

# AUTOMOTIVE COMPONENTS AND INDUSTRY OVERVIEW

Republic of Moldova



# Key facts



**Name**  
Republic of Moldova



**Capital:**  
Chisinau ca. 673,000



**Population:**  
2.51 million  
January 1st, 2023



**Area:**  
33,847 km<sup>2</sup>



**Language:**  
 **Romanian**  
Other spoken languages:



**Currency:**  
MDL: 1 EUR = 19.3 MDL  
Average annual rate 2023

**EU candidate status**  
June 2022

**Open EU accession negotiations**  
December 2023

**Employment rate, 2023**  
43.1%

**GDP per capita at PPP, 2023**  
\$6,830

**GDP current prices, 2023, billion**  
\$17.05

**Inflation:**  
2023: 13,9%

## AUTOMOTIVE & INDUSTRY 2024

7%

single tax on turnover  
in IT



19,700

employees in  
automotive



Visa-free-regime with  
over 100 countries

200<sup>+</sup>  
ha

FEZ free buildable area



4.18 EUR/  
hour

Hourly Full Load  
Labor Cost



258  
EUR/monthly

Minimum salary  
2024

### Free Trade Agreements

**DCFTA** - Deep and Comprehensive Free Trade Area with the European Union;

**CEFTA** - Central European Free Trade Agreement (Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia, and UNMIK Kosovo);

**EFTA** - European Free Trade Association (Iceland, Liechtenstein, Norway, Switzerland);

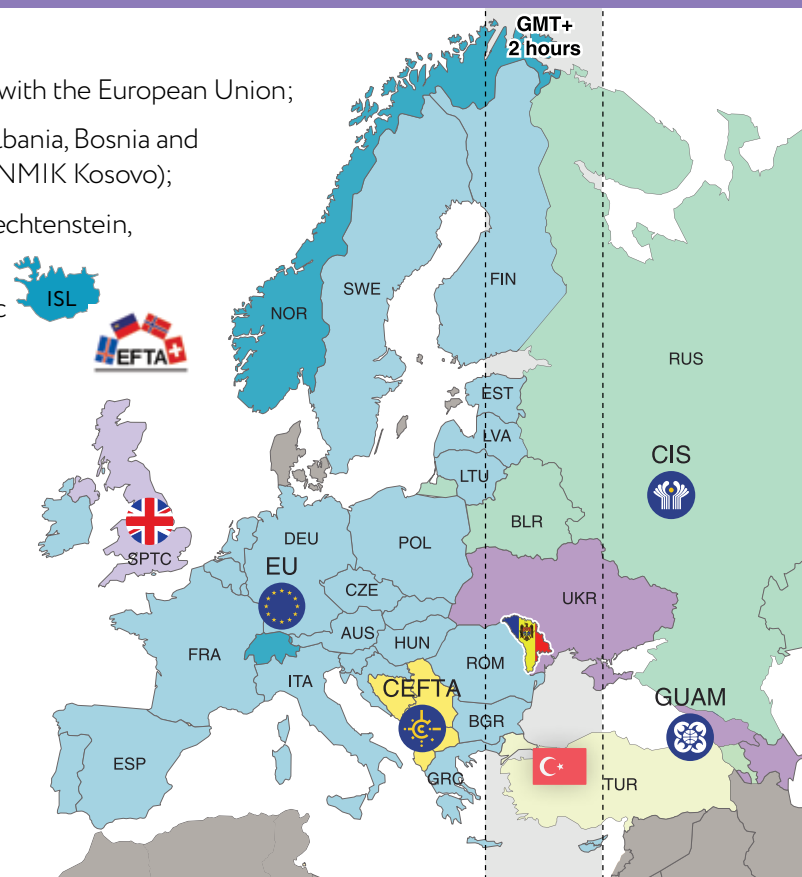
**GUAM** - Organization for Democracy and Economic Development (Georgia, Ukraine, Azerbaijan);

**SPTC** - Strategic Partnership, Trade and Cooperation Agreement between The United Kingdom of Great Britain and Northern Ireland and The Republic of Moldova UK;

**FTA with Turkey;**

**FTA with CIS countries** - Armenia, Azerbaijan, Tajikistan, Uzbekistan

**One billion customers  
duty-free market**



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# Moldova's Automotive Industry: A Global Contender

Moldova's automotive industry is experiencing a dynamic resurgence, underpinned by the country's robust industrial past and strategic free economic zones. These zones offer globally recognized companies a conducive environment for growth and export-oriented production, further reinforcing Moldova's role in the international automotive landscape. Not traditionally known for car manufacturing, the country has nevertheless become a nexus for automotive suppliers, especially those seeking cost-effective production sites in Eastern Europe.

