



HOUSE OF LORDS

International Agreements Committee

22nd Report of Session 2022-23

Scrutiny of International Agreements: UK- Moldova Tariff Liberalisation Agreement

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International Agreements Committee

The International Agreements Committee is appointed by the House of Lords in each session to consider matters relating to the negotiation, conclusion and implementation of international agreements, and to report on treaties laid before Parliament in accordance with Part 2 of the Constitutional Reform and Governance Act 2010.

Membership

The Members of the International Agreements Committee are:

<u>Lord Fox</u>	<u>Baroness Kingsmill</u>
<u>Lord Geidt</u>	<u>Lord Marland</u>
<u>Lord Grimstone of Boscobel</u>	<u>Lord Razzall</u>
<u>Baroness Hayter of Kentish Town</u> (Chair)	<u>Lord Udny-Lister</u>
<u>Lord Howell of Guildford</u>	<u>Lord Watts</u>
<u>Lord Kerr of Kinlochard</u>	

Declaration of interests

See Appendix 1.

A full list of Members' interests can be found in the Register of Lords' Interests:

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SUMMARY

This report addresses the following Agreement, laid before Parliament in accordance with section 20 of the Constitutional Reform and Governance Act 2010:

- Amending Agreement No. 1 between the United Kingdom of Great Britain and Northern Ireland and the Republic of Moldova to amend the Strategic Partnership, Trade and Cooperation Agreement between the United Kingdom of Great Britain and Northern Ireland and the Republic of Moldova (CP 859, 2023)

A Strategic Partnership, Trade and Cooperation Agreement with Moldova was provisionally applied from 1 January 2021. The Partnership Agreement removed all tariffs on goods traded between the UK and Moldova except for tariff rate quotas (TRQs) on a small number of agricultural products. The Amending Agreement will remove these remaining TRQs for a 12 month period as part of an economic support package to address the impact on the Moldovan economy from the war in Ukraine.

We report the Amending Agreement to the House for information.

Scrutiny of International Agreements: UK-Moldova Tariff Liberalisation Agreement

AGREEMENT REPORTED FOR INFORMATION

Amending Agreement No. 1 between the United Kingdom of Great Britain and Northern Ireland and the Republic of Moldova to amend the Strategic Partnership, Trade and Cooperation Agreement between the United Kingdom of Great Britain and Northern Ireland and the Republic of Moldova (CP 859, 2023)¹

1. The Agreement was laid before Parliament in accordance with section 20 of the Constitutional Reform and Governance Act 2010 on 5 June 2023 and the scrutiny period will end on 11 July 2023.

Background and content

2. The Strategic Partnership, Trade and Cooperation Agreement between the United Kingdom and Moldova (the Partnership Agreement) was provisionally applied on 1 January 2021². The Partnership Agreement removes all tariffs on trade in goods between the United Kingdom and Moldova except for tariff rate quotas (TRQs) on the following products: tomatoes, garlic, grapes, apples, cherries, plums and grape juice. Following a request from the Government of Moldova for economic support to help it cope with impact of the Ukraine war, the Government agreed to lift temporarily all remaining TRQs under the Partnership Agreement on a unilateral basis.
3. We considered a very similar agreement with Ukraine in February 2023.³ The main difference between this Agreement and the former one is that the lifting of tariffs in the case of Ukraine was reciprocal.
4. The Agreement amends the Partnership Agreement by removing all remaining TRQs on goods originating in Moldova. It also provides a safeguard mechanism in case the tariff liberalisation causes serious damage to UK domestic industry. The tariff liberalisation will apply for 12 months from entry into force of the Agreement with the possibility of extension for a further period as agreed by the parties.
5. We noted that Article 4(2) allows Moldova to request a review of any safeguard measures which extend beyond 31 July 2024. However, since the Agreement will terminate on that date (unless extended) this renders the

1 Foreign, Commonwealth and Development Office, *UK/Moldova: Amending Agreement No.1 to amend the Strategic Partnership, Trade and Cooperation Agreement [CS Moldova No.1/2023]*, CP 859 (June 2023): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1160417/CS_Moldova_1.2023_UK_Moldova_Amending_No1_Strategic_Partnership_Trade.pdf [accessed 22 June 2023]

2 Foreign, Commonwealth and Development Office, *UK/Moldova: Strategic Partnership, Trade and Cooperation Agreement*, CP 370 (January 2021): <https://www.gov.uk/government/publications/ukmoldova-strategic-partnership-trade-and-cooperation-agreement-cs-moldova-no12021>. [accessed 22 June 2023]. This agreement is not yet in force.

3 International Agreements Committee, *Scrutiny of International Agreements: UK-Ukraine Tariff Liberalisation Agreement* (15th Report, Session 2022–23, HL Paper 176)

review option ineffective. Officials from the Department for Business and Trade acknowledged that there was some inconsistency in the drafting of this aspect of the Agreement and committed to address this issue in the event that the parties agree to extend the Agreement beyond 31 July 2024.

Final provisions

6. The Agreement will enter into force on 31 July 2023 provided that the United Kingdom has by that date notified the completion of its internal procedures.⁴
7. As it is an amendment, the Agreement has the same territorial scope as the tariff provisions of the Partnership Agreement, in that it applies to the United Kingdom and the Crown Dependencies. The Crown Dependencies were notified of the changes to the tariff regime.
8. The content of the Agreement is not a devolved matter, but the Devolved Administrations have been informed given the impact on Scotland, Wales and Northern Ireland.
9. **We report the Agreement to the House for information.**

⁴ In addition to completing the CRAG process, an amendment will be required to the Customs Tariff (Preferential Trade Arrangements) (EU Exit) Regulations 2020 ([S.I. 2020/1457](#))

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTEREST

Members

Lord Fox
 Lord Geidt
 Lord Grimstone of Boscobel
 Baroness Hayter of Kentish Town (Chair)
 Lord Howell of Guildford
 Lord Kerr of Kinlochard
 Baroness Kingsmill
 Lord Marland
 Lord Razzall
 Lord Udny-Lister
 Lord Watts

Declarations of interest

Lord Fox
No relevant interests

Lord Geidt
Chairman of Council, King's College London
President, Royal Overseas League

Lord Grimstone of Boscobel
No relevant interests

Baroness Hayter of Kentish Town
Senior Non-Executive Director, Association of British Insurers

Lord Howell of Guildford
No relevant interests

Lord Kerr of Kinlochard
No relevant interests

Baroness Kingsmill
No relevant interests

Lord Marland
Director, Janspeed Technologies Ltd (manufacturer of motor parts)

Lord Razzall
Director, North Atlantic Mining Associates Limited
Director, ZeU Technologies Inc
Shareholdings, ZeU Technologies Inc
Shareholdings, St-Georges Eco-Mining Corporation
Shareholdings, Tintra plc

Lord Udny-Lister
No relevant interests

Lord Watts
No relevant interests