

EBA MOLDOVA

REVIEW 2013

**CREATING A VALUE FOR THE
BUSINESS ENVIRONMENT**



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MESSAGE FROM HE AMBASSADOR MR. PIRKKA TAPIOLA, HEAD OF THE EU DELEGATION IN CHISINAU, HONORARY PRESIDENT OF EBA MOLDOVA

The year 2014 will be an important year in EU-Moldova relations. An Association Agreement will be concluded, including a Deep and Comprehensive Free Trade Area (DCFTA), which is expected to lead to a considerable increase in trade between the EU and Moldova. Through legislative approximation, and the implementation of new laws and standards, it will also help to improve the business climate. The European Business Association is playing a very special role in this process. Among other things, it is working with the EU Delegation to inform the business community about the opportunities offered by the DCFTA. It also keeps the EU Delegation, and through it European institutions, in the loop on challenges faced by the business community in Moldova.

Doing this is part of the EBA's key function as the representative of the European business community in Moldova. Its advocacy vis-à-vis the Moldovan authorities, sometimes with the help of the EU Delegation, to achieve a level playing field for all businesses is a key building-block of a modern business environment. In the past year, we have worked closely together in efforts to improve the business climate and regulatory environment in Moldova. In particular, I would like to commend the EBA for its active role in promoting legal amendments targeted at facilitating foreign

trade for walnut exporters, fruit and vegetable exporters, in providing legal proposals for tax policy and customs policy, and in amending the tax code with a view to improving the investment climate.

The EBA is very active in bringing European business to Moldova, and Moldova to European business. It has supported more than fifty local and international companies through the wide variety of business support services. In 2013, it organised visits and matchmaking for Moldovan businesses from both banks of the Nistru and foreign businesses, creating new opportunities for more than 80 business people. It also supported more than 200 young entrepreneurs through practical courses under the Winter and summer school organised by EBA.

These are just a few examples of the many activities undertaken by EBA in the past year. The EBA has steadily consolidated its role in support of the business community in Moldova. I wish the EBA much luck in the coming year, and look forward to continuing our fruitful co-operation with it and with the entire European business community in Moldova.

EBA MISSION

THE EBA IS ONE OF THE MAIN BUSINESS HUB FOR MOLDOVAN AND FOREIGN ENTITIES AIMED AT:

- FACILITATING DOMESTIC AND FOREIGN TRADE;
- IMPROVING BUSINESS CLIMATE THROUGH DIFFERENT COMMUNICATION PLATFORMS;
- BOLSTERING FOREIGN INVESTMENTS;
- PROMOTING BUSINESS ACTIVITIES BETWEEN EU AND THE RM.

EBA OBJECTIVES

- TO IMPROVE BUSINESS RELATED LEGISLATION ENABLING A MORE CONDUCTIVE BUSINESS ENVIRONMENT;
- TO SUPPORT AND ENABLE A BETTER PERFORMANCE OF BUSINESS COMMUNITY THROUGH THE VARIETY OF BUSINESS SERVICES;
- TO DEVELOP BUSINESS CULTURE, DISSEMINATE ETHICAL BUSINESS VALUES, COMMUNICATE ABOUT CURRENT TRADE REGIMES AND FTAS AND OTHER BUSINESS AND TRADE RELATED REQUIREMENTS;
- TO CONTRIBUTE TO PREPARING THE YOUNG BUSINESS COMMUNITY GENERATION.

**IN TWO YEARS TIME THE EBA
MOLDOVA BECAME A BUSINESS HUB
WITH A STRONG COMMITMENT TO
SERVE THE BUSINESS COMMUNITY
AND CREATE A VALUE AND A
DIFFERENCE FOR ITS MEMBERS**

HOW DOES THE EBA SUPPORT MOLDOVAN BUSINESS COMMUNITY IN A CONSTANT ENDEAVOR TO PERFORM?

BY ACTIVE AND PROFESSIONAL INVOLVEMENT
IN SUPPORTING THE BUSINESSES BY:

1

LOBBY AND
ADVOCACY

2

BUSINESS
SUPPORT
SERVICES

3

COMMUNICATION
NETWORKING
EVENTS

1. EBA – IS A UNIFIED VOICE FOR BUSINESS COMMUNITY

ECONOMIC REVIEW IN A SNAPSHOT 2013

After a significant global market downturn over the last years, economic activity has slightly re-invigorated in 2013. The majority of the world regions registered growth, the latter being stronger in the developing countries.

Moldovan economy is not an exception from this global trend and entered encountered a positive dynamics during the last year. Over January - September 2013 GDP 73312 millio MDL (current market prices), registering an increase by 8,0% against January - September 2012 in real terms.

Gross Value Added produced in the goods sector has increased over January - September 2013 by 19,5% compared to the similar perios of the previous year, generating an increase of GDP by 4,7%.

Gross Value Added produced in the services sector grew compared to January - September 2012 by 3,8% generating an increase of GDP by 2,3%. Wholesale and retail were the key factors that contributed to the increase of GDP, followed by transportation, communication, construction and other services.

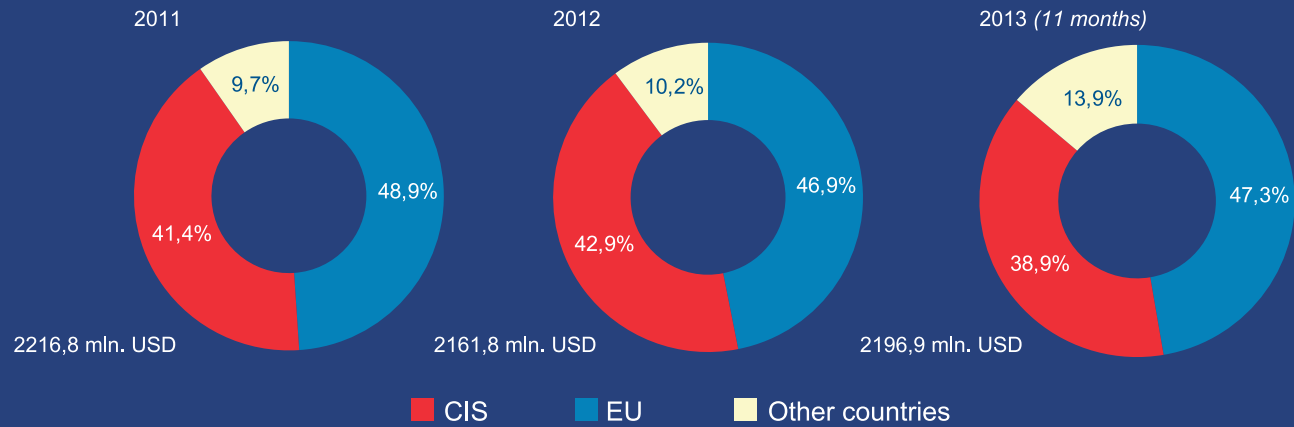
Since 2007 up to 2013 the average inflation rate in Moldova keeps at 7.1%. The highest level was registered in May 2008, whereas the lowest rate in September 2009. In January - September 2013 the **Consumption Price Index** represented 104,6% against the same period of the previous year.

