

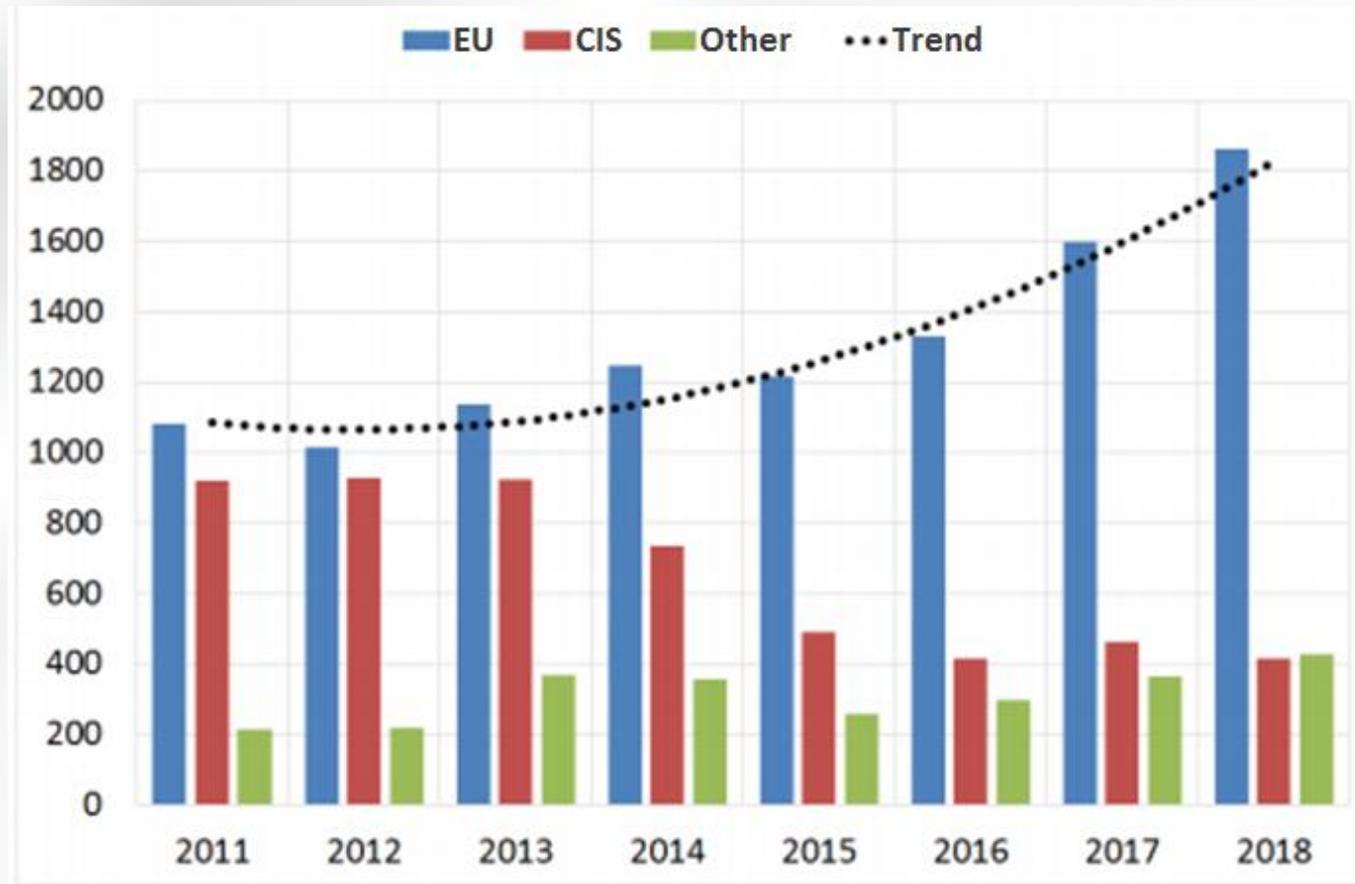
# DCFTA

# Analytics & Trends

**November 13, 2019**

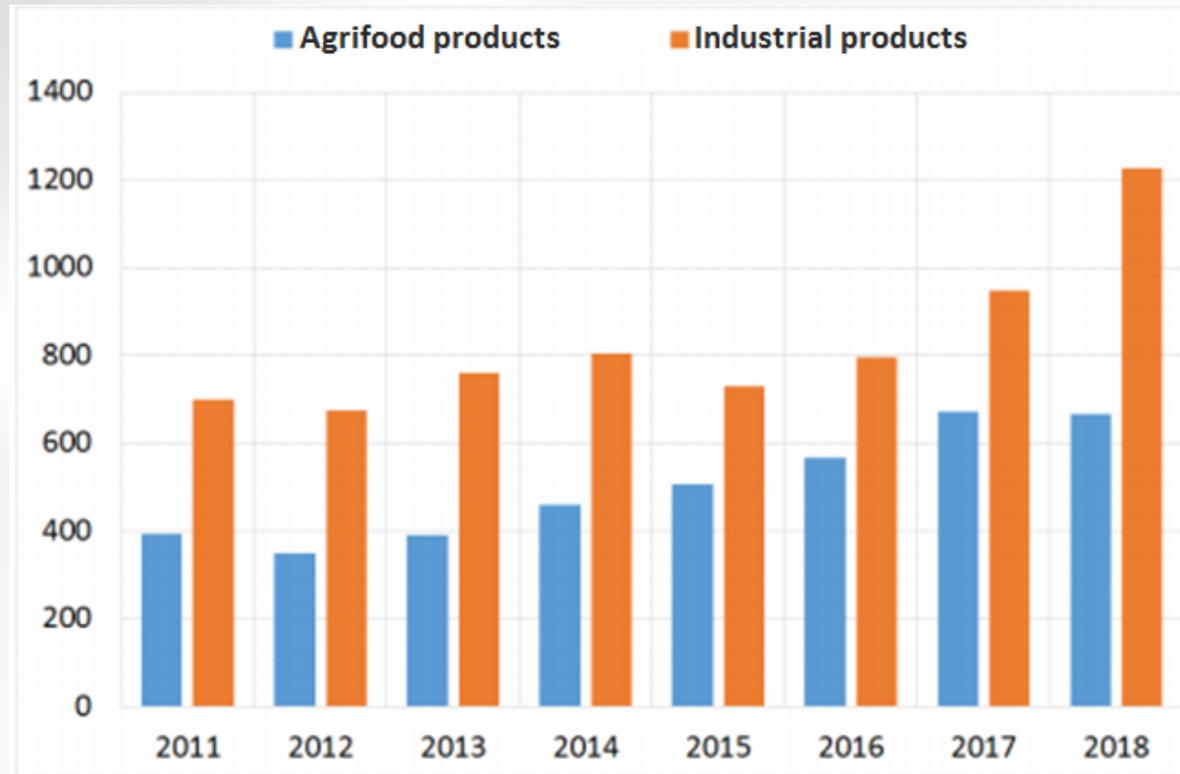
Dumitru Pîntea

# Exports to the EU have recorded a positive trend



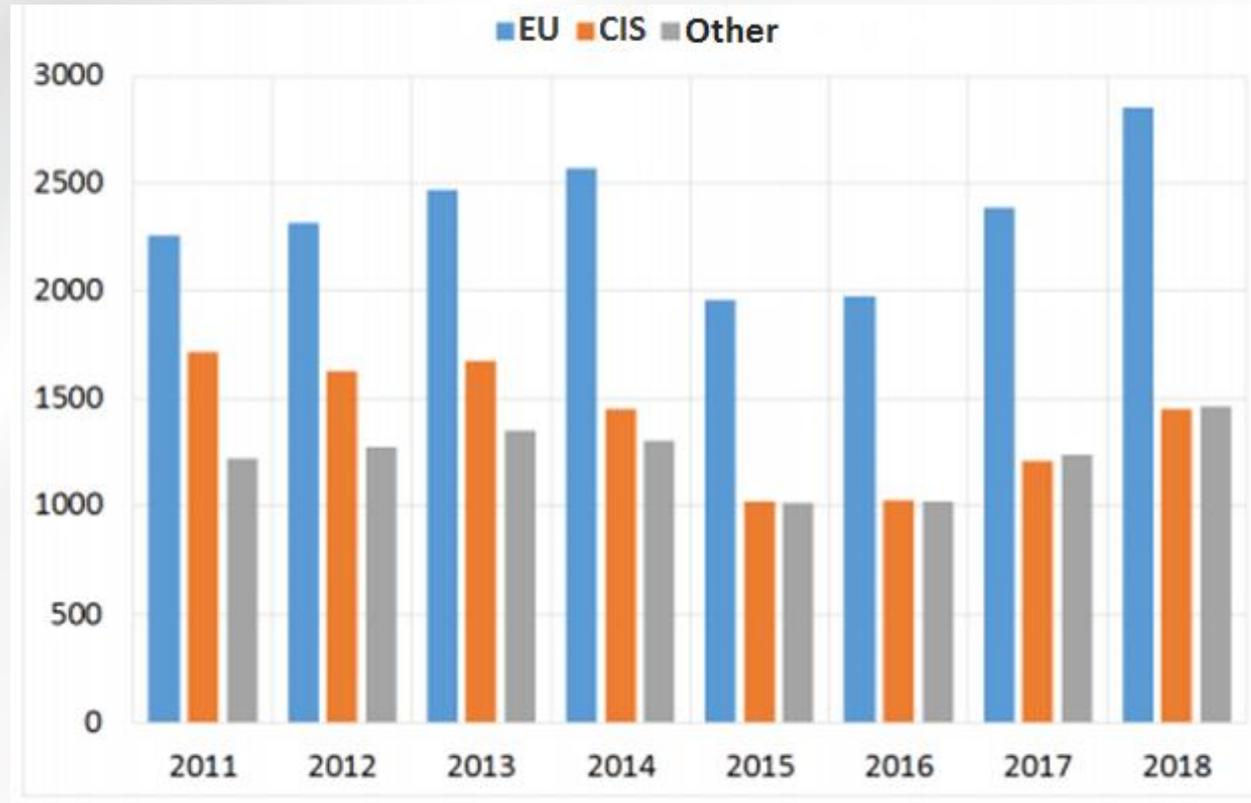
- The EU has consolidated its position as the main destination market for Moldova's exports (69% from total exports in 2018)
