Commission and the EEAS on the negotiations between the EU and the Republic of Moldova on the Association Agreement<sup>1</sup>,
  - having regard to its non-legislative resolution of .... 2014<sup>2</sup> on the draft decision,
  - having regard to Rule 99(1), first and third subparagraphs, Rule 99(2), and Rule 108(7) of its Rules of Procedure,
  - having regard to the recommendation of the Committee on Foreign Affairs and the opinion of the Committee on International Trade and the Committee on Industry, Research and Energy (A8-0020/2014),
1. Gives its consent to conclusion of the agreement;
  2. Instructs its President to forward its position to the Council, the Commission and the governments and parliaments of the Member States and of the Republic of Moldova.

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<sup>1</sup> OJ C 51 E, 22.2.2013, p. 108.

<sup>2</sup> Texts adopted of that date, P[8\_TA(0000)0000].

8.10.2014

## OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Foreign Affairs

on the draft Council decision on the conclusion, on behalf of the European Union, of 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

(09828/2014 – C8-0130/2014 – 2014/0083(NLE))

Rapporteur: Ionel-Sorin Moisă

### SHORT JUSTIFICATION

The Association Agreement (AA) between the European Union (EU) and Moldova, negotiated under the aegis of the Eastern Partnership from 2010 to 2013, follows the model of the EU-Ukraine Association Agreement.

It contains a trade pillar which will lead to the creation of a Deep and Comprehensive Free Trade Area (DCFTA)<sup>1</sup> with the EU.

The DCFTA will create new opportunities for trade and economic growth and will benefit Moldovan businesses and citizens directly, whereas the EU will benefit from smoother commercial flows and better investment conditions in Moldova. The DCFTA includes several provisions aiming at reforming Moldova's trade and trade-related policies, in line with, and on the basis of, the EU *acquis*. This will provide for the modernisation of the economy, anchoring of EU investment in the country, and better and more predictable policy environment.

#### Market access

As for the EU, the DCFTA provides for complete elimination of all import duties and prohibition of export duties on all goods on the EU side. Only some agricultural goods (mostly products of animal origin, sugars and cereal products), which are considered sensitive in the EU, will be subject to monitoring of trade flows. A limited number of fruits and vegetables, which are subject to entry prices in the EU, will be liberalised within tariff rate quotas covering traditional trade flows.

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<sup>1</sup> Title V of the Association Agreement.

As regards Moldova, an immediate elimination of all import duties is foreseen for a majority of products. A staged liberalisation process (between 3 and 10 years, depending on product) is foreseen for certain sensitive products (mostly agricultural as well as textiles/clothing). Other products remain non-liberalised, managed within tariff rate quotas (poultry and pork meat, certain dairy products, processed meat products or sugar and related).

### Rules of origin

Moldova will apply the rules of origin which make it possible to join the Pan-Euro-Med (PEM) Convention, as a zone of cumulation of manufacturing processes with the EU and other PEM members, and which fosters positively regional economic integration for trade in goods.

### Services and establishment

The EU and Moldova provide to each other GATS+ commitments in a wide range of areas and for the 4 modes of services supply. In particular, the parties agreed on a broad access for establishment (mode 3) in a wide variety of sectors, which are accompanied by so called 'mode 4' provisions, entitling qualified personnel to temporary work in the EU or Moldova, in sectors covered by the establishment provisions.

The reform process will cover the areas of postal and courier services, international maritime transport, electronic communications and financial services. As a result, the EU may deepen the access to its market in the services area within the bilateral services commitments. Moldova foresees up to 10 years for the gradual reform process in all these areas.

### Intellectual property

The parties reinforce their commitment to protect intellectual property beyond the provisions of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). This concerns the extended protection of different intellectual property rights (i.e. trade marks, patents, design, plant variety), improved cooperation and stronger (civil) enforcement of IPRs, including on the border. Equally, the EU-Moldova Agreement on Geographical Indications is entirely incorporated in the DCFTA.

### Public procurement

The EU and Moldova aim for further modernisation of the Moldovan procurement system and gradual (within 8 years) alignment of Moldovan procurement practices with the EU ones. This would result in better access to the EU market on the basis of national treatment.