Unemployment rate in the II-nd quarter of 2013 at the country level reached 4,7%, higher compared to the II-nd quarter of 2012 (4,5%). Unemployment among men was 5,6%, among women 3,8%.

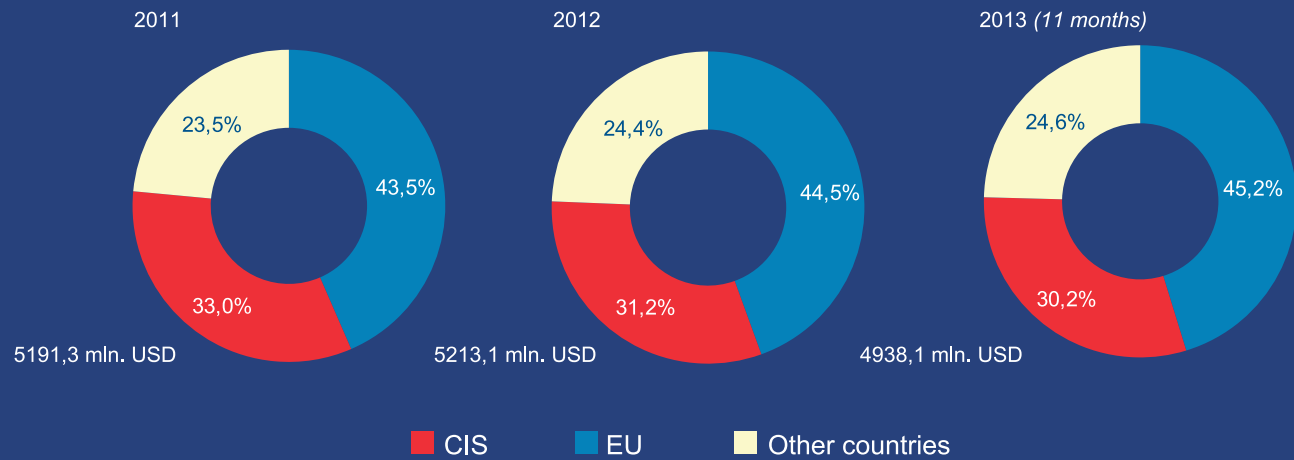
Remittances transferred by the Moldovan citizens working abroad represent 20%-30% of the country GDP. In 2008 remittances transferred through the commercial banks by individuals reached the top level ever when the amount reached 1 660,09 bln USD. The top ranking countries for remittances are Russian Federation and Italy.

Foreign Trade

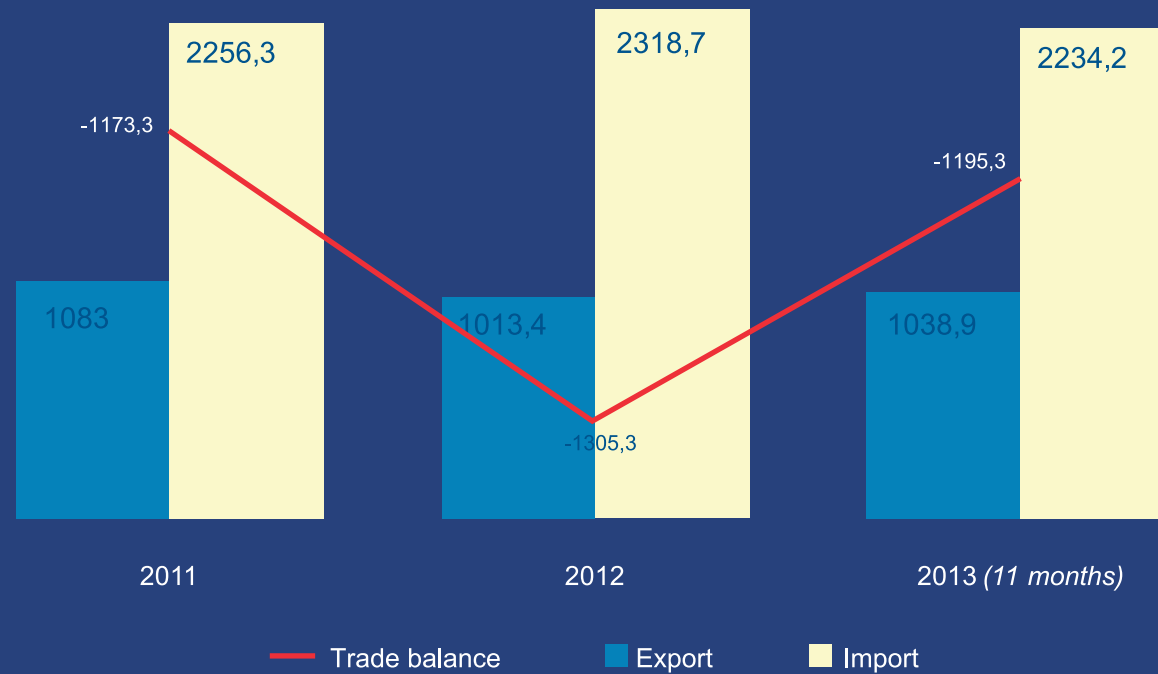
TOTAL EXPORT



TOTAL IMPORT

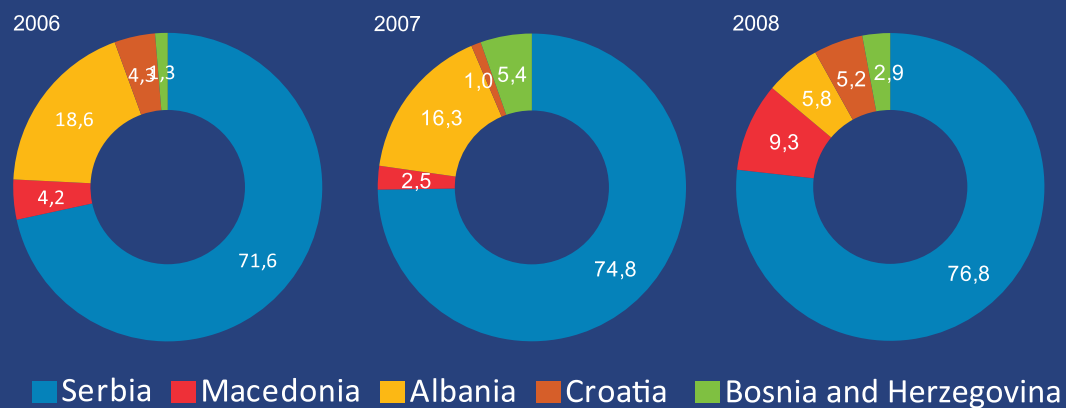


Trade flow evolution with the EU Countries (mln. USD)

