



# Agriculture Report

## Republic of Moldova

# Introduction to the Agricultural Sector Republic of Moldova

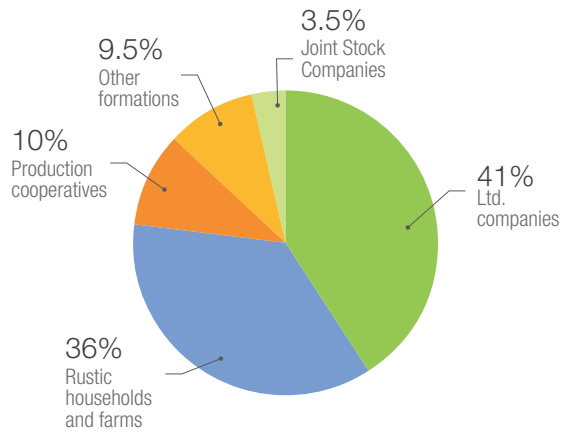
1. Executive Summary .....	2
2. Domestic Sector Overview .....	3
2.1 Major Agricultural Products .....	4
2.2 Organic Agriculture .....	9
2.3 International Trade .....	12
2.4 Investment Opportunities .....	13
3. Case studies .....	15
4. Sources .....	16



# Executive Summary

With its favorable climate and geographical conditions, rich soil resources and biological diversity, agriculture is one of the leading sectors in Moldova's economy. The share of agricultural production in Moldova's Gross Domestic Product stood at around 12 percent during the last years. Together with the processing industry it represents more than 16 percent of Gross Domestic Product and approximately 40 percent of total exports. At the same time, agriculture still constitutes the most important social sector of the national economy, using over 27 percent of country's labor force.

Structure of farmsteads holding agricultural land in breakdown by category (in percent of total area)



Source: National Bureau of Statistics

From 2009 to 2012 the agricultural production grew by 14 percent to 22 120 million lei

The entire agricultural lands cover 2480 hectares or 75 percent of the country's entire territory. Out of which 1820 hectares are arable land, 300 hectares are perennial plantations

Black soils amount around 75 percent of the overall territory

Total area of the Republic of Moldova is 33.800 square km

Agricultural lands 2.48 million hectares

Arable land 1.82 million hectares

Perennial plantations 0.3 million hectares

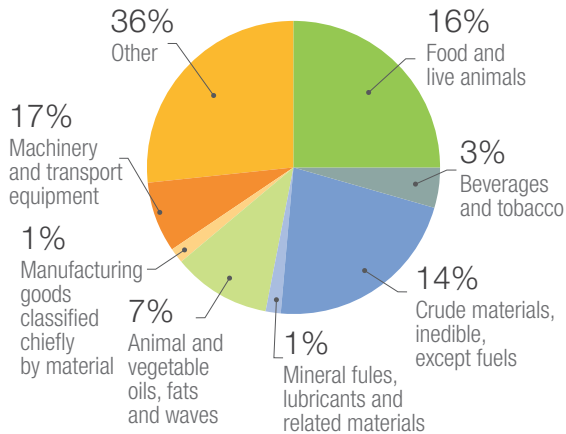
Meadows & pastures 0.36 million hectares

Traditionally, the agriculture and processing industry represented the main branches of the national economy.

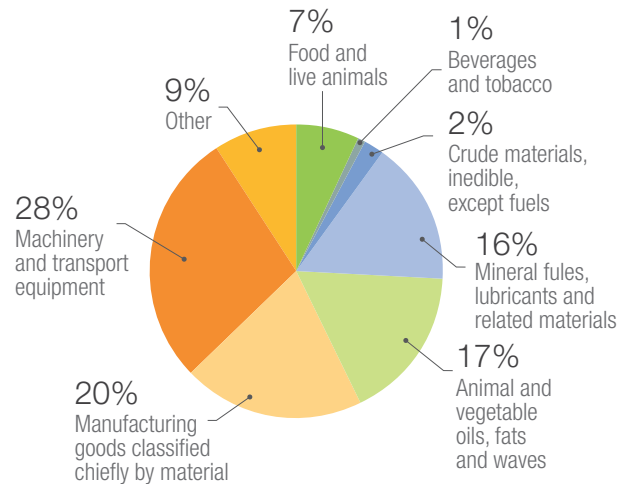
Agro-food exports account for a significant part of total exports. The most export-oriented products are wine and spirits, as well as fruit and vegetables, both fresh and processed. These two categories alone account for nearly 40 percent of exports. To achieve stable growth in agro-food exports, there is a need to diversify and increase access to high value markets. Increasing exports to the EU would help achieve this diversification and provide access to higher-value markets.

Moldova supplies agricultural products in more than 70 countries but main partners are EU countries, and CIS countries. Moldova's main trading partners are the EU and CIS, which together account for 90% of the country's foreign trade. In 2011, the volume of bilateral trade between the EU and the Republic of Moldova increased by 27.9 percent. In 2011 the Republic of Moldova's exports to EU countries constituted 1,083 million US\$, while imports from the EU represented 2,256 million US\$. The trade of the main products is structured as follows:

## Export to EU countries



## Imports from EU countries



Source: National Bureau of Statistics

Moldova offers a large range of agricultural products, such as fruits, vegetables, grains and livestock. The main products in the grain group are wheat, barley, corn and rape seeds. The main products in the Moldavian livestock sector are poultry and beef. Poultry and beef production in 2011 was 161 thousand tons.

