

TECHNOLOGICAL INTENSITY OF MOLDOVAN EXPORTS UPGRADE SINCE THE DCFTA BETWEEN MOLDOVA AND EUROPEAN UNION HAVE BEEN CONCLUDED

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Abstract:

The purpose of this article is to assess the transformations that have occurred in the patterns of Moldovan merchandise exports since the country has signed the Deep and Comprehensive Trade Agreement (DCFTA) with European Union (EU). The specific focus of the paper is to analyze the shift of Moldovan exports' structure toward a more technological intensive one since 2014. DCFTA, that is part of the Association Agreement should faster the reforms in the Republic of Moldova, and therefore to support the transformation of the national economy, its competitiveness improvement. One of the estimated impacts of the above mentioned agreement was to increase significantly the Foreign Direct Investments inflows, productivity and exports. The modernization and expansion of the manufacturing sector is a precondition for upgrading the technological intensity of exports that should determine merchandise exports growth acceleration. The findings of the empirical study reveal that the Agreement influenced positively the dynamics of exports since 2014, despite their sharp decline to the main eastern partners - Russia and Ukraine. The structure of exports has changed toward a higher share of medium technology intensity products due to increasing deliveries to some EU partners as a result of investments coming from West. Yet the unit value of this products is increasing slow and more efforts are needed to increase the economy's productivity.

Keywords: *Association Agreement, DCFTA, exports, technological intensive merchandise, Republic of Moldova*

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