

# MOLDOVA

Your next destination  
for investments

**Why Moldova?**

# 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

 INVEST  
MOLDOVA

# MOLDOVA- INTERNATIONAL RAITINGS

GLOBAL  
COMPETITIVENESS  
REPORT 2019

86  
out of  
141 (+2)

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

87  
out of  
180 (+10)

THE GLOBAL  
ECONOMIC  
FREEDOM  
INDEX 2020

The Moldovan economy moves up to the moderately free category (previously mostly unfree)

MOODY'S  
INTERNATIONAL  
AGENCY – 2018

"Stable  
Economy"

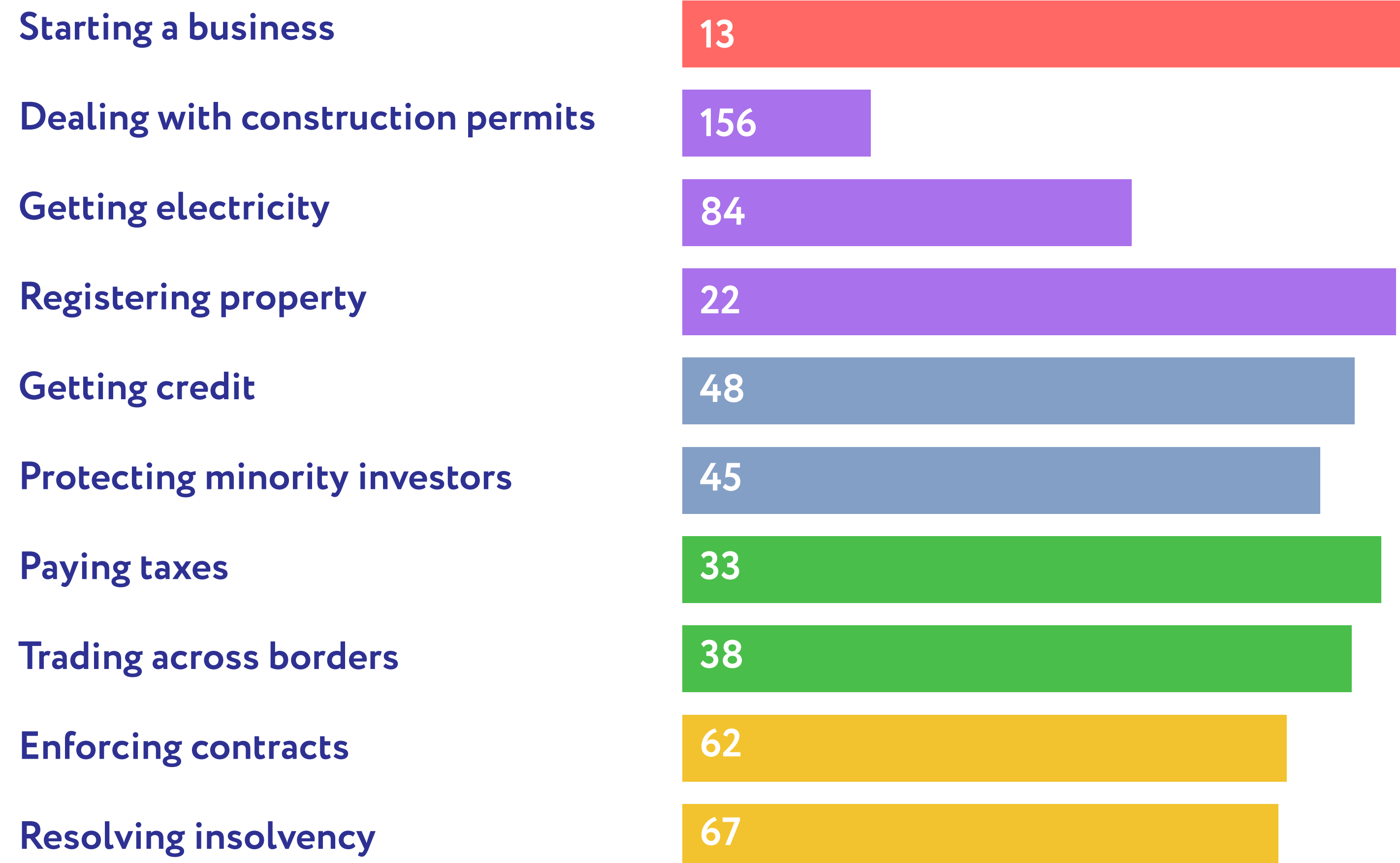
rating from **NEGATIVE B3**

