

AGRICULTURE AND RURAL DEVELOPMENT IN ASSOCIATION AGREEMENT BETWEEN THE EUROPEAN UNION AND THE REPUBLIC OF MOLDOVA

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Abstract

After the approval of the Declaration of Independence (August 27, 1991), Moldova lives hoping to strengthen its place among the democratic nations of the world and to build a new socio-economic system which among other things passes through a difficult phase in the conjugation of its own efforts with the international community. Our country has an identical history and shares common values with the European Union Member States, a thing that inspired the initialing of the Association Agreement between the EU and the Republic of Moldova. The article reflects on Moldova's European choice and impacts on agriculture and rural development in the country.

Key words: agriculture, association, cooperative, economics, efficiency, policy

INTRODUCTION

The association is a complex process of integration, deepening the interdependences among the countries that are based on the free movement of goods, people and capital under the formula *"leave things to go on their natural course"*.

The integration vector of the national economy, stated by the public authorities and accepted by most of the population of our country is the European Union. For our country the European economic integration has become an ambitious concern being influenced by the historical conditions and the forms of economic development of both our state and the European Union.

This trend is fueled by the experience gained in the process of the Partnership and Cooperation Agreement which was developed within the European Neighborhood Policy and the Eastern Partnership and the mutual desire of the Parties to develop, strengthen and expand the relations further. The impact of the association agreement between the EU and Moldova [1] on agriculture and rural development determines the relevance of this material.

The study of various aspects of association, cooperation and economic integration was done both in the country and abroad. However, even if the matter was investigated, discussed at various official meetings, addressed to the scientific sessions, exhibited in several national and international publications, integration of agriculture and rural development in terms of our country's EU association is less studied, a fact that urged us to meditate on the model, methods of association, the possible consequences for agriculture and rural development in our country.

MATERIALS AND METHODS

In the research we used the Association Agreement between the European Union and the Republic of Moldova, initialed in late November 2013, the national and international laws, textbooks, monographs and other publications specific to the theme. The survey is realized on selected data and processed by the authors based on statistical yearbooks of the Republic of Moldova, Eurostat, and other publications that provided us meanings and explanations relevant in relation to the phenomena and processes that

currently occur. In the research were applied methods and techniques which are specific to economic investigations.

RESULTS AND DISCUSSIONS

Agriculture in the national economy

Gross domestic product of the Republic of Moldova (current prices) is reduced from \$ 3,592.9 million in 1990 to \$ 1,288.4 million in 2000 (Table 1) or by 2.79 times, followed by an increase up to \$ 7,252.8 million in 2012 or by 5.63 times. GDP - calculated in comparable prices is reduced from \$ 5,960.8 million in 1990 to \$ 2,122.5 million in 2000 or by 2.8 times, and then increased to 3,726.0 in 2011 or by 1.76 times and is slightly reduced reaching \$ 3,696.1 million in 2012.

Table 1. Gross domestic product of the Republic of Moldova

	1990	1995	2000	2005	2010	2011	2012
GDP total, mil \$ current	3592.9	1753.0	1288.4	2988.2	5811.4	7015.2	7252.8
GDP mil \$(comp.2005)	5960.8	2389.7	2122.5	2988.2	3501.4	3726.0	3696.2
GDP growth,% pa	-2.4	-1.4	2.1	7.5	7.1	6.4	-0.8
GDP per capita, \$ current	972.1	476.0	354.0	831.2	1651.5	1970.1	2037.6
GDP per capita, PPP, current international \$	3330.3	1514.7	1475.3	2362.0	3073.4	3335.9	3368.3
Agriculture, value added (% of GDP)	36.1	33.0	29.0	19.5	14.4	14.8	13.1
Industry, value added (% of GDP)	36.7	32.2	21.7	16.3	13.2	16.8	16.8
Services etc., Value added (% of GDP)	27.2	34.8	49.3	64.2	72.4	68.4	70.2

Source: <http://data.worldbank.org/indicator>

If in 1990, the GDP in comparable prices exceeded the calculated one in current prices by 1.66 times, than in 2012 it made up only about 50 percent, which shows that the GDP - increases on prices account. Besides, the largest annual increase in GDP (7.5%) was registered in 2005, and the most pronounced annual reduction - in 1990.

