ELECTRONICS SECTOR OVERVIEW
Republic of Moldova
**Key facts**

- **Name:** Republic of Moldova
- **Capital:** Chisinau, ca. 814,000
- **Population:** 3.55 million, January 1st, 2019
- **Area:** 33,847 km²
- **Language:** Romanian (official), Other spoken languages: Russian, Ukrainian, Italian, French
- **Currency:** MDL, 1 EUR = 19.5 MDL, February 2019

**Doing Business 2019 Rank**

- **47**

**Employment rate, 2018**

- **41.98%**

**Inflation rate, 2018**

- **0.9%**

**GDP per capita at PPP, 2018**

- **€6,333**

**GDP current prices, 2018, billion**

- **€9,577**

**ELECTRONICS**

- **2018/2019**
  - **7%** Unique tax on turnover in IT virtual Parks
  - **357 EUR** Average Labor Cost
  - **2,000 EUR/job created** Job creation incentive
  - **500 + ha** Free buildable area in FEZ all over the country
  - **2.6 EUR/hour** Full load labor cost
  - **142 EUR/month** Minimum salary in 2019

**Free Trade Agreements** signed with 43 countries, including:

- **DCFTA (Deep and Comprehensive Free Trade Area with the European Union)** - 500 million population;
- **FTA with CIS countries** (Armenia, Azerbaijan, Tajikistan, Uzbekistan) - 250 million population;
- **FTA with Turkey** - 80 million population;
- **CEFTA Central European Free Trade Agreement** (Moldova, Macedonia, Albania, Serbia, Montenegro, Bosnia and Herzegovina and UNMIK (Kosovo) - 30 million population;
- **GUAM Organization for Democracy and Economic Development** (Georgia, Ukraine, Azerbaijan and Moldova) - 60 million population

**880 million customers duty-free market**
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Top reasons to invest in Moldova Electronics Sector

**1.2 mil**
Active labor force

**Favorable Business Climate**

**Multilingual population**

**Competitive and well-educated labor force**

**Competences in electronics, microelectronics and nanotechnologies**

**Dual VET System**

**142 EUR/month**
Minimum salary in 2019

**Lowest labor cost in Europe**

**2.6 EUR/hour**
Full load labor cost

**357 EUR/month**
Gross average salary

**12%**
Personal and Corporate Income Tax

**500 ha**
Free buildable area in FEZ

**4 hours**
Business entity registration and nanotechnologies in electronics, microelectronics

**Operating Costs**

**Human Resource**

**Lowest utility costs in the region**

**Incentives & Business Climate**

**Free Economic Zones**
Top reasons to invest in Moldova Electronics Sector

- 7% Tax for electronic components manufacturing
- 0% VAT, no Excise and Customs duties
- 0% CIT for a period of 3 (5) years when investing at least 1 (5) million USD
- Free buildable area in FEZ: 500 ha
- Customers duty free market: 880 mil
- Job creation subsidy for manufacturing industry: 2000 EUR
- Inclusive workplace subsidy
- Geographical proximity to CIS, CEFTA and EU countries
- Multilingual population: Competitive and well-educated labor force
- Dual VET System
- Dual skill labor market
- Geographical proximity to the region: utilization of human resources
- 4 hours registration process
- Minimum salary in 2019: 99 EUR/month, 2.6 EUR/hour
- Full load labor cost: 142 EUR/month, 357 EUR/month
- Competitive and well-educated population
- Competences: Lowest utility costs in the region
- State guarantee on legislation changes: 10 Years
- EUR/USD payments among FEZ residents
- Free Economic Zones
- No Excise and Customs duties
- Inclusive workplace subsidy
- Dual VET System
- Dual skill labor market
Education

Well-educated young students, in sector-specific faculties, are available to work in companies and increase their productivity. The educational system in Electronics covers dual VET, colleges, and the Technical University, providing a highly-skilled workforce. R&D is covered by the Institute of Electronic Engineering and Nanotechnologies, and the Technical University of Moldova.

Moldova has strong technical faculties and specific colleges, e.g. the Balti Polytechnic College, the Technical College of UTM, the Excellence Center in Power Engineering and Electronics.

The Technical University of Moldova (UTM), located in Chisinau, is the main higher education institution for technical education. The Technical University of Moldova has competences in electronics, microelectronics and mechanical engineering, producing specialists that meet investor’s demand. Technical education is one of the strongest in the Republic of Moldova, comprising best engineers known for their expertise.