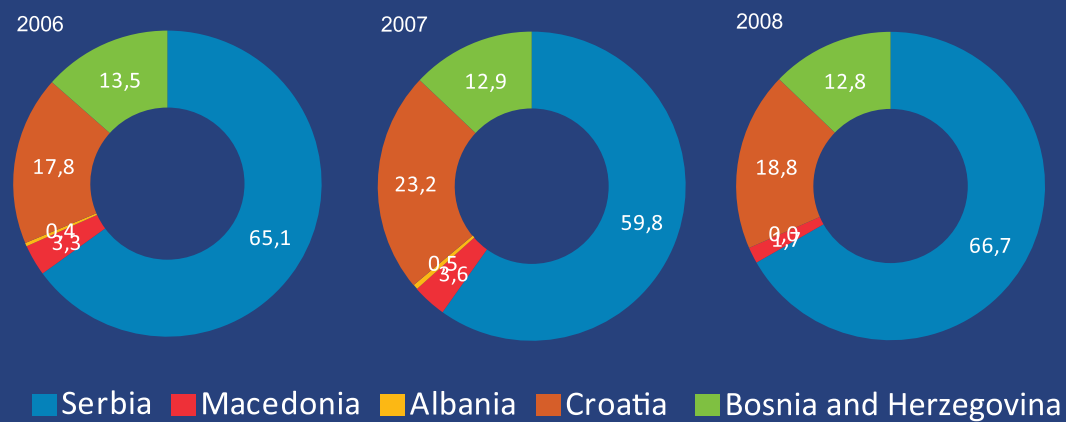


The key EU Trade Partners of the RM (11 months 2013)

EXPORT



IMPORT



REVIEW OF LOBBY AND ADVOCACY OUTPUTS FOR 2013

EBA PROTECTS MOLDOVAN EXPORTERS OF WALNUT

As a result of the problems faced by the walnut exporters from the Republic of Moldova onto the EU Market, the EBA jointly with Business Intelligent Service (BIS) has developed a study on „The acquisitions of fresh fruit and vegetables from individual producers for the purpose of exporting onto the EU markets”.

The goal of the study was to assess the whole business process of walnut acquisition from individuals up to the export thereof

The study was presented to a wider audience represented by Ministry of Economy, Ministry of Finance, Main State Tax Service, Customs Service, Ministry of Agriculture and Food Industry, representatives of the US Embassy, EU Delegation to Chisinau, and walnut exporters.

The study as well as the public event were made possible with the financial support offered by USAID project „Trade, Investment and Business Regulation BRITE”.

The key issues identified by the study and confirmed by the walnut exporters were related to unfair taxation of sellers and the control of the goods' origin.

The study revealed the following issues:

- Constraints on the export process of fresh fruit and vegetables and precisely the submission to the Customs Service of the certificate confirming the origin of the goods. This certificate is assumed that it should be issued by the municipalities, which they cannot do, as there is no legal ground which rules that local authorities should issue this type of certificate.
- The walnut exporters had to pay a tax of 1,5 % to the walnut fund which the DE IURE does not exist otherwise the export is not permitted
- Acquisition of agro products from individuals is not regulated by the Tax Code of the RM and is subjected to interpretation
- The exporters of walnut are subject to excessive controls performed by different con-

trol authorities like Tax Inspectorate, National Centre for Anticorruption, Ministry of Internal Affairs, Customs Service of the RM, etc

EBA has participated in various dialogue platforms organized jointly with the Parliament of the RM, Government, Ministry of Economy, Ministry Finance, Ministry of Agriculture, Tax Service, Customs Service of the RM and others to discuss the issue and bring relevant justification to protect the walnut sector and bolster exports onto the EU market.

As a result:

- Ministry of Finance amended the Order nr 130 providing for the Acquisition act, thus adding the necessary information to be presented to the Customs Service, thus excluding the need to present the certificates from the local municipalities. The representatives of the Customs Service accepted the editing of the customs declarations, under the condition that the acquisition act shall be endorsed with an act stating the own responsibility of the exporter on the origin of goods.
- Numerous letters have been submitted to the Parliament of the RM, Government, and Ministry of Finance to abolish the tax of 1,5 % to the walnut fund when exporting the walnut.



- Following the international experience EBA and the agro-food exporters have proposed introduction of a 2 % tax to be withdrawn from the exporters for the transaction of acquisition of the agro-food from individuals.
- EBA organized joint meetings with the Tax Service of the RM regarding excessive controls. Agreement was reached on the both sides, with the view to the conditions that the agro producers need to meet to avoid similar controls in the future.

The EBA Study can be viewed on <http://eba.md/initiatives/achizitia-fructelor-si-legumelor-proaspete>

EBA PARTICIPATES IN THE WORKING GROUPS OF THE MINISTRY OF ECONOMY ON COSTS DEDUCTIBILITY

EBA has developed and submitted to the Ministry of Finance of the RM legal proposals on amending the Tax Code with the view to cost deductibility (food and transportation). The EBA tax committee examined international experience and provided arguments for the need of amending the principle of deductibility as it regards many of the local and international companies operating in Moldova. Over 2013 EBA participated in all the meetings organized by Ministry of Economy and other State Institutions on this matter.