Main arable products are: winter wheat, spring and winter barley, oats, soya, peas, sunflower seeds, grain maize, sugar beet, tobacco. Main varieties of vegetables grown are: tomatoes, onions, cabbage, cucumbers, pumpkins, peppers, carrot, red beet, garlic, squash, aubergine, potherb, green peas.

Fruit production concentrates on: apples, plums, sweet and sour cherries, pears, peaches & nectarines, quinces, apricots, soft fruit, walnuts, table and technical grapes.

## 2. Domestic Sector Overview

Agriculture has always been one of the leading sectors in the Moldavian economy, largely for natural reasons: the rich soil resources, biological diversity, good climate and geographical conditions. There is also a tradition of hardworking farmers and, more recently, private entrepreneurs interested in investing in Moldova's agriculture. Agriculture has an important impact on the social and economic development of Moldova since it meets the majority of the population's food requirements domestically and prevents Republic of Moldova from being dependent on international sources and also supplies the raw materials of other sectors dependent on agriculture.

Moldova has exceptional resources that are highly favorable to agricultural production. Its black, fertile soil is ideal for growing corn, fruit and vegetables. Traditionally, the agriculture and processing industry represented the main branches of the national economy, placing Moldova among the main suppliers of agricultural products and foodstuffs on the huge ex-USSR market.



The agro-industrial activity currently accounts for about 16 percent of GDP. At the same time, agriculture constitutes the most important sector of the national economy, using over 27 percent of the country's labor force.

Agriculture is the dominant land used in Moldova. By far the most significant land used is arable land for annual crop production. Much of this arable land sits on highly fertile and productive black chernozem soils, which cover 75 percent of the country, especially in the northern districts. High quality soil resources, along with various microclimates, support a wide array of annual and perennial crop production across the country.

**The major advantages of doing agriculture in Moldova are:**

- ✓ Favorable geographical location and climate, it is possible to grow early varieties of vegetables, which is a competitive advantage for Moldova. The country has moderate continental climate with short and relatively mild winters and long summers.
- ✓ Moldova has good humus soils and sufficient water resources.
- ✓ Moldova's population accumulated affluent experience and knowledge in growing high value crops such as: fruits and vegetables, tobacco, as well as in viticulture and wine production.

The fertile soil and adequate labor force are able to ensure efficient specialization in growing products for export with high profitability and productivity.

## 2.1 Major Agricultural Products

With its rich soil, vast arable land and favorable climate, Republic of Moldova offers a wide range of agricultural product groups including, fruits, vegetables grains and livestock.

**Global agricultural production in current prices, millions lei**

	2008	2009	2010	2011
Crop production	10 600	7 861	13 616	15 751
Animal production	5 519	4 987	5 786	6 347

Source: National Bureau of Statistics

## Fruits, Vegetables and their Processing

Fruit-growing represents one of the main strategic branches of the national economy, accounting for around 40 percent of the agricultural production value. Moldova is a net exporter of fruit and from 2003 a net importer of vegetables. With vegetables, however, being a net importer is due to the off-season import of products that are grown seasonally (May- November) in Moldova. The local production and marketing season could be extended to provide more competition to imports over a greater time period.

The market structure for fruit and vegetables in Moldova includes the following distribution channels: approximately one hundred open air markets, four wholesale markets, one hundred supermarkets, and a myriad of small kiosks. In addition there is HoReCa (Hotels, Restaurants, Cafes, the foodservice sector) that buys directly from the open air and wholesale markets as well as directly from growers and retailers. Besides those commercial channels, a large portion of rural households consume and preserve their production for their own consumption or informal exchange with their neighbors.

Official governmental statistics of fruit and vegetable consumption (including potato and melons) per capita in kg for the last 3 years are presented below. It paints a picture of a relatively stable consumption pattern with some small variations from year to year.

**Total production of vegetables and fruits, thousands of tons**

	2008	2009	2010	2011
Vegetables	376	308	341	362
Fruits	370	308	322	378

Source: National Bureau of Statistics

**Fruit and Vegetable Consumption (Including Potatoes and Melons) per capita in kg**

	2008	2009	2010	2011
Quantity	198	200	208	218

Source: National Bureau of Statistics

Overall Moldova has very good conditions for producing horticultural crops. Official statistics in 2010 indicated that the total area of fruit and nut planta-

tions is 116 thousand hectares including 106 thousand hectares of fruit, 9 thousand hectares of nuts, and 1 thousand hectares of berry bushes, which, combined account for about 4.6 percent of agricultural land area. The main fruit planted is apples, covering approximately 64 thousand hectares, followed by stone fruit with 33 thousand hectares of mainly plums and cherries, and table grapes with 20 thousand hectares. The average annual area of planted open field vegetables is 38 thousand hectares and the protected area (greenhouses) for growing vegetables has a surface area of 550 hectares.

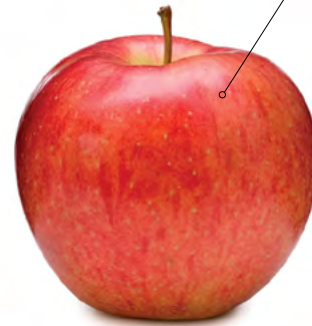
Geographically the main zones for production of apples and potatoes are in the Northern part of the country, and plums which are produced in the Central part, peaches in the South and table grapes in the Southern and central areas. Vegetable production, greenhouse and open field are scattered throughout the country, based on water accessibility and soil quality.