The population of Moldova comprises ca. 3.55 million people, with ca. 2.9 million above 15 years and ca. 1.2 million representing the active labor force.

Total number of students in 2018/2019

<table>
<thead>
<tr>
<th>Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universities</td>
<td>60,608</td>
</tr>
<tr>
<td>Colleges</td>
<td>29,042</td>
</tr>
<tr>
<td>Vocational</td>
<td>15,306</td>
</tr>
</tbody>
</table>

Total number of graduates in 2018

<table>
<thead>
<tr>
<th>Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universities</td>
<td>18,142 (cycle I, II)</td>
</tr>
<tr>
<td>Vocational</td>
<td>7,054</td>
</tr>
<tr>
<td>Colleges</td>
<td>7,025</td>
</tr>
</tbody>
</table>

Source: National Bureau of Statistics, 2019

Source: UTM, 2018
Number of graduates in the Excellence Center for Power Engineering and Electronics, 2018

Number of graduates in universities (Engineering & Exact Sciences), 2018

Number of students in universities (Engineering & Exact Sciences), 2018/2019

Number of graduates in colleges (Engineering & Manufacturing), 2018

<table>
<thead>
<tr>
<th>Higher Education Institutions, 2018</th>
<th>Graduates</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cycle I</td>
<td>Cycle II</td>
<td></td>
</tr>
<tr>
<td>Economic sciences</td>
<td>3,276</td>
<td>1,037</td>
<td></td>
</tr>
<tr>
<td>Law</td>
<td>1,751</td>
<td>1,069</td>
<td></td>
</tr>
<tr>
<td>Engineering and Engineering activities</td>
<td>1,008</td>
<td>349</td>
<td></td>
</tr>
<tr>
<td>Arts and Humanitarian sciences</td>
<td>618</td>
<td>315</td>
<td></td>
</tr>
<tr>
<td>Architecture and construction</td>
<td>302</td>
<td>124</td>
<td></td>
</tr>
<tr>
<td>Manufacturing technology and processing</td>
<td>320</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td>Exact Sciences</td>
<td>252</td>
<td>136</td>
<td></td>
</tr>
</tbody>
</table>

Source: National Bureau of Statistics, 2019

<table>
<thead>
<tr>
<th>Colleges, 2018</th>
<th>Students</th>
<th>Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economics</td>
<td>5,378</td>
<td>989</td>
</tr>
<tr>
<td>Information Technologies &amp; Communication</td>
<td>2,594</td>
<td>493</td>
</tr>
<tr>
<td>Electronics and energetics</td>
<td>1,158</td>
<td>549</td>
</tr>
<tr>
<td>Mechanics &amp; metal working</td>
<td>1,508</td>
<td>475</td>
</tr>
<tr>
<td>Services (transport, hospitality)</td>
<td>1,342</td>
<td>207</td>
</tr>
<tr>
<td>Electronics and automation</td>
<td>1,130</td>
<td>268</td>
</tr>
<tr>
<td>Apparel Industry</td>
<td>787</td>
<td>261</td>
</tr>
<tr>
<td>Construction</td>
<td>1,342</td>
<td>407</td>
</tr>
</tbody>
</table>

Source: National Bureau of Statistics, 2019
Education system in the Republic of Moldova

- Kindergarten: One year compulsory pre-school training
- Primary school: 4 years (I - IV)
- Secondary school: 5 years (V - IX)
- Trade School: 2 years
- General Secondary School: 2 years
- Grammar School: 3 years (X - XII)
- Professional School: 2 years
- College: 2-5 years
- First Cycle Licentiate (Bachelor): 3-4 years
- Second Cycle Master: 1-2 years
- Doctorate: 3-4 years
- Post-doctorate: 3-4 years

ISCED level:
- Kindergarten: 0
- Primary school: 1
- Secondary school: 2
- Trade School, General Secondary School, Grammar School, Professional School: 3
- College: 4
- First Cycle Licentiate (Bachelor): 5
- Second Cycle Master: 6
- Doctorate: 7
- Post-doctorate: 8

Competition based enrolment:
- Kindergarten: 0
- Primary school: 1
- Secondary school: 2
- Trade School, General Secondary School, Grammar School, Professional School, College: 3
- First Cycle Licentiate (Bachelor): 4
- Second Cycle Master: 5
- Doctorate: 6
- Post-doctorate: 7

The baccalaureate exam:
- First Cycle Licentiate (Bachelor): 3
- Second Cycle Master: 4

Exit to labor market:
- College: 4

Dual Vocational Education:
- Trade School, General Secondary School, Grammar School, Professional School, College: 3
- First Cycle Licentiate (Bachelor): 5
- Second Cycle Master: 6
- Doctorate: 7
- Post-doctorate: 8
The Dual VET System

The dual vocational education and training, also known as dual VET, is highly recognized worldwide due to its combination of theory and practical training embedded in a real-life work environment. In Moldova, dual VET programmes were piloted for the first time in 2014. In 2018, due to the adoption of the Regulation regarding dual VET, this alternative form of VET has been introduced at systemic level and aims to respond to modern demands of the labour market and produce skilled workers with required qualifications. The dual approach facilitates the transition from learning to employment by developing occupational skills relevant to the labour market.

