

A large green arrow graphic pointing to the right, located on the left side of the slide.

Business climate of the Republic of Moldova

THE REPUBLIC OF MOLDOVA – YOUR BRIDGE TO WEST AND EAST



Moldova –

the newest emerging investment destination





THE REPUBLIC OF MOLDOVA – OPEN ECONOMY

 European Union – Moldova Association Agreement /(DCFTA) - 2014

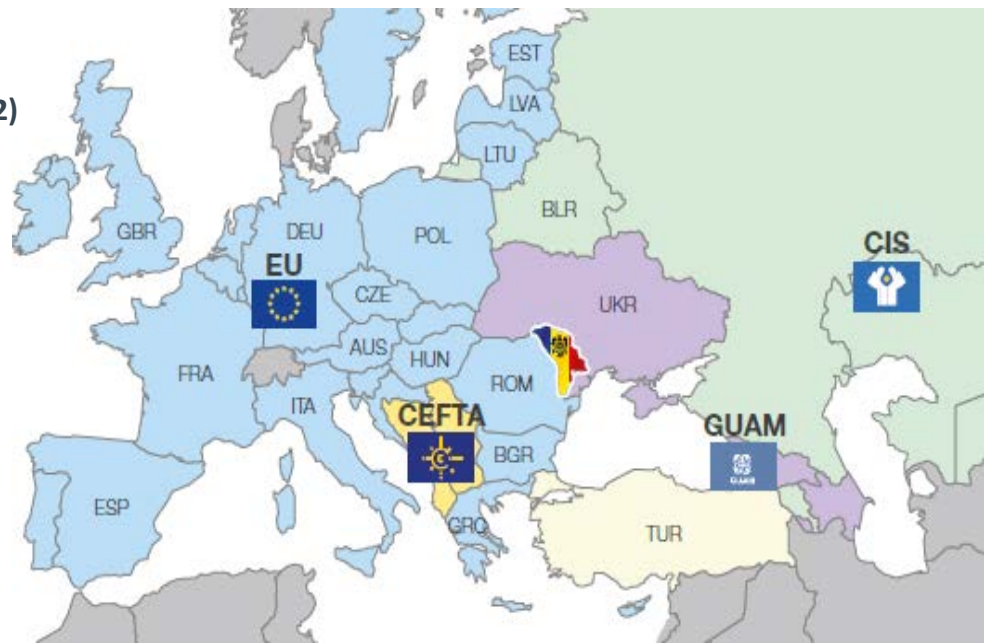
 Free Trade Agreement with Turkey (2017)

 Member of the Community of Independent States (CIS) (2012)

 Member of the World Trade Organization (WTO) - 2001

 Member of CEFTA - 2007

 Launched negotiations with China and Egypt



MOLDOVA – INTERNATIONAL RAITINGS

EASE OF DOING BUSINESS 2018 – WORLD BANK GROUP

44 out of 190

GLOBAL COMPETITIVENESS INDEX 2017-2018

89 out of 137 (11 positions up)
remarked as

country with the strongest evolution in the Eurasian region

MOODY'S INTERNATIONAL AGENCY - 2018

rating from "Negative B3" to

"Stable Economy"

GLOBAL LOCATION TRENDS 2017

Ranked 6

Top destination country by estimated jobs per million inhabitants

(exceeding Ireland, UAE, Hungary, Czech Republic)

NATIONAL GEOGRAPHIC 2017
10 Places That Deserve More Travelers

***2013- least visited country in Europe**



MOLDOVAN TRADE STRUCTURE – EXPORTS 2017



Total volume of Moldovan exports

2,425 mln. USD

+19% ↑



European Union

1,596.9 mln. USD
(65,8%)