**Fruits** – total annual production is about 322 thousand tons, with apples the biggest crop accounting for a minimum of 60 percent of total production (circa 208 thousand tons depending on the year). Plums are the second biggest crop with the annual volumes of around 54 thousand tons followed by cherries (11 thousand tons), peaches (15 thousand tons) and apricots - (5 thousand tons). Approximately 46 thousand tons of table grapes are produced annually. Melons, approximately 103 thousand tons are produced annually.

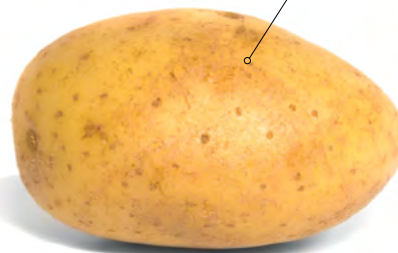
**Vegetables** – annual production totals 341 thousand tons excluding potatoes, which alone account for another 280 thousand tons. The main vegetable crops produced in open field are tomatoes (57 thousand tons), cabbage (36 thousand tons), onions (56 thousand tons), peppers (16-45 thousand tons), cucumbers (21 thousand tons), pumpkins (41 thousand tons), carrots (20 thousand tons), red beets (20 thousand tons) and garlic (10 thousand tons) with averages fluctuating by 10 percent year by year. In greenhouses, total production approximates 54 thousand tons of vegetables.

**Vine and wine.** Wine-making is an essential branch of the economy. The share of viticulture and wine-making in global agricultural output is about 15 percent and respectively 23 percent from the total agro food export.

208 000 tons per year



280 000 tons per year



140 000 ha in 2011



In 2011 the vineyard covered a total area of 140 000 hectares. About 31 500 hectares of vines were planted during 2002-2011, over 95 percent of the areas being privately owned.

The existing wine production companies have a wine grape processing capacity of 1 million tons and storage of wines over 700 million litres. Over 60 percent of companies processing grapes are equipped with modern machinery, equipment and technology. Secondary wine units are reassembled almost entirely with modern bottling lines. The volume of grape processing and wine production from raw material is maintained at the level of 360 000 tons and approximately 250 million litres of wine.

Exports progress depends on the markets. Total exports in the years 2005-2011 were reduced from \$ 315 million in 2005 to 160 million in 2011, namely because of lower exports to Russia.

### Walnut production and processing

According to the International Trade Centre in Geneva, Moldova is one of the largest exporters of walnuts to Europe, after USA, Mexico and China. Walnuts are grown on 11,000 hectares, an area that has been consistently expanding. Average productivity varies from 2 to 3 tons per hectare depending on the variety and climatic conditions. This crop has rapidly grown during the last decade. Walnuts plantations have registered a rapid growth since the year 2000 from an area of 4000 hectares and reaching an area of 11 000 hectares in 2011.

11 000 ha in 2011



Thus, the amount of exports grew in financial terms from 39 million USD in 2007 to 63 million USD in 2011.

Some of the key exporters and processors of products destined for the EU markets are:

- Reforma Natural Fruit and Nuts (a German investment operating in Moldova in walnut export),
- Monicol (processor and exporter of dried fruit and walnut kernels),
- VM Plumcom (processor and exporter of dried fruits), and
- Prometeu-T (the major processor and exporter of walnut kernels in Moldova),
- AMG Kernel Group Soroca (producer and exporter of walnut kernels).

### Production of walnuts, thousands of tons

	2008	2009	2010	2011
Walnuts	14	10	12	14

Source: National Bureau of Statistics

### Processing

Annually approximately 9 percent of all vegetables and 45 percent of all fruits are processed. The total volume of fruits and vegetables that are processed are approximately 200-250 thousand tons per year.

Six companies (Orhei-Vit, Alfa-Nistru, Natur-Vit, Natur Bravo, Rozmiar, Floresti) export a diverse range of products, including apple juice (clarified and with pulp), fruit nectars, fruit drinks, and preserved fruits and vegetables. Canned fruits and vegetables are the most significant export volumes including peas, corn and whole tomatoes. Additional processed items are tomato pastes and ketchups, purees for babies, jams, preserves and specialty items. More than 90 percent of production is destined for export. CIS countries remain Moldova's biggest export market for processed fruit and vegetable products accounting for 70 percent in total, including Russia (38 percent) and Ukraine (9 percent). Other European countries account for the remaining 30 percent of exports, mostly in the form of semi-finished products.

Just one tenth of cereals are milled, the rest being used as fodder. Around one fourth of milk is processed and less than 10% of meat and pulses. Most sugar beets are processed, as are 70% of oil crops.

### Dried fruits production

The Moldovan dried fruit sector includes a few large and medium sized companies and a larger number of smaller companies, all competing amongst each other. Over the past three years Moldova produced 2 000 - 3 500 tons of dried fruit (mostly plums, but also apples, cherries, pears, etc.) per year depending on the growing conditions and availability of raw materials. Export levels are usually about 70 percent of production. The EU absorbs about 80 percent of Moldova's dried fruit exports; CIS countries, primarily Russia, Belarus and Ukraine, accounting for the other 20 percent.

