



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - Public Distribution

Date: 07/01/2000

GAIN Report #RO0010

## **Romania**

### **Trade Policy Update**

### **Romania-EU Accession and Zero Tariff Agreement**

**2000**

Prepared by FAS Regional Staff  
U.S. Embassy, Bucharest

---

#### **Report Highlights:**

**Romania has concluded "double zero" talks with Brussels. Poultry meat will face zero tariffs on both sides effective immediately, up to a specific quota level. In addition, Romania gained better access for wine sold to EU countries. A list of products with new duty free status is included in this report.**

---

Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
RO

## Romania-EU Accession and Zero Tariff Agreement

Romania and the European Union (EU) have concluded trade negotiations aimed at abolishing and/or reducing import duties for selected agricultural products. Romanian agricultural officials stated that no final agreement was reached on processed products and discussions on this issue will continue later this year. There was mild disagreement among producer groups, but problems related to the ongoing drought and difficult local economic conditions tend to overshadow concerns regarding EU membership. Many farmers and processors have unrealistic expectations for EU membership and are counting heavily on EU investments under the so-called "accession fund" (SAPARD). However, SAPARD funds have not been disbursed due to management problems within the GOR and EU concerns related to accountability and tracking of funds.

### Tariff Changes

The following tariff changes are effective July 1, 2000:

Romania will offer zero import duty treatment to the following EU products:

Product	Quota Size
Poultry Meat, chilled, frozen (HS#0207)	3,000 MT
Poultry Meat, processed (HS# 1602)	750 MT
Cheese (HS# 0406)	2,000 MT
Wine (HS# 2204)	60,000 Hectoliters

The EU will offer zero treatment to the following Romanian products:

Product	Quota*
Poultry Meat, chilled, frozen (HS# 0207)	3,000 MT
Poultry Meat, processed (HS# 1602)	500 MT
Cheese (HS# 0406)	2,000 MT
Wine (HS# 2204)	Note: the "old" quota goes from 188,000 to 300,000 hectoliters

\*These quotas will be increased by 10 percent every year.

The EU has also agreed to eliminate duties for the following Romanian products effective July 1, 2000:

Product	Quota*
Sheep and goats, live (HS# 0104)	
Mutton and Goat Meat, chilled, frozen (HS# 204)	7,000 MT
Beef, chilled, frozen, (HS# 0201, 0202)	2,500 MT
Honey (HS# 0409)	6,000 MT
Cucumbers (HS# 0707)	1,500 MT
Forest Fruits/berries (HS# 810)	No Quota
Wheat (HS# 101)	25,000 MT
Fruit Puree (HS# 2007)	2,000 MT
Fruit Juice (HS# 2009)	4,500 MT

\*The quotas will be increased by 10 percent every year.

Romania has agreed to gradually eliminate by July 1, 2002 import duties for a series of EU products. During the first round (effective July 1, 2000) Romanian import duties will fall to 70 percent of MFN duty for the year 2000. On July 1, 2001 the duties will be lowered to 30 percent of MFN duty. On July 1, 2002 the import duties will be reduced to zero. The list of EU products (HS#) follows:

0408, 0511, 0709, 0711, 0802, 0803, 0804, 0805, 0810, 0813, 0901, 1202, 1207, 1209, 1211, 1301, 1302, 1504, 1515, 2005, 2301 and 2305.

### Comment

Romanian government officials were pleased with the result of negotiations. However, they were concerned with the EU's policy of subsidies and export refunds which can distort trade. Many Romanian officials are not well briefed on how the EU applies producer subsidies and/or how export subsidies are given out. On the other hand, discussions with Romanian meat and dairy processors indicate that domestic producers will not be able to supply the specified quotas of poultry and cheese to the EU because of inadequate quality and poor packaging. The domestic meat and dairy processors also view trade negotiations with the EU as mostly unfavorable to Romania.