EBA COMMENTS ON THE NEW ACCOUNTING STANDARDS

EBA Accounting Working Group has developed and submitted to the Ministry of Finance and the Government of Moldova Comments on the new Draft of Accounting Standards and Chart of Accounts planned to be enacted as of January 1st 2014. The EBA Accounting working group identified concrete issues related to

the text of the standards and provided proposals for changes. EBA jointly with other professional organizations have insisted through joint letters, numerous meetings organized with senior Ministry of Finance officials and head of Accounting Departments to postpone the implementation of the new accounting standards as well as of the new Chart of Accounts starting with January 1st 2015, to enable the accountants to learn the new approach and avoid eventual problems related to tax inspections.

As a result : An order was signed by the Minister of Finance to enact the New Accounting Standards and the New Chart of Accounts starting with January 1st 2015.

The proposals of the EBA Accounting Working group with the view to the new Accounting Standards can be viewed on: <http://eba.md/pages/tax-and-customs>



EBA MEETS WITH THE HEAD OF THE TAX SERVICE, MR ION PRISACARU ON THE TAXATION ISSUES FACED BY THE CONSTRUCTION COMPANIES IN MOLDOVA

Together with its members EBA has developed proposals to make the business environment for construction companies more permissive.

The issues raised over the meeting were how to avoid such problems as:

- Under - declared salaries, for tax evasion purposes,
- Unproper acquisition of construction materials,
- Faked employees,
- Faked accounting entries;

EBA PARTICIPATES IN THE TAX POLICY DEVELOPMENT PROCESS, A DIALOGUE PLATFORM ORGANIZED BY THE MINISTRY OF FINANCE

The meeting gathered representatives of private sector, members of different professional organizations, Tax Service, Customs Service. The EBA presented a set of proposals developed by the EBA Tax and Customs Committee, in response to the issues raised by its members. The proposals have mostly covered issues related to:

- Reducing/abolishing certain taxes and excise rates;
- The issue of excessive controls performed by Tax Service;
- Issues related to the implementation of new accounting standards;
- Import taxes;
- VAT Refund.

EBA EXPRESSES ITS CONCERN REFERRING TO THE TRANSACTIONS MADE WITH INTERNATIONAL CHISINAU

Proposals of the EBA Tax and Customs Committee with the view to Tax and Customs Policy Proposals under 2014-2016 Budget development process can be viewed on: <http://eba.md/pages/tax-and-customs>

AIRPORT AND BANCA DE ECONOMII PRIVATISATION PROCESS

Considering the last transactions encountered with BEM (Banca de Economii din Moldova) – Saving Bank of Moldova and CIA (Chisinau International Airport) these two representing one of the most strategic objects of Moldovan Private Property, as they do not only have a direct influence on economy and on the current business climate but also generate a strong social and political connotations.

Thus EBA jointly with other Business organizations and diplomatic corps accredited in Chisinau expressed significant concerns about the essence of the two transactions which have been

delivered in an unethical and obscure manner.

Without listing technical details of each deal, and respecting international rules for a public privatization procedure, we consid-

er that it was a tacit loss of the state control over the two key objects.



PUBLIC DEBATES ON BUDGET POLICY ORGANIZED BY THE PARLIAMENT COMMISSION ON ECONOMY BUDGET AND FINANCE

EBA Participated at the public debates on Budget, Tax and Customs Policy organized by the Parliament commission on Economy, Budget and Finance led by Deputy President of the Parliament Mr. Adrian Candu and the Chair of the Parliament commission Mr. V. Ioniță.

Mr Barbaneagra, the Deputy Minister of Finance presented the Draft Policy developed by the Ministry of Finance. The EBA presented its comments related mainly to:

- Lack of correlation between the fines and the revenue and capacity of the enterprise
- Unjustified reduction of the reporting period
- Increase of certain Taxes and Excises

EBA reiterated its proposals that have been previously submitted and considered by the Ministry of Finance.

EBA MEMBERS MEET WITH THE HEAD OF THE TAX SERVICE, MR. ION PRISACARU TO DISCUSS THE TAX ADMINISTRATION ISSUES FACED BY EXPORTERS

Tax inspection, frequent controls, tax posts have been identified as one of the key issues by most of the exporters. Mr Ion Prisacaru has suggested the exporters to focus on the issues related to payroll, declared number of employees, season workers, declared salaries etc by explaining the aim of inspections to reduce the underground economy and undeclared transactions. EBA has also submitted a list of proposals related to facilitation of certain procedures applied by the local tax services.

EBA MEETS WITH THE REPRESENTATIVES OF THE EUROPEAN COMMISSION

On december 12th 2013 EBA Board met with the representatives of the European commission to discuss the existing issues the Moldovan business environment is facing. The EU Delegation was represented by Mr Wicher Slachter, Head of the policy and Economic Unit, Mr Norbert

Anselmann, EU Commission consultant for "International Regulatory Cooperation", Mr Rudie Filon, European External Action Service.

EBA presented an Issue Statement recently designed which aggregates the last issues reported by the EBA Members. The statement lists such issues as justice reform, competition and monopolisation, tax administration, lack of clarity of certain legal provision that create space for interpretation, that impedes the business development in Moldova.

The EBA proposals and initiatives were included in the mission report.

EBA IS A MEMBER OF:

- Prime Minister Economic Council
- Customs Service Compliance Committee
- Tax Service Compliance Committee
- Minister of Economy working groups
- Minister of Finance working groups

On a regular basis EBA meets with the IMF and World Bank Country missions to provide info on the business environment and the existing challenges.

EBA participates at the meetings with World Bank Country missions for private sector development, taxation issues, accounting reform and others.

2. EBA IS A STRONG BUSINESS COMMUNITY NETWORK

EBA 2013 EVENTS

EBA 2013 ANNUAL BUSINESS NETWORKING EVENT

On 18 January 2013 at the National Art Museum of Moldova, the European Business Association (EBA Moldova) celebrated a year of activity. In attendance at the event were the Prime Minister Mr. Vlad Filat, Deputy Prime Minister and Minister of Economy Mr. Valeriu Lazar, Head of EU Delegation in Chisinau and EBA Honorary President Dirk Schuebel, senior officials, ambassadors, businessmen, partners and friends of EBA Moldova.

The purpose of the event was to present the results achieved during a year of activity and develop-



ment, as well as to facilitate the network between the partners and the members of the association.

BUSINESS BREAKFAST WITH THE HEAD OF THE EU DELEGATION HE MR DIRK SCHUEBEL AND THE EBA MEMBERS

On March 29th 2013, EBA Moldova has organized a business breakfast with the Head of the European Union Delegation to Moldova, Ambassador Dirk Schuebel. At the event were present the EBA members and partners, 50 companies including entrepreneurs from the Transnistrian Region.