≈ 3 000 tons in 2010-2012



### Grains

The cereals sector has a vital importance for the country. The main crops cultivated in Moldova include wheat, barley and corns. The majority of products produced within this sub-sector are provided for the domestic market. The main trade markets are Ukraine, Switzerland, Puerto Rico and Romania. The majority of products manufactured within this sub-sector are provided for the domestic market, except for small/minor quantities of biscuits, which are exported.

Although Moldova is an important producer of grains, a wheat yield of 2.76 tons per hectare in 2011, it is still lagging behind the EU-27 average yield of 5.66 tons per hectare. The main reasons behind this deficiency are: the production in small-sized farms and the inefficiency in input usage.

Production of wheat, barley and corn, thousands of tons

	2008	2009	2010	2011
Production of wheat	1286	737	744	<b>793</b>
Production of corn	1479	1141	1420	<b>1468</b>
Production of barley	353	261	208	<b>198</b>

Source: National Bureau of Statistics

2.76 tons per hectare in 2011





## Livestock

The entire livestock sector in Moldova is dominated by the small farm households, which jointly provide 87 percent of milk production, 80 percent of cattle and poultry breeding, 70 percent of egg production, 94 percent of beef production, 77 percent of swine meat, and 97 percent of sheep and goat products.

Moldova is importing approximately 60 percent of its consumption of dairy and beef products with only 40 percent coming from domestic production.

Pork is the most extensively produced type of meat. In particular, pork is one of the most popular meat types for Moldovan customer since it is much more affordable than beef. Moldova's pork production was 45 thousand tons in 2008 and increased by 80 percent in 2011, reaching 81 thousand tons.



### Livestock by categories of producers (thousands capita)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cows	256	231	217	207	169	160	161	154	144
Swine	446	398	461	532	299	284	377	478	438
Sheep and goats	938	942	938	947	853	866	915	905	832
Horses	78	73	69	67	58	56	54	52	50

Source: National Bureau of Statistics

### Livestock slaughtered for meat production by all categories of producers (thousands tons)

	2004	2005	2006	2007	2008	2009	2010	2011
Cattle	27	26	25	25	18	18	17	16
Pork	53	51	61	75	45	54	73	81
Mutton and goat meat	6	5	5	5	5	5	5	5
Poultry	78	73	69	67	58	56	54	55

Source: National Bureau of Statistics

## 2.2 Organic Agriculture

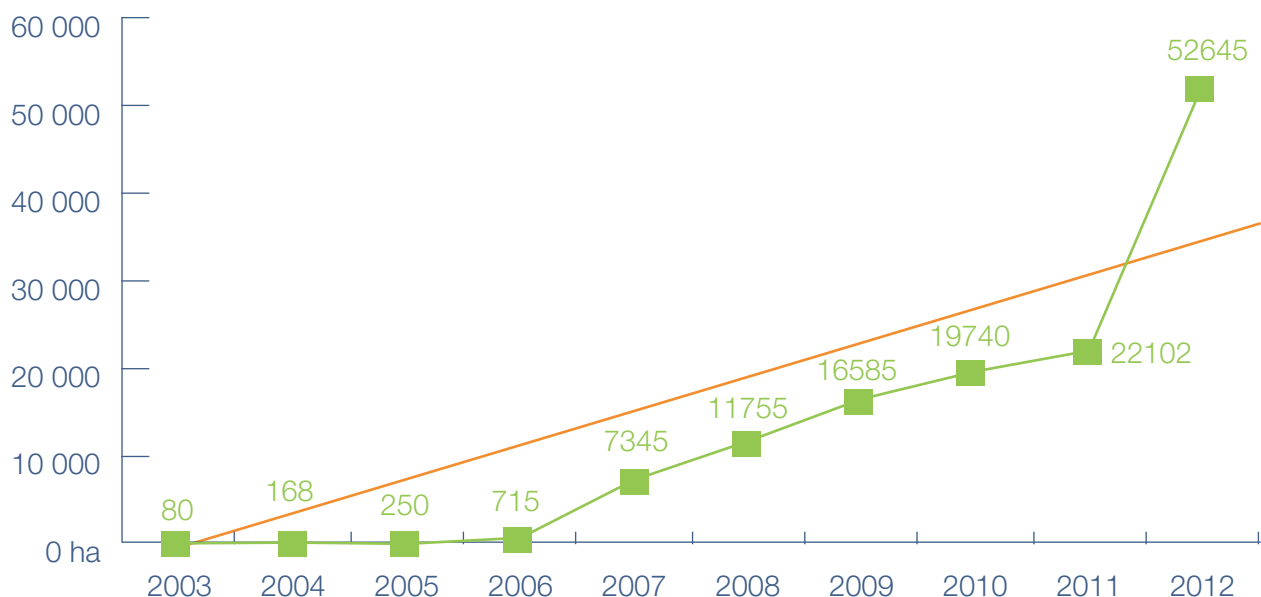
Currently, sales of organic processed foods are growing in Western Europe and now totals €23.8 billion. Turning production over to organic products might revitalize the Moldovan food processing sector. Organic agriculture demands considerable manual work and non-use of chemicals. The governmental institutions are fully aware of the enormous export potential of organic agricultural and food products.