- This increase has integrally compensated the diminishing exports to other markets, especially to the Russian one

# The agrifood products have benefited the most from the DCFTA +47% in 2018 as compared to 2014



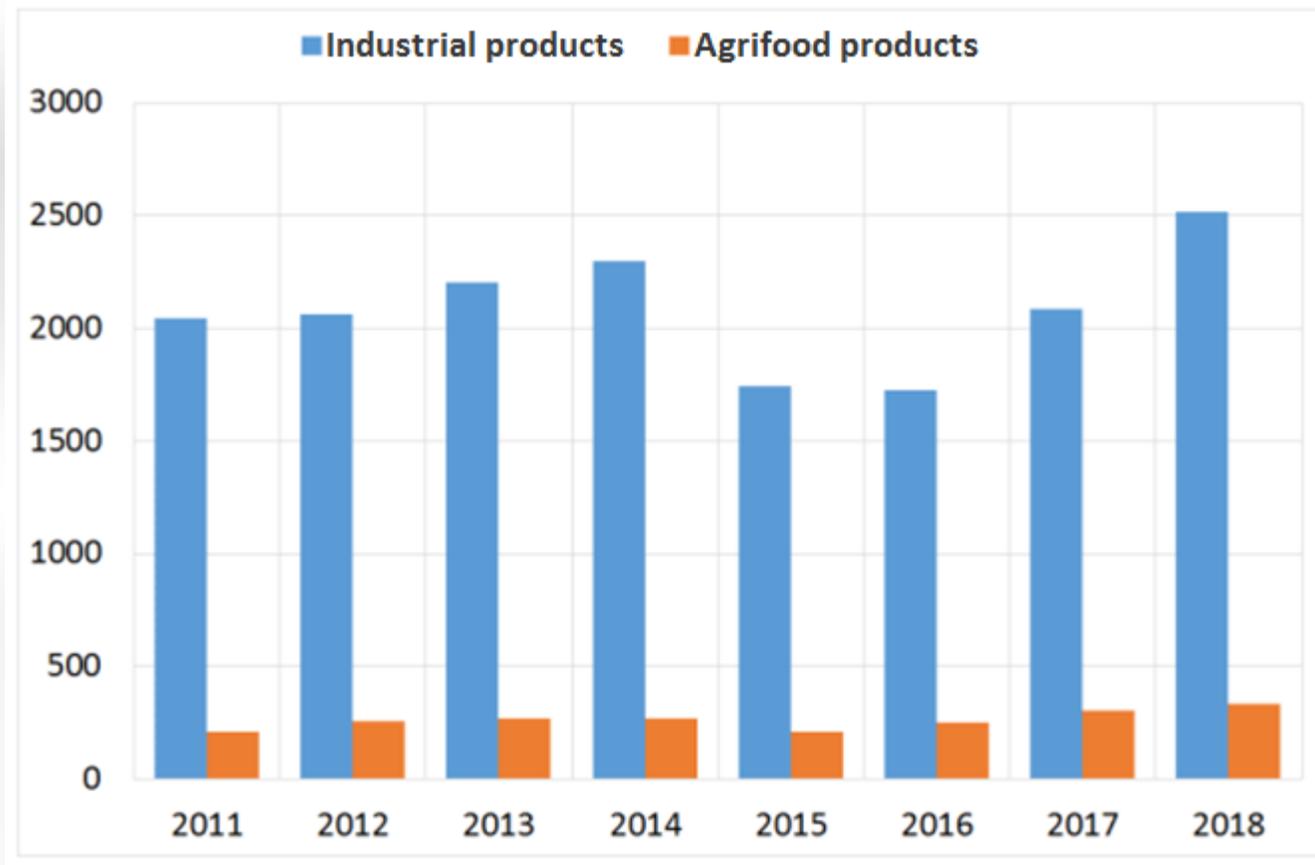
- The export of some categories of products (plums, grapes) which are subject to the annual tariff quotas exempted from customs duties, as well as those subject to the circumvention mechanism (wheat, barley, corn, ethyl alcohol) has increased immediately after the implementation of the DCFTA.
- The higher performance of agrifood exports compared to industrial ones is also explained by the fact that trade in industrial products was already mostly liberalized until the DCFTA was signed.