Mariana Rufa, the Executive Director of the EBA Moldova presented the ongoing activity as well as the upcoming plans.



HE Ambassador Schuebel presented the economic and political situation in the RM addressing the most challenging areas identified by businesses. He also presented the support the European Commission is offering to bolster the implementation of the key country reforms such as Justice Reform, Energy Sector Reform, Customs and Tax Administration etc. The presentation was followed by an interactive discussion with the business community.



EBA JOINTLY WITH GET MOLDOVA HAVE ORGANIZED AN EVENT ON “ECONOMIC IMPACT OF THE EUROZONE-CRISIS ON MOLDOVA”

In the context of the Cyprus events over 2013 as well as the economic slowdown in other EU countries, EBA jointly with German Economic Team (GET) Moldova have organized an event dedicated to Economic Impact of the Eurozone-Crisis on Moldova.

The German economists found out that the impact is substantial. Especially reduced demand for Moldova's exports and less money sent back from Moldovans working in the Euro-Area have dented economic growth in the Republic of Moldova. Additionally, European investors have become less willing to invest in Moldova.

However, uncertainty and a loss of confidence mean that businesses may overestimate the effects of the crisis. As such GET Moldova and the EBA informed the audience about the causes, impact and outlook of the euro-crisis.

Dr. Ricardo Giucci, Leader of the German Economic Team Moldova mentioned that “Economic growth in the Eurozone will be low in the short-term, meaning that exports and remittances will only recover in the medium-term. Policy makers need to pay close attention to the current events and think about possible policy responses. The German Economic Team stands ready to support them in this task.”

The event was attended by almost 60 people representatives of the National Bank of Moldova, Ministries, Parliament, private sector and mass media.



MATCHMAKING WITH DUTCH COMPANIES FOR MOLDOVAN BUSINESSES

EBA presents the matchmaking service in front of more than 500 businesses under the biggest Business Conference in Moldova BIZPOWER - organized on April 26-27 in the RM

The BIZPOWER Project meets the growing need for business networking through developing the managerial and entrepreneurial capacities of young business people. BIZPOWER successfully hosted 50 speakers, managers and top leaders, 500 participants and 30 partners from different countries.

HOW CAN EBA SUPPORT THE EXPORTERS?

On October 22 EBA Moldova participated at the 1st Moldovan Export Forum Organized by MIEPO and the Ministry of Economy together with Danube Logistics and Mobias Banca.

The forum was attended by a wide variety of donors, exporting companies, Public institutions.

The Forum was designed to inform a large number of Moldovan export-oriented producers in regard to opportunities offered by different institutions and organizations in the RM so that the

Moldovan exporters could maximum benefit from the existing regulatory framework for exports, opportunities for financing and assurance of export procedures, as well as the provided assistance in terms of export promotion on external markets, and be aware of trade facilitation and assistance programs offered by the Republic of Moldova's Government and international organizations that are present in Moldova.

CBI IN COOPERATION WITH EBA ORGANISE A TRAINING COURSE FOR COMMERCIAL ATTACHES

EBA and VS Export, one of the EBA Member company, beneficiary of the EBA - PSI Matchmaking Program, participated at a training course organized for the commercial attaches in the period of



April 24-27 aimed at attracting investments, capacity building for bridging companies as well as promoting Moldovan businesses abroad. VS Export presented the difficulties faced by a Moldovan company when getting onto a new market and the need to cooperate with commercial attaches for contacts and the potential support and cooperation they would need to penetrate a new market.

EBA has presented the services it offer in the context of new market exploration, such as market scans, support in matchmaking, consultancy support in marketing of the product, etc.

EBA MOLDOVA PARTICIPATES AT THE WORLDWIDE REUNION OF THE EBA WORLD WIDE NETWORK

Between June 24th-26th 2013, EBA Moldova participated at the third worldwide reunion of the EBA Worldwide Network.

During the visit, EBA had the opportunity to discuss with officials of the European Commission, General Directorate for Enterprise and Industry, General Directorate for Trade, European Parliament, Chambers of Commerce accredited in Brussels, NGO's Business Europe, etc.



In order to encourage the European business get onto the emerging markets of the third countries, in 2011 the European Commission launched a new initiative „Mission for Growth”. The initiative consists in organizing missions of the European Commission in the third countries led by Antonio Tajani, Vice-President of the European Commission, incorporating a large participation of the EU officials and of the private sector. The main goal of these missions is to demonstrate the openness of the European business towards other markets, including the application of the existing tool kit of good practices provided by the Commission, aimed at the creation of a friendly and attractive business environment in those countries.

In terms of the SMEs trade and development policies, the Commission channels its efforts towards an „Industrial Renaissance”, in order to

increase the investment potential via some innovative and sustainable initiatives. These efforts, however, may have a positive result when the emerging economies develop solid research and analysis systems, invest in their educational system to develop skills and abilities that correspond to market requirements and are open to ensure a coherent legislative framework with the EU.

EBA MOLDOVA ORGANIZED A FAREWELL RECEPTION WITH ITS HONORARY PRESIDENT, THE HEAD OF THE EU DELEGATION IN CHISINAU MR. DIRK SCHUEBEL.

Dirk Schuebel highly appreciated the activity and accomplishments of EBA which started less than 2 years ago: “I haven’t even dreamed that in such a short period of time, my idea, of creating an European chamber will take roots in RM. Just in two months, thanks to the vitality of Silvia Radu, president of EBA, to those 10 founders and several members, EBA was registered and launched with the assistance of European Commission, under the presence of European commissioner of taxation and customs union, Algirdas Šemeta, the entire diplomatic corps accredited in Chisinau and senior officials of RM. Today, EBA became a notable organization, represented by over 40

local and international companies that share the same values. The EU delegation in Chisinau will continue to support the efforts of EBA focused on the optimization of investment climate especially under the DCFTA framework in the nearest future”, mentioned in his speech Dirk Schuebel.

Silvia Radu reiterated some achievements of EBA regarding the facilitation of some important legislative initiatives, addressing specific issues concerning business environment, targeting of



commercial partners abroad, support granted to young entrepreneurs and promoting certain projects of social and corporate responsibility.

More than 60 local and international companies from both sides of the Nistru river participated at the event.