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 2019

Total volume of Moldovan Exports  
**2,779 mln. USD**

**+2.7%**



**European  
Union**

**1830,5 mln. USD  
(65,9%)**

**-1.7%**



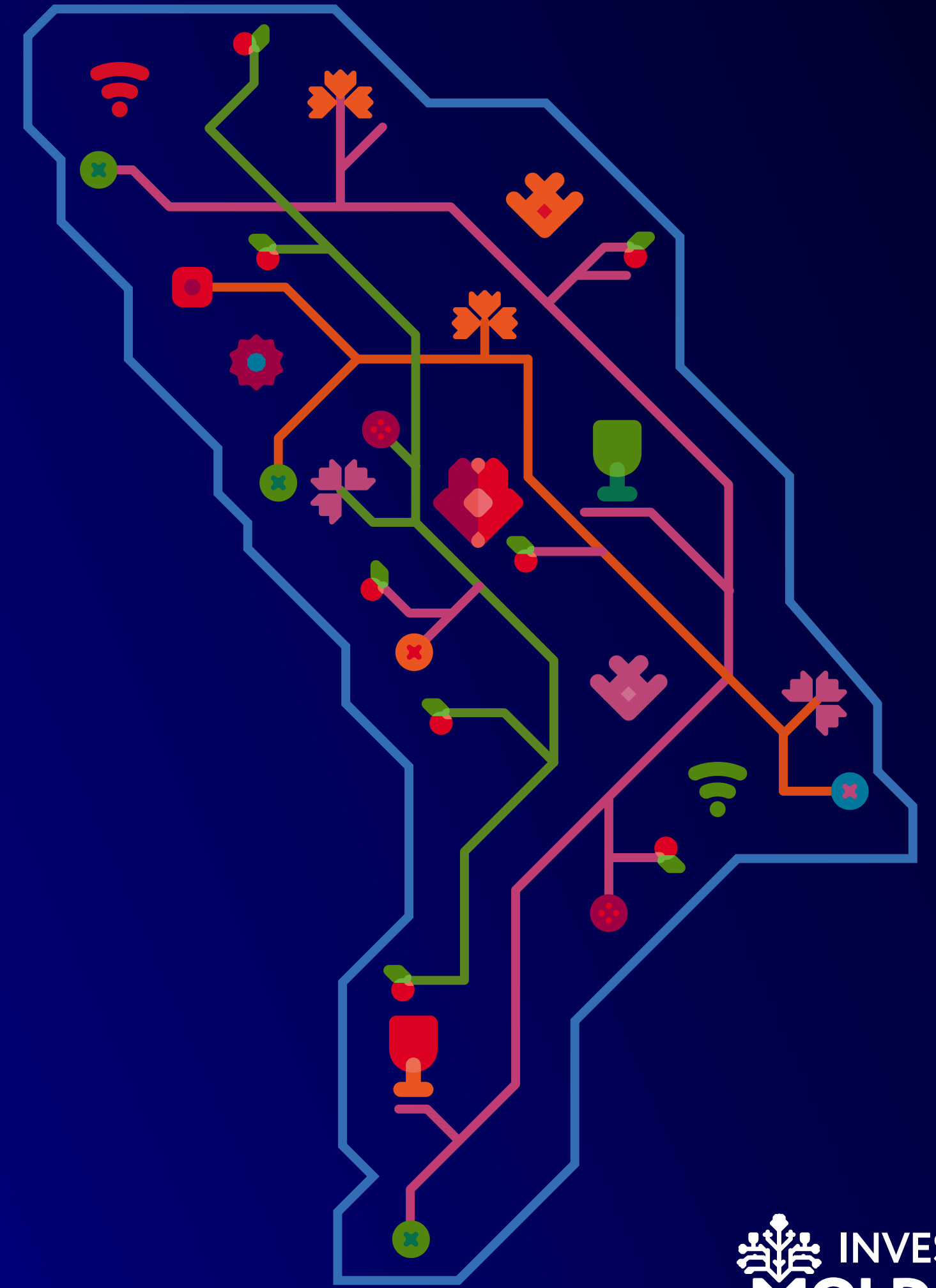
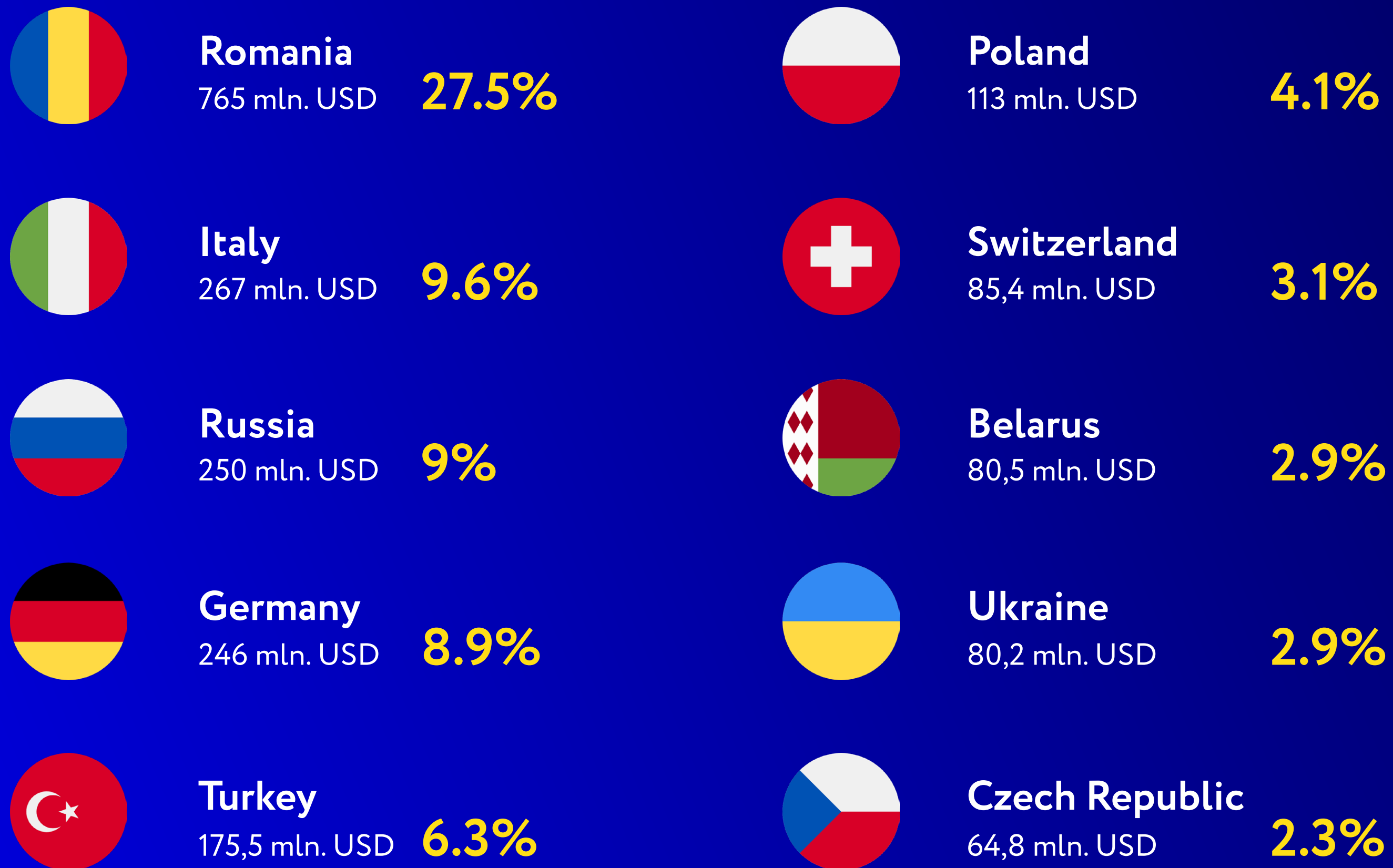
**Commonwealth  
of Independent States**