Basically the same dynamics is present at the GDP calculated per capita. If GDP per capita in \$ current is reduced from \$ 972.1 in 1990 to \$ 354 in 2000, or by 2.7 times then it

increase to \$ 2,037.6 in 2012 or 76 times. Being calculated according to PPP it decreases from \$ 3,330.3 in 1990 to \$ 1,475.3 current in 2000 or by 2.26 times then increases to \$ 3,368.3 in 2012 or by 2.28 times.

In 1990 in the GDP structure dominated by 36.7% the value added formed in industry, followed by 36.1% of value added in agriculture and by 27.2% of value added services formed in services. In 2012 with 70.2% dominates the value added formed in services, followed by 16.8% of the industry and 13.1% of value added in agriculture.

Even though the share of agriculture in GDP generally tends to decrease from 36.1% in 1990 to 13.1 percent in 2012 and by 2.75 times this branch remains very important for the economy of the Republic of Moldova because it is the most practiced activity in space areas of the country, where by January 1, 2013 there were 2,067,332 people established with the living which forms 58.1% of the population of our country [2].

Moreover, even under the decreasing share of value added formed in agriculture, national food products are the most exported goods in our country. Firstly, *the domestic market* of the Republic of Moldova is limited to those only about 4.3 million consumers and subject to their purchasing capacity [3].

The average monthly income available compared to the average cost of living per person even if increased from 51.4% in 2001 to 99.9% in 2012, while those in agriculture were 62.3% it was not enough. Moreover, the national economy does not have sufficient resources, particularly energy, in order to ensure the continuous production of goods. Thus, Moldova is sentenced to trade with other countries.

The export of goods and services decreased from \$ 795.0 million in 1996 to \$ 471.5 million in 2000 (Table 2) or about 1.7 times, and then grows to \$ 2216.8 million in 2011, or by 4.7 times, falling slightly to \$ 2,161.9 million in 2012. Imports of goods and services decreased from \$ 10,723.3 million in 1996 to \$ 776.4 million in 2000 and increased to \$ 5,212.9 million in 2012 or by 6.7 times. Commercial debt is steadily increasing from \$

277.3 million in 1996 to \$ 3,051 million in 2012 or about 11 times.

Table 2. Report of export and import in the Republic of Moldova, million \$

	1996	2000	2005	2010	2011	2012
Total - export	795.0	471.5	1090.9	1541.5	2216.8	2161.9
- import	1072.3	776.4	2292.3	3855.3	5191.3	5212.9
- trade balance	-277.3	-304.9	-1201.4	-2313.8	-2974.5	-3051.0
Including						
- food products	584.7	291.0	582.9	732.2	917.1	878.9
- export						
- import	142.9	109.6	279.6	591.4	687.8	743.3
- trade balance	+441.8	+181.4	+303.3	+140.8	+229.3	+135.6

Source: elaborated by the authors based on the statistical yearbooks of Moldova

The value of agricultural production exported by our country decreased from \$ 584.7 million in 1996 to \$ 291.0 million in 2000 or with 49.8%, then increased to \$ 917.1 million in 2011 or about 3.15 times. In 2012 the value of food products exported by our country decreased slightly to 878.9 compared to 2011, or by 4.2 percent.

In 1996 the export value of agricultural production made up 73.55% of the total national export in 2000 - 61.4% 2005 - 53.42%, in 2010 - 47.50%, in 2012 - 40.65 percent. The share of food production in the export of goods to national reference years had reduced by 1.8 times.