EBA MOLDOVA PARTICIPATED AT THE ANNUAL MEETING OF THE EUROPEAN BUSINESS ORGANIZATION WORLD WIDE NETWORK IN MYANMAR

In the period of November 13-15, 2013 EBA Moldova participated at the annual meeting of the European Business Organization World Wide Network taking place in Myanmar, Yangon. The November EBO reunion was designed as a com-



ponent part of the EU-Myanmar Task Force Event, taking place in the context of the EU Commission – Mission for Growth Initiative.

The Task Force brought together leading political, development and economic figures from EU and Myanmar as well as civil society groups and NGOs

to discuss Myanmar's on-going social, political and economic transition including facilitating and delivering comprehensive EU support at all levels.

EU High Representative/Vice President of the European Commission Catherine Ashton was the co-chair of the Task Force together with Minister in the President's office of Myanmar U Soe Thane.

The EBA Moldova jointly with the EBO World Wide Network participated at a joint breakfast with the European Commission Vice-President Antonio Tajani (Industry and Entrepreneurship), to discuss the contribution of the EBO Network to the EU SMEs policy implementation. Mr Tajani has informed the EBOs about the EU Commission last initiatives and the Road Map of the DG Enterprise and Industry under the support provided to the SMEs sector. The EBOs have also shared their views on the potential input that each individual organization can provide for SMEs internationalization and the business support offered in this regard.

“THE POWER OF EMOTIONS IN LEADERSHIP”

EBA jointly with AFAM Moldova in partnership with TACK International represented in Moldova have organized a Workshop on “The power of emotions in leadership”.

The event gathered more than 60 persons. The workshop was led by Mrs Andreea Udrea Rădulescu (Regional Business Development Manager TACK International Romania, General Manager Republica Moldova), that presented the concept of emotional intelligence through her own personal and professional experience.

The goal of the event was to promote the positive thinking and the appropriate approach to lead-



ership in business, the quality of the human and professional abilities to lead a business and to make it prosper.

HEAD OF THE EU DELEGATION IN MOLDOVA MEETS WITH EBA MEMBERS

More than 60 companies met with the newly appointed head of the EU Delegation in Moldova HE Mr Pirkka Tapiola.

In his speech Mr Tapiola presented the evolution of the RM on the DCFTA negotiations and the impact of the agreement on the business environment.

Mr. Tapiola presented the broad structure of the agreement, its objectives and goals. The DCFTA shall function as a new trade leverage going beyond the traditional trade preference that the RM of Moldova benefitted up to now. „ The new approach is based on two key concepts: trade liberalization by abolishing customs tariffs for export, import duties and other tariff and non-tariff barriers to trade, thus implementing new regulations enabling liberalization of trade and investments. Secondly, the agreement provides for approving the EU legal framework, its norms and standards for the EU integration, EU being the biggest market of 500 mln consumers with a nominal GDP of US\$ 17.6 trillion in 2011”.

In this regard the EU shall offer a special trade regime for the RM, more predictable, more stable based on the EU legislation, leading to greater inflow of foreign direct investments, thus creating new production capacities and enhancing competitiveness of Moldova on local and the foreign markets.

The EBA members have addressed questions related to energy efficiency sector, Justice reforms implementation, which currently represent the key obstacle for a stable business environment and country prosperity.

18-22 NOIEMBRIE 2013

EBA SUPPORTS THE GLOBAL ENTREPRENEURSHIP WEEK IN MOLDOVA

November 18-22 is the world's largest celebration of the innovators and job creators who launch startups that bring ideas to life, drive economic growth and expand human welfare.

During one week each November, GEW inspires people everywhere through local, national and global activities designed to help them explore their potential as self-starters and innovators. These activities, from large-scale competitions and events to intimate networking gatherings, connect participants to potential collaborators,

mentors and even investors—introducing them to new possibilities and exciting opportunities.

EBA Moldova has supported the initiative through a number of events organized over the week. EBA has also participated at the GEW Forum taking place on November 22 uniting more than 100 young entrepreneurs from the RM and other countries. The key message delivered to the audience was to reiterate the importance of the business networking and the role of an association, as well as the benefits that can be obtained by coming together as a force.

THE EUROPEAN BUSINESS ASSOCIATION (EBA MOLDOVA) IN COOPERATION WITH INTERNATIONAL FINANCE CORPORATION (IFC) AND MINISTRY OF ECONOMY OF THE RM, ORGANIZED AN EVENT AIMED AT PRESENTING THE IMPACT OF THE DEEP AND COMPREHENSIVE FREE TRADE AGREEMENT INITIALED BETWEEN RM AND EU

The impact of the Deep and Comprehensive Free Trade Agreement RM-EU (DCFTA) on the business environment of Republic of Moldova was the subject which gathered representatives of Government institutions, diplomatic missions, professional asso-



ciations and over 120 businessmen and journalists. The recently held event was organized by the European Business Association in collaboration with Ministry of Economy of the RM and International Finance Corporation (IFC), focused on „The deep and Comprehensive Free Trade Agreement - recent evolutions.” Along with the, Viceprime-minister, minister of Economy, Valeriu Lazăr, the chief ne-





gotiator on the behalf of European Commission, Luc Devigne, the chief negotiator of the RM, Viceminister of Economy Octavian Calmac, Head of the EU Delegation in Chișinău, Pirkka Tapiola, ambassador of Kingdom of Sweden Mrs Ingrid Tersman, have participated at the event.

The chief negotiator on behalf of European Commission, Luc Devigne, reiterated the comparative advantages of DCFTA in comparison with preferential trade regime. The official mentioned that the agricultural sector must firstly align its national standards to those of EU. In this direction, Moldova benefited of 41 mln Euro during 2011-2013, directed for the implementation of DCFTA, the agricultural sector being of top priority. „The investments necessary for the implementation of DCFTA do not represent just costs, but a long-term benefit. As an impact from its implementa-



tion, Moldova will have to benefit from the technological transfer, modernizing and upgrading of production, products at a low cost imported from EU, reducing the import duties for imports, financial support from the EU for implementing the agreement and so on” mentioned Luc Devigne.

HE Mr Pirkka Tapiola, Head of the EU Delegation in Chișinău as well as Ingrid Tersman, the Ambassador of Kingdom of Sweden in RM, support the efforts of Government of RM in implementing the necessary reforms and reiterated the stringent need of reforming justice system and reducing corruption, which will lead to establishing of a durable platform for development of the country as a whole.