# The UE remains the main source of imports for Moldova's economy



- The decrease in imports was mainly determined by the decrease of the import prices for some industrial products and also by the reduction of the re-export phenomenon.
- Despite the trade liberalization, the volume of imports did not increase, which indicates that DCFTA did not imply negative competitive shocks on domestic producers.

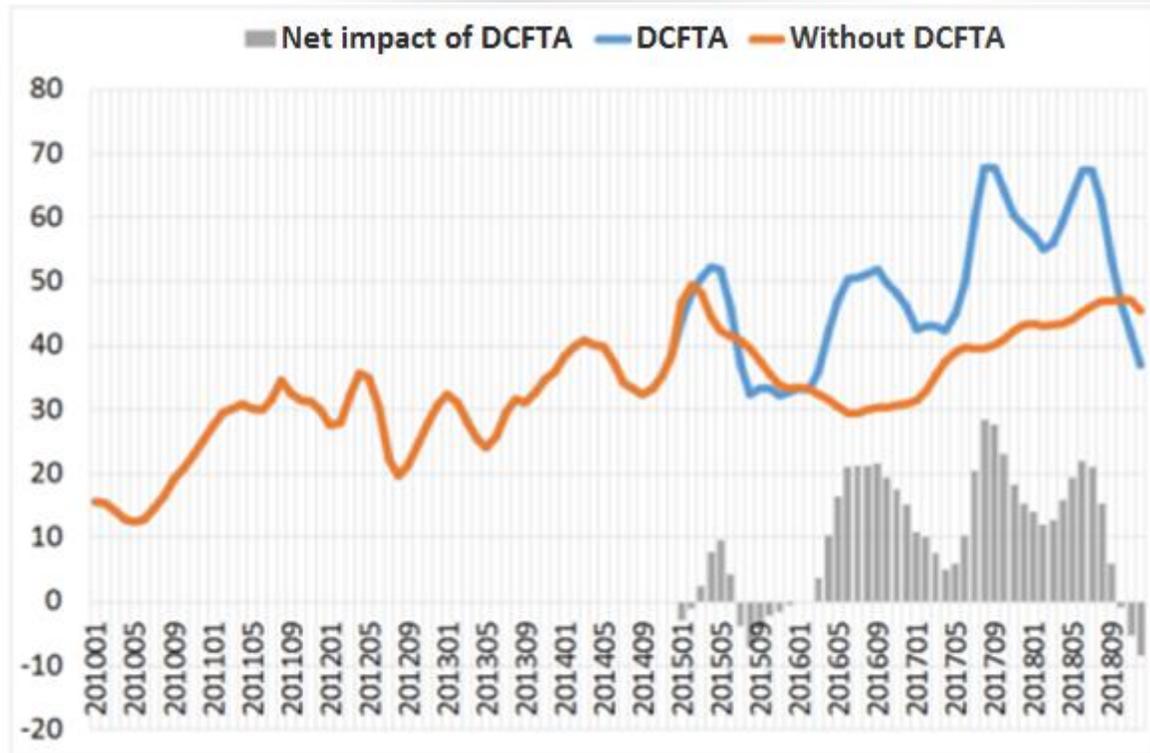
# Imports from the EU did not invade the market of the Republic of Moldova



