



Moldova Investment Guidebook

Moldova at a glance
Strategic Sectors &
Business Opportunities



Moldova



Introduction

Why invest in Moldova?

The Republic of Moldova is one of the six Eastern Partnership countries, located along the Eastern borders of Romania and sharing many linguistic similarities with the latter. The country has a pro-European attitude and is open to business.

The present guidebook, prepared in the frame of the East Invest project, provides foreign enterprises interested in the Moldovan market with a comprehensive overview of the Republic of Moldova's main competitive advantages, its business climate, and useful contacts and references.

After the general insight into the country's economic potential, a series of strategic sectors are presented: Agribusiness, Alternative Energy, ICT, Sustainable Construction, Textiles, Tourism and Transport and Logistics. They are grouped in two categories: industry and services.

Two strategic maps – one for industry and one for services - offer the reader an immediate overview on the location of the corresponding strategic sectors in the country.

They are followed by individual sector outlooks that include specific schemes and incentives available for foreign companies, a list of business opportunities and success stories.

The Investment Guidebook ends with a short insight into the East Invest project and the organisations that contributed to preparing this guidebook, and in particular the Chamber of Commerce and Industry of the Republic of Moldova.

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MOLDOVA AT A GLANCE

Why invest in Moldova?

Economic Outline

Useful Organisations and
References

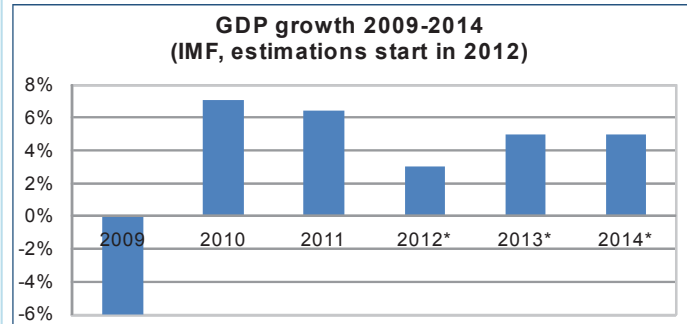
Why invest in Moldova?

- Unique geographic position: bordered by the EU (Romania) and the CIS (Ukraine), Moldova is the only country with autonomous trade agreements with the EU and free trade agreements with the CIS
- Skilled and competitive workforce: good technical skills, proficiency in languages (Moldovan and Russian, and often English and French) and lowest wages in Europe (average monthly salary for qualified, multilingual workforce: EUR 190)
- Regionally attractive fiscal and non-fiscal regime: 12% corporate tax rate in 2012
- Favourable investment legislation and government's availability to negotiate directly with potential foreign investors (full-time investment support team)

Market access

- Free trade agreements: bilateral free-trade agreements with 9 **CIS countries** (265 million people), **Central European** Free-Trade Agreement - [CEFTA](#) (25 million people), membership in the [Organization of Black Sea Economic Cooperation](#) (321 million people);
- **Autonomous Trade Preferences (ATP)** agreement with the **EU**, extended until 2015: unlimited and duty free access to the EU market for all products originating in Moldova, except for certain agricultural products. **Deep and Comprehensive Free-Trade Area** (DCFTA) agreement under discussion;
- Membership in the [WTO](#) (2001): [MFN](#) (Most-favoured-nation) regime with all WTO member countries.

Economic outline



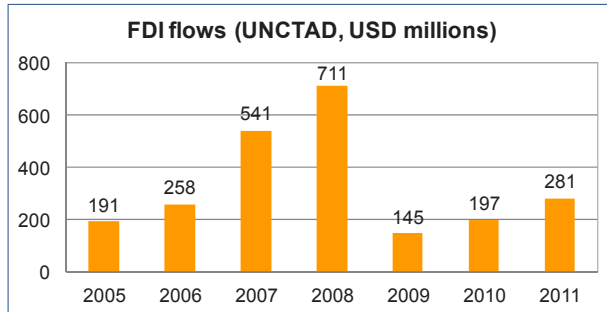
Key figures

- GDP: MDL 82.3 billion/ EUR 5.0 billion (2011)
- Population 3.6 million
- Area: 33,800 km²

Moldova took major steps to boost and diversify its economy over the past years. Structural -and ongoing- reforms have substantially improved the business climate and enhanced the country's competitiveness. After a sharp drop of GDP in 2009 caused by the global economic crisis, Moldova managed to recover quickly: GDP growth topped 6% in 2010 and 2011. The National Development Strategy "Moldova 2020" aims at orientating the country towards a **dynamic model based on local and foreign investments and development of export-oriented industries**. An Association Agreement with the European Union is currently under negotiation.

