



MOLDOVA

Your next destination
for investments

The Invest Moldova Agency



TOURISM PROMOTION



EXPORT PROMOTION



INVESTMENT ATTRACTION



ECONOMIC DIPLOMACY



Why Moldova?

KEY FACTS



Name:

Republic of Moldova



Capital:

Chişinău ca. 814,000



Population:

3.55 million (January 1st, 2019)



Area:

33,847 km²

Language:



Romanian (Official)

Other spoken languages:



Currency MDL:

1 EUR = 20 MDL (October, 2020)

**EMPLOYMENT
RATE**

2019

40.1%

**INFLATION
RATE**

2019

4.23%

**GDP per capita
at PPP**

2019

\$ 13.527

**GDP current prices,
billion**

2019

\$ 10.262

THE REPUBLIC OF MOLDOVA- YOUR BRIDGE TO WEST AND EAST

FREE TRADE AGREEMENTS WITH:

- European Union – Moldova Association Agreement (DCFTA) – 2014
- Community of Independent States (CIS) (2012)
- Turkey (2017)
- CEFTA countries (2007)
- GUAM countries (2002)
- Member of the World Trade Organization (WTO) – 2001
- Agreements on mutual promotion and protection of investments (34 countries)



Launched negotiations with China
Consultations with EFTA member states & Egypt



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EVOLUTION OF THE EVERAGE GROSS SALARY IN THE ECONOMY

Source: National Bureau of Statistics, 2020



AVERAGE MONTHLY WAGES IN COMPARISON

Source: Trading Economics, Wages, 2020



RENTAL PRICE



2-4 EUR/m²
0.8-2 EUR/m²
in FEZs

Moldova



3.5-4.5 EUR/m²

Romania



4-5 EUR/m²

Serbia

Consumer Prices (incl. rent)
in Chişinău are:

21% - lower than in Budapest
17% - lower than in Bucharest
17% - lower than in Krakow

UTILITY COSTS, 2020

Source: www.numbeo.com

ELECTRICITY

"Premier Energy"

0.09 EUR/kWh - 0.4 kV
0.07 EUR/kWh - 6.10 kV

"FEE Nord"

0.01 EUR/kWh - 0.4 kV
0.08 EUR/kWh - 6.10 kV

WATER

1.8 EUR/m³ - Ceadîr-Lunga

1.62 EUR/m³ - Călăraşi

1.72 EUR/m³ - Soroca

SEWERAGE

1.12 EUR/m³ - Ceadîr-Lunga

1.33 EUR/m³ - Călăraşi

1.13 EUR/m³ - Soroca

GAZ

0.19 EUR/m³ - high pressure

0.2 EUR/m³ - medium pressure

0.22 EUR/m³ - low pressure

Water and sewerage is subject of change, depending on the region.

MOLDOVA- INTERNATIONAL RAITINGS

GLOBAL
COMPETITIVENESS
REPORT 2019

86
out of
141 (+2)

In 2017 as country with the
strongest evolution in the Eurasian region

85
out of
178 (+2)