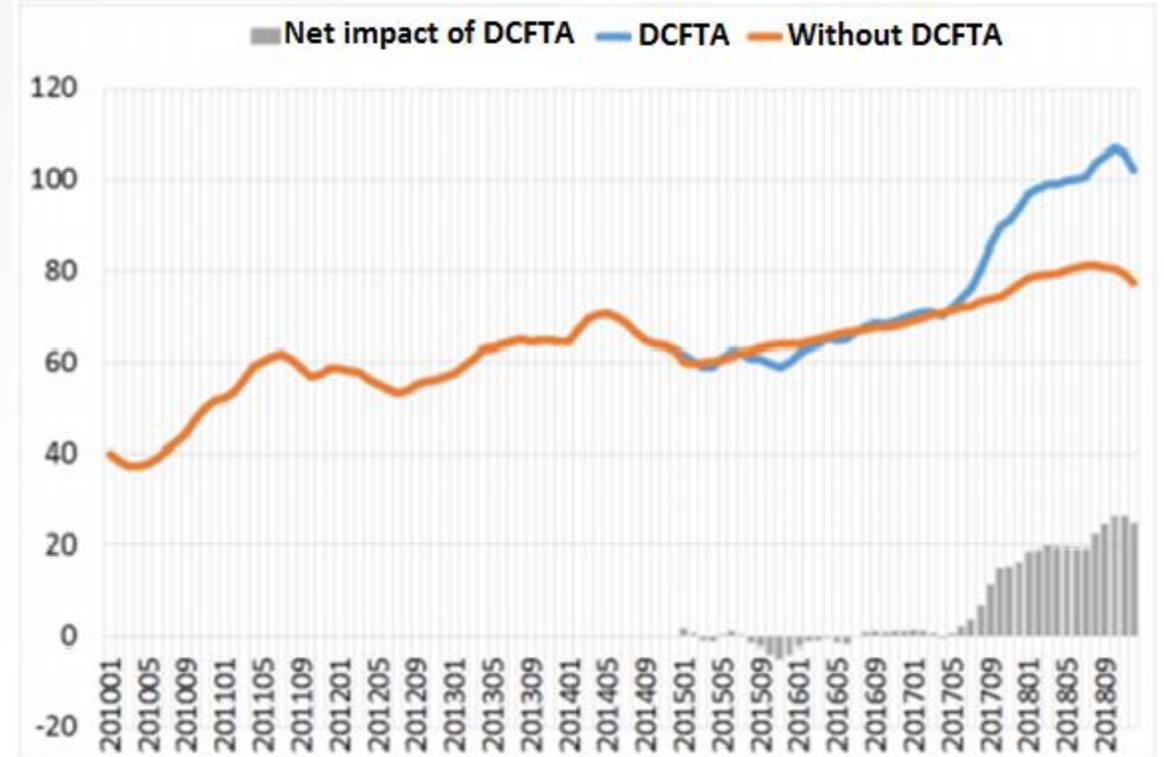
- Despite the numerous speculations that anticipated an invasion of imports from the European Union, this did not happen, on the contrary, the imports recorded a decrease in the reference period.
- The growth was determined by increase in inputs imported by the industries acting in Lohn, and by the agri-food industry.

