



EUROPEAN PARLIAMENT

2014 - 2019

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*Plenary sitting*

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**A8-0053/2014**

5.12.2014

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**REPORT**

on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 55/2008 introducing autonomous trade preferences for the Republic of Moldova  
(COM(2014)0542 – C8-0128/2014 – 2014/0250(COD))

Committee on International Trade

Rapporteur: Sorin Moisă

### ***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.)

### ***Amendments to a draft act***

#### **Amendments by Parliament set out in two columns**

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

#### **Amendments by Parliament in the form of a consolidated text**

New text is highlighted in ***bold italics***. Deletions are indicated using either the ▬ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 55/2008 introducing autonomous trade preferences for the Republic of Moldova  
(COM(2014)0542 – C8-0128/2014 – 2014/0250(COD))**

**(Ordinary legislative procedure: first reading)**

*The European Parliament,*

- having regard to the Commission proposal to the Parliament and the Council (COM(2014)0542),
  - having regard to Article 294(2) and Article 207(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0128/2014),
  - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to the undertaking given by the Council representative by letter of ... 2014 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
  - having regard to Rule 59 of its Rules of Procedure,
  - having regard to the report of the Committee on International Trade and the opinion of the Committee on Agriculture and Rural Development (A8-0053/2014),
1. Adopts its position at first reading, taking over the Commission proposal;
  2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
  3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

## EXPLANATORY STATEMENT

Autonomous trade preferences (ATPs) for the Republic of Moldova (hereinafter "Moldova") were originally introduced by the EU through Council Regulation (EC) No 55/2008 of 21 January 2008 ("ATP Regulation"). The granting of such preferences was foreseen under the European Neighbourhood Policy Action Plan of 2005 and was conditional upon substantial improvements by Moldova to its system of controls and certification of goods. Moldova delivered on its commitments by reforming its customs legislation and satisfactorily translating it into administrative practice by 2007.

EU ATPs were therefore granted to Moldova as of January 2008 for a period until 31 December 2015.

ATPs replaced GSP+ preferences that the EU had granted Moldova in the context of the EU GSP scheme. As compared to GSP+ preferences, the ATP Regulation removed all the remaining duties for Moldovan industrial products and improved the access to the EU market for Moldovan agricultural products. As a consequence all products originating in Moldova were granted free access to the EU market, except for certain agricultural products listed in Annex I to the ATP Regulation (mainly beef and pork, poultry, dairy products, maize, barley, sugar).

In recent years the EU and Moldova intensified their political and economic relations notably through the conclusion of an Association Agreement. The Agreement, signed on 27 June 2014, includes a trade pillar, which will lead to the creation of a "Deep and Comprehensive Free Trade Area" (DCFTA) between the Parties. The DCFTA has been provisionally applied since 1 September 2014. Through the DCFTA Moldova will further enhance its access to the EU market in particular by means of approximation with the EU's relevant laws and standards. It is important to note that the EU ATPs are additional and complementary to the liberalization regime for goods in the DCFTA.

Due to the intensification of economic and political relations between the EU and Moldova, a politically motivated import ban was imposed as of 21 July 2014 by Russia on agricultural products from Moldova. The ban is hurting Moldova's economy in a significant way. Agriculture represents around 40% of Moldova's economy. In particular, its horticultural sector is of crucial importance, providing employment to some 250,000 people (i.e. around 10% of the active population), who are mainly living in rural areas and cultivating medium to small family plots. Moreover, horticultural export levels have fallen in recent years and any significant further decline would have a disproportionately adverse effect both on the economy and the society as a whole. Seeking some relief and support at this critical juncture, the Moldovan authorities have turned to the EU, requesting urgent support to reduce the economic impact of the Russian ban, in particular for the most important products for Moldovan fruit growers: apples, plums and table grapes.

Consequently, as an act of solidarity, the Commission proposed to amend the ATP Regulation by introducing three new duty-free tariff rate quotas (TRQs) for fresh apples (40.000 tonnes), fresh table grapes and fresh plums (10.000 tonnes each) under the ATP Regulation, in

addition to the TRQs proposed under the DCFTA. The proposed preferences would provide some benefits and immediate relief to the Moldovan economy, while having very limited impact on the EU market. The TRQs are retroactive as from 1 August 2014, in view of the seasonal peak of the three products, but will only apply until end 2015, when the ATP regime expires.