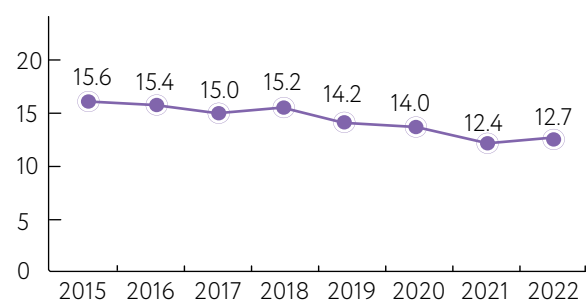
Key players in the industry include renowned firms specialized in cable systems, such as Draexlmaier Automotive and Sumitomo Electric Bordnetze, as well as companies in the automotive interiors segment like Lear Corporation. Moldova's value proposition is further bolstered by its capacity for precision engineering and parts processing, with entities like Metal Supply Master and Beck AG enhancing the production quality.

## Industry in Numbers:

- Industrial production accounted for 12.7% of GDP in 2022, with an increase of 2.4% year-on-year, showcasing sustained growth and resilience.

- Diverse components such as wire harnesses, car seat covers, and exclusive interior designs form the cornerstone of the sector's output.
- Quality engineering services, from software to design, back the industry's innovative capabilities.

## Share of industry in GDP, %



Source: National Bureau of Statistics, 2023

Despite global headwinds, Moldova's industrial sector continues to contribute significantly to the GDP, with a noted increase in recent years. This resilience is chiefly driven by the automotive sector, which remains robust despite the challenges imposed by the COVID-19 pandemic and regional security concerns.



# Moldova's Automotive Components Industry: Accelerating Economic Growth

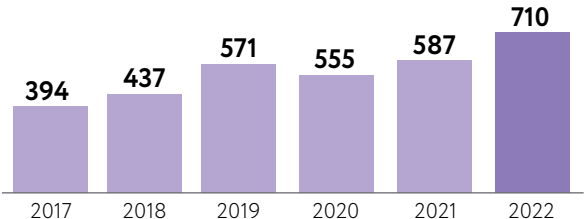
Moldova's automotive sector is an emergent pillar of the economy, having witnessed substantial growth due to the country's strategic utilization of its industrial capacity and educational infrastructure, including universities and vocational schools. With exports comprising 17% of the nation's total, the industry recorded an 18% increase in exports within the automotive sector.

In 2022, the export of automotive components from Moldova reached 710 million EUR, reflecting a consistent upward trajectory over the past six years. This success is primarily driven by the sector's diverse manufacturing capabilities, which include cables, wiring harnesses, car seats, steering wheels, and a variety of electronic systems catered to a global market.

Key industry participants include multinational corporations and local suppliers, ensuring a robust Tier 1, 2, and 3 supply chain infrastructure. Notable firms such as Lear Corporation, Draexlmaier, lead production alongside innovative entities like Arobs Software and Equip-Test, positioning Moldova as a competitive hub for automotive manufacturing.

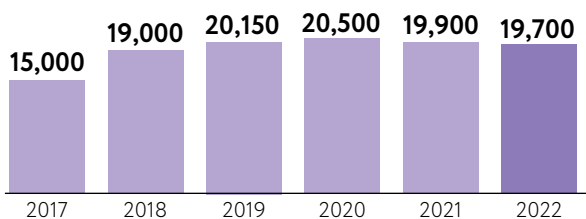
Moldova's attractive investment climate, bolstered by the Free Economic Zones (FEZ), continues to draw significant direct investment focused on export-oriented industrial development, further underpinning the industry's robust ecosystem.