There have been changes in the export of food products over the years. If in 1996 (with 77.6%) definitely dominated the food followed by vegetable products (11.6%), animals and animal products (10.3%), then in 2011 the largest share (51.4%) had the crop, followed by food products (36.0%), fats and oils (8.5%). Considerably, were reduced from \$ 58.58 million in 1996 to \$ 14.58 million in 2011, or about 4.0 times, the sugar exports. The amount of alcoholic beverages and soft drinks decreased from \$ 224.13 million in 1996 to \$ 181.31 million in 2011 or by 23.6 percent.

The value of imported food production in our country decreased from \$ 142.9 million in 1996 to \$ 109.6 million in 2000 or by 23.4 percent, and then increased to \$ 743.3 million in 2012 or about 6.78 times. For our country, extremely important is that the export of food products to dominate on their importation. The coverage degree of imports by exports of food products is constantly reduced from

409.2% in 1996 to 133.3% in 2011. Republic of Moldova has come to import more food, alcoholic and soft drinks than it exports [2].

If in the years 1996 - 2011 the value of exports increased by 2.8 times, and imports - by 4.84 times, which caused the growth of trade deficit by 10.73 times. The rapid growth of the trade deficit becomes extremely dangerous for our economy. In this kind of situation becomes important towards which country or group of countries are oriented the trade relations.

The vector of economic integration

The South - Eastern area from which a part is the current territory of the Republic of Moldova over the years has been "in the way of all evils". From the third century this area was crossed by various hordes that have caused division and political organization in small states. The following centuries witnessed continuous struggles between the great European powers of the time - Austria, Turkey and Russia for possession of these territories [4].

Now the Republic of Moldova wants to advance relations through treaties or agreements signed with the consent of those who intend to integrate in compliance with international law. The vector declared by the government and accepted by the majority of the population of our country is the European Union. For us European economic integration has become a concern fueled by location and ambitious forms of economic development of both our state and the EU.

However, in achieving economic integration in the EU Common Market our country, is largely influenced by the geopolitical interests of the "great powers" and some domestic groups which obviously will promote the desire of those outside the state, particularly of those who want us to be in the Eurasian space. Definitely, each of them comes with arguments.

The comparative study of the information provided in Table 3 shows that the EU GDP exceeds that of the Union Customs Russia, Belarus, Kazakhstan (UC RBK) by 8.4 times, and calculated for a person - by 2.86 times. Certainly, by 18.33 times, are higher the foreign direct investments. For scientific

researches and development of new technologies EU spends by 15.67 times more than the UC RBK.

In addition, according to the authors of the study conducted by the Independent Analytical Center EXPERT - GROUP joining the Deep and Comprehensive Free Trade Area (DCFTA) will bring net economic and social benefits for Moldova, while the Customs Union of Russia-Belarus-Kazakhstan will have adverse effects.

Joining DCFTA does not exclude multilateral free trade with CIS countries and UC RBK joining is not compatible with DCFTA. Joining UC RBK will force the Republic of Moldova to surrender Russia the autonomy on setting tariff policy and align to the rates of UC RBK. Moreover, the adherence to UC RBK will lead to the monopoly on Russian energy sector of Moldova. Integration in the Eurasian energy politics by joining the UC RBK will cause the abandonment of the Energy Community. Besides, the prices reduction for natural gas supplied by "Gazprom" with about 30% anticipated after the joining to the UC RBK is uncertain because of the lack of a clear legal framework that would regulate this issue.

Joining the UC RBK will cause reduction of about 9% of total exports and increase the economic dependence on the CIS market, especially the Russian Federation. Instead, joining the DCFTA will boost export growth by over 11% and contribute significantly to their diversification. Expert estimates show that if adhering DCFTA, Moldovan economy will expand by about 6.4%, while the UC RBK option will determine its contracting by 4 percent.

Joining UC RBK will result in the loss of domestic producers on the Community market, which attracts about 45% of total exports both from the right and on the left bank of the Nistru river. An eventual join to UC RBK would have adverse effects on the business environment by reducing the competitiveness of the national economy.