BUSINESS SUPPORT AND PROMOTION

EBA TOGETHER WITH CEED II FACILITATE A MATCHMAKING OF THE MOLDOVAN IT COMPANIES IN SWEDEN

Between 28-31 of May 2013, a visit by a group of IT companies from the Republic of Moldova in Sweden, headed by the Vice Minister TIC, Mrs Dona Scola took place. The goal was to promote RM as destination for IT services contracting on the European and world markets, the study/research of the promotion policies of the IT and communication sector in Sweden, a world leader in the field, and to present the opportunities for investment in the TIC field in the RM.

The agenda of the Moldovan delegation included meetings with the Head of the IT and Communications Department of Sweden, Joachim Karlsson, with the senior of the Department for Inno-



vation of the Swedish Agency for Development and International Cooperation (Sida), John Akerblom, with the leadership of the Board of Directors for Commerce /Directie pt comert of the Ministry of Foreign Affairs of Sweden and the Swedish Post and Telecom Agency (PTS).

The Moldovan Delegation had appointments with the Center of Innovation and Science VINNOVA, the companies Telia Sonera and Ericsson.

Within the visit there was organized an event B2B facilitated by the European Business Association and the Company Clintelica where have participated approximately 40 businessmen from the TIC sector. The event offered huge opportunities to the businessmen regarding the contraction of some collaboration partnerships and business networking.

The visit took place with the support of the USAID CEED II project and Moldovan Embassy in Sweden.



EBA MOLDOVA WITH 20 MEMBER COMPANIES PARTICIPATES AT THE INVESTMENT FORUM IN TIRASPOL

On June 6, 2013 EBA Moldova participated at the Illrd Transnistrian Investment Forum taking place, in Tiraspol. The agreement provides for business support, development projects, mutual information exchange as well as a joint platform for future partnerships. The Head of the EU Delegation, Honorary President of the EBA Moldova in his speech reiterated the importance of the EU Market which should be regarded as a huge opportunity for Transnistrian businesses. In this context Mr Schuebel mentioned about the DCFTA Agreement to be initialled in Vilnius and the eventual impact for Transnistrian region in the context of foreign trade benefits.

Mrs Silvia Radu, President of EBA appreciated the activity of the two organizations by saying that the agreement is an output of a fruitful cooperation of more then a year.

EBA was represented by more then 20 local international companies at the Investment forum.

TRANSNISTRIN BUSINESSES VISIT THE GIURGIULESTI INTERNATIONAL PORT

EBA in cooperation with „Danube Logistics” have co-organised a visit of business people from Transnistria to Giurgiulesti International Port. Ten companies participating in the visit had a remarkable occasion to identify new opportunities to learn about the comparative advantages generated by the spectrum of services offered by the Giurgiulesti International Port as well as address



concrete questions to the customs officers of the RM that participated at the event.

The representatives of the Customs Service as well as of the EUBAM Mission I Moldova have presented the technical procedures for customs clearing as well as addressed the issues of sim-



plifying the customs procedures for the trade of goods towards/ from Transnistria by applying an electronic system on information exchange.

MOLDOVAN WINE PRODUCERS HOST A TASTING UNDER THE NATIONAL DAY OF ROMANIA IN CHISINAU

On Friday, 29th of November, Romanian Embassy in Chişinău organized a reception on the occasion of National Day of Romania. The event was honored by the President of Romania, Traian Băsescu and the President of Republic of Moldova, Nicolae Timofti. The two Heads of States have congratulated all the Romanians on the occasion of the 1st of December, as well as the authorities of Republic of Moldova for the success achieved at Vilnius through the initialling of the Association Agreement and of the Deep and Comprehensive Free Trade Agreement. This event has also marked the re-launching of Romanian TV post TVR on the media space of Republic of Moldova.

In this context, the Romanian Embassy in Chişinău and the European Business Association came with the initiative of organizing a wine-tasting of Moldovan wines. As such, nine domestic producers, representatives of the most well known brands, had the possibility of presenting their wines to a wide audience represented by public personali-

ties, guests from Romania, members of diplomatic corps. The guests appreciated the quality and variety of Moldavian wines, and the wine makers could establish contacts for future collaboration. A presentation of Moldavian wines was recently hosted by the Palace of Romanian Parliament.

EBA COOPERATION WITH NETHERLANDS ON MATCHMAKING

In 2013 EBA managed to facilitate and support ten companies applying for PSI and MMF Program offered by the Dutch Government.

Thus over 2013 out of 7 companies applying for MMF – 4 were selected for matchmaking in Netherlands, a service supported financially by the Dutch Government.

Out of 5 companies applying for PSI – an investment program offered by the Dutch Government – 2 companies were selected.

EBA INVOLVEMENT IN CSR PROJECTS

Between 10-14 of June 2013, World Bank RISP Project, in partnership with European Business Association in Moldova (EBA Moldova) and Moldovan Association of Women Entrepreneurs organized the Summer School for Entrepreneurs, entitled “Developing entrepreneurial skills”.

Over the period of 5 days at Vadul lui Vodă, more than 20 participants, young entrepreneurs with an experience of 5 years in business in various sectors (agriculture, services, IT, etc.) and from different regions of Moldova have had an interactive program designed to give them the practical knowledge needed to develop their entrepreneurial skills. The program included networking sessions and thematic trainings delivered by experts in areas such as human resources management, personal development, marketing, legal issues in business management, financial, banking relationships from Academia Nicolae Dumitrescu, Profsystem, Moldovan German Association for Economic Development, BCR Chişinău, Coca Cola, Mobiasbancă Groupe Société Générale, Turcan Cazac Attorneys Firm.



The Summer School beside the learning program, had a social connotation as well because the organizers with the participants help, decided to support a social project run by Keystone Moldova on deinstitutionalization of children and young adults with mental disabilities from entering institutions and support their families to create and develop small businesses in incubators. In this way, the participants made a voluntary financial contribution that will be used in the development of two businesses from the incubators.

YOUTH EBA BRANCH PREPARING THE BUSINESS OF TOMORROW

WINTER SCHOOL FOR YOUNG ENTREPRENEURS

In the period between 21-26 of January the young entrepreneurs had the opportunity to interact with the top managers and experts representing the biggest companies in the RM under the EBA Winter School Program. The companies that supported the event: Gas Natural Fenosa, PWC, BCR Chisinau, Moldcell, Coca Cola, Aegis Consulting, Mobiasbanca – Groupe Société Générale, Turcan Cazac Law Firm shared their experiences and presented case studies for 50 young entrepreneurs attending the course. The program lasted six days, when young people had the opportunity to learn good management practice, to deepen their knowledge in such areas as: best management practices, financial management, human resources policies,



sales management, tax administration issues and accounting, marketing and customer relations, contract management. Young business people could ask questions and get advice on the issues they face with and get recommendations on how to address them. Winter School was an opportunity for entrepreneurs to exchange ideas and to establish partnerships.