Foreign Investment

- Open door policy for investors in any sector;
- FDI is still low but the FDI stock has increased over 7 times between 2000 and 2011;
- Privatisation process set as a priority area in a recent agreement signed with the International Monetary Fund (IMF);
- Reinforcement of Moldova's attractiveness: reforms in the country's infrastructure and economy, harmonisation of legislation with EU norms, human resource retention and education;
- Top investor countries: Netherlands, Cyprus, Italy, Russia, France, United Kingdom, Germany, Spain, Romania, USA.



Ease of doing business

Doing business 2013 rank for Moldova: 83/ 185

Change in Rank:  3

Moldova came second in a list of top 10 reformers in Doing business 2012, still progressed in Doing business 2013 and further plans to have the best regional business environment by 2020. Major latest improvements include:

- Starting a Business: implementation of a one-stop shop;
- Getting Credit: establishment of the first private credit bureau;
- Paying taxes: encouragement of electronic filing and payment;
- Protecting investors: introduction of a rescission right for prejudicial related-party transactions.

"People know little about Moldova, but on the whole **foreign investors are really happy with their Moldovan ventures.**"

*Jean-Francois Myard,
Former President of the CCI France-Moldova*

Investment climate

Moldova investment climate is increasingly attractive, and further reforms are to be launched. [Investing Across Borders \(IAB\)](#) assessment for Moldova:

- Investing Across Sectors: all sectors are fully open, except for the media sector;
- Starting a Foreign Business: it takes 9 procedures and 10 days to establish a foreign-owned limited liability company (LLC) in Moldova (Chisinau);
- Accessing Industrial Land: leasing and buying land from both private and public owners are possible. Most foreign companies prefer to buy private land;
- Arbitrating Commercial Disputes: on average, it takes 13 weeks to enforce an arbitration award rendered in Moldova, and 21 weeks for a foreign award.

Foreign and domestic investors are treated equally. Moldova ratified the ICSID Convention on the Settlement of Investment Disputes between States and Nationals of Other States in 2011.

Tax system and incentives

Moldova **offers a very competitive tax system:**

- Corporate income tax: 12%, incentives available for investors;
- Income tax: 7 to 18%, possible exemptions for foreign personnel;
- VAT rate: 20%, VAT reimbursement on export activities.

Preferential legal regimes of investment are available:

- **Free economic zones (FEZ):** [Expo-Business Chisinau](#), [Ungheni-Business](#), [Balti](#), Tvardita, Otaci-Business, [Valkanes](#), Taraclia. Advantages include lower operating costs for infrastructure; exemption from VAT, customs and excise duties on goods imported and re-exported and corporate tax and 10-year protection against adverse changes in legislation.
- **Industrial parks (IP):** Floresti (near Ukraine), Ungheni (near Romania), Cainari, Tracom (Chisinau), Cimislia (near Ukraine), Bioenergagro, Raut (Balti). Fiscal benefits and other facilities for the IP residents are available. Feasibility studies for IP can be downloaded on mec.gov.md/studii-de-fezabilitate. Enterprises can obtain the title of IP on the basis of a Government decision, and thus become administrator and resident of the IP.
- Income tax for residents obtained from the export of goods/ services originating from FEZ, outside the customs of Moldova, is 50% from the quota set in Moldova. In other cases the income tax is 75% from the quota set in Moldova.
- The goods subject to excise, introduced in FEZ from outside Moldova and from other FEZ, as well as the goods originating from FEZ and exported outside Moldova are exempted from excise payment.
- The goods/ services delivered to FEZ from outside Moldova, and those delivered from FEZ outside Moldova are exempted from VAT.
- The goods/ services delivered inside FEZ and among FEZ residents are exempted from excise and VAT .

This map provides an immediate view of Moldova's nine Free Economic Zones (FEZ), Industrial Parks (current and under development) and major transport infrastructure.



Chamber of Commerce and Industry of the Republic of Moldova

A non-governmental, autonomous and independent organisation, representing the interests of the business community in the Republic of Moldova. Its objective is to support the business community in the country and to create a favourable environment for business development.



Chamber of Commerce and Industry
of the Republic of Moldova

Website: www.chamber.md / Email: camera@chamber.md

MIEPO, the **Moldovan Investment and Export Promotion Agency**, is a government institution working in coordination with the Ministry of Economy of the Republic of Moldova.

MIEPO is co-operating directly with foreign investors to promote investments in Moldova and with Moldovan companies to increase exports. MIEPO assists potential investors and foreign importers of Moldovan products in the identification & exploration of business opportunities. MIEPO's useful resources include:

- the [Investing Guide Moldova 2012](#);
- a [list](#) of business & investment opportunities.

