

Moldova Weekly – September 23 – Report on the current situation in Moldova in the weeks after the preliminary elections held on 29 July

The European Partnership for Democracy (EPD) is a Brussels-based organization active in the field of democracy assistance which has Moldova as one of the target countries. Using our partner organizations in Moldova we try to bring current information from established international and Moldovan news agencies in order to provide an independent view on Moldova to the Brussels decision makers. Please address any questions or comments to kristinaprunerova@eupd.eu.

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MOLDOVA POLITICS

Speaker Ghimpu: AIE has priorities other than joining NATO or divorcing CIS

The Republic of Moldova's accession to NATO or secession from the Commonwealth of Independent States (CIS) are not the top priority tasks the governing Alliance for European Integration (AIE) has set itself, the recently elected Speaker of the Moldovan Parliament, Liberal Party Chairman Mihai Ghimpu stated on the ProTV-Chisinau channel on Monday night. The chief objective today is to combat poverty in the Republic. *Infotag, 15 September 2009*

CC confirms legality of speaker's election as acting president

The Constitutional Court today confirmed the existence of circumstances justifying the election of Mihai Ghimpu as acting president. A notification on the matter has been earlier submitted to the court by the parliament of the 18th convocation. The court's judges noted that the vacancy recorded after the resignation of the head of state served as a circumstance justifying the move. *Moldpres, 17 September 2009*

Acting head of state issues decree to abolish visa regime for Romanians

Moldova's acting president Mihai Ghimpu Thursday signed a decree to abolish the visa regime for Romanian travelers. The decree will take effect on 18 September after it is published in the Official Gazette. The official order will be submitted to the Constitutional Court for examination. Another two decrees issued by the caretaker head of state on Thursday appoint the leader of the PLMD Vlad Filat as Premier and removes the Greceanyi Government II from office. *IPN, 17 September 2009*

Government's structure modified

The Government will comprise of another two new institutions – the Tourism Agency and the Ministry of Youth and Sport. The given ministry was exempted from responsibility for tourism at the suggestion of MPs. The amendment to separate tourism from the youth and sport areas was put forward by the Liberal-Democratic MP Vlad Filat after a group of young people protested this morning against merging the areas of youth, sport and tourism in front of the Palace of the Republic. The decision on the Government's structure was approved in a second reading without taking into account the Communist parliamentary group's proposals to modify the structure. At the previous sitting, the group of the PCRM expressed their dissatisfaction with the new structure of the Government agreed in first reading. The Communist MPs

protested against the dissolution of the Ministry of Reintegration and the Ministry of Local Public Administration and transferring Moldova's Water Agency, the Licensing Chamber and the Customs Service to other ministries. The stipulation allowing the MPs to hold multiple nationalities also aroused dissatisfaction. Ten Communist MPs are absent from Friday's sitting, including the leader of the Communist group Vladimir Voronin. *IPN, 18 September 2009*

Civil society seeks restructuring of Interior Ministry

Representatives of Moldovan civil society asked the Prime Minister designate Vlad Filat to pay greater attention to the social sector and concrete social problems than the previous Government. They expressed their hope that the dialogue between the administration and the society would be ongoing. At a meeting of Vlad Filat and representatives of the civil society, banking sector, businesses, producers, investors, trade unions and employers on Monday, the former president of the NGO Hyde-Park Ghenadie Brega expressed his indignation at the fact that the civil society was driven into a corner, while the journalists were prevented from doing their job and penalized. He stressed the importance of naming competent people to the posts of Minister of the Interior and Minister of Justice. The secretary general of the NGO Council of Moldova Antonita Fonari proposed that one of the next civil society meetings be centered on youth, ecological problems and human rights. The president of the European Academy of Civil Society Renata Verejanu voiced hope that the persecutions would come to an end now that the Communists are no longer in power. Filat promised to implement not only formal changes. *IPN, 21 September 2009*

Vlad Filat: we want good relation with Russia, administered with dignity

Vlad Filat declared that 'we want to have a very pragmatic and good relation with Russia, that we would administer with dignity supporting our national interest', the nominated Prime Minister declared yesterday evening, during a TV program on PRO TV Chisinau. Filat also said that 'I will not kneel down when going to Moscow like Voronin used to do'. In another context, Filat said that 'if the Government is stable, by the end of the year 2012, Republic of Moldova citizens will circulate freely throughout Europe. Yet, before that, the Republic of Moldova will have to pass through several stages in term of liberalization of its visa system'. Speaking about relations with Romania, a member of the European Union, Vlad Filat declared that 'the new governance has got an ambitious and consistent plan that we should fulfill in a short period of time'. The nominated Prime Minister meant both 'opening consulates in Balti, Cahul and Iasi' and the conclusion of the small cross-border Convention and initiation of discussions about the basic Moldo-Romanian Treaty. Filat is sure 'the Convention will be signed very soon', but 'there is still something to discuss about the 500 euros charged for the entrance of a Moldovan citizen into Romania'. *Deca-press, 22 September 2009*