The duty-free tariff rate quotas for the 3 products concerned are very limited in volume compared to the relevant EU production (0.4% for apples, 0.7% for plums and 0.6% table grapes). Even if we considered the combined effect of the ATP and the DCFTA, those percentages would still be very low, and would address different market segments than most EU production.

More specifically, in light of the cultural and geographical proximity, the similarities of their agricultural markets in terms of product conditioning and packaging, as well as the present market situation, it is very likely that most of the additional volumes of the 3 products concerned that will enter the EU will be absorbed by the Romanian market. For example, according to the World Apple and Pear Association (WAPA) forecasts, for apples, Romania will experience this year a production decrease of 22% following a decreasing trend during the past 5 years<sup>1</sup>, while the ATP quota represents only 8% of Romanian production. Imports of apples into Romania have almost doubled (+93%) over the same period while exports have decreased (-7%).

According to the Commission, the total imports from Moldova to the EU in 2013 constituted 0.1% of the total imports to the EU. Whereas about 90% of all imports from the Republic of Moldova enter the EU duty-free, imports of fresh apples, fresh plums and fresh table grapes under entry price from Moldova represented less than 0.01% of the total EU imports from the world of these products. The corresponding loss of tariff revenue will therefore have a negligible impact on the EU budget.

Finally, the proposal also incorporates amendments to the CN codes of a few products (other spelt, common wheat and meslin, and barley) indicated in the Annex to the ATP Regulation, to reflect the modifications introduced to Annex I to Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff by Commission Implementing Regulation (EU) No 1001/2013. This is an adjustment of a purely technical nature.

In light of the above considerations your rapporteur proposes that the European Parliament approves the Commission proposal without amendments.

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<sup>1</sup> [http://www.wapa-association.org/docs/2014/European\\_apple\\_and\\_pear\\_crop\\_forecast\\_2014\\_-\\_Summary.pdf](http://www.wapa-association.org/docs/2014/European_apple_and_pear_crop_forecast_2014_-_Summary.pdf)

03.12.2014

**OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL  
DEVELOPMENT**

for the Committee on International Trade

on the proposal for a regulation of the European Parliament and of the Council amending  
Council Regulation (EC) No 55/2008 introducing autonomous trade preferences for the  
Republic of Moldova  
(COM(2014)0542 – C8-0128/2014 – 2014/0250(COD))

Rapporteur: Laurențiu Rebegea

## SHORT JUSTIFICATION

Amending Council Regulation (EC) No 55/2008 which introduces new three tariff quotas with exemption of duties for fresh apples, fresh table grapes and fresh plums, is a support measure for the Republic of Moldova in its difficult social and financial context.

We support the Commission's proposal because:

- the financial impact on the Union market is very limited compared to the benefits that this exemption could bring its financial recovery;
- it will support the actual reform process in agriculture in Republic of Moldova that is trying to approach European standards increasingly more;
- it improves trade relations between the Union and the Republic of Moldova.

We appreciate that the quantities that will be subject to preferential arrangement trade will not create an additional pressure to similar products on the Union market.

For example, for fresh grapes, the data from customs authority indicate that only 575 tonnes (32 trucks) were exported to Romania. Similar for plums and apples, from the existing preferential quota only 650 tons of plums (36 trucks) and 59 tons of apples (3 trucks) were exported to Romania. Moreover, the total use of these quotas is not expected to increase in the next period.

Given also that we refer to fresh fruit, these products cannot be transported over long distances. Relatively small distances allow a flow of fresh merchandise on the market in the short and very short term. The products from Moldova will arrive in neighbouring countries, and not on the most important fresh-fruit producing countries markets which were directly affected by the Russian embargo.

We are aware of the situation of the Union producers of fruits and vegetables, but by accepting this amendment, which will have a minimal impact on the Union's own resources we prove that the Union is able to maintain its commitments to the Republic of Moldova. Even if the context of the Union market of fruits and vegetables is changed, the Union will help Moldovan farmers.

This change will also have a social impact, especially for Moldovan producers who cultivate these products in small and medium family farms and which are more affected from a while by the national economic situation. These farmers, thanks to changes that we support, will be able to keep their jobs and provide the necessary financial resources in agriculture business for the following year.