Moldova is the country in the Eastern Europe, Caucasus and Central Asia region (EECCA) with the most developed organic sector, both commercially and in terms of policy and government involvement. The organic sector does not have a long history, but combined efforts by NGOs, private investors and the Government of Moldova has led to Moldova exporting around 32,000 tons of organic products at a value of US \$48 million in 2009, representing 11 per cent of its total agricultural exports, and all this accomplished in seven years. The area of certified organic land represents almost 2 percent of the total arable area. Moldova has had an organic marketing law and the implementing regulations since 2006.

There are two local certification bodies. What is striking is the high level of government support, surpassing even many Western European governments and featuring unique interventions such as government support for marketing 20 percent in value of domestic sales.



Evolution of organic surfaces (hectares) (2003-2012)



Source: National Bureau of Statistics



The Republic of Moldova holds many of the various prerequisites necessary for organic agro-food production development. These include the following: favorable conditions for the cultivation of a large spectrum of ecological and organic value-added agricultural plants (vegetables, fruits and vines, essential and oleaginous crops, etc.); good ecological soil conditions, mainly on large terrains, due to the essential reduction over the last 10 years of chemicals used in agriculture; protection of agricultural plants against diseases and pests, which can be ensured through the application of integrated organic systems and crop rotation etc.

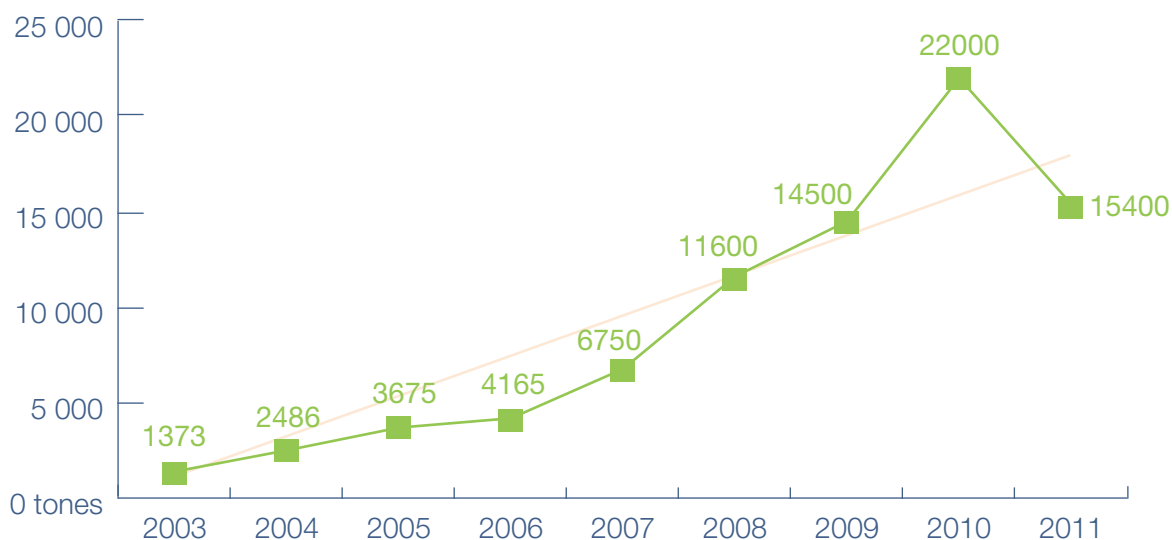
Legislation has recently been harmonized with EU requirements, in particular there were regulations adopted on ecological principals and methods of processing organic food production, inspection and certification system in the field and organic food products import and export.

There are 168 companies registered at the Ministry of Agriculture and Food Industry owning lands with ecologic production.

The market of Moldovan organic products is mainly the European Union. 95 percent of vegetal organic products (cereals, oilseeds and protein, berries and herbs) are exported to Germany, Switzerland, Netherlands and Great Britain.

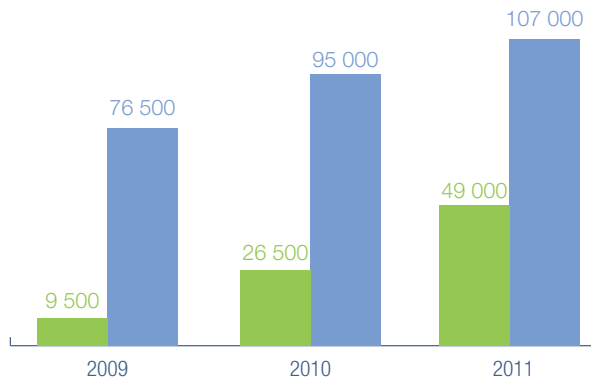
If in 2006 the export volume of organic products was 4165 tones, in 2011 it raised up to 15 400 tones.