AEI close to finishing distributing ministries

The Democratic Party (PDM) will be responsible for four ministries in the future Government, while the Moldova Noastra Alliance (AMN) – for three. In the Government headed by the Prime Minister elect Vlad Filat, the PDM's representatives will head the Ministry of Economy, the Ministry of Labor, Social Protection and Family, the Ministry of Culture and the Ministry of Construction and Regional Development. The Ministry of Education, the Ministry of Agriculture and Food Industry and the Ministry of Information Technology and Communications will be managed by the AMN. At the meetings of the working group composed of representatives of the four parties that formed the Alliance for European Integration (AIE) – the PLDM, PL, PDM and AMN – it was decided to institute four posts of deputy prime minister. As in the Parliament, these posts will be held by representatives of the four parties. The deputy prime ministers will be responsible for the foreign policy, the reunification of the country, economic matters and social matters. As the Premier elect and leader of the PLDM Vlad Filat said, the Liberal-Democrats will be in charge of five ministries in the future Government. These are: the Ministry of Foreign Affairs and European Integration, the Ministry of Justice, the Ministry of the Interior, the Ministry of Finance and the Ministry of Health. The leader of the Liberal Party Mihai Ghimpu said that his party will be responsible for four ministries in the future Government – the Ministry of Defense, the Ministry of the Environment, the Ministry of Youth and Sport, and the Ministry of Transport and Road Infrastructure. The Communists Party (PCRM) will head no ministry in the new Government. The Parliament is to approve the composition of the new Government at its Friday sitting. *IPN, 23 September 2009*

FOREIGN ENGAGEMENT

EU to help Moldova overcome economic crisis

On Wednesday, during a meeting with Speaker Mihai Ghimpu, European Commission Special Representative to Chisinau, Cesare de Montis, declared that 'the EU has decided to help Republic of Moldova overcome the economic crisis'. Cesare de Montis said that the EU is ready to cooperate with international financial organizations to contribute to Moldova's economic development and opted for the resumption of negotiations regarding the conclusion of RM – EU Agreement. The European Commission's Special Representative invited Mihai Ghimpu to make an official visit to Brussels

to meet EU officials. The press service of Parliament noted that Mihai Ghimpu assured Cesare de Montis that the Alliance for European Integration would make great efforts to adjust the national legislation to European standards and support the Republic of Moldova's gradual accession to the EU. *Deca-press, 16 September 2009*

President Basescu alleges Romania's support for Romanians in Moldova

On Tuesday, the President of Romania Traian Basescu declared in front of the Chamber of the Romanian Parliament that 'Romanians from the Republic of Moldova should feel they can rely on Romania's support as an ally'. Basescu declared that 'Romania has always supported the European interests of the Republic of Moldova's citizens, but it was hard to provide a more intensive support to the European integration process 'as long as the former Moldovan authorities did not follow their responsibilities in this context'. *Deca-press, 16 September 2009*

IMF to return to Moldova after installment of new Government

The International Monetary Fund (IMF) expressed its readiness to open talks with the Government of Moldova, but only after its installment. According to Vlad Filat, the new agreement with the IFM could be signed later in October and the resources for covering the budget deficit would be freed in mid-November so that Moldova pays the most urgent debts. *IPN, 18 September 2009*

First speeches of Romanian MEPs center on Moldovans

The first speeches made by the Romanian MEPs Elena Basescu and Gigi Becali concerned the removal of visas for people living in the Western Balkans region, especially the Moldovan citizens. In her first speech in the European Parliament, Elena Basescu addressed the issue of visas and insisted that the Moldovans be allowed to move freely inside the EU. The Romanian MEPs' proposals will constitute the subject of a project that will be debated in the European Parliament in the near future. *IPN, 19 September 2009*

Monica Macovei named head of EU interparliamentary delegation in Moldova

At the first sitting of the European Parliament, Romania's Monica Macovei was appointed as head of the EU interparliamentary delegation in Moldova. According to a communiqué from the European People's Party, the decision was made at the meeting where the delegation was constituted. *IPN, 19 September 2009*

ECONOMIC SITUATION

Half-year GDP dropped 7.8%

The Gross Domestic Product (GDP) of Moldova in the six months to June fell by 7.8% compared with the corresponding period last year. According to the Bureau, the fall was determined by the decline in the major economic indicators. The indicators in industry dropped by 24.9%, in construction by 31.9%, in retail trade by 4.5%. Exports fell by 20.7%, while imports by 35.8%. The gross value added indicator decreased from 105.0% in the first half of 2008 to 93.0% in the same period this year. The gross value added in the manufacturing sector declined by 16.7% after the gross value added in industry fell by 24.4%. This value in agriculture, hunting and forestry, fishing and fish breeding was by 2.1% higher than in the first half of last year. By its contribution to the formation of the GDP, the gross value added in the manufacturing sector fell by 1.0%. The gross value added in the service sector decreased by 3.4%. The volume of works in the construction sector fell by 26.5%, in the transport and communications sector – by 16.2%, in wholesale and retail trade – by 3.9%. The volume of taxes on products collected into the national public budget declined by 15.1%, influencing negatively (-2.8%) the volume indicator of the GDP. The internal demand – the final consumption and gross capital formation – in the first half of this year fell by 19.2%, mainly due to the 36.7% decrease in the gross fixed capital formation and the 8.2% decrease in final consumption. The exports and imports of goods and services dropped by 12.5% and 27.7% respectively. *IPN, 16 September 2009*

Industrial output down by about 25 per cent in January-August

Moldovan enterprises produced goods worth 14,302.8 billion lei in current prices in January-August 2009, which accounts for 75.4 per cent of the figure recorded in the same period last year, according to data by the National Statistics Bureau (BNS). A BNS representative, Valentina Comarnitchi, has said that the decline in the industrial output was triggered by a 38.2-per-cent drop in production of the extractive industry, 26.8 per cent in the processing industry, 4.5 per cent in the energy sector. Also, the decrease was caused by lower output at enterprises producing clothing articles, footwear, paper and pasteboard, machines and equipment, production, processing and tinning of meat and meat goods, as well as fabricating glass, etc. Experts explain the cut in the production by the decrease in the number of orders from foreign and Moldovan companies, shortage of raw material and money, etc. In January-August 2009, Moldova saw increases in the

production of fowl, steel elements for constructions, knitted and crocheted articles, macaroni, grains and other farinaceous products, Valentina Comarnitchi said. *Moldpres, 22 September 2009*