**435 mln. USD  
(15,7%)**

**+4.6%**

# MOLDOVAN TRADE STRUCTURE

## EXPORTS 2019



# MOLDOVAN TRADE STRUCTURE

## IMPORTS 2019

Total volume of Moldovan Imports  
**5.841,8 mln. USD**

**+1.4%**



**European  
Union**

**2,890 mln. USD  
(49,5%)**

**+1.4%**



**Commonwealth  
of Independent States**

**1.416,6 mln. USD  
(24,2%)**

**-2.2%**

**Other  
countries**

**26.3%**



# MOLDOVAN TRADE STRUCTURE

## IMPORTS 2019



**Romania**

841 mln. USD

**14.4%**



**Russia**

692 mln. USD

**12.8%**



**China**

602 mln. USD

**10.3%**



**Ukraine**

569 mln. USD

**9.7%**



**Germany**

484,2 mln. USD

**8.3%**



**Italy**

406,4 mln. USD

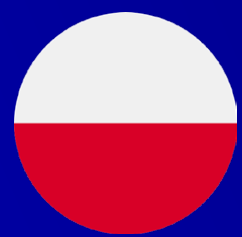
**7%**



**Turkey**

400,5 mln. USD

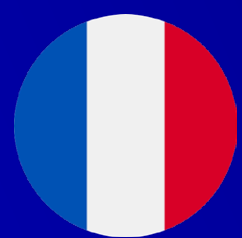
**5.9%**



**Poland**

201,6 mln. USD

**3.5%**



**France**

147 mln. USD

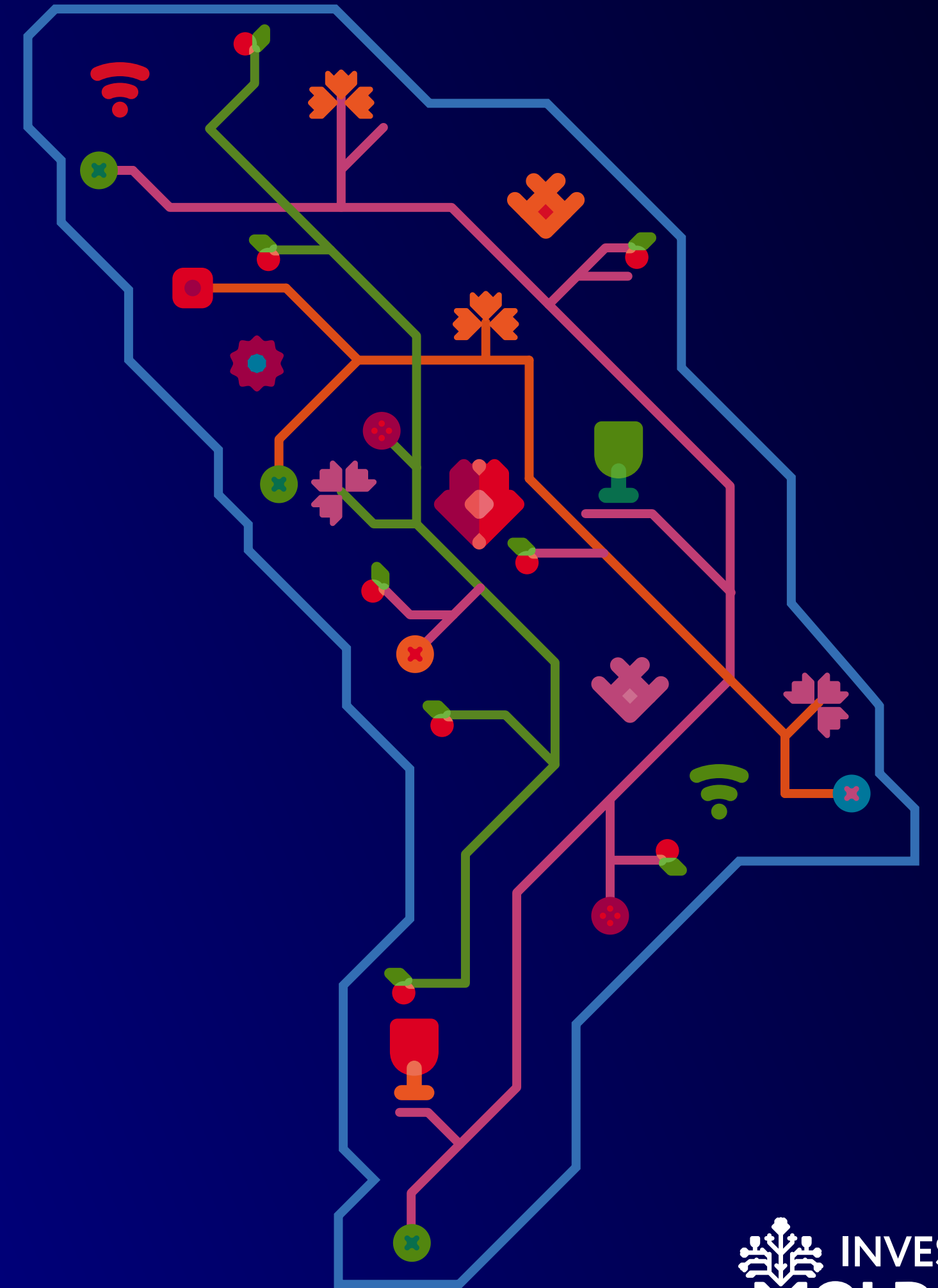
**2.5%**



**Belarus**

131 mln. USD

**2.2%**



# 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

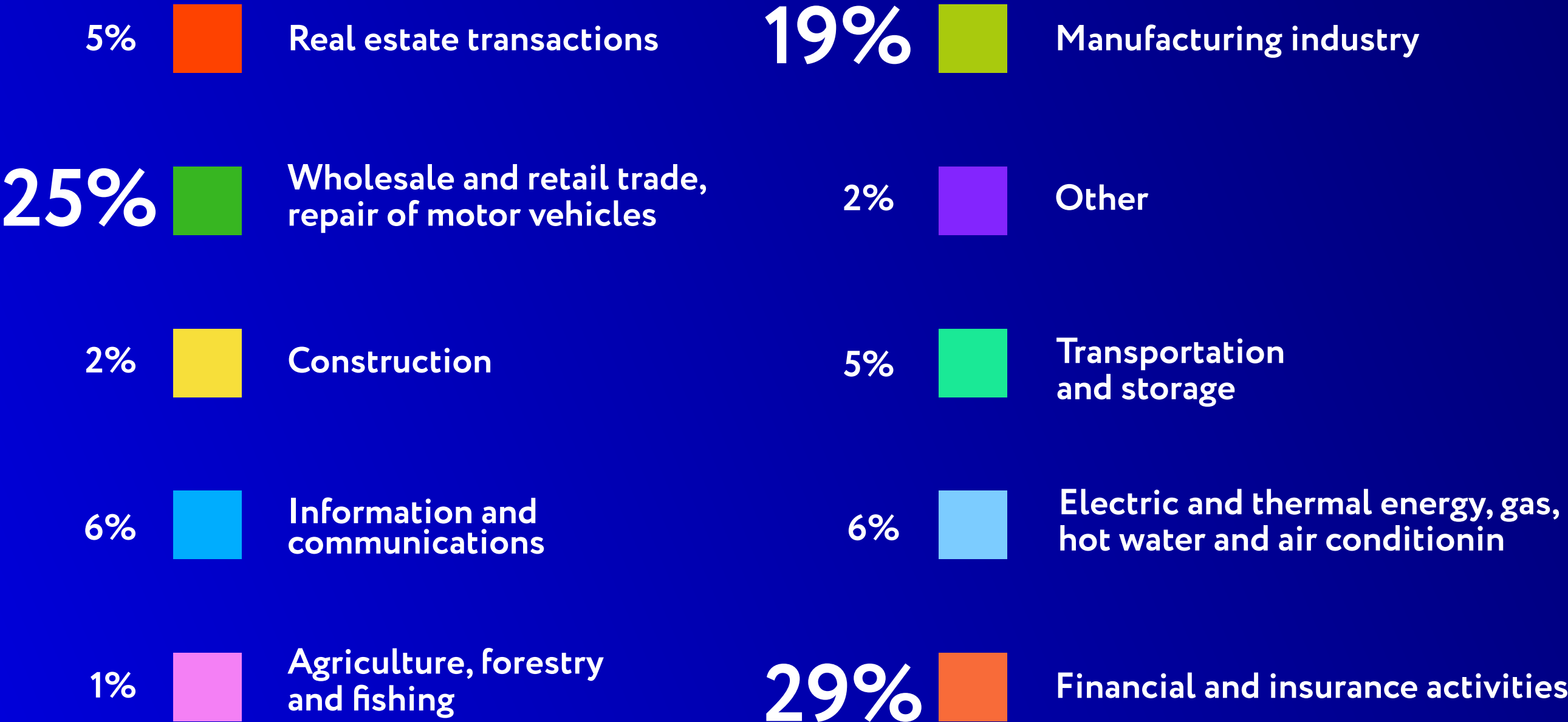
**\$ 50.97 million** (25% decrease from 2018 )

