

Trade and economy of the Transnistrian region

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General overview

- Transnistria benefited until December 2015 from ATP
- New technical agreement for DCFTA implementation was negotiated (fiscal policy, import duty, TBT, SPS etc.)
- Political competition (2015-2016). Russia's approach of 'wait-and-watch'.
- Restrictions over free flow of foreign currency (shocks for exports, imports, consumers etc.)

Trade partners: Exports

Total (million, USD)	2015	2016 (Jan-May)
Eurasian Union	20.5	16.5
Russia	19.8	15.8
Belarus	0.66	0.64
Kazakhstan	0.17	0.14
European Union	73.5	78.2
Moldova	118.4	95
Other countries	18.7	22.5
Total	231.2	212.4

Trade partners: Imports

Total (million, USD)	2015	2016 (Jan-May)
Eurasian Union	343.5	216.3
Russia	322.2	198
Belarus	16.9	11.1
Kazakhstan	4.4	7.1
European Union	75.5	64.9
Moldova	33	22.9
Other countries	67.4	49.2
Total	519.5	353.4

Trade II: Main exports

Total 2015: 231.2 million USD

Fuels and energy goods (38%); metals (21%)
agrifood (13%); textile (11%); footwear (7%)

Total 2016 (Jan-May): 212.4 million. USD

Fuels and energy goods (37%); metals (22%)
agrifood (11%); textile (12%); footwear (7%)

Trade III Imports

Total 2015: 519.5 million USD

Fuels and energy goods (60%), machinery equipment (10%); metals (8%); agrifood (7%)

Total 2016 (January- May): 353.4 million USD

Fuels and energy goods (54%), machinery equipment (9%); metals (6%); agrifood (10%)

Challenges

- Not-free movement of persons and goods; No control over the rail and road infrastructure of the region;
- Energy dependence on the deliveries from the region ('blacks schemes') and Russia (historical debt on natural gas);
- Uncertainty concerning the implementation of the DCFTA;
- Further consolidation of the separatist regime; again 'federalization'?

Conclusions

- EU's attractiveness for exports, while Russia remain the source of imports;
- Economy the victim of politics in the region;
- DCFTA 'in the air', but not in practice;
- 'Energy traps' for the right bank ('black schemes' and debts on natural gas).

Recommendations

- More transparency on DCFTA implementation / Undelayed implementation of DCFTA in the region;
- ‘Cleaning-up’ the energy sector of Moldova (debt on natural gas and electricity delivery from Transnistrian region);
- Engaging civil society (Chisinau) in negotiations over the social-economic issues.