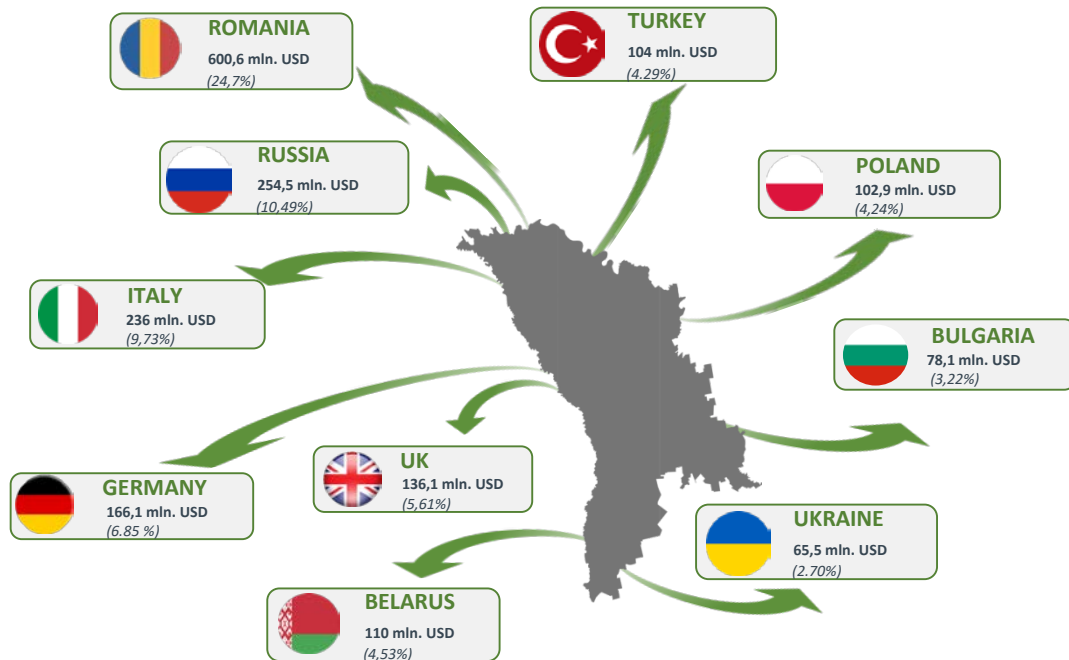
+20 ↑



Commonwealth
of Independent States

462.9 mln. USD
(19%)