Website: www.miepo.md / Email: office@miepo.md



ODIMM (Organization for the Small and Medium Enterprises Sector Development)

is in charge of implementing the SME policy under the supervision of the Ministry of Economy. Its activities include entrepreneurship promotion, service provision to SMEs and support in access to financing.

Website: www.odimm.md

European Business Association in Moldova, an independent, non-government organisation set up under the auspicious of the EU Delegation. It promotes best business management practices in Moldova. The **EBA** serves its beneficiaries by enhancing the business environment, streamlining business promotion and providing a certain range of services.

Website: <http://eba.md>

Republic of Moldova
official website



REPUBLIC OF MOLDOVA
OFFICIAL WEBSITE

This online resource centre provides general information about the country, its State Authorities, Society, Economy and Business and Foreign Relations.

Website: www.moldova.md

Business Portal for SMEs in Moldova, providing SME-oriented materials to start a business, find a partner, etc. It includes a Catalogue of enterprises by sector with contact information.

Website: <http://businessportal.md/en/index/>

MOLDOVA'S STRATEGIC SECTORS

Industries: Agribusiness
Alternative energy
Sustainable construction
Textiles

This map targets Moldova's most strategic and promising industries for foreign companies: **Agribusiness**, **Alternative energy**, **Sustainable construction** and **Textiles**. It provides an immediate view of the key sectors.



Sector outlook

Moldovan fertile black soil and mild climate offer very favourable conditions to grow fruits, vegetables and cereals. Moldova is also famous for its rich wine industry, one third of the production being exported. Agribusiness accounts for 30% of GDP, while food processing constitutes more than two thirds of exports: 90% of processed fruits and vegetables are exported.

Agricultural products can be **exported without duties and tariffs in Russia and other CIS countries**, and most of them also benefit from a **free access to the EU markets**.

Strategic direction/ specific schemes and incentives

Moldova aims at developing **high value added agribusiness activities** and launched several support programmes and mechanisms to encourage the agribusiness sector competitiveness:

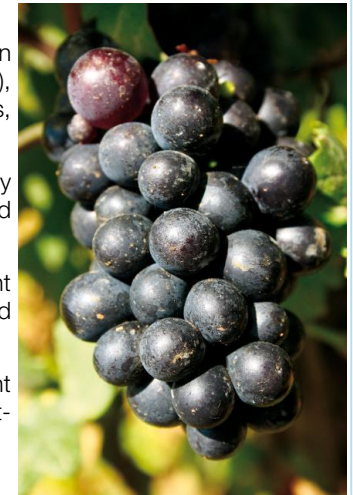
- Support mechanisms for investments in: **fruit growing and wine-growing** plantation, **land protected vegetable production, organic farming, milk and meat production**, etc.;
- Special tax regime: payment of a single, consolidated tax, which substitutes the income tax, land tax, real estate tax, road and local taxes.

Business opportunities

Agriculture and food processing projects can be developed for the local markets or for exports in Russia, other CIS countries and the EU. Business opportunities include farm land leasing, greenfield investments and supply of equipment, technologies and know-how.

Promising sub-sectors:

- **Fruits and vegetables:** creation of new orchards (walnuts, etc.), plantation of new vineyards, food processing, etc.;
- **Wine production:** a very favourable environment and secular traditions;
- **Dairy products:** establishment or upgrading of milk farms and milk processing plants;
- **Meat products:** establishment of livestock farms and abattoirs;
- **Organic farming;**
- **Supply of equipment and technologies:** storage, packaging, long distance transportation, drying, instant freezing, canning, production of ingredients and additives.



Success stories

Südzucker (Germany), a leading European sugar company, operates three plants in Drochia and Falesti. It established a Moldovan affiliate in 2001, and introduced new management and organisation practices which utterly changed and modernised the Moldovan sugar industry.



Lactalis (France), the largest dairy enterprise in the world, has two dairy plants in Moldova where it produces under the President and Alba brands. It invested EUR 17 million in 2010 to expand its activities and develop its cheese and feta cheese exports.

Trans-Oil (Moldova), a private company founded in 1997 with the assistance of the US company Trans-Oil, operates in the grain and oil seed industry in the Black Sea region. In 2010-2011, it invested over EUR 20 million for a sunflower oil refinery and grain elevator project in **Giurgiulesti** cargo terminal. It has representative offices in Moldova, Russia, Ukraine, Switzerland and France.