The main characteristic of dual VET is cooperation between private companies, on the one hand, and VET providers, on the other. The dual partners formalise their cooperation by signing a cooperation agreement, foreseen by the Regulation in force, specifying the responsibilities for each partner.

A company concludes an apprenticeship contract with a young apprentice and assumes the responsibility for teaching the required training contents, theoretical and practical. Apprentices in dual VET spend around 30% of training at a vocational school and the other 70% at a company where vocational training is held under real-life working conditions.

**Bottom line benefits to companies**

- Low cost form of personnel recruitment
- Avoiding the risk of wrong hiring of external candidates
- Employment of well-trained professionals who know the company
- Acquisition of specialists not available on the labour market
- Possibility to choose the best candidate when considering employment after the end of apprenticeship
- Own trainees fit company’s needs

**Dual VET programmes for Electronics**

- Electronics
- Mechatronics
- Electrical networks
- Technologies and telecommunications networks

Source: BlackSea-EMS, FEZ Straseni subzone
Competences in Electronics

Did you know that?

- The tradition of manufacturing electronic equipment in Moldova is stretching over decades, being coined as the third largest supplier of electronic equipment in the Ex-Soviet Union.
- In the 90’s Moldova counted a large number of manufacturers from the electronics sector, employing over 30,000 people.
- The electronics sector covered a wide range of activities such as semiconductors, PCBs, transformers, sensors, navigation systems and electronics for naval ships and submarines.

Electronics competitive activities

- PCBs Design & Manufacture
- SMD & THT montage
- EMS & ECM
- Nano Sensors & Wires
- Electronic devices design & manufacture

Source: ADD Group
Moldova Research & Development in Nanotechnology

Center for Nanotechnology and Nanosensors in Moldova is only one in this region who can design and fabricate nanosensors on individual nanowires (or nanotubes, nanoflakes, nanorods) with diameters from 10 nm and up to micrometers.

Did you know that?

- Moldovan researchers have made the first ever highly porous, mechanically flexible and stretchable inorganic nanomaterial that is both hydrophilic and hydrophobic at the same time. The material is called aerogalnite (aero-GaN) and could be used in many practical applications due to its unique properties.
  
  [https://physicsworld.com/a/hydrophobic-or-hydrophilic-aero-gallium-nitride-is-both/]

- The first nanostructured micro-submarine exhibiting both light-driven motion and cargo capabilities has been invented by Moldovan researchers. The micro-submarine consists of arrays of TiO2 nanotubes working as nanoengines under UV illumination.
  

- Moldovan researchers demonstrated that living cells can be rearranged and transported using GaN nanoparticles and magnetic field.
  
  [https://nanoscalereslett.springeropen.com/articles/10.1186/s11671-017-2262-y]

- The longest nanowire produced by a local Moldovan company to be registered by Guiness Book (ELIRI)

- Ultra-lightweight pressure sensors have been developed by joint efforts of Moldovan, Romanian and German scientists.

- First ultrathin membrane based on Gallium Nitride (GaN) has been made at National Center for Materials Study and Testing, Technical University of Moldova.
Favorable Business Climate

STARTING AND DOING BUSINESS IN MOLDOVA IN 2019 HAS BECOME EASIER

In recent years, important steps have been taken to improve entrepreneurial climate in Moldova and make the country more attractive to foreign direct investors.

THE REPUBLIC OF MOLDOVA IS RANKED
47 OUT OF 190 COUNTRIES IN THE DOING BUSINESS
2019 RANKING

It takes
4 procedures and 1 day
to register a business in Moldova.