Definitely, joining DCFTA will cause some risks. Since the advent of Community, Europe has chosen the path of free trade that requires common commercial policy. It should not be

forgotten, as Maurice Bye noted that if a common trade policy is the first step of a common economic policy, it can only be a means to achieve broader agreements[5]. Currently, the EU trade policy tends to be focused on removing barriers, including non-tariff trade barriers.

According to Article 207 of the Consolidated Version of the Treaty on the Functioning of the European Union [9] *the common commercial policy* shall be based on uniform principles, particularly in regard to changes in tariff rates, the concluding of tariff and trade agreements relating to trade in goods and services and the commercial aspects of intellectual property, foreign direct investments, uniformity in liberalization measures, export policy and measures to protect trade, such as those to be taken in the event of dumping or subsidies.

The competition rules according to the Article 42 of the Consolidated Version of the Treaty on the Functioning of the European Union [9] shall be applied to the production and trade of agricultural products only to the extent determined by the law approved by the European Parliament and the Council under the procedure referred to in paragraphs 2 and 3 of Article 43.

According to Article 44, "if, in a Member State, a product is subject to a national market organization or to internal rules having equivalent effect which affect the competitive position of similar production in another Member State, the Member States apply a countervailing duty on the import of this product coming from state where such organization or rules exists, unless that State applies a countervailing charge on export.

The extra EU exports [6] in 2011 dominated (80% of their share) the processed products, following a downward trend in recent years. Processed products have accounted for about 56% of extra EU imports. In 2011 the EU had positive balances of trade balances for 14 product groups and negative balances for seven groups of the Combined Nomenclature, which generated a deficit of about 160 billion euros.

The agricultural products imported by EU countries range from 78712 mil Euro for the

year 2007 to 90,224 mil Euros in 2008, and their export increased from about 78,031 mil Euro in 2007 to reach a value of over 95 billion Euros in 2010.

If in 2007 the export of food products in the European Union yields insignificantly to the import with 681 mil Euros (0.9% of exports) and then in 2010 exports exceed imports food products by the EU Member States with little more than 7.7 billion Euros or with 8.1% of the export. Currently, agricultural exports are almost all without refund (385 mil Euros in 2010 compared with 6000 mil Euros in 2000).

The import exceeds the export in the following EU Member States: Belgium, Cyprus, Greece, Germany, the Netherlands, United Kingdom, Portugal, Romania and others. Export is higher in relation to imports in Austria, Denmark, France, Spain, Hungary and other EU countries. Finished products represent 64 percent of this volume, on the first place with 16%, being spirits and wine products.

One of the risks for our country is related to the decline that will occur in the food sector, where production is expected to decrease by about 3%. These costs will be offset by benefits from other more competitive sectors such as industrial, wage growth and revenues.

Based on the theory of comparative advantage that argues that potential superiority in exchange relations depends on differences in comparative costs, our country should form a production structure so that costs correspond to the most efficient foreign operators. The comparative advantage in national agriculture is projected on the market demand.

Thus, the benefits of the national economy integration in the European Union Common Market space is practically indisputable. However, the geographic targeting towards the EU Common Market requires adjustment of national economic policies to the Community ones, market selection, an appropriate logistics training (opening trade offices, missions of Moldovan businessmen on the respective potential markets, the participation a greater extent in fairs and international exhibitions, etc.) and time and, most importantly, to gain innovative activity. The cooperation, including agriculture and rural development are specified

in the Association Agreement between the EU and the Republic of Moldova.

Cooperation in agriculture and rural development

According to Article 67 of the initialled version of the Association Agreement between the European Union and the Republic of Moldova [1], "Parties shall cooperate to promote the development of agriculture and rural development, particularly by the progressive convergence of policies and legislation". Cooperation between the Parties in the development of agriculture and rural development, referred to Article 68 of the Agreement will include the following areas:

- (a) facilitate mutual understanding of agricultural and rural development policies;
- (b) strengthen the administrative capacity at central and local level in the planning, evaluation and implement policies in accordance with regulations and best practice in the EU;
- (c) promote the modernization and sustainability of agricultural production ;
- (d) exchange of knowledge and best practices on rural development policies to promote the economic welfare of rural communities;
- (e) improve the competitiveness of agriculture and market efficiency and transparency;
- (f) promote policies on quality and their control mechanisms, in particular geographical indications and organic farming;
- (g) disseminate knowledge and promote agricultural advisory and extension services for farmers; and
- (h) enhance harmonization issues addressed in the organizations to which the Parties are members.