Useful links and contacts

Union of Agricultural Producers of Moldova
Website: www.uap.md

Chamber of Commerce and Industry of the Republic of Moldova
Website: www.chamber.md

MIEPO, the Moldovan Investment and Export Promotion Agency
Website: www.miepo.md

Sector outlook

Moldova is dependent on energy imports for over 95% of its consumption. The country offers an interesting potential for the development of renewable energy and energy efficiency: its energy intensity is around 3 times higher than in the EU and the use of renewable energy is still limited.

Strategic direction/ specific schemes and incentives

The **development of renewable energy and increased energy efficiency in residential, industrial sectors, transport and agriculture** are among the priorities of the [Moldova 2020 development strategy](#) (2012). An adequate institutional framework was established with the adoption of the Energy Strategy until 2020 (2007), the Law on Renewable Energy (2007), the Law on Energy Efficiency (2010), the National Energy Efficiency Programme 2011-2020 and the Energy Efficiency Agency. A gradual approximation of the national legislation with the relevant EU *acquis* is underway.

- Renewable energy law: increasing the use of energy produced from **renewable sources up to 20% of the total gross domestic consumption and 10% of annual electricity production by 2020**, feed-in tariffs established for a 15-year period;
- Energy efficiency: planned gradual **increase of energy efficiency by up to 20% by 2020**, creation of an Energy Efficiency Fund;
- Sustainable energy action plan launched by EBRD in 2011 in order to improve the environment for sustainable energy investments in various sectors of the Moldovan economy.

Business opportunities

Several foreign companies have expressed their interest in the renewable and energy efficiency industries in Moldova, some of which plan to create affiliates. **Promising niches are mainly in the biomass sector.**



- **Biomass:** small-scale projects using **agricultural residues**. Potential to develop **straw-fired heating systems** for 100,000 private houses, **biogas from agricultural wastes** (sugar beet presses, etc.) and animal wastes for heating systems or for cogeneration plants, production of **briquettes** (solid fuels obtained in the process of compacting agricultural and industrial wastes, [UNDP](#) support) and **pellets**;
- **Wind power:** 1,000 MW estimated potential;
- **Hydro power:** small hydro power plant projects on the Dneister, Prut and Danube Rivers;
- **Solar energy:** solar thermal projects such as solar thermal collectors for hot water or steam generation;
- **Energy efficiency:** projects in residential sector, industry, transport and agriculture. Credit line for on-lending to local private companies available under EBRD's Moldova Sustainable Energy Financial Facility ([MoSEFF](#)).

Success stories

[Mercando Green Technology](#) (Switzerland) plans to launch the first biogas production plant in Moldova for a total estimated investment of EUR 25 million. The project will be located in the village of Tsarigrad in the district of Drochia. It will be implemented in partnership with local company BioEnerAgro.

Debut-Sor SRL (Moldova) produces sausages and meat products in Soroca. The company recognised **energy efficiency** as a viable cost reduction strategy, which will increase its competitiveness. With a [MoSEFF](#) loan of EUR 147,497, Debut-Sor invested [in the replacement of several units in its production process](#). The new machines use less energy than the old ones and facilitate higher quality production. The company saves 23% energy and 11 tons carbon emissions annually. The payback period is 7 years.

[One Network Energies](#) (France) set up, in 2012, a new company in Moldova named [Solartech Energy](#) in order to bring its expertise to the Moldovan market. It specialises in **solar solutions** for both in-grid and off-grid power supply, and **energy efficiency** by using the technology of ceramic paint. Solartech Energy deployed a technical consulting staff to help customers through their R&D projects and established "Sun Academy" sessions in order to train local solar professional installers and providers.

Useful links and contacts

[Chamber of Commerce and Industry of the Republic of Moldova](#)

Website: www.chamber.md

[MIEPO](#), the Moldovan Investment and Export Promotion Agency

Website: www.miepo.md

[Moldovan Sustainable Energy Financing Facility \(MoSEFF\)](#)

Website: www.moseff.org

[Energy Efficiency Agency](#), in charge of supporting the development of energy efficiency and renewable energy

Website: www.aee.md



Sector outlook

The property market is at early stages of development in Moldova, and the shortage of quality commercial real estate assets in all sub-segments remains amongst most acute in the region. Furthermore, the market penetration with innovative and sustainable construction technologies remains very low.

The residential sector currently absorbs over 40% of the total energy consumption, and energy efficiency and renewable energy projects are scarce. Most local investors are inexperienced developers and many projects have been interrupted due to incomplete financing. With the **recovery of the constructions industry** after the crisis, the growth potential of the sustainable construction sector and the need for foreign involvement are therefore significant.

Strategic direction/ specific schemes and incentives

The main objectives in this sector are defined in the Government Programme “European Integration: Freedom, Democracy, Welfare” 2011-2014:

- Development of the constructions sector;
- Encouragement of the use of modern technologies in the production of construction materials and at construction sites.