# The net impact of the DCFTA on exports

## Industrial products

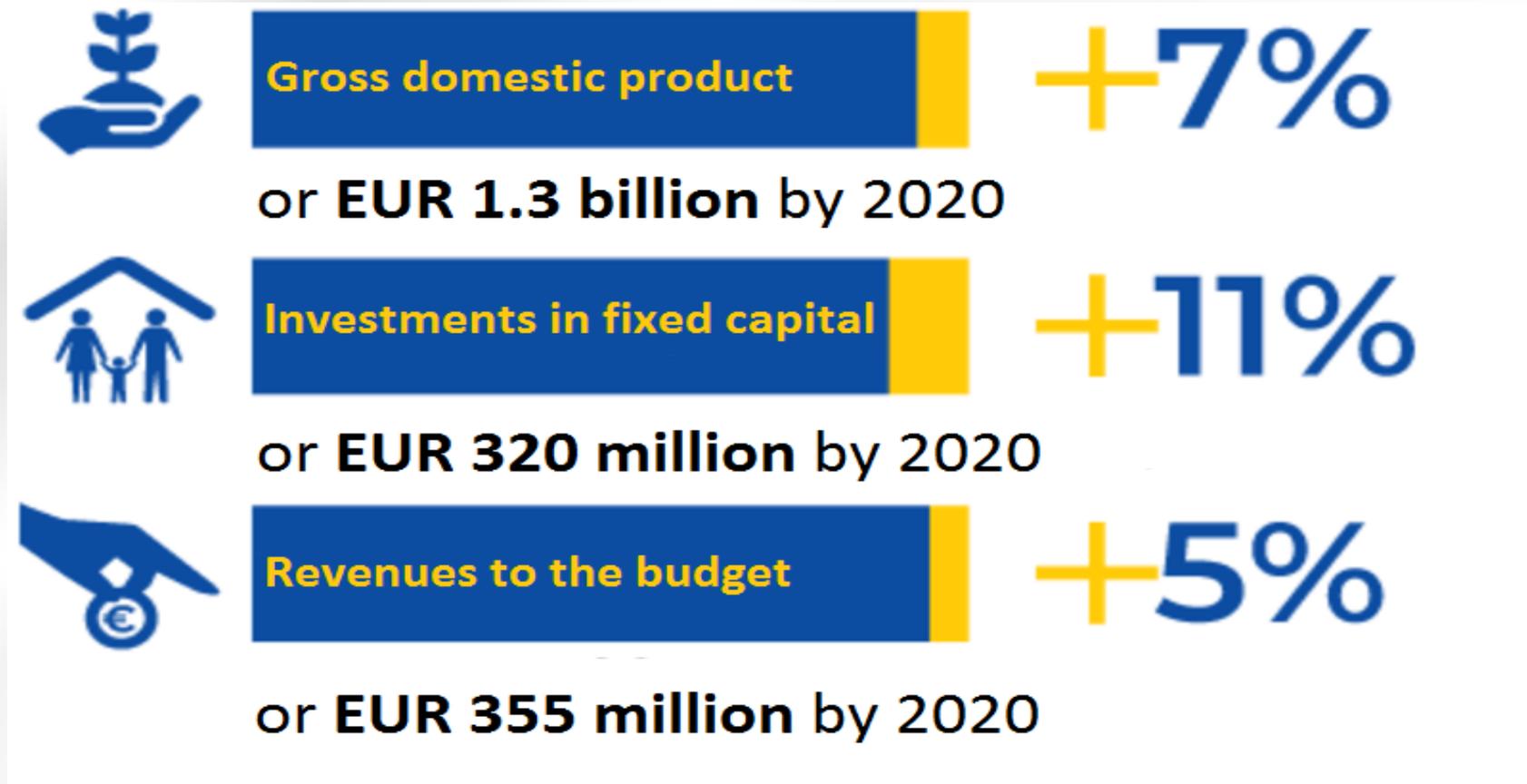


## Agrifood products



- The estimation indicate that the DCFTA's net impact on agrifood exports was US\$ 475 million or about  $\frac{3}{4}$  of the total increase in agrifood exports.
- The DCFTA's net impact on exports of industrial products is estimated at about US\$ 128 million or half of the total increase in exports of industrial products to the EU market.

# The "second round" effects of DCFTA - the macroeconomic impact



- Due to the increase in exports, 15 000 Moldovans have found a job at home.

**Thank you for your attention!**