**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))




Source: BNM

# INVESTMENT FRIENDLY FISCAL SYSTEM

## Corporate Income Tax


 **Moldova**  
12%

 Romania  
16%

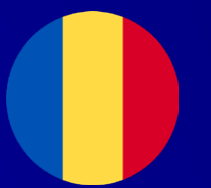
 Ukraine  
18%

 Russia  
20%

 Slovakia  
21%

 Italy  
24%

## 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%



# THE NATIONAL STRATEGY FOR INVESTMENT AND EXPORT PROMOTION 2016 - 2020

Agrifood

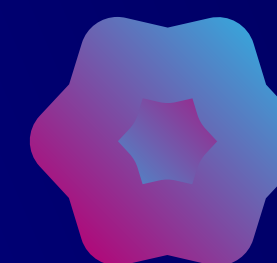
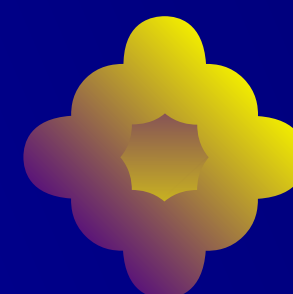
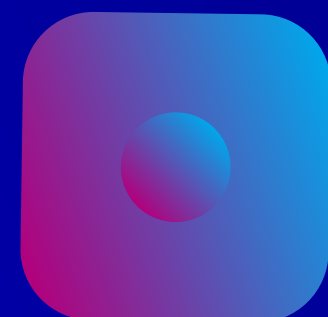
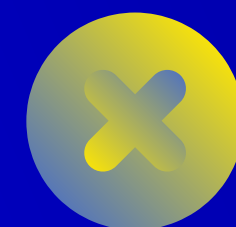
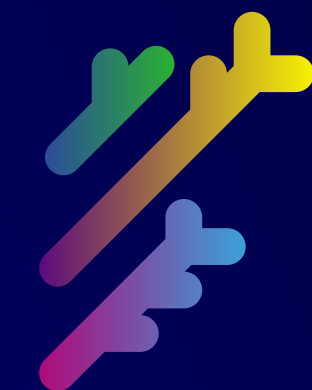
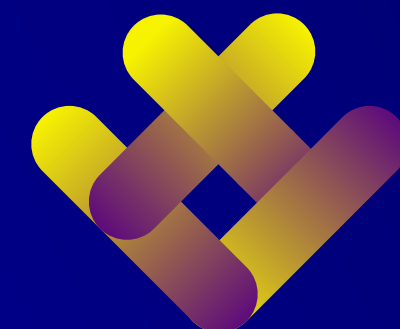
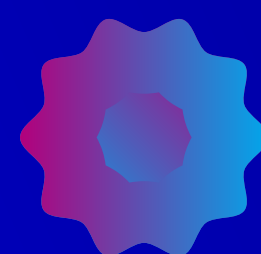
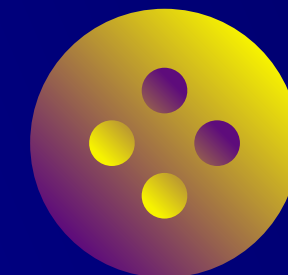
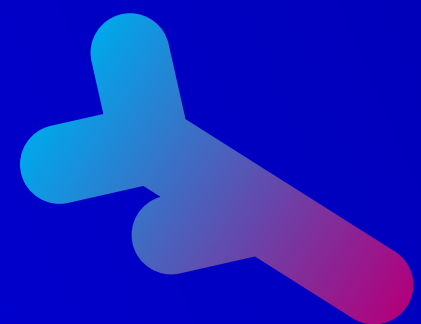
Automotive  
& Electronics