Legislation on **energy efficiency in building** is to be adopted by the end of 2012 with the support of EBRD under the Moldovan Sustainable Energy Financing Facility ([MoSEFF](#)) initiative.

Business opportunities

Main promising subsectors:

- **Green building technologies:** sustainable design, thermal insulation, window replacement, ventilation, efficient lighting, etc.;
- **Environmentally friendly building materials:** rapid expansion of the construction materials subsector, high demand in Europe and future demand potential in the CIS;
- **Assessment of conformity** of construction products and projects: expertise to create and equip testing laboratories and to train local workforce.



Success stories

Lafarge (France) is the world leader in building materials. It took part in the privatisation programme by purchasing a controlling share in CIMENT S.A. in 1999, which became [Lafarge Ciment Moldova](#) S.A. Lafarge carries out a sustainable development policy which includes the implementation of environmentally friendly production modes and research activities for the manufacture of greener products.

Artima SA (Moldova) is an export-oriented producer of leather bags and accessories. Founded in 1945 and restructured in 1995, the company decided to invest in energy efficiency measures, financed by a [MoSEFF](#) loan of EUR 177,160. As the building is connected to the district heating system, the improvements focused on the [thermal insulation of walls and the replacement of windows](#). With these simple measures, the company achieved 83% energy savings with a payback period is 7 years.

Useful links and contacts

[Chamber of Commerce and Industry of the Republic of Moldova](#)

Website: www.chamber.md

[MIEPO](#) , the Moldovan Investment and Export Promotion Agency

Website: www.miepo.md

[Moldovan Sustainable Energy Financing Facility \(MoSEFF\)](#)



Sector outlook

The Moldovan textile industry represents nearly one quarter of the country's total exports and has significant growth potential. It includes a number of sectors such as production of **textiles (knitted articles and carpets), garments, leather, leather articles and footwear (including travel articles)**.

Moldova's main competitive advantages include **a competitive and well-trained workforce, a high quality finish and the easy access to both CIS and European markets**. 330 companies operate in the Moldovan textile industry, mostly in CM (cut and make) and CMT (cut, make and trim) processing. Major foreign partners for outsourcing are German, Italian, American, Austrian and Dutch. About one quarter of Moldovan companies operating in the manufacture of wearing apparel have foreign capital, and cover about two thirds of the total sales revenue.

Strategic direction/ specific schemes and incentives

The main orientations for the development of the textile industry are:

- Upgrading the textile and apparel value chain: increasing the competitiveness in the CM industry, developing *Full-Package* services (design, fabric sourcing, trims and logistics) and exporting to new markets;
- Attracting foreign partners to modernise equipments and reinforce skills in management, branding, merchandising & logistics.

Specific advantages include the exemption from duty and VAT for the import of materials for processing (CM).

Business opportunities

Main promising subsectors:

- **Apparel and footwear:** establishment of Moldovan brands and retail chains, outsourcing;
- **Textiles:** bed linens (good supply of cottons);
- **Carpets:** growing demand in CIS, good quality-price ratio especially for the wool-made carpets, exports have significantly increased and now outweigh all other types of textiles.



Success stories

Moldovan-Italian joint-venture [Steaua-Reds](#) was established in 1998 on the basis of the knitting factory Steaua. It employs more than 250 persons and produces a large range of knitted articles for ladies, men and children, using different fabrics and types of finishing (printing, machine and manual embroidery).

[Tirotex](#), a local company operating in Tiraspol, is one of the major Moldovan success stories and one of the largest textile enterprises in Europe and CIS. It has an annual production capacity of 140 million of square meters of finished fabrics. Its modern equipments allow the **processing of cotton rolls to packaged products with bar code**. 42% of its production is sold to the local market while the rest is exported to CIS, EU and USA. It co-operates with companies from Japan, Germany, the Netherlands, Italy, etc.



Moldovan-Belgian joint-venture [Moldabela](#) was established in 2001 on the basis of the local company Covoare-Ungheni. It manufactures jacquard, synthetic and wool carpets and received the ISO 9001 certification. It operates in the [Ungheni-Business FEZ](#).