**Export of organic products (ton) (2003-2011)**

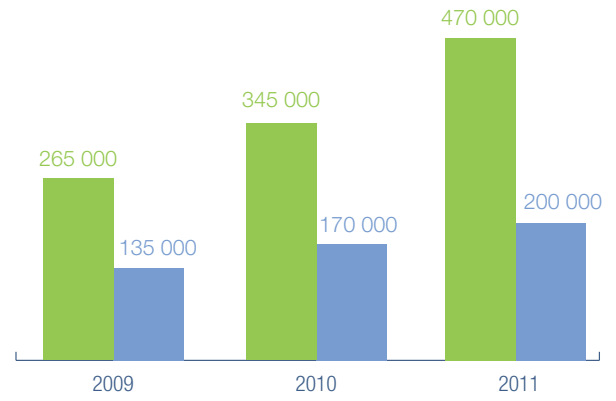


Source: Ministry of Agriculture

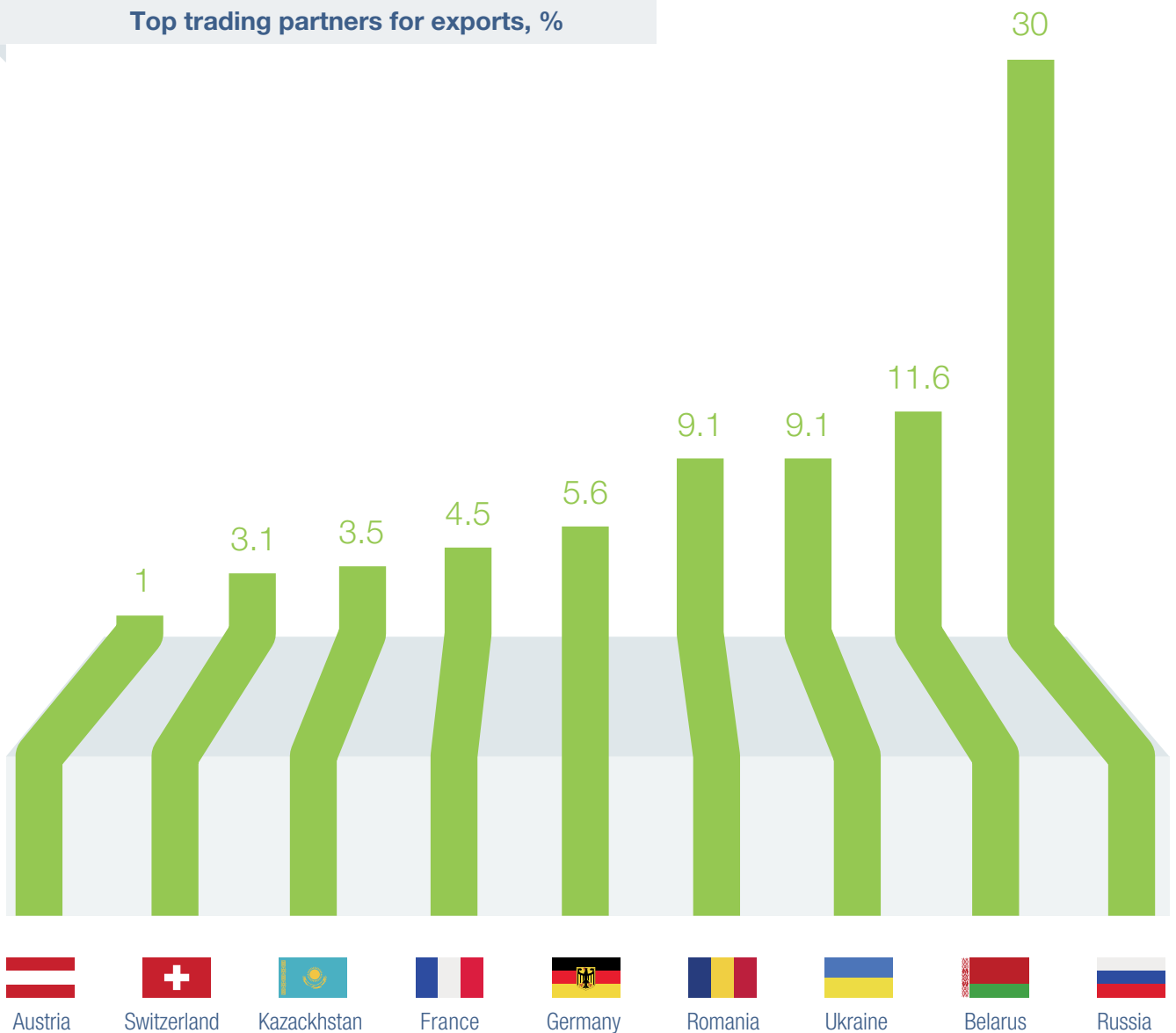
Import and Export of Livestock (thousands USD)



Import and Export of vegetables, fruits, grains (thousands USD)



Top trading partners for exports, %



Source: Ministry of Agriculture

## 2.3 International Trade

The agro-food trade had a positive balance of \$135 million in 2012 and the share of agrifood exports in total exports is 41 percent (2012), while the share of agrifood imports in total imports – just 14 percent.

The main exports are wines and spirits, fruits and nuts, and oilseeds.

The largest deficits are generated by tobacco, fish products, flour, dairy, pastas, chocolate and meat. The volume of agrifood imports has steadily increased in the last 3 years, from \$591 million in 2010 to \$688 million in 2011, to a record \$743 million in 2012.

In 2011 agricultural and agro-food products were exported for a total value of US\$ 900 million, which is by US\$190 million more than in the previous year.

**Within the total export** of the Republic of Moldova in 2011 the largest share is held by foodstuffs, alcoholic drinks, tobacco and tobacco articles, which account for 36 percent (US\$ 330 million).

Plant products totaled US\$ 470 million or 51.3 percent of total exports.