The Republic Moldova, according to Article 70, shall harmonize its legislation with EU laws and international instruments referenced in Annex VII of the Agreement.

We should mention that in the agreement also with reference to agriculture are specified such relationships as data protection regarding Plant Protection. Thus, Article 316 states:

1. The Parties shall establish requirements for safety and efficacy before authorizing the placing on the market of plant protection products.

2. The Parties recognize the right of the author of a temporary test or study report presented for the first time to obtain a marketing authorization of a plant protection product.

For any country or business that intends to improve the competitive position against rival bidders for stronger innovation activity. Under Article 127 of the Association Agreement between the European Union and the Republic of Moldova "Parties shall promote cooperation in all fields of civil scientific research, technological development and demonstration activities (RTD) on the basis of mutual benefit and under appropriate protection of intellectual property rights effectively".

Article 128 of the Agreement specifies "Cooperation in RTD will include:

- (a) policy dialogue and exchange of scientific and technical information;
- (b) to facilitate adequate access to those programs of the Parties;
- (c) to enhance research and research institutions participation of the Republic of Moldova in the Programme - Framework for EU Research;
- (d) to promote the joint research projects in all areas of RTD;
- (e) training activities and mobility programs for scientists, researchers and other professionals involved in research RTD activities on both sides;
- (f) facilitating, under applicable law, the free movement of workers that are participating in research activities under this Agreement and border circulation of goods intended for use in such activities; and
- (g) other forms of cooperation in the field of RTD (including regional approaches and initiatives), based on mutual agreement.

The innovation activity can be expressed by the number of patents or plant variety patents issued, the number of drawings/designs and trade mark protection titles released. The number of applications for patent has a decreasing trend. Firstly, it ranges from 246 in 2000 to 401 in 2005 (Table 3) then it reduces to 108 in 2011, or by 3.7 times and has a slight increase to 115 in 2012. The situation is identical to the requests of the national applicants. Even if the share of patent

applications for plant variety increases from 4.88 % in 2000 to 17.39 % in 2012 their number remains unacceptably low for an agricultural country like Moldova. The same downward trend from 269 in 2005 to 63 in 2011 we found in the patents issued. The number of patent titles is reduced from 1316 in 2012 to 613 in 2000 or about 53 percent.

Table 3. The evolution of applications for protection of inventions and plant varieties

	1995	2000	2005	2010	2011	2012
Requests submitted for patent	299	246	401	143	108	115
including national applicants	270	240	390	139	97	93
Patent for plant varieties	-	12	22	18	15	20
Including, national applicants	-	11	22	18	15	20
Patents were issued	227	234	269	132	63	51
including national applicants	124	200	261	125	61	47
Patent for plant varieties	-	-	3	25	15	20
including national applicants	-	-	2	25	15	20
Valid invention patent titles	266	1316	1108	1018	799	613
Titles patent for plant varieties	-	-	13	74	86	104

Source: elaborated by the authors based on the statistical yearbooks of Moldova

The total of titles patent for plant varieties increased from 13 in 2005 to 104 in 2012, or by 8 times, but remains too poorly accounted for only 17% of the total number of patent titles in our country. The categorical decline patents correlates perfectly with the situation in the national economy.