Useful links and contacts

[Chamber of Commerce and Industry of the Republic of Moldova](#)

Website: www.chamber.md

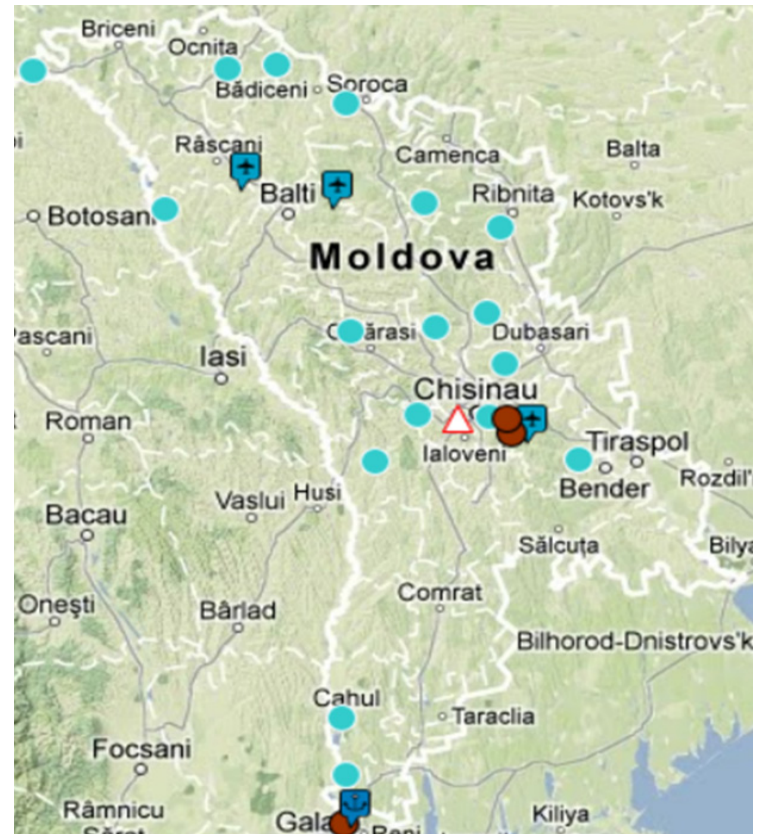
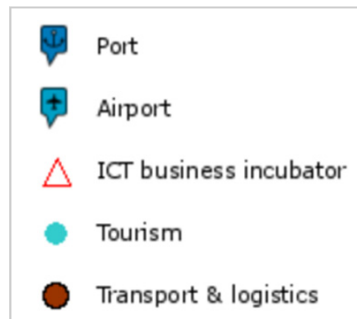
[MIEPO](#), the Moldovan Investment and Export Promotion Agency

Website: www.miepo.md

Employers Association of Light Industry from the Republic of Moldova (website to be launched)

Services: ICT
Tourism
Transport and Logistics

This map targets Moldova's most strategic and promising services for foreign companies: **ICT, Tourism, Transport and Logistics**. It provides an immediate view of the key sectors.



Sector outlook

The Moldovan ICT market is at an early stage of development. It is among the **most dynamically developing sectors**. Double-digit growth was recorded in the number of Moldovan Internet connections in 2009 and 2010, with increased provider efforts to cover the market as fast as possible.

In terms of **offshore/ nearshore activities**, Moldova became one of the preferred outsourcing locations across the South Eastern Europe region in the past years. This was heavily reflected in the volume of exports of services, which has been growing over ten-fold since 2004. Most of the projects are commissioned from the U.K. and the US, followed by France, Germany, and Romania.

As for the **telecommunications sector**, Moldova has one of the highest Internet connection speeds in the world, especially in Chisinau, where most offshore/ nearshore companies are located. Competition in this market is becoming fierce; investment in network infrastructure can therefore be expected to grow rapidly.

Strategic direction/ specific schemes and incentives

Two strategies are being designed: 'Digital Moldova 2020' and 'ICT Competitiveness'. The current **ICT Strategy 2011-2014** aims to:

- Increase Moldova's ICT sector position within the global value chain: exports of ICT products and services to increase from EUR 100 million to EUR 180 million over the 2011-2014 period;
- Upgrade the ICT infrastructure through greater private involvement;
- Strengthen IT skills through education to ensure adequate resources for the ICT sector development.

Other major objectives and schemes include:

- Creation of technological parks and incubators in the ICT field and attraction of international companies;
- Specific advantages for ICT companies: 0% corporate income tax, 0% income tax on all IT staff and a low flat rate for social welfare payments for employers;
- Sector stimulation through public procurement; [e-Government Centre](#) initiative, aiming at improving access to public information.

Special **incentives for Moldovan IT companies** for the 2012-2016 period include:

- Personal income tax incentives for employees;
- Limitation of monthly social security contributions for employers.

Business opportunities

In terms of **IT services**, Moldova is well positioned for:

- **Software development**: specialised outsourcing activities around high value services such as analysis and design, software development and testing;
- **Support activities** (call-centres): competitive workforce with high levels of language proficiency.

