

FREE TRADE AGREEMENT BETWEEN
ROMANIA AND THE REPUBLIC OF MOLDOVA

Communication from the Parties

The following text has been received from the Parties to the Agreement.

I. BACKGROUND INFORMATION ON THE AGREEMENT

1. Membership, dates of signature, ratification and entry into force

The Parties to the Agreement are the Government of Romania and the Government of the Republic of Moldova. The Agreement applies in respect of the territory to which the customs laws of Romania and the Republic of Moldova are applicable respectively.

The Agreement was signed on 15 February 1994.

The Agreement was ratified in Romania and the Republic of Moldova respectively in the legislatures of October-December 1994 (Romania ratified on 8 November 1994 and Moldova ratified on 31 December 1994). The Agreement entered into force on 1 January 1995.

2. Type of Agreement

The Agreement creates a free-trade area in conformity with the definition set out in Article XXIV:8(b) of GATT 1994.

3. Scope

The Agreement covers all trade in industrial products and agricultural products (HS Chapters 1-97). The products covered are products originating in Romania or the Republic of Moldova according to rules of origin laid out in the Agreement.

Total coverage of the Agreement is as follows:

Romania
(thousands of US dollars)

	<u>Total Trade</u>	<u>Import</u>	<u>Export</u>
1994	146,702	95,105	51,597
1995	186,111	104,530	81,581
1996	176,932	79,796	97,136

4. Trade data

Trade data is attached to this document.

II. TRADE PROVISIONS

1. Import restrictions

(a) Duties and charges

As prescribed in Article 3.2 of the Agreement, customs duties of all originating goods listed in HS Chapters 1-97 will be eliminated on the entry into force of the Agreement. According to the provisions in Article 3.3 of the Agreement, Romania will apply an import charge of 0.5 per cent and the Republic of Moldova will apply an import charge of 0.25 per cent. The purpose of these import charges is to develop and to improve the Customs Authorities' infrastructures.

(b) Quantitative restrictions

Article 6 of the Agreement prohibits the imposition of quantitative restrictions or any other measure having equivalent effect on the importation of any goods from the other Party.

2. Export restrictions

(a) Duties and charges

Article 7.1 of the Agreement prohibits the imposition of any duty, tax or other charge on the export of any goods of the other Party. However, according to Article 5.2 of the Agreement, Romania applies an export charge of 0.5 per cent and the Republic of Moldova an export charge of 0.25 per cent. The purpose of these export charges is to develop and to improve the Customs Authorities' infrastructures.

(b) Quantitative restrictions

Article 7.1 of the Agreement prohibits the imposition of quantitative restrictions or any other measure having equivalent effect on the exportation of any goods from the other Party. A few exceptions are listed in Annex I for Romania and in Annex II for the Republic of Moldova.

3. Rules of origin

Detailed rules of origin are defined in Protocol A to the Agreement. These rules of origin are meant to establish the origin of products qualifying for the treatment established through the Free Trade Agreement. In general the origin is conferred when:

- the good is wholly obtained or produced in the territory of a Party;
- each of the non-originating materials used in the production of the goods undergoes an applicable change in tariff classification set out in the specific rule for that good (detailed in Annex II), and the good satisfies any other applicable requirement set out in that rule, as a result of production occurring entirely in the territory of one or both of the Parties;
- the good is produced entirely in the territory of one or both of the Parties exclusively from originating materials.

Protocol A also contains a series of provisions to facilitate customs procedures, including the certification of origin and the administration and enforcement of origin determination, while the Agreement, under Article 9, states that the Joint Committee will review and ensure the effective and harmonious application of the provisions of Protocol A.

4. Standards

4.1 Technical barriers to trade

As prescribed in Article 8 of the Agreement, the Parties shall notify each other of the draft technical regulations and draft amendments thereof which they intend to issue.

4.2 Sanitary and phyto-sanitary measures

Article 11 of the Agreement stipulates that the Parties shall apply their veterinary, phyto-sanitary and sanitary measures in a non-discriminatory manner.