Sun-flower seeds, walnuts, apples, grapes and soy beans account for the largest share.

Animal oils and fat forms totaled US\$ 78 million or 8.44 percent of total export.

Exported livestock products totaled US\$ 38 million or 4.1 percent of total value.

Over 2011, the Republic of Moldova imported agro-food products in a total value of US\$ 700 million, surpassing by US\$ 96 million, the 2010 indicator.

**Within the total volume of imports**, foodstuffs, alcoholic drinks, tobacco and tobacco products prevail, accounting for 51.73 percent representing US\$ 360 million, growing by US\$ 47 million from 2010.

Imported plant products totaled US\$ 200 million, accounting for 30 percent of total imports.

Animal and plant oils and fat imported in the Republic of Moldova constitute 3.6 percent of total imports and amount to US\$ 25 million.



Imported livestock products totaled US\$ 110 million, or 15.6 percent of total import value.

About 95 percent of the alcoholic products are exported on the foreign markets to around 55 countries.

Main markets:

### **Commonwealth of Independent States (CIS)**

- Russian Federation – 39.7 percent
- Belorussia – 32.6 percent
- Ukraine – 11.7 percent
- Kazakhstan – 11.4 percent

### **European Union (EU)**

- Poland – 38.3 percent
- Germany – 19.1 percent
- Czech Republic – 14.2 percent
- Romania – 12.6 percent
- Latvia – 3.2 percent
- UK – 2.0 percent

### **Other countries**

- US – 14.2 percent
- Israel – 51.4 percent

To achieve stable growth in agro-food exports, there is a need to diversify and increase access to high value markets. Increasing exports to the EU would help achieve this diversification and provide access to higher-value markets. Meeting the requirements of global food supply chains is the challenge facing the agro-food sector and at the same time an opportunity for international investors.



## 2.5 Investment Opportunities

### 2.5.1 Investment opportunities in the prioritized agricultural sectors

#### I. Viticulture and Wine industry investment opportunities

##### 1. Overview:

Wine industry represents an essential branch of the Moldovan economy. Approximately 15 percent of the national annual budget is formed of incomes generated by viticulture. The total area of wine-producing plantations is 156 thousand hectares of vineyards, including 119 thousand hectares of yielding plantations. Over 95 percent are under private ownership. The annual vintage is 400 – 500 thousand tons. The Moldovan viticulture can be characterized as including a large variety of species, of which 90 percent represents European ones. Around 10 percent of produced wine is consumed by the domestic market and 90 percent is exported, which amounts to US\$ 313 million.

##### 2. Advantages:

**Geographical area:** Natural factors of Moldova as a combination of a unique microclimate (sun, rain, and temperature), fertile soil, favorable geographical position on the same latitude as France and Northern Italy.

**Traditions:** Viticulture and winemaking is an activity, that has been practiced in Moldova over millenia.

**Novel variety:** The wine produced in Ialoveni is actually a Xeres wine, Prometheu is in fact a Porto wine, the Moldovan equivalent of Cahor are red and rosé dessert wines; “Pastoral,” “Bouquet of Moldova “ is made by the same technology as vermouth.

**Unique collection :** The collection of wine from Milestii Mici was included in the Guinness Book at the category “The largest collection of quality wines in the world” (1.5 million bottles).

**Quality:** Distinct qualities: taste, flavor, properties, varieties.

##### 3. Investment opportunities:

- Implementing product’s quality and safety standards in wineries
- Re-equipment of wineries
- Installation of seven zone laboratories to determine products’ safety
- Stimulating the development of small and medium size wineries
- Vineyard replanting

## II. Fruit and vegetables sector

### 1. Overview:

Fruit-growing represents one of the main strategic branches of the national economy, accounting for around 40 percent of the agricultural production value. The area under fruit plantations in 2007 totaled 116000 hectares including: Orchards – 104 thousand hectares or 96 percent of total area. Regarding the vegetables production, the annual harvest totals, on average, around 370 thousand tons. Within the total volume of vegetables, 4.7 percent of vegetables are exported as fresh vegetables, 8 percent are used as raw material within the processing industry, and 87.3 percent are traded in fresh condition in the domestic market. Vegetables are exported into 23 countries of the world.

### 2. Investment opportunities:

- Planting new orchards
- Fruit and vegetables storage
- Fruit and vegetables processing: Equipment and technology are required for storage, packaging and long distance transportation of fresh products; drying; instant freezing; canning; and the production of ingredients and additives.

### 3. Other strategic sectors for potential investment

a. **Walnut:** Moldova is one of the largest European exporters of walnuts shelled and nut kernel accounting for a total volume of 18 thousand tons and amounting to Euro 29, 8 million. The walnut growing area constitutes around 9000 hectares, and is constantly expanding over the last years, especially through plantation of walnut industrial orchards. The sector has an enormous non-used potential in terms of extension of orchards' areas. To make this potential efficient and operating, an adequate storing and processing infrastructure, as well as relevant market diversification are needed.