Last but not least, the AA foresees large sector-specific cooperation and regulatory convergence across the board, which carry long-term changes in terms of sustainable development, respect of the environment, labour rights, etc.

It is expected that the DCFTA will boost trade between the EU and Moldova - by 16% as

regards Moldova's exports to the EU, and by 8% on imports from the EU. The DCFTA as a whole is expected to improve the current account balance of Moldova and boost the GDP by 5,4% (142 million EUR growth in national income), provided that the reforms are completed.

### Conclusions

Your rapporteur believes that the European Parliament will offer Moldova, by giving its consent to this AA, the chance of building a prosperous future for itself within Europe. He is pleased by the fact that the Parliament of Moldova ratified the AA on 23 July 2014 thus enabling its provisional application as of 1 September 2014. Your rapporteur underlines that the AA will turn out successful if it is thoroughly and steadily implemented by both partners. The European Parliament is aware that the implementation of the DCFTA requires many efforts by and costly reforms in Moldova. For this reason the EU should assist Moldova in adopting the relevant laws and implementing arrangements and should monitor their actual enforcement.

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The Committee on International Trade calls on the Committee on Foreign Affairs, as the committee responsible, to recommend that Parliament give its consent to the proposal for a Council decision on conclusion, on behalf of the European Union, of 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.



## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	7.10.2014
<b>Result of final vote</b>	+: 29 -: 5 0: 1
<b>Members present for the final vote</b>	William (The Earl of) Dartmouth, Tiziana Beghin, David Campbell Bannerman, Daniel Caspary, Salvatore Cicu, Marielle de Sarnez, Santiago Fisas Aixelà, Yannick Jadot, Jude Kirton-Darling, Bernd Lange, Marine Le Pen, David Martin, Emmanuel Maurel, Emma McClarkin, Anne-Marie Mineur, Sorin Moisă, Alessia Maria Mosca, Artis Pabriks, Bolesław G. Piecha, Franck Proust, Godelieve Quisthoudt-Rowohl, Viviane Reding, Inmaculada Rodríguez-Piñero Fernández, Tokia Saïfi, Marietje Schaake, Helmut Scholz, Joachim Schuster, Adam Szejnfeld, Iuliu Winkler, Jan Zahradil
<b>Substitutes present for the final vote</b>	Victor Boștinaru, Klaus Buchner, Georgios Katrougkalos, Seán Kelly, Gabriel Mato, Fernando Ruas, Pedro Silva Pereira
<b>Substitutes under Rule 200(2) present for the final vote</b>	Jozo Radoš

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	16.10.2014
<b>Result of final vote</b>	+: 44 -: 3 0: 0
<b>Members present for the final vote</b>	Michèle Alliot-Marie, Francisco Assis, Petras Auštrevičius, Goffredo Maria Bettini, Elmar Brok, Klaus Buchner, Andi Cristea, Knut Fleckenstein, Eugen Freund, Michael Gahler, Iveta Grigule, Richard Howitt, Pablo Iglesias, Andrey Kovatchev, Eduard Kukan, Ilhan Kyuchyuk, Arne Lietz, Barbara Lochbihler, Sabine Lösing, Andrejs Mamikins, David McAllister, Tamás Meszerics, Francisco José Millán Mon, Annemie Neyts-Uyttebroeck, Pier Antonio Panzeri, Vincent Peillon, Kati Piri, Andrej Plenković, Alyn Smith, Joachim Starbatty, Charles Tannock, Eleni Theoharous, László Tőkés, Geoffrey Van Orden, Boris Zala
<b>Substitutes present for the final vote</b>	Bodil Ceballos, Andrzej Grzyb, Liisa Jaakonsaari, Gabrielius Landsbergis, Fernando Maura Barandiarán, Marietje Schaake, Jean-Luc Schaffhauser, Renate Weber, Janusz Władysław Zemke
<b>Substitutes under Rule 200(2) present for the final vote</b>	Jeroen Lenaers, Maurice Ponga, Bogdan Andrzej Zdrojewski