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)

# MOLDOVA IT PARK

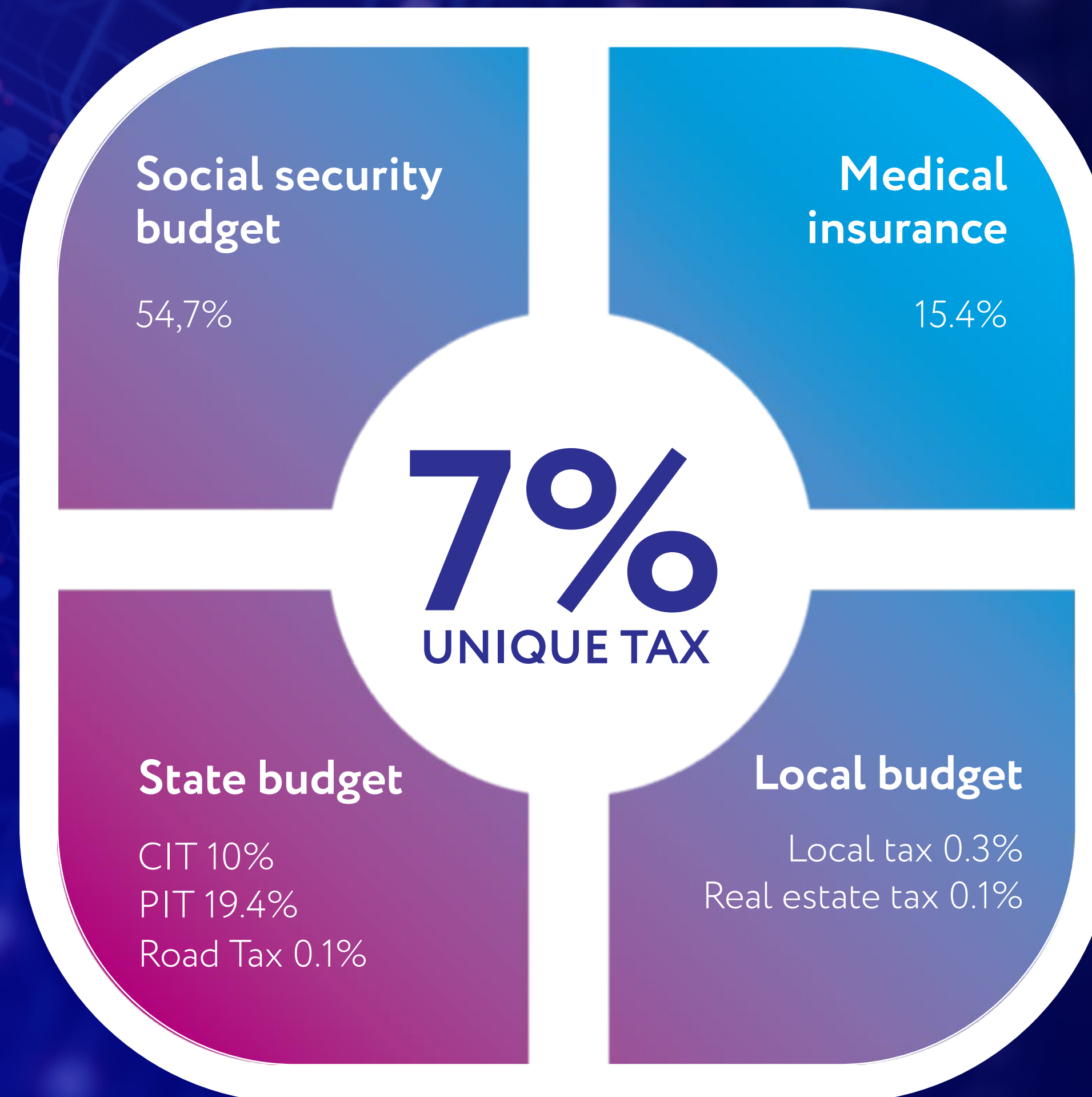
Flat tax system for the residents of the Moldova IT Park at 7% of the sales income, incorporating:

