



Voluntary Report - public distribution

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Romania

Trade Policy Monitoring

EU-Romania Double Zero Agreement

2001

Approved by:

Holly Higgins

U.S. Embassy

Prepared by:

FAS Regional Staff

Report Highlights:

In June 2000, Romania and European Union reached agreement on further trade liberalization. For a number of products (poultry meat, cheese, wine) quotas and double-zero agreements were approved. These quotas will be increased each year by 10 percent. For a selected group of commodities which are of interest to Romania, the EU agreed to eliminate duties for specified quota completely, as of July 1, 2000. At the same time, Romania agreed to phase out all duties between July 1, 2000-July 1, 2002.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Sofia [BU1], RO

Romania and European Union (EU) concluded "double zero" trade negotiations aimed at abolishing import duties for selected agricultural products listed below on June 8, 2000. The new tariff rates became effective July 1, 2000.

Romania will offer "zero" treatment for the following EU products:

Product	Quota
Poultry Meat, chilled, frozen	3,000 MT
Poultry Meat, processed	750 MT
Cheese	2,000 MT
Wine	60,000 Hectoliters

The European Union also agreed to offer "zero" treatment for the same Romanian products as listed below:

Product	Quota
Poultry Meat, chilled, frozen	3,000
Poultry Meat, processed	500 MT
Cheese	2,000 MT
Wine	300,000 Hectoliters

The above quotas will increase each year by 10 percent, indefinitely.

Additionally, the European Union agreed to eliminate import duties for the following Romanian products, effective July 1, 2000:

Product	Quota
Sheep and Goats, live	7,000 MT
Beef, chilled, frozen	2,500 MT
Honey	6,000 MT
Cucumbers	1,500 MT
Forest Fruits	Any quantity (no quota)

Wheat	25,000 MT
Fruit Piure	2,000 MT
Fruit Juice	4,500 MT

The above quotas will be increased every year by 10 percent, indefinitely.

During negotiations, Romania has agreed to eliminate by July 1, 2002 the import duties for a number of EU products. During the first round, on July 1, 2000, Romanian agricultural import duties will represent 70 percent of "Most Favored Nation" (MFN) duty for the year 2000. On July 1, 2001, the duties will be lowered to 30 percent of MFN duty for the 2000 year. On July 1, 2002 the import duties will be reduced to zero. The list of EU products and corresponding HTS codes are as follows:

HTS Code	Product
0408	Eggs, broken, processed
0511	Animal products, not for human consumption
0709	Vegetables, other, fresh or refrigerated
0711	Canned vegetables
0802	Fruits, other, fresh or dried
0803	Bananas
0804	Dates, figs, pineapples, avocados, guavas and mangoes, fresh or dried
0805	Citrus
0810	Fruits, other, fresh
0813	Fruits, dried
0901	Coffee
1202	Peanuts
1207	Other fruits and oilseeds
1209	Seeds for planting
1211	Plants, whole or parts used for perfumes and medicinal purposes
1301	Lac, natural gums, resins

1302	Vegetable saps and extracts
1504	Fats and oils (marine origin)
1515	Oil, rapeseed, mustard
2005	Other fruits, fresh or processed
2301	Meat and fish meal
2305	Peanut meal

Romanian trade officials reportedly are concerned with the EU's policy of subsidies and export refunds which distorts trade and could result in unfair competition for Romanian products. Some officials viewed trade negotiations as unfavorable to Romania.

At the same time, Romanian meat and dairy traders indicated that domestic producers will not be able to completely use the specific quotas of poultry and cheese, because of high domestic prices and inadequate standards for quality and packaging.