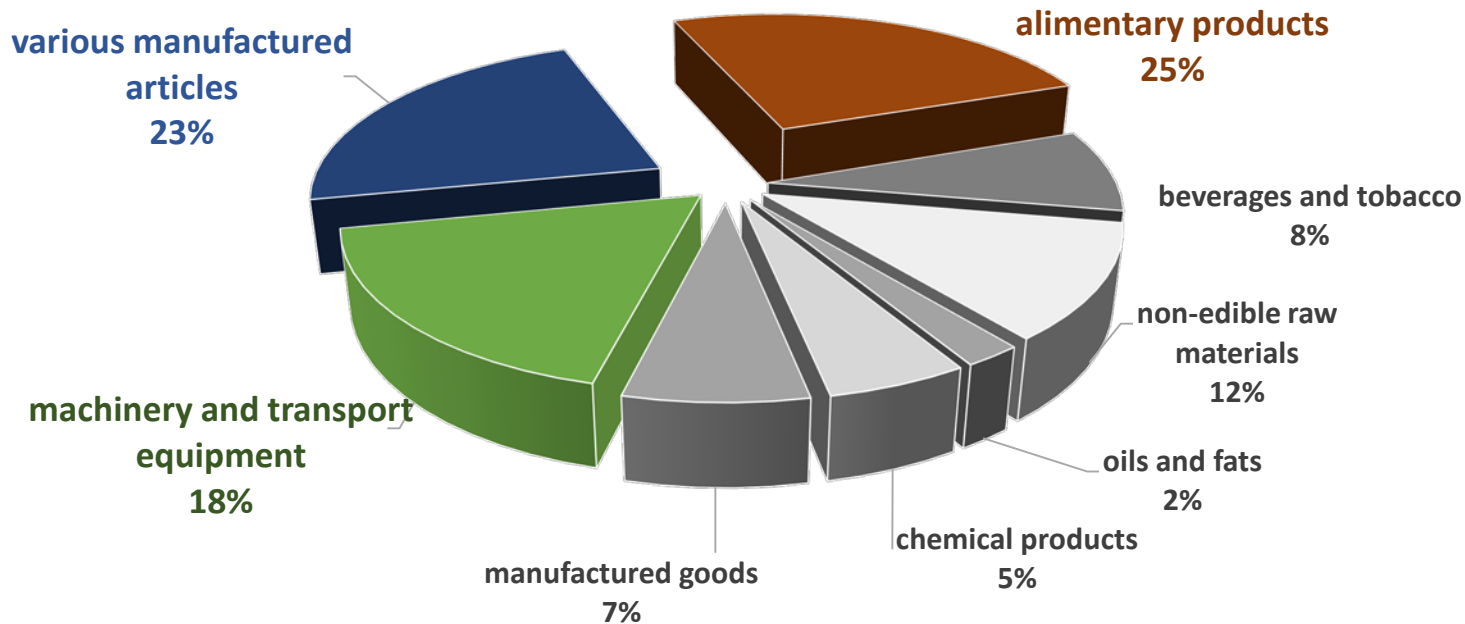
+11% ↑



EXPORT STRUCTURE – 2017

Export structure by groups

TOP goods exported by the Republic of Moldova





MOLDOVAN TRADE STRUCTURE – IMPORTS 2017

Total volume of Moldovan imports
4831,4 mln. USD



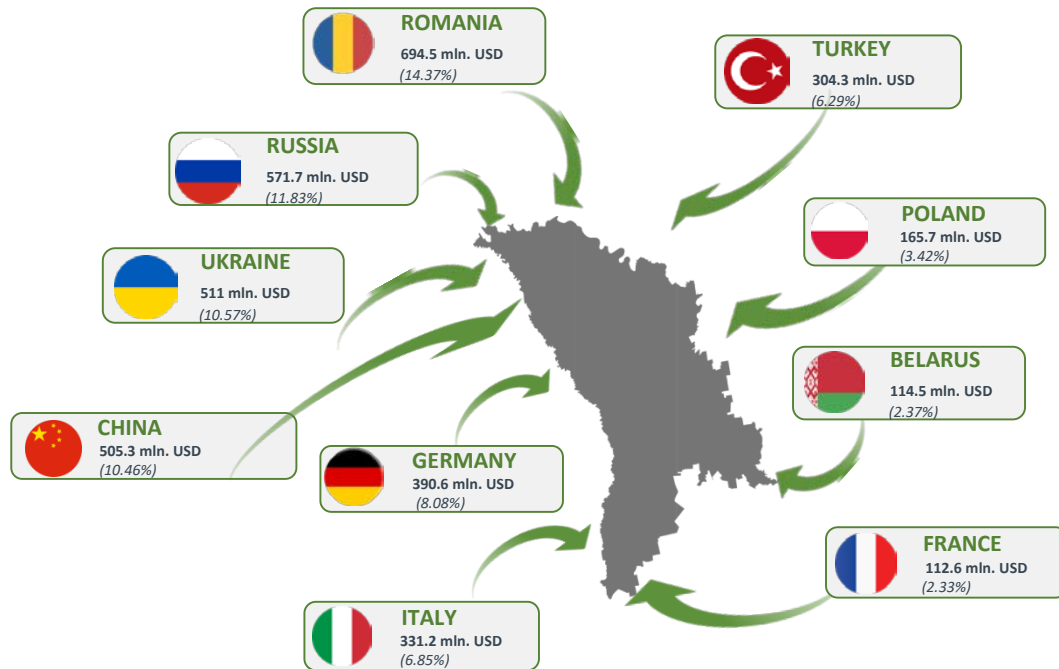
European Union

2,389.1 mln. USD
(49 %)



Commonwealth
of Independent States

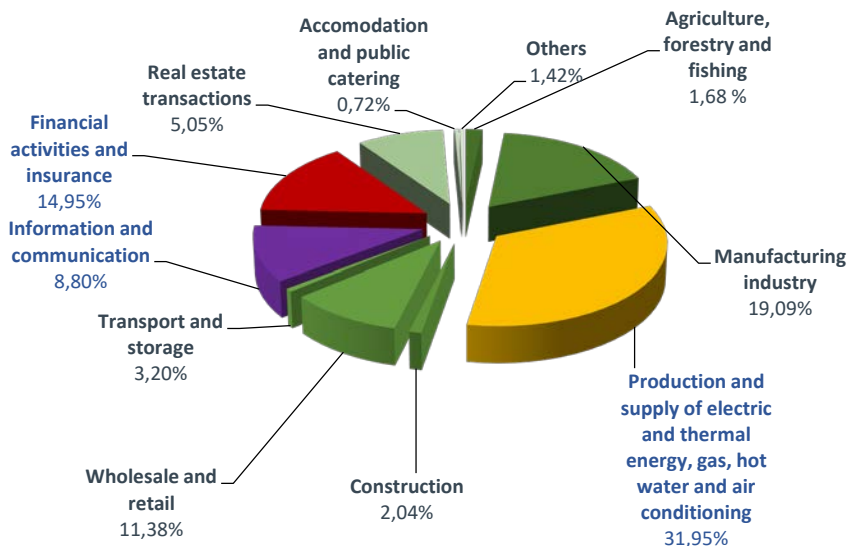
1,206.1 mln. USD
(25%)