The agricultural activity is required to ensure biological diversity. Under Article 368 "Parties recognize the importance of ensuring the conservation and sustainable use of biological diversity as a key element for achieving sustainable development and reaffirms their commitment to conserve and sustainably use biological diversity under the Convention on Biological Diversity and other international instruments they are part. To this end, the Parties undertake:

- (a) to promote trade in natural resource-based products produced using biological resources and contribute to biodiversity conservation;
- (b) to ensure the exchange of information about actions on trade in natural resource-based products that is focused on halting the loss of biodiversity and reduce pressures on

biodiversity and, where relevant, to cooperate to maximize the impact and provide mutual support for their respective policies;
 (c) to promote the list of species covered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), where the conservation status of these species is considered at risk; and
 (d) to cooperate regionally and globally in order to promote conservation and sustainable use of biological diversity in natural and agricultural ecosystems, including endangered species, their habitat, protected natural areas and genetic diversity, ecosystem restoration and removal or reduce negative environmental impacts of resource use and non-living natural living or ecosystems.

The agreement includes provisions on trade, customs duties, etc. which is an important fact given that during the years our country's trade relations have undergone major changes. Thus, the export to the Commonwealth of Independent States (CIS) increased from \$ 543.1 million in 1996 (Table 4) to \$ 928.1 million in 2012 or by 1.7 times.

Table 4. Foreign trade, million \$

	1996	2000	2005	2010	2011	2012
Total - export	795.0	471.5	1090.9	1541.5	2216.8	2161.9
- import	1072.3	776.4	2292.3	3855.3	5191.3	5212.9
- trade balance	-277.3	-304.9	-1201.4	-2313.8	-2974.5	-3051.0
Including: CIS	543.1	276.1	551.2	624.0	919.3	928.1
- export	652.7	259.8	905.2	1256.9	1713.4	1623.7
- trade balance	-109.6	16.3	-354.0	-632.8	-794.2	-695.6
UE-27	78.1	102.2	443.2	728.9	1083.0	1013.4
- export	177.2	226.0	1038.8	1704.2	2256.3	2318.6
- trade balance	-99.1	-123.8	-595.6	-975.3	-1173.3	1305.2

Source: elaborated by the authors based on the statistical yearbooks of Moldova[7]

However, the share of exports to CIS countries is reduced from 68.3% of total exports in 1996 to 42.9% in 2012. During the respective years the national export of goods in the EU-27 increased from \$ 78.1 million to \$ 1013.4 million or about 13 times and their share in the total exports increased from 9.8% in 1996 to 46.9 percent in 2012.

The imports of goods from the CIS increased from \$ 652.7 million in 1996 to \$ 1,713.4 million in 2011 and by 2.62 times, and their share in the total imports decreased from 60.86% in 1996 to 31.1% in 2012. The imports of goods by our country from the EU-

27 increased from \$ 177.2 million in 1996 to \$ 2,318.6 million in 2012 or by 13.1 times, while their share in the total imports increased from 16.5% in 1996 to 44.5% in 2012. Thus the trade exchanges of our country with EU exceed those with CIS.

A particular interest for our country represents the commercial exchanges geography with foodstuffs. The most important food products intended for export have been and remain the grapes and grape products. The decline in the volume of grapes harvested from 82,500 tonnes in 1990 to 40,100 tonnes in 2000 caused the reduction of fresh grapes exports from 16,600 tonnes in 1991 to 5,400 tonnes in 1999. The 7,300 tonnes of grapes harvested in 2010 do not cover the domestic demand.

Table 5. Export and import of wine from grape

Indicators	2009		2010		2011	
	ths dal	mil \$	ths dal	mil \$	ths dal	mii \$
Export						
Wine and grape must	9633.0	128.70	12606.8	137.87	12118.1	132.49
Including in:	1079.4	19.39	1122.4	18.32	1470.0	20.64
- EU	8014.0	103.99	10729.2	110.64	9864.1	100.93
- CIS	539.5	5.32	755.2	8.91	784.0	10.92
- other countries	286.4	6.88	318.5	7.00	428.9	10.21
Sparkling wine, total	19.1	0.57	14.6	0.39	21.3	0.54
Including in:	246.2	5.84	281.0	6.13	362.6	8.65
- EU	21.1	0.47	22.9	0.47	45.0	1.02
- CIS	Import					
Wine and grape must	47.3	0.93	425.2	3.16	273.9	2.43
Including in:	3.2	0.30	294.9	1.81	237.1	2.02
- EU	-	-	3.9	0.08	-	-
- CIS	44.1	0.63	126.4	1.27	36.8	0.41
- other countries	2.3	0.24	5.9	0.38	7.4	0.53
Sparkling wine, total	2.3	0.24	3.6	0.33	6.2	0.50
Including in:	-	-	2.3	0.05	1.2	0.03
- EU	-					
- CIS	-					