- b. **Sugar Industry:** The complex includes two main segments – sugar beet producers and producers and traders of sugar beet seeds. Currently, sugar beet in Moldova is processed by two companies – JSC “Südzucker Moldova” and “Magd-Vest”, which supply sugar in the domestic market; the sugar surplus is exported. The annual domestic market demand totals around 85 – 90 thousand tons of sugar; the country export potential is around 50 – 60 thousand tons.
- c. **Oleaginous Plants and Industry:** The main oleaginous plants in Moldova are the sunflower, soy and rape. The overall volume of these plants in 2011 totaled 530 thousand tons, 382 thousand tons, 111 thousand tons, and 37 thousand tons, respectively. The oleaginous sector includes around 542 small- and medium-sized enterprises (oil mills), which annually process approximately 55 – 60 thousand tons of sun-flower, partially satisfying the domestic market demand. The JSC “Floarea-Soarelui” is the main oil producer (of both sun-flower and soy oil), having a production capacity of 262 thousand tons per year.
- d. **Organic farming:** The rich soils, and skilled, relatively cheap and available labor present opportunities to take advantage of the increase in demand for organic farming products in western markets, and this provides a huge opportunity for investment in this area.

### III. Why invest in the agricultural sector in Moldova?

#### 1. Arguments that make Moldova attractive for investment

The main advantages:

- ✓ Moldova's location : access to EU and CIS markets (free trade regimes and geographical location);
- ✓ The fertile soil and favorable climate conditions: the main conditions required to develop intensive agriculture;
- ✓ High efficiency of a profitable agro-industrial sector, which significantly exceeds the efficiency ratio of neighboring countries;
- ✓ Large popularity of Moldovan brands in CIS markets: high quality of Moldovan products recognized in all former USSR regions;
- ✓ Ecologically pure products in Moldova: the products in Moldova have remarkable gustative quality provided at exclusively accessible prices;
- ✓ The production capacities of the agro-industrial complex are located at short distance from raw material location and are placed uniformly within the country territory;
- ✓ Extremely competitive labor force and availability of qualified staff;
- ✓ Possibility of setting up joint ventures;
- ✓ Potential to develop the local market;

#### Example of foreign investors in Moldova

Name	Subsector	FDI Origin	Comments
Sauron	Grapes and fruit nursery	USA	Table grapes and stone fruit seedlings. First one to introduce seedless table grapes to the local market
Interconsult MD	Strawberry production	The Netherlands	Commercial scale strawberry growing operation using
Reforma Fruit'n'Nuts	Dried fruit and vegetables	Germany	Largest exporter of dried fruit and vegetables
Natur Bravo	Fruit and vegetable processing	USA	Canning and juice making business operating three processing facilities
Cardico	Walnuts	Greece	Part of a larger European processing chain
Pinto-Mold	Walnuts	Austria	Processor and exporter
Bienenhaus	Honey	Germany	Modern honey processing and export facility
Lactalis-Alba	Dairy	France	Part of a larger dairy chain in Europe and CIS
Südzucker Moldova	Sugar processing	Germany	Largest sugar maker in the nation with 3 different processing facilities around the country
Kelly Grains Elevator	Grain growing and processing	USA	Grain storage and export
Floarea Soarelui	Oil press	USA	Largest producer of sunflower oil in the country holding a significant share of the local market and considerable export operations.
Agrimatco	Input supply	Middle East	Member of an international input supply business





### 3. Example of a Success story

#### Südzucker

Südzucker AG is a very well known German company. With a production of some 5 million tons, Südzucker Group is the market leader in the sugar sector. The Group's European factories are based in France, Belgium, Germany, Austria, Poland, the Czech Republic, Slovakia, Romania, Hungary and Moldova. It operates 43 sugar factories and 2 refineries.

In 2001, on the basis of the earlier purchase of Moldovan sugar processing facilities in Drochia, Alexandreni and Falesti, Südzucker-Moldova JSC was established. Südzucker-Moldova JSC produced 83,000 tons of sugar last year, 56 percent of the production of the Moldovan sugar sector. In monetary terms, Südzucker's annual turnover in Moldova grew to € 37 million during the last year of operation. When Südzucker AG came to Moldova, the sugar industry was in such a dismal state that many questioned whether Moldova even needed a sugar industry. Before investing, the company established that there was a need to introduce new management systems into the industry. It allocated the management of key processes to several professional managers who valued openness and transparency – values the company prizes highly. The company set constructive relations with the public, growers and government authorities contributing to serious changes in legal frame conditions of the industry.

Soon after Südzucker's arrival, thousands of people obtained stable employment. Understanding Moldovan realities, Südzucker undertook managerial and organizational steps to make sure its investments reaped proper results within optimal time frames. In its effort to increase the quality of the raw material supplies, Südzucker completely changed the system. It established a raw material supply development division to help growers. The division organizes regular workshops and field-days where the company and its suppliers discuss methods of obtaining optimal yields. As a result of this approach, local growers have changed to new varieties of sugar beet and learned new pest management, maintenance and harvesting technologies. Regardless of the fact that energy is slightly cheaper in Ukraine and Russia, Südzucker has managed to make the product competitive in these markets. In a little over five years, the company invested over €12 million in renovating production, marketing and institutional facilities.

#### 4. Sources

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[www.fao.org](http://www.fao.org).

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The Investment Attraction Team works under the direct mandate of the Prime Minister of Republic of Moldova and is located in the Prime Minister's Office.

We provide high-quality services for potential investors throughout the investment decision process. As well, we support existing investors in extending their operations.

Our team consists of permanent investment attraction staff, sector related consultants, as well as regional officers.

Combining our experience, we are able to provide you with information relevant for your decision making, as well as links to business and government.

