



Support to Confidence Building Measures

Project funded by the European Union and implemented by the United Nations Development Programme

Press Release

Trade and Economic Relations Between Moldova and Transnistria: Problems and Perspectives

On March, 25-26th, 2011 a round table with the topic "**Trade and Economic Relations Between Moldova and Transnistria: Problems and Perspectives**" took place in Odessa. This round table was the first of five specialized meetings on economic and trade policies for business people, policy professionals, decision makers, experts, researchers and analysts, representatives of the confidence-building working groups and other stakeholders from Moldova and Transnistria.

Round table's agenda attracted the attention of a broad spectrum of businessmen and experts from Moldova and Transnistria, as well as international ones. The event was attended by the representatives of the diplomatic corps accredited in Moldova: the Delegation of the EU to Moldova, British, Russian, Ukrainian, Swedish embassies, OSCE Mission, Trade Representative Office of the Russian Federation to the Republic of Moldova and the EU Border Assistance Mission to Moldova and Ukraine.

Participants of the meeting have discussed problems and perspectives of the development of trade and economic relations between Moldova and Transnistria in the following key aspects:

- Overview of the Deep and Comprehensive Free Trade Area Agreement (DCFTA) with the EU, including procedures of negotiation process and challenges and opportunities of DCFTA for the economies of Moldova and Transnistria
- Co-operation and trade between right- and left-bank of Moldova before the conflict: a retrospective review
- Economic relations and trade between Moldova and Transnistria since 1990: the emerged problems and missed opportunities
- Economic relations and trade between Moldova and Transnistria after 1990: the arisen problems and unrealised benefits
- Trade and business relations between Moldova and Transnistria. The main barriers.

As a result of the discussions, participants at the round table have come to the following **main conclusions**:

1. The process of splitting of the economies of Moldova and Transnistria has rather intensified during the last years, and has created a significant "zone" of mistrust and misunderstanding. In order to overcome this, both mutual willingness, and serious efforts are necessary.
2. Removal of barriers to effective development of economic cooperation and mutual trade will help promote needed economic reforms in Moldova and Transnistria. Reforming both economies is essential for strengthening their competitiveness, increase of business activity, investment attraction, as well as efficient

usage of existing autonomous trade preferences with EU states and the transition to DCFTA with the EU in the future.

3. There is untapped potential of business and economic development of Moldova and Transnistria, it is linked with the enhancement of bilateral trade, cooperation, attraction of investments in the infrastructure sector.

4. The evolution and state of economic relations between Moldova and Transnistria display presence of contradictions and barriers interfering to both sides, and settlement of these problems is needed in order to improve the environment for business development, trade and sustainable economic growth.

The increased proneness of both economies to conflict in last years not only hampers development, but "freezes" a very poor infrastructure quality and limits its effective usage.

5. It is consistently needed to remove barriers, to eliminate contradictions and to develop stable economic interaction between Moldova and Transnistria on a mutually advantageous basis.

For information: Currently, United Nations Development Programme in Moldova, with financial support from the European Union, implements the project "**Support to Confidence Building Measures**". A distinctive feature of this project is its social-economic orientation and focus on raising the level of trust between the right and left bank of the Dniester River on the issues of interaction between the sides.

In the framework of the UNDP project a series of round tables are planned, which are aimed to discuss problems and opportunities of economic cooperation and business development on both banks of the Dniester River, identify practical solutions and propose constructive recommendations for its implementation.

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