Automotive Components Exports, M EUR



Source: National Bureau of Statistics 2023

Number of employees in Automotive



Source: Invest Moldova, based on information from companies



Photo credit: Freepick

## Moldova's Automotive Interiors Sector: Tradition Meets Innovation

Moldova's established cut & sew industry, historically known for fashion and now also recognized for automotive components, stands as a testament to the country's manufacturing capabilities. As a leading producer of specialized automotive interiors, such as seat covers and interior textiles, Moldova has cultivated a robust ecosystem supporting over 4,000 professionals in this field.

Lear Corporation, a key player since 2010, exemplifies the sector's dedication to quality and innovation. Situated in the Free Economic Zone "Ungheni-Business," Lear Corporation harnesses state-of-the-art technologies to produce premium automotive seat covers.



Collaboration with academic institutions is pivotal for ongoing advancement. Technical universities in Moldova actively engage with industry leaders like Draexlmaier and Arobs Software, facilitating on-campus R&D and tailoring curricula to meet industry demands. This synergy has culminated in

the establishment of engineering offices and knowledge hubs focused on vital STEM education and advanced computational technologies such as CAD, CAE, CAM, EDA, AEC and DMU.

## Engineering Excellence and Research & Development in Moldova

Draexlmaier's strategic investment in Moldova's R&D landscape has catalyzed innovation. The establishment of a project office at the Technical University of Chisinau underscores the commitment to harnessing local engineering talent. This R&D division is a cornerstone of an international team developing sophisticated automotive components, such as central consoles and ambient lighting systems, that meet and exceed global standards.

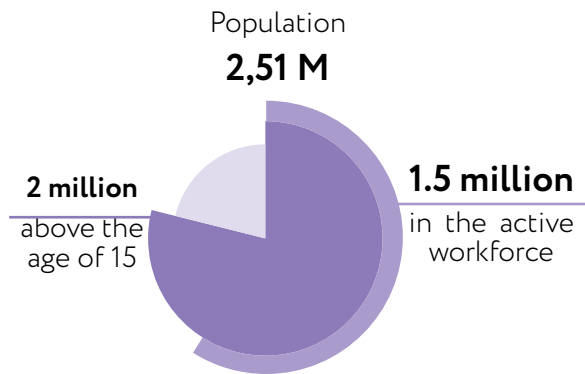
With over 25 engineers, the team from Chisinau is a hub of creativity and technical proficiency, fulfilling international orders and contributing to the global reputation of Moldova's automotive industry through projects that not only innovate but also elevate the in-vehicle experience. Projects and parts demanded by the customers in the automotive industry are created from scratch, and the projects developed have become more and more complex. Design engineers' activity includes applying computer technology and using CAD CATIA V5 software.



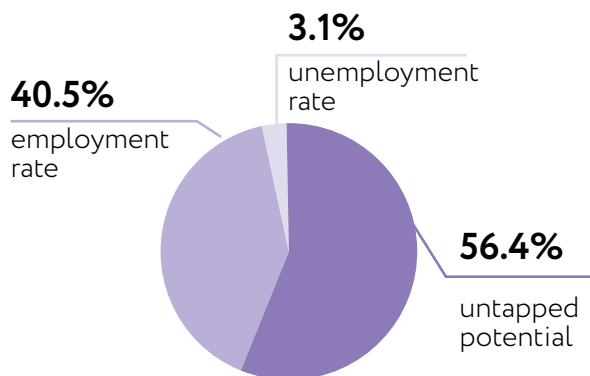
# Human Capital in Moldova: A Multilingual and Educated Workforce

Moldova offers a dynamic and multilingual workforce, reflective of its diverse cultural tapestry. Home to multiple ethnicities, including Romanians, Russians, Ukrainians, among others, Moldova embraces multilingualism with proficiency in Romanian, Russian, English, and Ukrainian, among other languages. This linguistic versatility is complemented by widespread fluency in international languages such as French, Italian, and German, positioning Moldova as an ideal hub for multinational operations.