In the **telecommunication sector**, the main opportunities are:

- Mobile telephony: penetration still well below potential (70% for fixed and 120% for mobile);
- [Moldtelecom](#), among the most important state-owned companies to be privatised in the near future.

Success stories

Endava (UK) is an IT services company, with over 700 full-time employees working across our European development centres. It opened an [affiliate](#) in Chisinau to provide nearshore IT outsourcing services for large corporations in Great Britain and the United States.

Pentalog (France), a leader in the IT offshore sector, opened its third offshore office in [Chisinau](#) in 2005. It now has over 650 employees, with two business lines: information systems and embedded systems.

Q Systems (UK), **Tacit Knowledge** (USA), **Computaris** (UK), and **Amdaris** (UK) can be mentioned among the smaller players in terms of local business size (up to 50 employees).

Useful links and contacts

Moldovan Association of ICT Private Companies ([ATIC](#))
Website: www.ict.md

[Chamber of Commerce and Industry of the Republic of Moldova](#)
Website: www.chamber.md

[MIEPO](#), the **Moldovan Investment and Export Promotion Agency**
Website: www.miepo.md



Sector outlook

In spite of a rich cultural heritage and beautiful natural landscape, **tourism is still a hardly developed industry in Moldova**: 10,000 international tourist arrivals were recorded in 2011 and the direct contribution of travel and tourism to GDP was around EUR 64 million (1.2% of total GDP) in 2011. Moldova ranks 99 out of 139 in the WEF Travel & Tourism Competitiveness Index 2011.

Major attractions in Moldova include monasteries, rock caves, historic and archaeological monuments, festival and celebrations, museums, waterfalls and cascades, forests, vaults and wineries.

Strategic direction/ Specific schemes and incentives

Tourism is among the sectors supported by the Moldovan government for future investments:

- National tourism strategy under preparation;
- Tourism industry to benefit from the undergoing infrastructure development programmes: rehabilitation of road and railroad network, support to the development of the ITC sector, etc.

Business opportunities

- Construction of **new hotels** and development of international hotel chains: only one international chain so far represented in Moldova (Best Western);
- **Ecotourism, wine tourism, gastronomic tourism**;
- **Cultural and religious tourism**;
- Health and beauty tourism.



Success stories

[Best Western](#) (USA) opened the [Best Western PLUS Flowers Hotel](#) in Chisinau in June 2011. "Moldova is an important commercial centre and a country steeped in cultural and political history," said Suzi MacDonald Yoder, vice president of international operations for Best Western, during the inauguration of this 4-star property.



Useful links and contacts

[Tourism Agency of Moldova](#)

Website: www.turism.gov.md

[Chamber of Commerce and Industry of the Republic of Moldova](#)

Website: www.chamber.md

[MIEPO](#), the Moldovan Investment and Export Promotion Agency

Website: www.miepo.md

Sector outlook

Moldova is a **strategic border between the EU and Eastern Europe** and can become a transport hub for the region. Its existing road and rail network structure is generally well-suited to cope with traffic demand and the objectives of domestic and international connectivity. Lack of maintenance of the transport infrastructure and high logistics costs however hinder the development of the transport industry in Moldova.

The **main transport networks** are:

- **Road:** four large North-South and East-West routes crossing in Chisinau. The [European transport corridor IX](#) linking Scandinavian countries with the Balkan states will pass through Moldova;
- **Rail:** connection with Ukraine and the CIS. Network operator: [CFM](#). Recent developments include new railway lines from Chisinau to southern Moldova and the Giurgiulesti terminal;
- **Air:** Air Moldova, Moldavian Airlines, Tandem Aero (Moldova), Turkish Airlines, Austrian Airlines, Tarom (Romania) and Club Air (Italy) operating in the [Free International Airport of Marculesti](#);
- **Giurgiulesti International Free Port (GIFP)**, a regional logistics hub situated in the South of Moldova, on the **Danube River**. Access to road and railroad networks to Europe and Russia, to the Danube River and to the Black Sea.



Strategic direction/ specific schemes and incentives

The development of the transport and logistics sector is seen as a key issue by the Moldovan government (priority in the Moldova 2020 strategy) and donors (EU, WB, EBRD, EIB). It will be achieved through public investment and the increase of the private sector and foreign involvement.

The **Land Transport Infrastructure Strategy for 2008-2017** mainly aims at:

- Improving mobility conditions for citizens and freight;
- Facilitating trade operations in domestic & international markets;
- Re-integrating Moldova in the main international transport routes crossing Europe.