FOREIGN DIRECT INVESTMENTS – OVERVIEW 2017

Foreign Direct Investments

by TOP group of goods (first 9 months) – 2017 (stock)



Source: National Bank of Moldova

Foreign Direct Investments

by TOP group of countries (first 9 months) – 2017 (stock)

1	RUSSIA	– 818,23 mln. USD
2	THE NETHERLANDS	– 421,80 mln. USD
3	CYPRUS	– 317,44 mln. USD
4	SPAIN	– 286,87 mln. USD
5	FRANCE	– 261,68 mln. USD
6	ITALY	– 169,16 mln. USD
7	ROMANIA	– 181,93 mln. USD
8	GERMANY	– 145,33 mln. USD
9	GREAT BRITAIN	– 58,25 mln. USD
10	SWITZERLAND	– 49,79 mln. USD

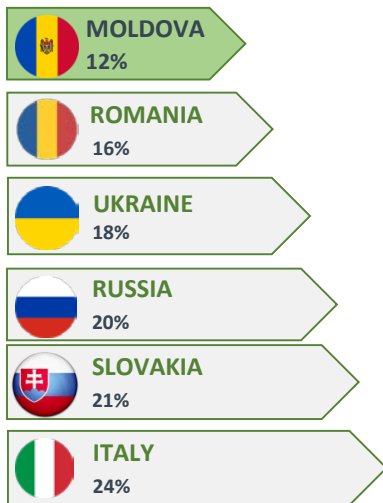
Source: National Bank of Moldova



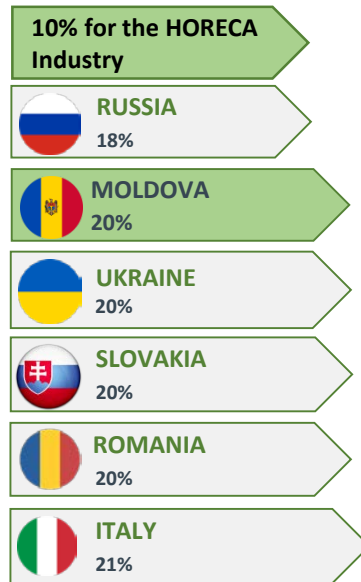


INVESTMENT FRIENDLY FISCAL SYSTEM

Corporate Income Tax



Value Added Tax



Social Insurance Contributions





REFORMS IN ENTREPRENEURSHIP

Regulatory reform

- ⚙️ Reduced nr of permissive documents from 416 to 152
- ⚙️ Launch of One-Stop Shop (July 2018)

Financial reporting reform



Reform of the state control

- ⚙️ Advisory role for the first 3 years
- ⚙️ Reduced the number of institutions with control functions

INVESTMENT FRIENDLY ENVIRONMENT



JOB SUBSIDY REGULATION

Purpose: to stimulate businesses for job creation

Beneficiary - any legal entity practicing entrepreneurial activity in the Republic of Moldova.

The amount of the subsidy for a job created - 2 000 EUR for 2018.



MOLDOVAN CITIZENSHIP THROUGH INVESTMENTS

The minimum amount of the contribution to the Public Investment Fund for Sustainable Development is the equivalent of 100,000 euros

The minimum investment value in at least one of the strategic development areas of the Republic of Moldova is the equivalent of 250,000 euros.

INCENTIVES

No VAT and excise duties

3 and 5 years **income tax exemption**
if investing 1 and 5 million USD

6% corporate income tax instead of 12%

10 years **state warranty** in case of change of
legislation



GIURGIULESTI INTERNATIONAL FREE PORT



- ✓ The only direct sea/river-borne transshipment and distribution point to and from the Republic of Moldova
- ✓ Regional logistics hub on the border of the EU with access to road, rail, river, sea



Incentives

- 3 % corporate income tax
- exemption from excise taxes and import VAT
- exemption from import and export duties
- exemption of import duties into the rest of Moldova for goods that originate from Giurgiulesti International Free Port
- exemption of foreign employees from social insurance contributions

