

**EU-Moldova Air Transport Agreement***Article 8***Competitive environment**

1. The Parties acknowledge that it is their joint objective to have a fair and competitive environment for the operation of air services. The Parties recognise that fair competitive practices by air carriers are most likely to occur where these air carriers operate on a fully commercial basis and are not subsidised.
2. Within the scope of this Agreement, and without prejudice to any special provisions contained therein, any discrimination on grounds of nationality shall be prohibited.
3. State aid which distorts or threatens to distort competition by favouring certain undertakings or certain aviation products or services is incompatible with the proper functioning of this Agreement, insofar as it may affect trade between the Parties in the aviation sector.
4. Any practices contrary to this Article shall be assessed on the basis of criteria arising from the application of the competition rules applicable in the European Union, in particular from Article 107 of the Treaty on the Functioning of the European Union and interpretative instruments adopted by the European Union institutions.
5. If one Party finds that conditions exist in the territory of the other Party, in particular due to a subsidy, which would adversely affect the fair and equal opportunity of its air carriers to compete, it may submit observations to the other Party. Furthermore, it may request a meeting of the Joint Committee, as provided for in Article 22 (Joint Committee) of this Agreement. From the receipt of such a request consultations shall start within 30 days. Failure to reach a satisfactory agreement within 30 days from the start of consultations shall constitute grounds for the Party that requested the consultations to take action to refuse, withhold, revoke, suspend or impose appropriate conditions on the authorisations of the air carrier(s) concerned, consistent with Article 5 (Refusal, Revocation, Suspension or Limitation of Authorisation) of this Agreement.
6. The actions, referred to in paragraph 5 of this Article, shall be appropriate, proportionate and restricted with regard to scope and duration to what is strictly necessary. They shall be exclusively directed towards the air carrier or air carriers benefiting from a subsidy or the conditions referred to in this Article, and shall be without prejudice to the right of either Party to take action under Article 24 (Safeguard measures) of this Agreement.
7. Each Party, upon notification to the other Party, may approach responsible government entities in the territory of the other Party including entities at the state, provincial or local level to discuss matters relating to this Article.
8. The provisions of this Article shall apply without prejudice to the Parties' laws and regulations regarding public service obligations in the territories of the Parties.