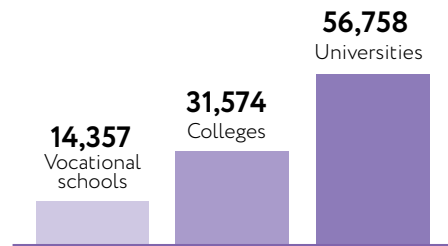
The nation has a population of approximately 2.51 million people, with over 2 million above the age of 15 and about 1.5 million in the active workforce. The labor market is characterized by a low unemployment rate of 3.1% in 2022, juxtaposed with an employment rate of 40.5%, signaling a reservoir of untapped potential, especially amongst the Moldovan diaspora abroad.



## Labor market in 2022



## Total number of students in 2021/2022

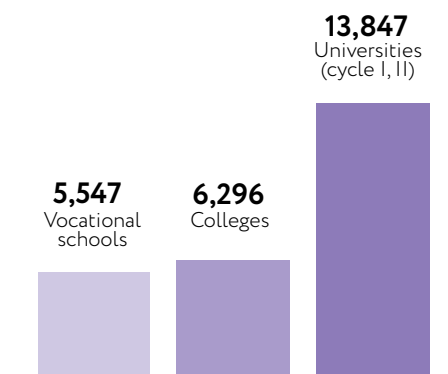


Source: National Bureau of Statistics, 2023

## Education: Foundation for Growth

Moldova's educational system is aligned with the demands of modern industries, offering a pool of well-educated young professionals from sector-specific technical colleges and universities such as the Technical University of Moldova, Microelectronics College, Informatics College, and others. These institutions provide a steady stream of graduates equipped to enhance productivity and innovation in diverse sectors.

## Total number of graduates in 2022



Source: National Bureau of Statistics, 2023

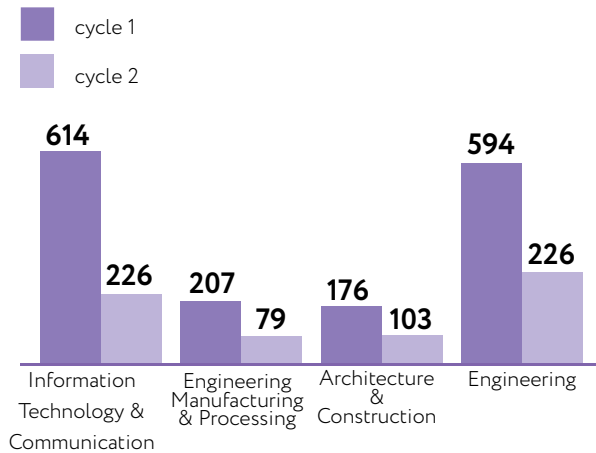
The Technical University of Moldova (UTM), located in Chisinau, is the main high education institution for technical education. The number of engineers, managers and other specialists is sufficient to meet the investor's demand in most sectors.

The Technical University of Moldova has competences in textile, microelectronics, mechanical engineering, etc.

Technical education is one of the strongest in the Republic of Moldova, comprising best engineers known for their expertise.

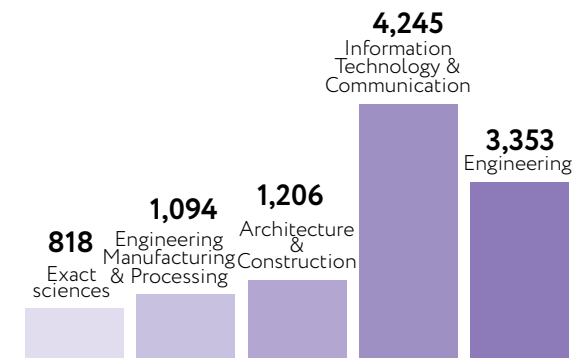
Relative to its Eastern European counterparts, Moldova exhibits a steady and moderately progressive trend in unit labor costs.