The Union market acceptance of this proposal amending Regulation (EC) No 55/2008 allows in the future, also the creation of new trade opportunities with Republic of Moldova for other community products.

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The Committee on Agriculture and Rural Development calls on the Committee on

International Trade, as the committee responsible, to propose that Parliament adopts its position at first reading taking over the Commission proposal.

## PROCEDURE

<b>Title</b>	Autonomous trade preferences for the Republic of Moldova						
<b>References</b>	COM(2014)0542 – C8-0128/2014 – 2014/0250(COD)						
<b>Committee responsible</b> Date announced in plenary	INTA 15.9.2014						
<b>Opinion by</b> Date announced in plenary	AGRI 15.9.2014						
<b>Rapporteur</b> Date appointed	Laurențiu Rebegea 6.10.2014						
<b>Date adopted</b>	3.12.2014						
<b>Result of final vote</b>	<table style="width: 100%; border: none;"> <tr> <td style="width: 10px;">+:</td> <td style="width: 100px;">35</td> </tr> <tr> <td>–:</td> <td>5</td> </tr> <tr> <td>0:</td> <td>2</td> </tr> </table>	+:	35	–:	5	0:	2
+:	35						
–:	5						
0:	2						
<b>Members present for the final vote</b>	John Stuart Agnew, Clara Eugenia Aguilera García, Eric Andrieu, Richard Ashworth, José Bové, Paul Brannen, Daniel Buda, Nicola Caputo, Viorica Dăncilă, Michel Dantin, Paolo De Castro, Albert Deß, Diane Dodds, Herbert Dorfmann, Norbert Erdős, Edouard Ferrand, Beata Gosiewska, Martin Häusling, Anja Hazekamp, Esther Herranz García, Jan Huitema, Peter Jahr, Jarosław Kalinowski, Elisabeth Köstinger, Zbigniew Kuźmiuk, Mairead McGuinness, Giulia Moi, Ulrike Müller, James Nicholson, Maria Noichl, Marit Paulsen, Laurențiu Rebegea, Jens Rohde, Bronis Ropé, Jordi Sebastià, Lidia Senra Rodríguez, Czesław Adam Siekierski, Marc Tarabella, Marco Zullo						
<b>Substitutes present for the final vote</b>	Gianluca Buonanno, Norbert Lins, Sofia Ribeiro, Annie Schreijer-Pierik						

## PROCEDURE

<b>Title</b>	Autonomous trade preferences for the Republic of Moldova	
<b>References</b>	COM(2014)0542 – C8-0128/2014 – 2014/0250(COD)	
<b>Date submitted to Parliament</b>	1.9.2014	
<b>Committee responsible</b> Date announced in plenary	INTA 15.9.2014	
<b>Committees asked for opinions</b> Date announced in plenary	AGRI 15.9.2014	
<b>Rapporteurs</b> Date appointed	Sorin Moisă 24.9.2014	
<b>Discussed in committee</b>	5.11.2014	3.12.2014
<b>Date adopted</b>	4.12.2014	
<b>Result of final vote</b>	+: 34	–: 4
	0: 3	
<b>Members present for the final vote</b>	William (The Earl of) Dartmouth, Maria Arena, Tiziana Beghin, Salvatore Cicu, Santiago Fisas Ayxelà, Christofer Fjellner, Eleonora Forenza, Yannick Jadot, Jude Kirton-Darling, Alexander Graf Lambsdorff, Gabrielius Landsbergis, Bernd Lange, Jörg Leichtfried, Marine Le Pen, David Martin, Emma McClarkin, Anne-Marie Mineur, Sorin Moisă, Alessia Maria Mosca, Godelieve Quisthoudt-Rowohl, Viviane Reding, Inmaculada Rodríguez-Piñero Fernández, Matteo Salvini, Marietje Schaake, Helmut Scholz, Joachim Schuster, Joachim Starbatty, Adam Szejnfeld, Iuliu Winkler, Jan Zahradil	
<b>Substitutes present for the final vote</b>	Fabio Massimo Castaldo, Dita Charanzová, Georgios Epitideios, Sander Loones, Fernando Ruas, József Szájer, Ramon Tremosa i Balcells, Marita Ulvskog, Jarosław Wałęsa	
<b>Substitutes under Rule 200(2) present for the final vote</b>	Tunne Kelam, Judith Sargentini	
<b>Date tabled</b>	5.12.2014	