

TRADE ISSUES IN MOLDOVA

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| STATE OF THE COUNTRY |



↓ Slowing down the economy

↑ Increasing budget deficit

↓ Declining key macroeconomic indicators (i.e. exports)

↓ Low level of competitiveness (86th place out of 141 states according to the 2019 Global Competitiveness Report)

↓ Low level of economic freedom (87th place out of 180 states according to the Heritage Foundation 2020 Index of Economic Freedom)

↑ High level of corruption (120th place out of 180 states according to the Transparency International 2019 Corruption Perceptions Index)

| STATE OF THE COMPANIES |



↓ Low cash buffers

↓ Internal governance poorly adapted to crisis management

↓ Low level of technological endowment

↓ Limited capacities to manage digital tools

↓ Low level of diversification of suppliers and sales channels

**TRADE
FACILITATION
MEASURES**

The infographic features a central dark teal star with the text 'TRADE FACILITATION MEASURES' in white. Seven numbered measures are arranged around the star, each with a corresponding icon and a number. The measures are: 1. Transparency in trade (magnifying glass icon); 2. Customs declarations continued to be submitted electronically (folder icon); 3. Issuing electronic transport authorizations (computer monitor icon); 4. Simplified the procedures for issuing preferential certificates of origin for goods (pushpin icon); 5. Border control continued within the context of an integrated border management system (target icon); 6. Customs and tax payments continued to be made online (stack of coins icon); 7. Transit traffic continued to be facilitated by cooperation arrangements (handshake icon). The background has a faint grid pattern.

1 Transparency in trade



Transit traffic continued to be facilitated by cooperation arrangements

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2 Customs declarations continued to be submitted electronically



Customs and tax payments continued to be made online

6

3 Issuing electronic transport authorizations



Border control continued within the context of an integrated border management system

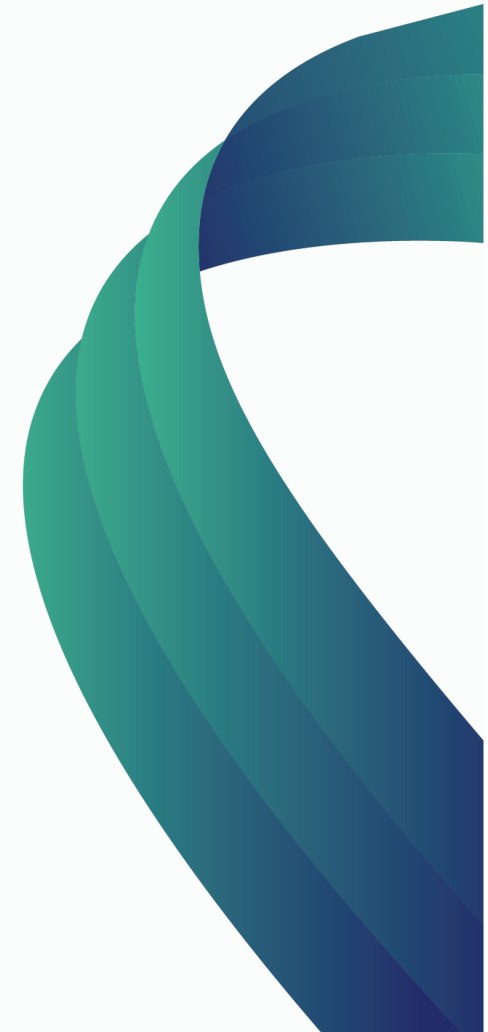
5

4 Simplified the procedures for issuing preferential certificates of origin for goods



| CAPACITY SHORTFALLS |

- 1 Delayed issuance of trade documents
- 2 Border closures, which affected 70 per cent of the country's BCPs over the course of March-July 2020
- 3 Continued reliance on physical inspection of inbound cargo during customs clearance
- 4 Lack of adequate infrastructure facilities at customs terminals
- 5 Lack of internationally recognized conformity assessment bodies, testing and certification facilities
- 6 Transport disruptions



| DIGITAL TRADE |



Only **1 in 4** companies
has a website (source NBS)



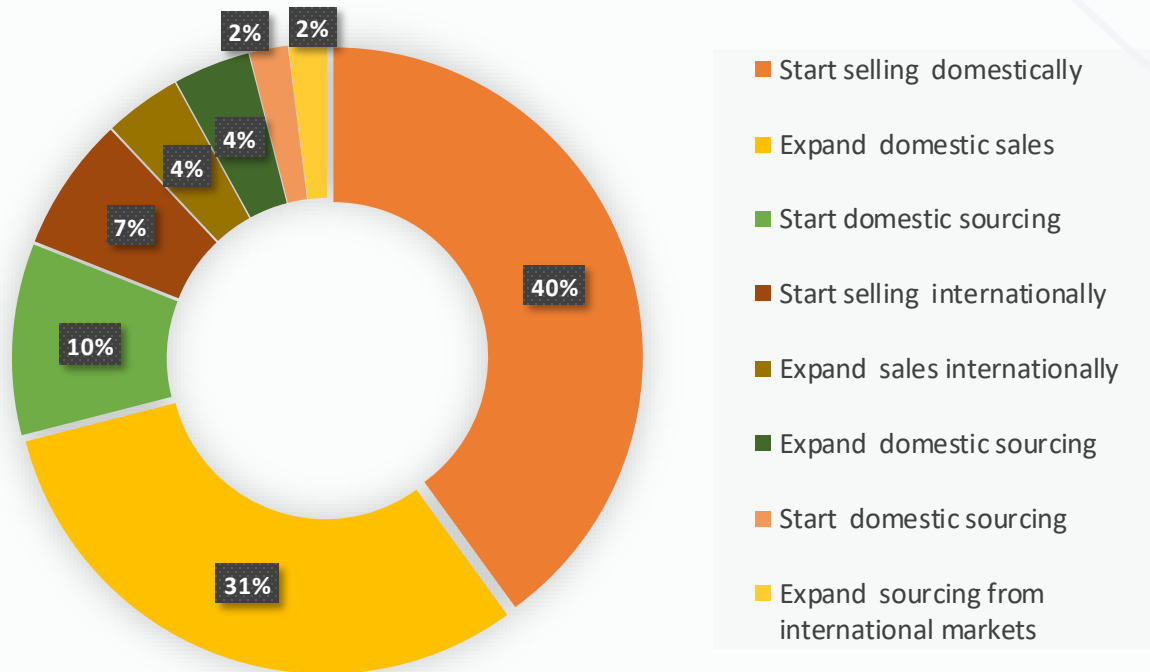
Only **412** e-commerce platforms
were operated in Q1 of 2020 (source NMB)



Only **32%** of the MSMEs surveyed
figured e-commerce as an important coping
mechanism (source UNECE survey)

| ENGAGEMENT IN E-COMMERCE |

MSMEs' engagement in e-commerce
(percentage of responses)



Reasons for low engagement:

- Lack of necessary equipment
- Lack of ICT skills
- Low ability to compete in domestic and cross-border e-commerce
- Ambiguous legislation

| DIGITAL TRADE – AREAS TO FOCUS |



Adjusting e-commerce legislation to make it functional, applicable, and unambiguous, in the spirit of the EU Digital Single Market Strategy



Supporting local SMEs in accessing e-commerce tools (grants and subsidies for the development of online marketing and sales platforms, electronic payment instruments and training of employees to manage effectively digital mechanisms)



Accelerating digitalization in the public sector and in interaction with the business environment

Thank you!

EXPORTZA