THE GLOBAL
ECONOMIC
FREEDOM
INDEX 2021

2 years in a row moderately free

MOODY'S
INTERNATIONAL
AGENCY – 2018

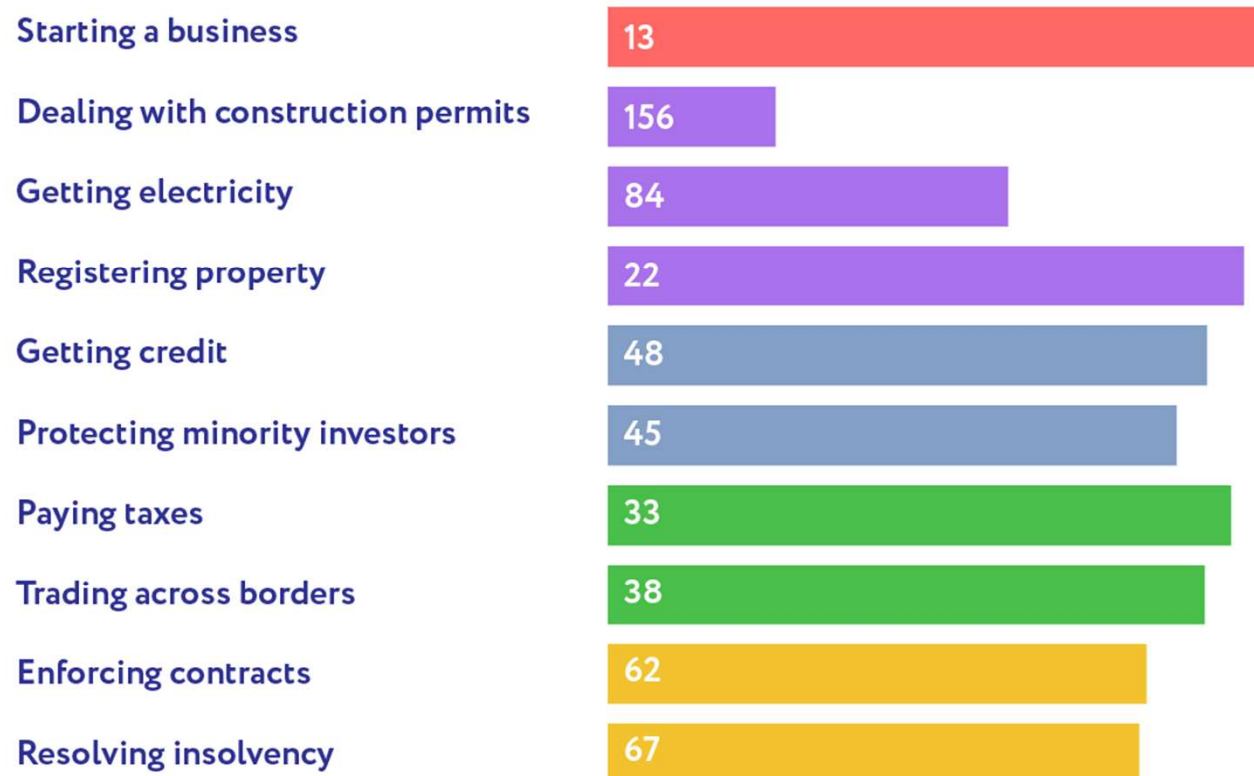
"Stable
Economy"

48
out of
190

EASE OF DOING
BUSINESS 2020
WORLD BANK GROUP

(94 in 2010)