EXPORT COMPETITIVENESS

The National Strategy for Investment and Export Promotion 2016 - 2020



1

agriculture
and food
industry



2

automotive
industry



3

manufacture of
machinery and
parts



4

electric devices



5

light industry



6

information and
communications



7

BPO



MOLDOVAN COMPETITIVENESS – INVESTMENT AND EXPORT POTENTIAL

Agriculture and Food Processing Sector



Viticulture and Wine



Fruits and Vegetables



Walnut Growth and Sorting



Cereal Crops



Sugar Production



Organic Farming



Oleaginous Plants

more than 40%
of exports



- **Share of agricultural production in GDP** was about **12%** in recent years
- Moldova supplies agricultural products in more than **70 countries**
- Moldova's main trade partners are EU & CSI which together account for **85% of the country's foreign trade.**
- One of the **largest suppliers** of nuts to the European Union.

Textile, Apparel, Footwear and Leather Industry



Textile



Apparel



Leather



Accessories



Footwear



Carpets



- 20% of the country's total export volume
- 86% is exported to the EU countries
- Burberry, Moncler, Nike Armani, Max Mara, Zara produce in Moldova
- **Orders** are executed and delivered on average within **2 weeks**
- Most major destinations both from the **EU and CIS** can be reached within **2 truck days**

Automotive and Machine Building Sector



Cable Assemblies and Wiring
Harnesses



Carpets/ Rugs



Electronic Components and Systems



Foams/ Felts



Rubber Components



Injection/ Molded parts



Fastening systems (seatbelts)



Car seat covers, trim



Success Stories

- **Draexlmaier Automotive** (wiring harnesses) 4th plant opened in 2018
- **Gebauer & Griller** (cables) – 2nd plant in 2017
- **Fujikura Automotive** (wiring harnesses) – 2nd plant opened in 2018

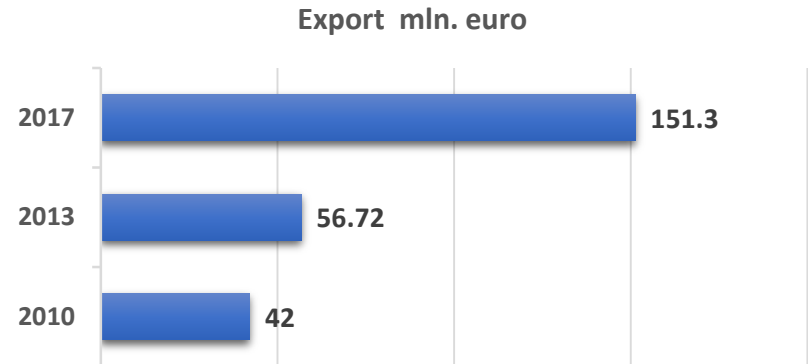
- The share of industry in GDP increased to 20% in 2017
- **Export volume** has practically **doubled over the last years** - more than 458 million (in 2017)
- Number of jobs created - doubled to about 12 000 in 2017

MOLDOVAN COMPETITIVENESS – INVESTMENT AND EXPORT POTENTIAL



Information and Communications Technology Sector

- Sector with a fast pace of development; **Triple export** in 2017 compared to 2013.
- Average internet speed – **4th place in the world**
- Highly **qualified and multilingual human resources**
- **100% mobile penetration rate** of the country's surface
- **80%** coverage of 4G
- The **first IT virtual park** in Central and Eastern Europe - over 200 residents in half a year of existence
- **Over 1000 companies** with over 20,000 employees



Source: National Bureau of Statistics

MOLDOVAN COMPETITIVENESS – INVESTMENT AND EXPORT POTENTIAL



Information and Communications Technology Sector

INFORMATION TECHNOLOGY PARKS IN THE REPUBLIC OF MOLDOVA

(according to the Law Nr. 77 of 21.04.2016 on the Information Technology Parks)