Number of graduates in universities (Engineering & Exact Sciences), 2022



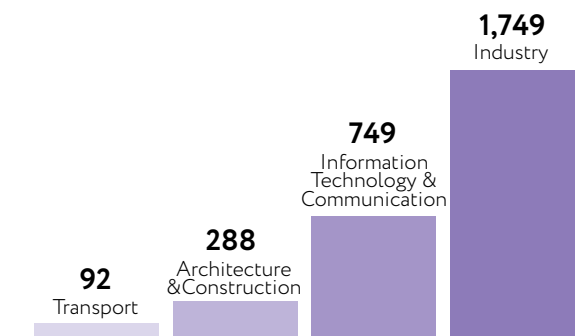
Source: National Bureau of Statistics

Number of students in universities (Engineering & Exact Sciences), 2022/2023



Source: National Bureau of Statistics, 2023

Number of graduates in colleges (Engineering & Manufacturing), 2022



Source: National Bureau of Statistics, 2023

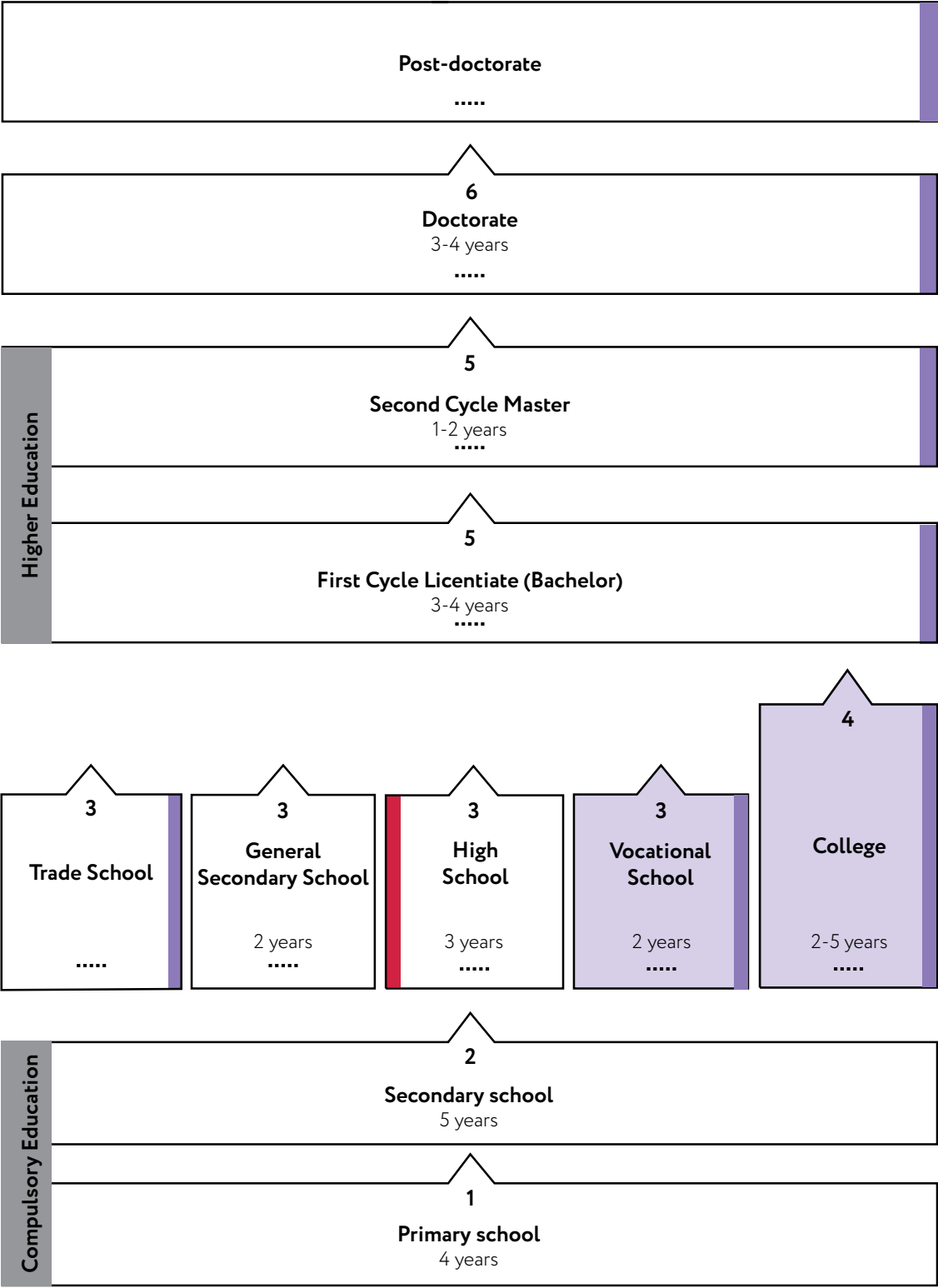
Higher Education Institutions, 2022	Graduates	
	Cycle I	Cycle II
Economic sciences	2,204	846
Law	1,202	1,175
Engineering and Engineering activities	594	226
Arts and Humanitarian sciences	231	159
Architecture and construction	176	103
Manufacturing technology and processing	207	79
Information Technologies & Communication	614	226