EASE OF DOING BUSINESS- 2020



The Republic of Moldova
is ranked

48
out of
190

1 day and **3** procedures

only to register a business
in Moldova

exceeding:
Hungary, Romania, Italy, Greece

MOLDOVAN TRADE STRUCTURE

EXPORTS 2020

Total volume of Moldovan Exports
2,485 mln. USD

-10.58%



European
Union

1,658 mln. USD
(66,73%)
-6.9%



Commonwealth
of Independent States

376.9 mln. USD
(15,17%)
-13.35%

Source: National Bureau of Statistics

MOLDOVAN TRADE STRUCTURE

EXPORTS 2020



Romania

706,6 mln. USD

28.44%



Germany

225,6 mln. USD

9,08%



Russia

216,7 mln. USD

8,73%



Italy

213,7 mln. USD

8,6%



Turkey

171,7 mln. USD

6,91%



Poland

109,7 mln. USD

4,42%



Czech Republic

80,4 mln. USD

3,24%



Ukraine

69,4 mln. USD

2,8%



Belarus

65,8 mln. USD

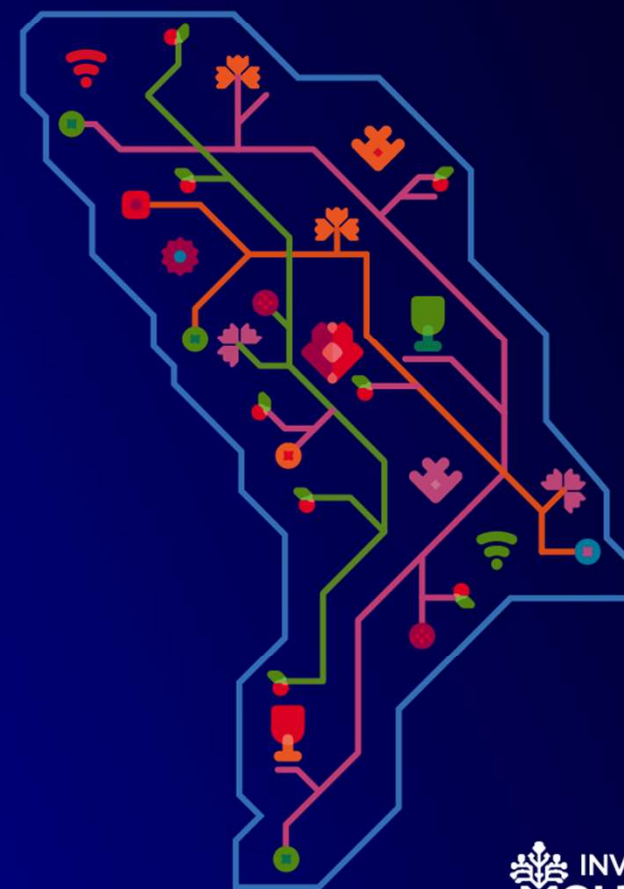
2,65%



Switzerland

61,3 mln. USD

2,47%



MOLDOVAN TRADE STRUCTURE

IMPORTS 2020

Total volume of Moldovan Imports
5,415.7 mln. USD

-7.3%



**European
Union**

**2,470 mln. USD
(45.62%)
-12.7%**



**Commonwealth
of Independent States**

**1,317.6 mln. USD
(24.33%)
-7%**

**Other
countries**

30.05%

Source: National Bureau of Statistics

MOLDOVAN TRADE STRUCTURE

IMPORTS 2020



China

645 mln. USD

11,9%



Romania

631.5 mln. USD

11,7%



Russia

603.1 mln. USD

11,1%



Ukraine

527.5 mln. USD

9,7%



Germany

452.2 mln. USD

8.4%



Turkey

388.2 mln. USD

7,2%



Italy

346.8 mln. USD

6,4%



Poland

217.1 mln. USD

4.0%



France

121.2 mln. USD

2.2%



Belarus

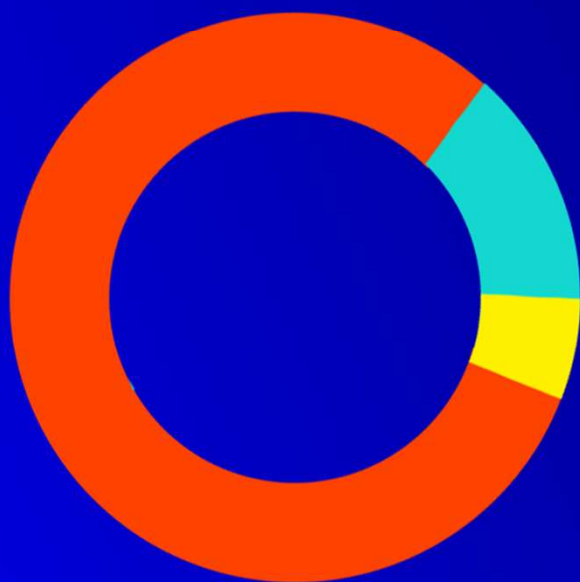
113.9 mln. USD

2.1%



FOREIGN DIRECT INVESTMENTS 2019

Direct investments
in the form of shares
and accumulated shares



European Union
countries

■ 81,7%

CIS
countries

■ 6%

Other
countries

■ 12,3%



FDI net inflows 2019

\$ 501.61 million (+225% more compared to 2017)

New investments in Moldovan enterprises

\$ 434.66 million (61% more compared to 2018)

Reinvestment of profits by foreign investors
in Moldovan subsidiary companies

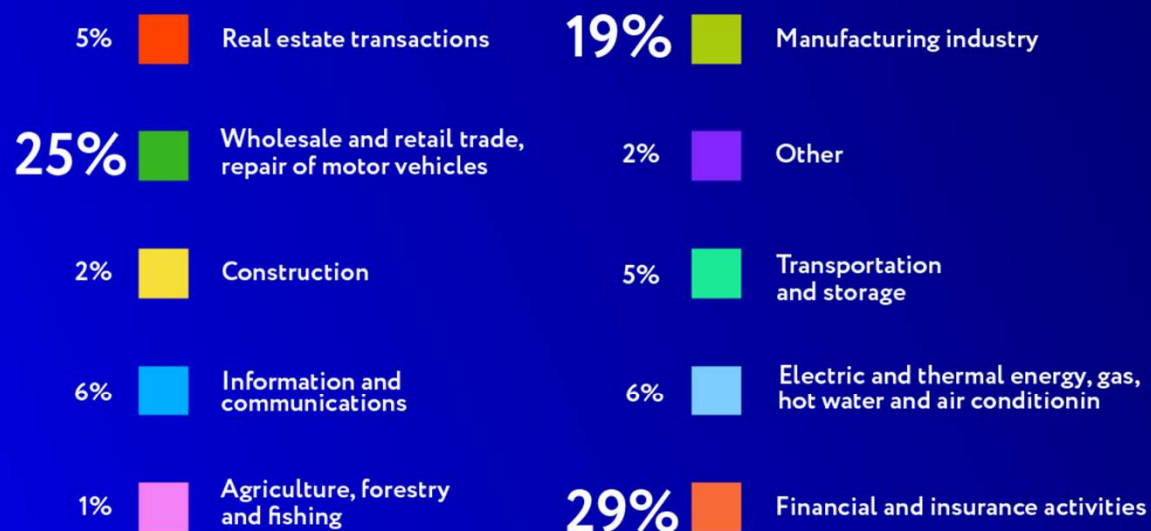
\$ 50.97 million (25% decrease from 2018)