Unique Tax Charged by residents of IT
Parks

7% of the sales income*

Eligible activities in the Information Technology Parks

customized software development activities customer-oriented software)

computer game editing activities

editing of other software products

management activities (management and operation) of computing means

data processing, web pages management and related activities

web portal activities

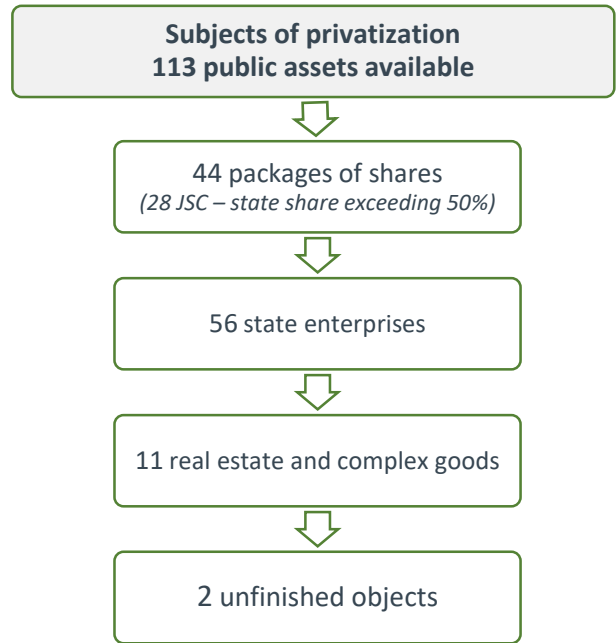
information technology consultancy activities

other information technology service activities

PRIVATIZATIONS – 2018



Moldovan general privatization assets



Moldovan strategic privatization assets

I. Communication Technologies



II. Banking sector



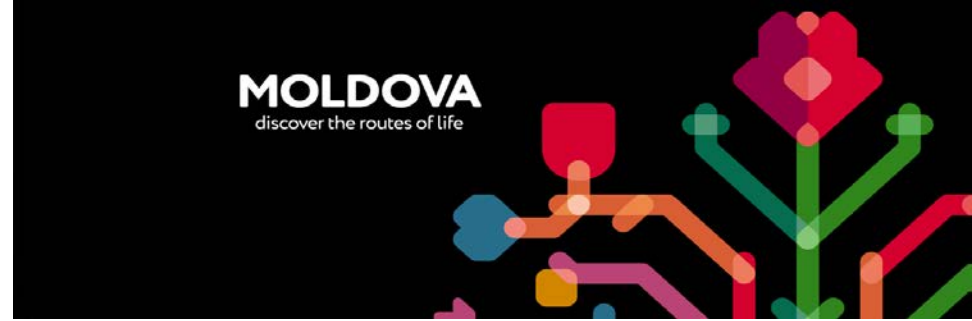
III. Electrical distribution networks



MOLDOVAN COMPETITIVENESS – TOURISM



Wine tourism



Gastronomic
tourism



- **Lonely Planet's** 2013 "Traveler's Choice" survey voted **Moldova #2** in the "Off the Beaten Path" category
- **National Geographic** 2017 includes Moldova as one of 10 Places That Deserve More Travelers
- In 2016 an **increase of 20%** in the **number of accommodation bookings**
- Rural pensions registered **3 times more visitors** compared to 2016
- Number of **wineries offering touristic services** has doubled
- Number of **visitors of wine destinations** has increased by **20%**

Rural
tourism



SUCCESS STORIES OF FOREIGN INVESTORS



The Council for the promotion of projects of national importance, chaired by the Prime Minister, was created in 2016

Financial Services Sector



Information and Communications Technology Sector



Industrial Production Sector



Gebauer & Griller



ONE STOP SHOP FOR INVESTORS



PROJECT MANAGEMENT ASSISTANCE AND PROVIDING INFORMATION

General data and statistics for investor feasibility study support

Sector-specific details & information of legislation

Joint project management assistance with FEZs & IPs administration

Identification of sector-specific partners

Coordination and support of negotiations with local authorities



LOCATION CONSULTING/ SCOPING MISSION SUPPORT

Information on suitable locations

Relevant site presentation and preselection

Identification of sourcing opportunities

Site visit organization
Arranging meetings

Final site decision support



AFTERCARE/ POST-INVESTMENT SUPPORT SERVICES

Offering information on relevant tax, legal and administrative issues

Connecting with relevant recruitment and other consulting companies

Facilitation and communication with relevant bodies

Advice on administrative and legal issues

Supporting investors and associations in their efforts to improve the business climate



MOLDOVA – YOUR NEXT DESTINATION

PLEASE, SAVE THE DATE



**Moldova
Business
Week 2018**

<https://www.mbw.md/>

**27-29 November 2018
Radisson Blu Leograd Hotel,
Chisinau**

BIGGEST BUSINESS EVENT OF THE YEAR



Thank you for Investing in Moldova

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