<table>
<thead>
<tr>
<th>STARTING A BUSINESS</th>
<th>PAYING TAXES</th>
<th>REGISTERING PROPERTY</th>
<th>ENFORCING CONTRACTS</th>
<th>PROTECTING MINORITY INVESTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 Moldova</td>
<td>35 Moldova</td>
<td>22 Moldova</td>
<td>17 Romania</td>
<td>33 Moldova</td>
</tr>
<tr>
<td>33 Belgium</td>
<td>49 Romania</td>
<td>23 Italy</td>
<td>22 Hungary</td>
<td>33 Bulgaria</td>
</tr>
<tr>
<td>56 Ukraine</td>
<td>54 Ukraine</td>
<td>30 Hungary</td>
<td>42 Bulgaria</td>
<td>57 Belgium</td>
</tr>
<tr>
<td>67 Italy</td>
<td>60 Belgium</td>
<td>44 Romania</td>
<td>54 Belgium</td>
<td>64 Romania</td>
</tr>
<tr>
<td>82 Hungary</td>
<td>86 Hungary</td>
<td>63 Ukraine</td>
<td>57 Ukraine</td>
<td>72 Italy</td>
</tr>
<tr>
<td>99 Bulgaria</td>
<td>92 Bulgaria</td>
<td>67 Bulgaria</td>
<td>69 Moldova</td>
<td>72 Ukraine</td>
</tr>
<tr>
<td>111 Romania</td>
<td>118 Italy</td>
<td>143 Belgium</td>
<td>111 Italy</td>
<td>110 Hungary</td>
</tr>
</tbody>
</table>

Belgium 45
Moldova 47
Italy 51
Romania 52
Hungary 53
Bulgaria 59
Ukraine 71
### Operating costs and taxes

Moldova commends a highly-skilled, competitively priced workforce. Labor costs are among the lowest in the region and low enough to ensure cost-effective operations. This provides an attractive basis for a successful business.

The gross wages in Moldova for workers in the industry sector range from 180 EUR to 450 EUR, depending on the region and professional level of the employee, which is lower than the wages in the region. A newly-graduated university student of engineering could earn up to 600 EUR.

Moldova’s labor force combines low-cost with high productivity, thus reflecting the key factor for a strong business performance. The quality of the labor force also derives from the industrial experience and history of Moldova, as it was one of the most industrialized republics in former Soviet times.

### Evolution of the average gross salary in the economy

![Chart showing the evolution of the average gross salary in the economy from 2013 to 2019, with salaries from 225 EUR to 357 EUR.](chart)

Source: National Bureau of Statistics, 2019

### Evolution of the minimum wage in the Republic of Moldova and Romania

![Table showing the evolution of the minimum wage in Moldova and Romania from 2011 to 2019.](table)

Source: National Bureau of Statistics Moldova, Romania

The minimum wage in Moldova developed very slow, in some years even decreasing. In Romania, the minimum gross salary doubled in the last six years and is maintaining a clear growth trend.

### Corporate Income Tax

<table>
<thead>
<tr>
<th>Year</th>
<th>Moldova</th>
<th>Romania</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>148 EUR</td>
<td>84 EUR</td>
<td>206 EUR</td>
</tr>
<tr>
<td>2012</td>
<td>154 EUR</td>
<td>85 EUR</td>
<td>216 EUR</td>
</tr>
<tr>
<td>2013</td>
<td>177 EUR</td>
<td>87 EUR</td>
<td>236 EUR</td>
</tr>
<tr>
<td>2014</td>
<td>199 EUR</td>
<td>83 EUR</td>
<td>256 EUR</td>
</tr>
<tr>
<td>2015</td>
<td>215 EUR</td>
<td>95 EUR</td>
<td>276 EUR</td>
</tr>
<tr>
<td>2016</td>
<td>276 EUR</td>
<td>96 EUR</td>
<td>325 EUR</td>
</tr>
<tr>
<td>2017</td>
<td>325 EUR</td>
<td>117 EUR</td>
<td>411 EUR</td>
</tr>
<tr>
<td>2018</td>
<td>411 EUR</td>
<td>130 EUR</td>
<td>505 EUR</td>
</tr>
<tr>
<td>2019</td>
<td>445 EUR</td>
<td>142 EUR</td>
<td>505 EUR</td>
</tr>
</tbody>
</table>

Source: National Bureau of Statistics Moldova, Romania

### Personal Income Tax

<table>
<thead>
<tr>
<th>Year</th>
<th>Moldova</th>
<th>Romania</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>18%</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td>16%</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td>19%</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2015</td>
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<td>2017</td>
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<td></td>
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<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: KPMG, 2018

### Utility costs, 2018

The utility costs are lower than in the region:

<table>
<thead>
<tr>
<th>Utility</th>
<th>Moldova</th>
<th>Romania</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity (EUR/kWh)</td>
<td>0.09-0.10</td>
<td>0.726</td>
<td>0.586</td>
</tr>
<tr>
<td>Water (EUR/m³)</td>
<td>0.34</td>
<td>0.32</td>
<td>0.32</td>
</tr>
</tbody>
</table>

*Electricity, water and sewerage is subject of change, depending on the region.*

### Rental prices for industrial spaces:

<table>
<thead>
<tr>
<th>Country</th>
<th>Moldova</th>
<th>Romania</th>
<th>Serbia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas (EUR/m³)</td>
<td>2-4</td>
<td>3.5-4.5</td>
<td>4-5</td>
</tr>
<tr>
<td>in FEZs</td>
<td>0.8-2</td>
<td>2-4</td>
<td>2-4</td>
</tr>
</tbody>
</table>

*In Free Economic Zones the rental price for production halls is even lower, at 0.8 to 2 EUR per square meter.*
The calculation of the salary for the residents of IT Parks with the single tax in the amount of 7% of the sales income, replacing all the taxes contributions of the employees and employers.

Structure of the average salary in Moldova, 2019 (EUR)

**Total Labor Cost, 438.17**

- **Personal Income Tax (PIT) (12%)**: 26.11
- **Employee Health Insurance Tax (4.5%)**: 16.10
- **Net Salary**: 294.03
- **Employee Social Security Tax (6%)**: 21.46
- **Gross Salary**: 357.69
- **Social Fund (18%)**: 64.38

Structure of the average salary for IT Park residents, 2018 (EUR)

The calculation of the salary for the residents of IT Parks with the single tax in the amount of 7% of the sales income, replacing all the taxes contributions of the employees and employers.

**Total Labor Cost, 1,320**

- **Net Salary**: 1,320
- **Gross Salary**: 1,320

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*Law no. 77 of 21.04.2016 on IT Parks;*
Virtual Park incentives for Electronics

The Information Technology Park is an organizational structure, whose residents carry out activities governed by Art. 8 of the Law no. 77 on IT Parks. The purpose of the law is to boost the growth of the information technology industry, create new jobs and attract local and foreign investment.

One of the facilities, granted by the state to the residents of IT parks, is the application of a single tax of 7% on the sales revenue.

This simplified tax regime has the following advantages:

- reduced time and staff needed for tax calculation and accounting;
- significantly reduced risk of committing errors in calculating the tax obligations;
- significantly reduced risk of sanctioning by inspection authorities.

Residents of IT Parks also benefit from guarantees related to the application of the single tax. Thus, if new laws are adopted to change the rate and/or composition of the single tax levied on residents of IT parks and/or to cancel it, residents of the park are entitled, during a period of 5 years from the date of entry into force of the Law on Information Technology Parks no. 77 of 21.04.2016 (until 2021), which however shall not exceed the operational period of the respective park, to operate according to the laws in force until the date of entry into force of the new laws.

The main benefit for companies registered as residents of IT parks is the simplification and reduction of taxation. A unique tax of 7% from the turnover is replacing CIT (corporate income tax), PIT (personal income tax), social security and medical insurance taxes, local and real estate taxes.

Other types of income (e.g. financial, exceptional income, etc.) are considered to be taxed by applying the single tax and are not taxed separately.

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- significantly reduced risk of sanctioning by inspection authorities.

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The single tax is calculated on a monthly basis given the income recorded during the reporting month, without taking into account the cumulative data recorded since the beginning of the calendar year.
At the same time, the Law on Information Technology Parks and the Tax Code stipulate the minimum amount of the single tax to be paid by residents of IT parks, and namely 30% of the average monthly salary in the economy, forecasted for the year of the tax period of the tax concerned.

The status of the IT Park resident may be obtained by any legal or natural person who is registered in the Republic of Moldova as subject of the entrepreneurial activity and which carries out or intends to carry out as main business activity one or more types of business activities indicated in CAEM Rev.2. According to the IT Park Law the main business activity is the activity that generates 70% or more of the revenue from sales of the concerned IT Park resident member.