Net foreign capital inflows in the form
of FDI in the Republic of Moldova

1.1 % in relation to GDP

FOREIGN DIRECT INVESTMENTS OVERVIEW 2019

Foreign Direct Investments
by TOP group of goods - 2019 (stock)



Source: National Bank of Moldova

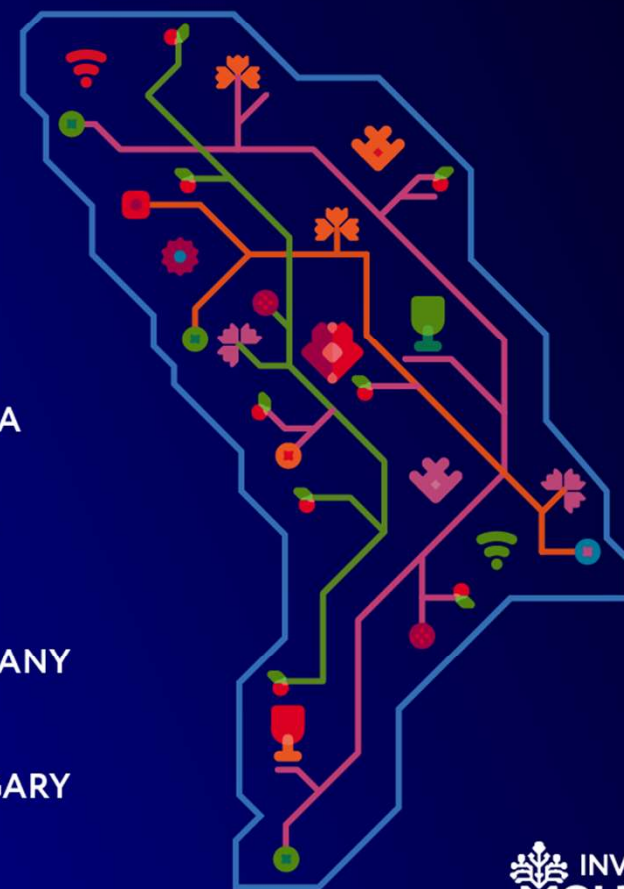
FOREIGN DIRECT INVESTMENTS OVERVIEW 2019

Foreign Direct Investments by TOP group of countries

(Direct investments in domestic economy stock - equite,
by main countries (US\$ million))

1		CYPRUS	4		FRANCE	7		RUSSIA
2		THE NETHERLANDS	5		UK	8		ITALY
3		ROMANIA	6		BULGARIA	9		GERMANY
						10		HUNGARY

Source: BNM



INVESTMENT FRIENDLY FISCAL SYSTEM

Corporate Income Tax

 **Moldova**
12%

 Romania
16%

 Ukraine
18%

 Russia
20%

 Slovakia
21% (in 2020)

 Italy
24% (in 2020)

Value Added Tax

 Romania
19%

 **Moldova**
20%

 Russia
20%

 Ukraine
20%

 Slovakia
20%

 Italy
22%

Social Insurance Contributions

 Ukraine
22%

 **Moldova**
24%

 Romania
25%

 Italy
30%

 Russia
30%

 Slovakia
35.2%

REFORMS IN ENTREPRENEURSHIP

REGULATORY REFORM

- Reduced number of permissive documents from **400** to **151**
- Launch of One-Stop Shop (July 2018)
- **131** documents online

FINANCIAL REPORTING REFORM

- Replacing **5** existing reports with one consolidated version
- Unique reporting platform with one authority

REFORM OF THE STATE CONTROL

- Advisory role for the first **3** years
- **13** institutions with control functions
- Digitalization of Control Processes

FREE ECONOMIC ZONES

7 FEZ / 34 subzones



INCENTIVES

3 and 5

years income tax exemption
if investing 1 and 5 million USD

0

VAT + excise duties

10

years state warranty in case
of change of legislation

6%

corporate income tax
instead of 12%



**INVEST
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THE NATIONAL STRATEGY FOR INVESTMENT AND EXPORT PROMOTION 2016 - 2020