MEETING WITH THE HONORARY PRESIDENT OF YOUTH EBA, HE MR DIRK SCHUEBEL, HEAD OF THE EU DELEGATION TO MOLDOVA

On 29 March 2013, YEBA team had a meeting with the Head of EU Delegation in Moldova Dirk Shuebel. His Excellency was pleasantly surprised by the young members who have expertise in different



sectors of the economy and international studies. Following constructive discussions, Excellency gave full support in developing projects aimed at the inclusion of young business entrepreneurs in Moldova and we held a working meeting with the head of the EU funded project “Technical Assistance for sector budget support - Stimulate economy in Rural Areas “, Philip Santens.

YOUTH EBA ATTENDS A TRAINING ON ENTREPRENEURSHIP AND PROJECT MANAGEMENT ORGANIZED BY EU TA ESRA PROJECT

YEBA members attended a training financed by the European Union entitled “Training for Entrepreneurship” having the shape European expert on SME Development from project AT ESRA, Vincent Williams.



During the training we have improved the knowledge on writing project proposal, analyzing the characteristics of effective proposals, proposal writing practice and the steps and requirements which must be respected. We also got acquainted with the concept of Cluster and feasibility to implement them fully, the development processes of a Cluster and about the importance of a mediator into a group. During the seminars were addressed important topics such as project cycle management, its elements and the essential message must contain this.

IN THE PERIOD OF MARCH 23-24 YOUTH EBA PARTICIPATES IN A COURSE ON BUSINESS PLANNING

Youth European Business Association of Moldova participated in the program “ Business Planning “ organized by ODIMM and ICAWB, seminar aimed to train participants and explanation of concepts, procedures, practical advice that will be successfully implementing a project in pursuit of economic activities or obtain credit/loan.

In this session were discussed topics such as: methods of completing a business plan, legal framework related expected business, practical issues relating to bank lending, rapid testing of financial reports, drawing up a business plan, drawing up a business plan as UNIDO standards, improvement of the financial-fledged business plan on your own project and other interesting topics. During the training, the national expert answered at questions arising from the young entrepreneurs.

“ JOINT VENTURE BUSINESS BENEFITS “

On April 25, 2013 Winrock Moldova, European Business Association Moldova and Youth European Business Association held a roundtable on “The benefits of the joint business “ involving dozens of young Moldovan entrepreneurs and leaders in sev-



eral business organizations including: “Center for the Advancement of Women in business”, “Chamber of Commerce and Industry”.

The event aimed to educate young entrepreneurs in association spirit and explain the benefits that they can obtain from it. During the conference, speakers were guests of the territory, young entrepreneurs and experts in the organization and development associations. A very timely topic of discussion was a funding support associations as well as their survival in terms of lack of financial support.

YOUTH EBA - WORKING VISIT IN SPAIN

Between July 28 - August 12, the President YEBA Moldova, Miss. Alexandrina Robu has undertaken a working visit to six cities in Spain where she met with several young entrepreneurs and Spanish officials including Mayor of Majadahonda and Mayor

of Valladolid. During the meetings, have been an exchange of experiences referring to young entrepreneurs in Spain and those from the Republic of Moldova and the possibility of cooperation between them. Also, it was discussed about the possibility of organizing some exchange programs for young entrepreneurs, in order that the young entrepreneurs to learn best practice European business and the Spanish to come up with a potential investment.

YOUTH EBA PARTICIPATES IN THE FORUM ON “TOGETHER FOR A PROSPEROUS FUTURE”

On 12 November 2013, Youth European Business Association represented by the President of the Association Mrs. Alexandrina Robu attended the business forum with the title - “Together for a prosperous future.”

The event was attended by the Prime Minister of Moldova, Mr. Iurie Leanca, Minister of Economy Valeriu Lazar, president of the National Confederation of Employers of the Republic of Moldova (NWFC) RM ambassadors of countries that cooperate economically and more than 700 business people which represents their companies or NGO's.

At the event were discussed important topics such as business challenges and opportunities in the

Republic of Moldova, and the event ended with the adoption of a resolution addressed to authorities which contains recommendations for improvement of the framework policies on the business venture. It was also concluded a memorandum between the Government of the Republic of Moldova and Business legally represented by CNPM.

LESSON OF ENTREPRENEURSHIP FOR STROLLING “ENTREPRENEUR - SUSTAINABLE FUTURE”.

Monday, November 18 2013 hour 13.15 - in the framework of World Week of Entrepreneurship, Youth European Business Association Moldova and European Business Association, NGOs created under the auspices of the European Union Delegation in Chisinau, organized a lesson of entrepreneurial activities for more than 130 high school students from classes X, XI and XII of the Theoretical Lyceum “ Mircea Eliade” with title “Entrepreneur - Sustainable future”.

The event was attended by Mrs. Silvia Radu, President of European Business Association Moldova and the Gas Natural Fenosa company. She spoke to the youth about her academic and professional results giving them an important milestone in establishing personal goals.





the support platform of the young entrepreneurs in order to implement the European business practices, helping to create a favorable investment climate for the young generation as well as the improvement of the dialogue between big business, small and medium one.

During this meeting were discussed topics such as entrepreneurship, intraprenoriat, ways to support the business and start-up companies, presenters of the event being Robu Alexandrina Bogdan Săcăleanu and Dorian Nacu.

Such actions arouse young people's interest for business, facilitating their access to new career opportunities. Also, with the increase in entrepreneurship and the economic situation of the Republic of Moldova will be improved, as well as the degree of responsibility of the citizens.

We would like to mention that EBA Moldavia and YEBA set the objective to identify and strengthen

EBA OBJECTIVES FOR 2014

- To become a more issue-centric organization
- To strengthen the voice of businesses under lobby and advocacy activities
- To strengthen the B2G and B2B communication platforms
- To become a DCFTA implementation Focal Point
- To address systemic gaps related to foreign trade
- To focus on an individual matchmaking for companies
- To identify new investment projects for Moldovan businesses
- Increase the EBA outreach in terms of foreign partnerships
- Streamline the EBA presence in the EBA Worldwide network for exploring new markets and new opportunities for businesses
- To continuously support young businesses through various coaching programs