Eligible activities for IT Park residents

- Manufacture of electronic components (26.11)
  - Manufacture of microprocessors
  - Manufacture of integrated circuits (analogue, digital or hybrid)
  - Customized software development activities (customer oriented software) (62.01)°;
  - Computer game editing activities (58.21)°;
  - Editing of other software products (58.29)°;
  - Management activities (management and operation) of computing means (62.03)°;
  - Motion picture, video, and television programme post-production activities (59.12)°;
  - Other research and experimental development on natural sciences and engineering (72.19)°;
  - Other education n.e.c., limited to computer training (85.59)°;

- Data processing, web page management and related activities (63.11)°;
- Web portal activities (63.12)°;
- Information technology consulting activities (62.02)°;
- Other information technology service activities (62.09)°;
- Research and experimental development on biotechnology (72.11)°;
- Specialised design activities (74.10)°;

° According to Classification of Activities in the Moldovan Economy (CAEM Rev.2)
Inclusive workplace subsidy

**30%** Employer receives a monthly subsidy in the amount of 30% of the average monthly salary for the previous year, for a period of 6 months, for each unemployed person hired. ※

**50%** The Government compensates 50% of the costs of creating or adapting the workplace. The grant amount cannot exceed the amount of 10 average monthly salaries for the previous year, for each job created or adapted.

**Employing people with disability and other target groups※**

Subsidy is transferred to the employer only once during a period of 36 consecutive months.

**Creation and adaptation of the workplace for people with disability**

The employer is required to keep the job created or adapted for at least 36 months.

※ Law no. 105, art. 23: persons aged 50 years and over; persons released from places of detention; human trafficking victims after psychological and social rehabilitation; persons fighting with narcotic or psychotropic substances consumption after social and psychological rehabilitation; victims of domestic violence; other groups at risk of social exclusion established by law or by the Government.

**Bottom line benefits to companies:**
- Reduced turnover
- Lower rates of absenteeism
- Increased productivity and workplace safety
- Untapped labor pool

**Best practices in employing people with disabilities in the Electronics Sector**

“26 young people with hearing impairment are part of Steinel Electronics family. We strongly believe that they are a valuable asset for business since their loyalty and dedication has exceeded our wildest expectations. They are talented people with high productivity that are contributing to Steinel reputation in the community as a great place to work.”

Clementina Sarateanu
HR manager, Steinel Electronic S.R.L.

Source: Steinel Electronic S.R.L.
Job creation subsidies

40,000 MDL (approximately 2,000 Euro) per job created at least 200,000 Euro per company. ATU Gagauzia grants additional 20,000 MDL (approximately 1,000 Euro) per job created, and incentives for training costs (50% for first 3 months’ salary).

Eligibility criteria
- Creation of >100 new jobs
- Jobs maintained for at least 3 years
- Salary paid is not less than 75% of the average annual salary

Ministry of Finance
www.mf.gov.md
Tel.: +373 22 26 26 81

Ministry of Economy and Infrastructure
www.mei.gov.md
e-mail: consult.subventionare@mei.gov.md

Reservation of the subsidy

<table>
<thead>
<tr>
<th>Year N</th>
<th>Submission of the application to the Ministry of Finance</th>
<th>&lt;31 July</th>
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<td>COMPANY</td>
<td>SUBMIT</td>
<td>MINISTRY OF FINANCE</td>
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Approval of the application

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<th>Year N</th>
<th>Approval of the application</th>
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Submission of the application for payment to the Ministry of Finance

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<th>&lt;1 June-30 September</th>
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<td>COMPANY</td>
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Payment of the subsidy

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<th>Approval of the application</th>
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<tbody>
<tr>
<td>COMPANY</td>
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<tr>
<th>N+1</th>
<th>Payment of the subsidy installment (50%)</th>
<th>&lt;31 December</th>
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<th>N+2</th>
<th>Payment of the second-subsidy installment (50%)</th>
<th>&lt;31 December</th>
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Free Economic Zones

The Free Economic Zones (FEZ) represent excellent platforms that are convenient to export-oriented manufacturing companies, which intend to benefit from a preferential customs and tax regime.

There are 7 FEZ in Moldova, spread throughout the country and located either near a border, or in big cities. These FEZ offer preferential conditions and a dedicated customer-oriented administration.

Activities in the FEZ are limited to industrial production, packaging, trade, transportation, logistics and utilities, with priority given to manufacturing. Moreover, Giurgiulesti International Free Port and Marculesti Free Airport offer quite similar conditions to the FEZ.

Industrial Parks

Industrial parks (IP) are delimited territories in which industrial production, services provision, applied scientific research and/or technological development are carried out under some preferences. There are 8 Industrial Parks in Moldova: IP Tracom (Chisinau), IP Bioenergagro (Drochia), IP Cimislia (Cimislia), IP Raut (Balti), IP CAAN (Straseni), IP Edinet (Edinet), IP Triveneta Cavi Development (Straseni), IP Comrat (Comrat).