Agrifood



Automotive
& Electronics



ICT
& BPO



TAFL



Tourism



Infrastructure



INFORMATION AND COMMUNICATIONS TECHNOLOGY SECTOR

Third sector of the national economy with a fastest growth rate: **+40-50%** third year in a row, **~7%** of GDP (incl. 3% for IT)

Dedicated policies applied
(**Strategic framework**, **Law on IT Parks** and **on IT Visa**)

Highly qualified & multilingual human resource
(over **30k** employed ICT professionals)

Global top 5 by the accessibility of Gigabit Internet
(after Singapore, South Korea, Malta and Monaco)

98%

- points of presence of fiber optic backbone network (PoP)

98%

- coverage of mobile communications networks (4G)

IT Services and **products** – one of the main chapters of exports
(surpassed wine exports second year in a row)

Source: National Bureau of Statistics / Gigabitmonitor.com / Worldwide broadband price comparison



MOLDOVA IT PARK

Flat tax system for the residents of the Moldova IT Park at 7% of the sales income, incorporating:

Social security
(employee & employer)

PIT
Personal Income Tax

CIT
Corporate Income Tax

Road Tax



MOLDOVA IT PARK

www.moldovaitpark.md



660

residents
in first 2,5 years of activity

329

of them - new created
companies

Over

145

of them - foreign companies,
originating from 34 countries

11 400+

employed IT professionals



BEST ECOSYSTEM PRACTICE
BY INTERNATIONAL TECHNOLOGY UNION

(2019)



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AGRICULTURE AND FOOD PROCESSING SECTOR

12%

Share of agricultural production in GDP

25%

Growth from 2015 to 2018

45%

of total exports

exports in

70+

countries (85% trade - EU & CIS)

8%

VAT (standard VAT rate -20%)



Viticulture and Wine



Fruits and Vegetables

more than

40%

of exports

POTENTIAL
IN ORGANIC
FARMING



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WINE INDUSTRY 2019



**WINE OF
MOLDOVA**
A LEGEND ALIVE

VALUE mln.\$
2019: EXW-bottled



1st

position in agri-food
export (15%)

7%

Moldova's total export

2%

of the GDP

20th

wine producer
in the world (2019)

3%

of the territory
of the country

7%

agricultural surfaces

#1

in the world
with the highest
density
of vineyards

#6

in Europe
by vines surface

199

wineries

980

enterprises &
6 institutions
of Education working
for Wine and
Oenotourism,
Research
and Technology

every **4th**

active Moldovan
involved
in the wine
sector
(52 000 viticulturists)

GUINNESS BOOK – Milestii Mici
largest winecellar by number of bottles
(over 1.5 million bottles)

Cricova
- underground wine city,
over 70 km galleries

National Wine Day
(18 editions)

**INVEST
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TEXTILE, APPAREL, FOOTWEAR AND LEATHER INDUSTRY

16%

of the country's total export
volume & 5% of GDP (2018)

over

95%

is exported
(mainly to the EU countries)

recording

10%

export growth each
year since 2015

- Orders Fast Fashion - executed on average within 2 weeks
- Most major destinations EU and CIS can be reached within 2 truck days
- Burberry, Moncler, Nike, Armani, Max Mara, Zara – Made in Moldova
- Over 100 Moldovan Fashion Brands emerged with 26% domestic growth



Apparel



Accessories



Textile



Footwear



Leather



Carpets

AUTOMOTIVE AND MACHINE BUILDING SECTOR

15.2%

of GDP - Industry contribution
(2018)

11%

growth exports - registered
437 mln euro (2018)

20.9%

share of total country export

190000

people employed

Success Stories

● Draexlmaier Automotive (wiring harnesses)
4th plant in 2018, having R&D Center in Chişinău

● Gebauer & Griller (cables) 2nd plant in 2017

● Fujikura Automotive (wiring harnesses)
2nd plant in 2018



Cable assemblies
and wiring harnesses



Carpets & rugs



Electronics components
and systems



Foams & felts



Rubber Components



Injections & molded parts



Fastening systems (seatbelts)



Car seat covers, trim

WHY MOLDOVA?



Strategic

geographical
location



Multilingual

population and affordable
labour force



Competitive

operational
costs



Advanced

IT infrastructure
at competitive costs



Digital

in Public services
(E-Government and
E-Raporting, E-Documents,
One-stop-shop



Special

Government Incentives
- Law on IT Parks, FEZ
and Industrial parks



Attractive

fiscal system

**INVESTORS COMING FROM
60 COUNTRIES**
over 10 000 foreign / joint companies



GROW IN MOLDOVA

a promise &
an invitation



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