5. Safeguards

(a) Bilateral and global emergency actions

Article 21 and Article 25.3(a) of the Agreement provide for the application of safeguard measures by a Party on the import of goods from the other Party if its imports lead to:

- serious injury to the domestic producers of like or directly competitive products, or
- a serious disturbance in any sector of the economy, or
- difficulties which could bring about serious deterioration in the economic situation of a region.

(b) Balance-of-payments emergency actions

Article 26 of the Agreement stipulates that if one Party to the Agreement is in serious balance-of-payments difficulties, or under imminent threat thereof, it may adopt trade restrictive measures, which shall be of limited duration and shall be progressively relaxed and eliminated when conditions no longer justify their maintenance. It also states that the two countries shall do their best in order not to make appeal to restrictions motivated by balance-of-payment difficulties.

6. Anti-dumping and countervailing measures

Article 20 of the Agreement stipulates that, if one Party finds that dumping is taking place in its trade, the State Party concerned may take appropriate measures against this practice.

7. Subsidies

There are no specific provisions on subsidies.

8. Sector-specific provisions

The Agreement does not contain sector-specific provisions.

9. Competition policy, monopolies, state enterprises

Article 16 of the Agreement stipulates the cases and type of measures considered to be incompatible with the proper functioning of the Agreement. All agreements between undertakings, decisions by undertakings and concerted practices between undertakings which have as their objective or effect the prevention, restriction or distortion of competition, and abuse by one or more undertakings of a dominant position in the territories of the States Parties are to be sanctioned.

Article 14 of the Agreement imposes an obligation to adopt disciplines on the behaviour of monopolies within a period of five years from the date of entering into force of the Agreement.

There are no specific provisions related to state enterprises.

III. GENERAL PROVISIONS OF THE AGREEMENT

1. Exceptions and reservations

The Agreement includes a provision on national security in Article 13.

Exceptions provided for in Article XX of GATT 1994 are incorporated in Article 12 of the Agreement.

2. Accession

The Agreement does not contain provisions regarding accession.

3. Dispute settlement provisions

The Agreement does not contain provisions regarding dispute settlement.

4. Relationship with other agreements

Article 30 stipulates that the Parties have the right to maintain or to establish new customs unions, free trade or economic union agreements as well as special arrangements for frontier trade.

5. Institutional framework

The Agreement establishes a Romania-Moldova Joint Committee which is to meet at least once a year to monitor the implementation of the Agreement.

IV. OTHER

On government procurement, under the Article 18.1, the Parties agree to further liberalize their respective public procurement markets. The Parties shall develop rules governing public procurement, in order to ensure mutual access to contract award procedures in their public procurement markets.

The Agreement does not contain specific disciplines in the area of trade in services. However, Article 15 of the Agreement provides for freedom of the transfer of payments.

On intellectual property rights protection, the Agreement stipulates that the relevant international treaties and conventions will apply.

ATTACHMENTFree Trade Agreement between Romania and the Republic of Moldova

I. BACKGROUND INFORMATION OF THE AGREEMENT

4. Trade data

HS Chapter	ROMANIA Exports to Moldova			ROMANIA Imports from Moldova		
	1994	1995	1996	1994	1995	1996
	000' USD			000' USD		
01	277	570	431	220	3,425	70
02	17	256	2,207	7,287	25,421	10,108
03	65	3	-	49	6	-
04	8	229	10	1,495	940	2,918
05	-	-	6	13	33	26
06	2	-	31	4	-	73
07	400	200	760	564	874	159
08	404	879	963	113	1,153	458
09	-	3	7	-	31	3
10	31	21	437	1	101	9
11	-	7	431	-	32	5
12	293	47	41	763	239	379
13	51	25	-	-	-	40
14	-	-	-	-	-	-
15	111	500	898	1,069	136	73
16	83	115	108	2	-	-
17	31	156	166	23,380	29,488	23,656
18	38	36	80	21	47	35
19	22	244	509	9	-	5
20	1,049	480	591	676	2,078	2,026
21	67	123	314	96	327	82
22	1,576	3,756	4,842	4,518	5,557	2,783
23	9	22	458	-	187	109
24	9	53	-	2,042	2,659	10,746
25	139	158	294	202	577	278
26	3	-	13	-	-	-
27	16,137	21,557	21,378	12,453	3,839	2