Source: Foreign Trade of the Republic of Moldova, 2011

The export of wine and grape must in the EU Member States-27 increased from 9,633.0 dal in 2009 to 12,118.1 dal in 2011 (Table 5), or by 25.8%, and the value of the wine and grape exported in those years increased by 6.45 percent.

The export of wine and grape must in CIS countries increased from 8,014.0 thousand dal in 2009 to 9,864.1 dal in 2011 or by 23.08%, but the value of exports in 2011 formed 97% of the export value of these products in 2009.

Wine and grape must export to other countries increased from 539.5 thousand dal in 2009 to 784.0 thousand dal in 2011, or by 45.32%, and their value in those years increased by 2.05 times.

The import of wine and grape must from the EU-27 changes from 47,264.6 ths dal in 2009 to 425,177.7 ths dal in 2010 and 273,899.9 ths dal in 2011. The value of the wine and grape must exported in those years had similar behaviour. The import of wine and grape must to CIS occurred only in 2010 when it formed 1.3% of imports of these products in the EU-27. The import of wine and grape must from other countries increased significantly from 44,079.6 ths dal in 2009 to 126,332.9 ths dal in 2010 and by 387 times, then it reduces to 36,769.1 ths dal in 2011 or by 3.43 times.

The export of sparkling wine in the EU Member States increased from 19.1 ths dal in 2009 to 21.3 ths dal in 2011. However, the amount of sparkling wine varied. A greater amount of sparkling wine exported to CIS countries from 246.2 ths dal in 2009 to 362.6 ths dal in 2011, or by 47.28%, and the sparkling wine exported to CIS countries increased by 48.12 percent.

The import of sparkling wine from EU Member States increased from 2,338.8 ths dal in 2009 to 6,226.6 ths dal in 2012 or by 2.66 times and its value - 2.12 times.

The main consumer of our wines has been and remains the Russian Federative Republic. On its markets in 1999 we sold more than four fifths of wine grapes and more than 90 percent of sparkling wines. Still, in 2009 on the Russian market were exported 2886.7 thousand dal forming only 30% and in 2011 – 20.9% of total wine exports. In the reference years increasingly important for our country becomes the Common Market[9]. Thus, the export of wine and grape must in 2009 constituted 11.2% or 1,079.4 mln dal in 2011 – 1,470.0 mln dal or 12.1 percent of the total of wine and grape exported.

In the last years is intensified the import of alcoholic beverages, including those made from grapes. If in 2009 was imported 47.3 thousand dal, which formed 4.9% of the exported wine and grape, then in 2011 it rose to 273.9 thousand dal or by 5.8 times, already

forming 27.4 percent over exported wine. The import of wine from grapes dominates categorically, forming 95.3% in 2009, 98.6% in 2010 and 97.3% of the total imported wine. If in 2009, mostly (93.3%) was imported from countries that do not belong neither to the CIS nor the EU then in 2010 – 68.5% and in 2011 – 84.3% of the total imported wine resides for the Member States.

CONCLUSIONS

The situation created in trade relations, in the ratio of export and import of goods and services may be changed for the better through major modifications in the structure of the national economy, effective and efficient implementation of modern technologies and other measures, which in considerable proportions depend on the vector of economic integration and of clear rules as specified in the Association Agreement between the EU and the Republic of Moldova. The agreement will contribute to the consolidation of the relations between the EU and Republic of Moldova, to gradual economic integration and leaves open the way for further progressive developments in EU - Republic of Moldova relationships.

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