Business opportunities

- **Road transport:** recovery, maintenance and modernisation of existing infrastructure assets (93% of roads need repair). Road Infrastructure Recovery Plan (2008-2018): total cost above EUR 2 billion;
- **Railroad transport:** privatisation to be launched, major investment in the railway network under the Rail Infrastructure Recovery Plan;
- **Transport services:** development of public transport services and of freight services, security services, etc.;
- **Logistics:** construction of modern warehouses, development of logistics services.

Example of investment opportunity:

Construction of the bypass of 3 villages along the M3 National Road Chisinau-Giurgiulesti, presented during the [TRACECA](http://www.traceca-org.org) investment forum in February 2012 (www.traceca-org.org). This project aims at ensuring continuity of the M3 National Road, designated as the shortest link between Chisinau and the Giurgiulesti hub. The estimated investment is EUR 20 million and the economic internal rate of return (30 years) is 12.2%.

Success stories

[Easeur](#) (Netherlands) and [EBRD](#) established the [Danube Logistics](#) joint-venture to establish and operate Giurgiulesti International Free Port ([GIFP](#)), a regional logistics hub situated in the south of Moldova, on the Danube River. GIFP provides access to road and railroad networks to Europe and Russia, to the Danube River and to the Black Sea. 29 residents were registered in 2012.



[Indra](#) (Spain) provides high value-added solutions and services combining electronics, communications and IT, for the several sectors, including the transport industry. It entered Moldova in 2000 and it now has 70 highly qualified local professionals.

Useful links and contacts

[Chamber of Commerce and Industry of the Republic of Moldova](#)

Website: www.chamber.md

[MIEPO](#), the Moldovan Investment and Export Promotion Agency

Website: www.miepo.md

[National Association of Road Hauliers of Moldova](#)

www.aita.md

[TRACECA](#) GIS Database and Maps and opportunities

www.traceca-org.org/en/routes/gis-database-maps-downloads

Project outlook

East Invest is a regional investment and trade facilitation project for the economic development of the Eastern Neighbourhood region, launched in the framework of the **European Eastern Partnership** initiative.

It targets **Business support organisations and SMEs** from the 6 Eastern Partnership countries (**Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine**), who have potential for developing mutual cooperation and investment relations with the European Union.

Its main objectives are:

- To promote and facilitate investment and economic cooperation at large between the EU and Eastern Partnership countries, and also between the 6 target countries.
- To create the “East Alliance”, mobilising business organisations from both sides to engage in a sustainable partnership and dialogue both within the private sector and towards the public authorities.
- To develop concrete activities that will generate immediate results for SMEs in the region.

East Invest is a European Commission initiative, managed by EUROCHAMBRES, implemented by the East Alliance. This project is funded by the European Union. It runs from November 2010 till October 2013, and has a total budget of 8 750 000 €.

Website: www.eastinvest.eu

The East Alliance

The East Alliance is the 84 partners strong network that manages and implements East Invest under the leadership of EUROCHAMBRES. Its members come from the EU, Turkey and the Eastern Partnership countries.

The East Alliance members are not simply the ‘beneficiaries’ of the project, but they are also the ‘actors’ delivering an important part of the activities, based on capacity and interest. This network of experienced partners:

- guarantees a smooth and immediate implementation of the project,
- offers a balanced geographical coverage, and
- provides for a mix of Chambers of Commerce and other business support organisations.

Projects partners in Moldova

Chamber of Commerce & Industry of the Republic of Moldova

151 Stefan Cel Mare bd.

Chisinau, MD 2004

Tel : +37369107743

Website: www.chamber.md



Business Consulting Institute

27 Mihai Eminescu str.

Chisinau, MD 2012

Tel : +37369835313

Website: www.bci.md

References

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The Chamber of Commerce and Industry of the Republic of Moldova (CCI RM) is a non-governmental, autonomous and independent organization, activating in accordance with the Law of the Republic of Moldova No. 393-XIV of May 13th 1999 and representing the interests of the business community in the Republic of Moldova.

The major objective of the Chamber of Commerce and Industry of the Republic of Moldova is to support the business community in the country and to create a favorable environment for business development, as well as to represent the interests of its members in relation with governmental authorities and foreign business communities. www.chamber.md

ANIMA Investment Network is a multi-country platform supporting the economic development of the Mediterranean. The network brings together over 70 Investment Promotion Agencies (IPA), international networks and players involved in the territorial development of the Mediterranean region. The objective of ANIMA is to contribute to a better investment and business climate and to the growth of capital flows into the Mediterranean region. www.anima.coop

Authors

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- CCI Moldova (p. 24)
- Danube Logistics (pp. 26, 27)

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ANIMA
Investment
Network



EUROCHAMBRES



**East
Alliance**



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