Incentives in Free Economic Zone (FEZ)

- **0% CIT** for a period 3 (5) years when investing at least 1 (5) million USD
- **0% VAT** no Excise and Customs duties
- **10 YEARS** State guarantee on legislation changes
- **24/7** Customs office on site
- Road and utilities infrastructure
- EU border green lane (AEO)
- Dual vocational system
- Ongoing professional support by FEZ Administration
- 0.15 - 3.5 euro/m² land sales price
- EUR/USD payments among FEZ residents
- Minimal state inspection and control regime

Incentives in Industrial Parks

- Free re-zoning of agricultural into industrial land;
- Normative (below market) prices for the purchased land;
- Reduced rental price for state land;
- Free connection to existing infrastructure in the park;
- Minimal state inspection and control regime.
Free Economic Zones Greenfield

500 + ha
Free buildable area in FEZ all over the country

FEZ BĂLȚI
Owner: Public
Total area: 136 ha | Free buildable area: 130 ha
Master plan: Topography & Geology surveys
Buried services: Water, Electricity, Gas, Sanitation
Land price: 3.5 EUR/m²

CĂLĂRAȘI Subzone
Owner: Public
Free buildable area: 32 ha
Land price: 0.15 EUR/m²

STRĂȘENI Subzone
Owner: Private
Free buildable area: 15 ha
Negociable lease & purchase

SOROCA Subzone
Owner: Public
176 ha
Land price: 1.5 EUR/m²

CIADÎR-LUNGA Subzone
Owner: Public
Free buildable area: 42 ha
Land price: 0.65 EUR/m²

ȘTEFAN VODĂ Subzone
Owner: Public
Free buildable area: 8.9 ha
Land price: 0.65 EUR/m²

CAHUL Subzone
Owner: Public
Free buildable area: 23 ha
Land price: 0.15 EUR/m²

ORHEI Subzone
Owner: Public
170 ha - possibility to extend
Land price: 1.5 EUR/m²

COMRAT Subzone
Owner: Public
Free buildable area: 40 ha
Land price: 1.5 EUR/m²
Favorable Location

The outstanding location of Moldova and a good transportation infrastructure provides easy access to both CIS and European Countries. The excellent location enables just-in-sequence and just-in-time delivery of goods. Considering Germany, it takes 2 days for truck deliveries.

The longest Pan-European Corridor is passing through Moldova. Railway and road corridor IX from Helsinki (Finland), St. Petersburg (Russian Federation), Gomel (Belarus), Kiev (Ukraine), Chișinău (Moldova), Bucharest (Romania), Dimitrovgrad (Bulgaria), and Alexandroupoli (Greece) — crosses the country from North to South, linking it to key trade partners.

Moldova is also linked to Corridor VII (Danube from Passau-Germany to the Black Sea) through the Giurgiulești International Free Port (GIFP), situated at km 133.8 of the River Danube, direct sea/river-borne transshipment and distribution point to and from Moldova. A regional logistics hub on the border of the EU with access to road, rail, river, and sea. GIFP offers container, bulk, oil terminals, and forwarding services.

Source: Danube Logistics, Giurgiulești International Free Port
“In 2010 Gilat came in Moldova. What Gilat found? High qualified and enthusiastic people, friendly environment and government that continuously supports IT community. This was the right formula for building one of the best Gilat’s offshore R&D operation.”

Oleg Reabciuc,
General Manager Gilat, Moldova

“Back in 2005 we came to Moldova to evaluate the possibility of manufacturing electronics here and have actually discovered many pro arguments, including: experience in electronics industry, qualified and/or willing to qualify workforce, openness to collaborate, Latin writing, convenient costs and last but not least, a positive atmosphere for foreign investors. We just started off and... more than 10 years of Steinel production in Moldova have already passed, certainly not without the necessary investment in technology and personnel training. The result is obviously positive: high quality products, skilled and responsible employees, a legislation adapting to the requirements of the market economy. The decision turned out to be a good one. Dankeschon Moldova!”

Victor Hoffman,
Steinel Electronic SRL

“When entering new markets, we seek talented people, eager to make a difference in the communities they live in. We have found well-grounded specialists in Moldova with good technical skills, whose passion for innovation comes together with the desire to reshape the world. They are now part of our team, developing solutions for one of the most important companies in the automotive, home automation, intellectual property, travel or pharmaceutical industries. We dream big for Moldova, therefore we will continue the investments here and will be your business ambassador for other potential investors.”