Social security  
(employee & employer)

PIT  
Personal Income Tax

CIT  
Corporate Income Tax

Road Tax



# MOLDOVA IT PARK

[www.moldovaitpark.md](http://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)



# 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



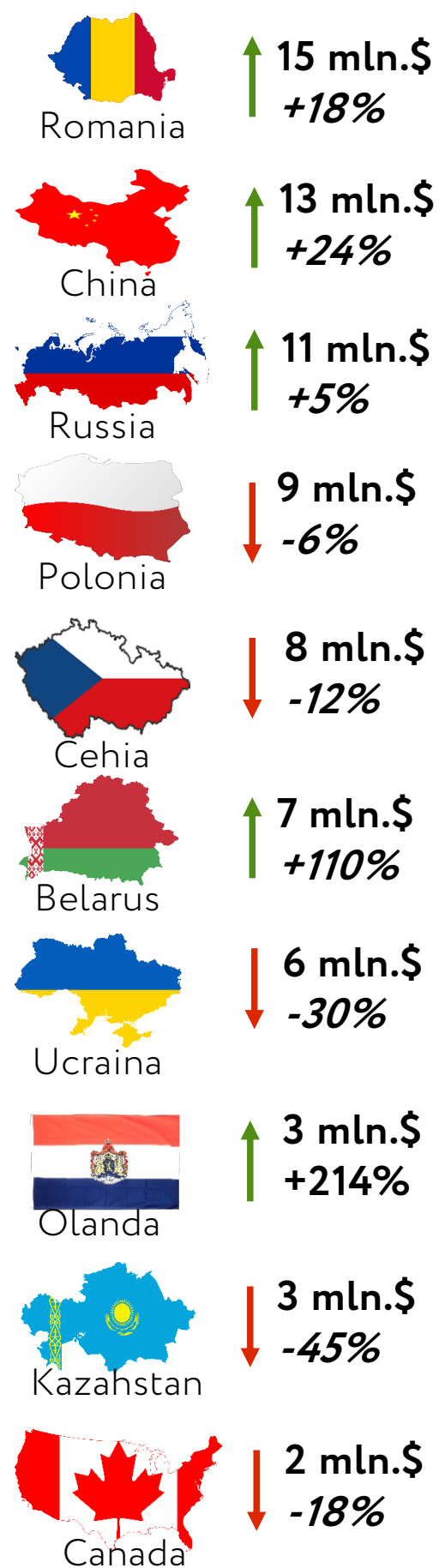
# WINE INDUSTRY 2019



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  
MOLDOVA

# 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

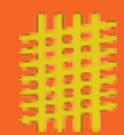
- Orders Fast Fashion - executed on average within 2 weeks
- Most major destinations EU and CIS can be reached within 2 truck days
- Burberry, Moncler, Nike, Armani, Max Mara, Zara – Made in Moldova
- Over 100 Moldovan Fashion Brands emerged with 26% domestic growth



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

**19000**

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



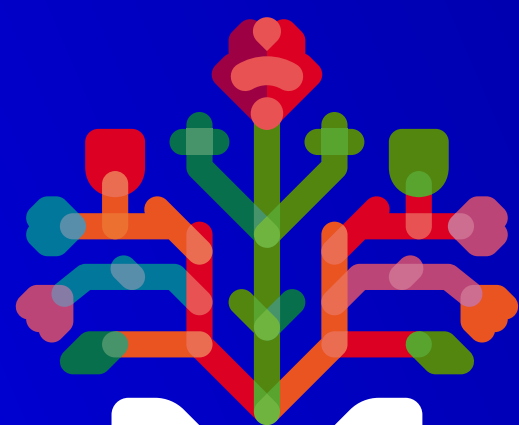
## Attractive

fiscal system



# INVESTORS COMING FROM 60 COUNTRIES

over 10 000 foreign / joint companies



**M** INVEST  
MOLDOVA



# GROW IN MOLDOVA

a promise &  
an invitation



[www.invest.gov.md](http://www.invest.gov.md)