Press Release

Moldova charts path to cleaner fuels, vehicles

*With the support of the Climate & Clean Air Coalition and UN Environment, Moldova presents first ever auto fuel economy baseline and trends, and sets course for electric vehicles*

**Chișinău, July 26, 2018:** A two-day national working meeting brought together industry experts and government representatives to discuss the results of the first-ever automotive fuel economy study in Moldova as well as pending revisions to Moldova’s fuel quality and vehicle emissions standards as part of its EU Association Agreement - an exercise that will impact all aspects of the country’s on-road transport, including e-mobility.

The Republic of Moldova's Carbon Finance Unit, together with the Ministry of Agriculture, Regional Development and Environment, have released the first results of an in-depth study of the country’s vehicle imports spanning 2005 – 2017 to support the proposed changes to national legislation in transposition of EU Directive 98/70/EC, as amended by Directive 2009/30/EC, relating to the quality of petrol and diesel fuels.

With support from the Global Fuel Economy Initiative (GFEI) and UN Environment, Moldova has systematically gathered and analyzed data on over 200,000 imported cars, to form the first-ever picture of the country’s light duty vehicle energy efficiency trajectory and to develop scenarios for future policy and fiscal incentives.

At the 10th July 2018 GFEI launch event in Chisinau, member of Parliament Mr. Vladimir Cernat underlined the outcomes of the study as Moldova prepares to strengthen its incentives for electric vehicles (EV) with an additional exemption from circulation/road tax for EVs from 2018. EVs (including motorcycles) are already exempt from registration tax since 2017, with taxation for hybrids at 50 per cent that of conventional vehicles.

Moldova imports vehicles from Germany, Poland, Czech Republic, Romania and Russia. There is currently a registration tax differentiation between new and used cars, but there is no circulation tax differentiation.

Preliminary findings from Moldova’s auto fuel economy baseline include:

- Average auto fuel economy improved from 8.3 Lge/100 km in 2005 to 6.0 Lge/100 km in 2017, an increase of almost 28 per cent. Moldova’s year-on-year rate of improvement is around 2 per cent, close to the 2.4 per cent annual improvement needed to reach the GFEI goal of doubling the world’s fleet fuel economy by 2050.

- Hybrid electric vehicle purchases have shot up from almost zero in 2011 to 2,900 registered in 2017 with new 50 per cent excise exemption.

- A preference for small/medium cars (1000 1500 cc) as percentage of total imports.
- Predominance of used vehicles (about 80 per cent) in new vehicle registrations; the majority of vehicles imported are between 5 to 10 years of age.

- A marked trend toward dieselization, as of 2017 2/3 of liquid fuel imports are diesel, and diesel vehicle imports grew from 25 per cent of (new and used) imports in 2005 to 58 per cent in 2017.

A full report will be published in August 2018.

With support from the Climate and Clean Air Coalition (the Coalition), Moldova has completed a study of fuel quality and consumption. The country imports all fuel from Romania, Russia, with three-quarters of imports from Romania – a country that produces ultra-low sulfur fuel according to European standards. Moldova, however, does not have quality verification or norms of its own and is now in the process of defining a quality management system as well as fuel quality specs not based on the Russian GOST standards. Interestingly, the standards in use in Moldova are not publicly available.

Moldova is also in the process of developing a new guidance document on a national system for monitoring and reduction of greenhouse gas emissions according to Directive 98/70.

The Coalition, with UN Environment as part of the Heavy Duty Vehicles Initiative, continues to support Moldova in this process as part of implementing the Global Sulfur Strategy.

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