Vicu Oprean,
CEO, Arobs

“As the automotive industry moves towards a safer, automated and autonomous driving, our team at AROBS Moldova innovates by developing Embedded Software which be found on the next models launched by leading car manufacturers. Our clients’ goal is building the future and we joined their efforts by responding to the industry’s increasing complexity with the right technology. In 2015, we extended our team and we will continue our recruitment plan alongside the increasing demand for our capabilities.”

Mihai Gorgos,
CEO, Arobs Moldova
"The growth of our company in the Netherlands (PR-Electronics) motivated us to find additional location to produce power modules for electrical vehicles fast charges. Since 2017, we are fully operational in Moldova. Located in the Free Economic Zone Bălți (subzone Strășeni), we succeeded to tap into key advantages and incentives offered by FEZ."

Oleg Burlacu, General Manager, Elektromanufacturing SRL

"As a contract manufacturer of inductive electronic components, modules and electrical assemblies we successfully operate since 2013. In the Republic of Moldova we discovered an investment area with a high potential. We have found flexible labor market. Our professional cooperation with the government and local authorities is very productive. Moldova has an attractive and open fiscal policy and legislation base. This supports sustainable growth and extension of our business. We are open for new business opportunities and challenges."

Menno Kardolus, CEO, BlackSea-EMS

"We opened a joint venture in Moldova in 2018 because of the incentives of the IT Park legislation. Now we have 16 programmers and hardware engineers and we are growing fast. We think it is a great incentive for developing the IT business and attract investment in Moldova."

Mihai Murgulescu, Co-Founder, Mechatronics Innovation Center

"We operate in Moldova since 1992, and the core of our business is Electronics Design and Embedded Programming. We can stay competitive in a tough market thanks to our engineers. The engineering and programming school in Moldova is at least on par with the major European countries so we never lack talented and engaged personnel."

Nicu Roman, Technical Director, AFN Systems

"ADD Group is a high-tech company from Moldova that design and manufacture benchmarking smart metering solutions. Our company covers the full range of manufacture process, from the product development to the customer support. With genuine Moldova origin, we became a global company operating in more than 27 countries and supplying circa 6 million smart meters worldwide. Our team in Moldova acts as a key enabler for our globalization process having a complete range of competencies for the electronic sector."

Ruslan Casico, Head of Sales and Marketing, ADD Grup
THE MOLDOVAN INVESTMENT AGENCY
THE ONE-STOP SHOP FOR ALL YOUR INVESTMENT QUESTIONS

ASSISTANCE & INFORMATION

<table>
<thead>
<tr>
<th>Provide</th>
<th>Assist</th>
<th>Connect</th>
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<tbody>
<tr>
<td>- Information on the investment climate</td>
<td>- Scoping missions (agenda, logistics, follow up)</td>
<td>- With relevant partners:</td>
</tr>
<tr>
<td>- Sector-specific information</td>
<td>- Investment incentive application</td>
<td>- Embassies</td>
</tr>
<tr>
<td>- Consulting on suitable locations – FEZ, IP (Invest Moldova database)</td>
<td>- Information on business providers - HR, Legal, Consulting, etc.</td>
<td>- Government authorities</td>
</tr>
<tr>
<td>- Information on relevant tax, legal and administrative issues</td>
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<td>- Business associations</td>
</tr>
<tr>
<td></td>
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<td>- Existing investors</td>
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INVESTMENT ATTRACTION & PROMOTION ACTIVITIES

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<tr>
<th>G2B and B2B Missions abroad</th>
<th>International events-promotion of the investment climate of the Republic of Moldova</th>
<th>Moldova Business Week</th>
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</table>

AFTERCARE

Platforms for Investors

Council for the promotion of projects of national importance, chaired by Prime Minister

Economic Council to the Prime Minister of the Republic of Moldova

- 41 associative structures of the business community
- 43 state institutions
- 16 representatives of the scientific and research community
- 6 Working groups:
  - Eliminating constraints in entrepreneurial activity: Coordinator - American Chamber of Commerce (AMCHAM)
  - Facilitation of trans-border trade: Coordinator - European Business Association (EBA)
  - Stimulation and retention of private investments: Coordinator - Foreign Investors Association (FIA)
The Moldovan Investment Agency is the prime source of information and assistance for potential investors. We provide tailored services for potential investors throughout the investment decision process. We also support existing investors in extending their operations. Our team consists of permanent investment attraction staff, sectorial 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 businesses and government.

CONTACT US:
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