HS Chapter	ROMANIA Exports to Moldova			ROMANIA Imports from Moldova		
	1994	1995	1996	1994	1995	1996
	000' USD			000' USD		
28	742	1,488	2,886	54	73	23
29	1,436	1,392	419	533	1,038	1,092
30	1,092	909	1,162	31	42	42
31	61	49	287	3	1	2
32	73	147	404	117	53	3
33	173	227	166	4	17	1
34	161	557	1,071	8	1	-
35	66	116	269	25	49	-
36	-	24	-	141	-	65
37	73	249	195	-	-	-
38	271	118	358	100	103	48
39	648	2,534	3,947	599	892	574
40	134	407	1,823	113	68	2
41	46	38	-	545	237	227
42	149	105	236	19	6	10
43	25	26	175	25	15	2
44	135	411	623	202	112	108
45	-	-	23	49	83	28
46	-	-	-	-	-	-
47	-	-	-	53	119	-
48	193	2,727	6,067	3,423	3,369	703
49	198	264	429	850	928	445
50	-	1	-	-	-	-
51	1,121	1,403	1,686	16	421	174
52	495	572	327	515	337	2,062
53	546	1,440	1,600	-	119	57
54	293	2,896	879	3	13	2
55	1,969	1,938	1,835	60	32	-
56	74	26	447	21	-	-
57	6	16	21	3,040	3,136	3,696
58	23	17	26	-	9	-
59	194	163	70	3	2	7
60	79	73	232	-	-	17

HS Chapter	ROMANIA Exports to Moldova			ROMANIA Imports from Moldova		
	1994	1995	1996	1994	1995	1996
	000' USD			000' USD		
61	411	126	328	78	16	3
62	864	1,805	1,769	229	145	269
63	58	45	114	48	293	198
64	603	586	719	350	120	10
65	44	19	8	6	45	-
66	-	-	8	-	-	-
67	9	2	-	-	-	-
68	115	198	80	2,043	1,864	1,841
69	261	176	403	239	91	142
70	306	3,841	5,259	33	1,114	1,478
71	43	246	129	-	13	-
72	65	272	1,419	7,731	4,341	3,079
73	529	913	1,271	892	495	183
74	-	119	15	76	31	84
75	-	-	-	-	-	-
76	327	876	1,984	169	65	17
77	-	-	-	-	-	-
78	-	-	1	-	-	-
79	-	1	-	1	23	-
80	-	-	-	-	-	-
81	-	-	-	-	24	-
82	44	21	83	27	29	2
83	101	226	559	963	91	59
84	1,997	3,457	4,170	1,710	1,493	1,073
85	3,871	4,749	3,982	3,091	2,590	7,195
86	-	-	-	7	-	-
87	2,174	7,277	899	8,795	1,135	413
88	4	21	20	211	8	19
89	-	-	8	-	128	-
90	267	-	162	177	1	189
91	-	-	-	-	-	-
92	3	-	-	-	-	-
93	-	-	-	-	-	-

HS Chapter	ROMANIA Exports to Moldova			ROMANIA Imports from Moldova		
	1994	1995	1996	1994	1995	1996
	000' USD			000' USD		
94	4,494	6,216	8,079	90	92	69
95	3	6	18	28	20	11
96	33	64	96	2	2	-
97	9	33	-	-	1	-
98	-	-	-	-	-	-
99	3,626	432	1,673	2,553	1,800	-
TOTAL	51,597	81,581	97,136	95,105	104,530	79,796