Source: National Bureau of Statistics, 2023

Colleges, 2022	Students	Graduates
Economics	6,745	1,331
Information Technologies & Communication	3,517	749
Electronics and energetics	945	221
Mechanics & metal working	1,069	259
Services (transport, hospitality)	3,075	643
Electronics and automation	891	197
Apparel Industry	425	139
Construction	1,079	226



# Education System in Moldova



ISCED level    
 ..... Competition based enrolment    
 [Red bar] The bacallaureate exam    
 [Purple bar] Exit to labor market    
 [Light purple bar] Dual Vocational Education

# The Dual VET System

Moldova initiated dual VET programs in 2014, and following the 2018 Regulation on dual VET, this practice was systematically implemented to address contemporary labor market demands, thereby cultivating a workforce with the requisite skills and qualifications. This approach is instrumental in smoothing the transition from education to employment by imparting job-relevant competencies.

Cooperation between private companies and educational providers is a hallmark of dual VET, ensuring that learning is directly applicable to the needs of industry.

Partnerships within the dual VET system are formalized through agreements that define the responsibilities of each entity involved, as stipulated by existing regulations. Companies engage apprentices under contractual arrangements, taking on the duty of delivering both theoretical and practical instruction.

## Dual VET Main Elements



Apprentices	VET Institutions	Companies	CCI (Chamber of commerce)
<ul style="list-style-type: none"> <li>• Practical training included in the employment contract</li> <li>• Apprentice salary: min. 2/3 from minimum salary (+ scholarship)</li> <li>• Enrollment from 15 years old</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion for qualification level 4 and 5</li> <li>• Possibility to create consortium</li> </ul>	<ul style="list-style-type: none"> <li>• Deductibility of Dual VET costs</li> <li>• Selection of the candidates</li> <li>• Public Authorities can become dual partners</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring the quality of practical training</li> <li>• Qualification of the supervisors in production</li> <li>• Digital record of apprentices and dual partners</li> </ul>

Typically, apprentices allocate 30% to 50% of their training time to vocational school studies, while the remaining 50% to 70% takes place within the company, in a practical setting. The distribution of training time varies based on the qualification level being pursued.



Photo credit: Technical University of Moldova

## Enhanced Framework for Dual VET in Moldova

In the preceding two years, Moldova has undertaken significant reforms in dual VET legislation, ensuring a robust and contemporary structure for vocational education. Governed by Law 110/2022 and additional regulations set by the Ministry of Education and Research, dual VET in Moldova is advancing towards a modern educational paradigm.

Oversight and financial support for dual VET are managed by the Chamber of Commerce and Industry of the Republic of Moldova and the Ministry of Economic Development and Digitisation, in association with the Entrepreneurship Development Organisation (ODA).

These bodies allocate subsidies to offset various costs associated with dual education programs, encompassing:

- Remuneration of the unit's master trainer and training costs.
- Procurement of essential materials for vocational training.

- General operational expenditures necessary for program execution.

Eligible expenses for dual education units span several categories and are subject to compensation, which includes, but is not limited to:

1. Training pay, capped at a certain percentage of the national minimum wage.
2. Salaries for teacher-trainers, aligning with the minimum wage at the time of cost incurrence.
3. Costs associated with the setup and maintenance of training facilities.
4. Expenses incurred by the vocational training service establishment in hosting the students.
5. Notably, up to 50% of these expenses are eligible for state budget compensation, underscoring the government's commitment to fostering skilled trades through practical learning pathways.

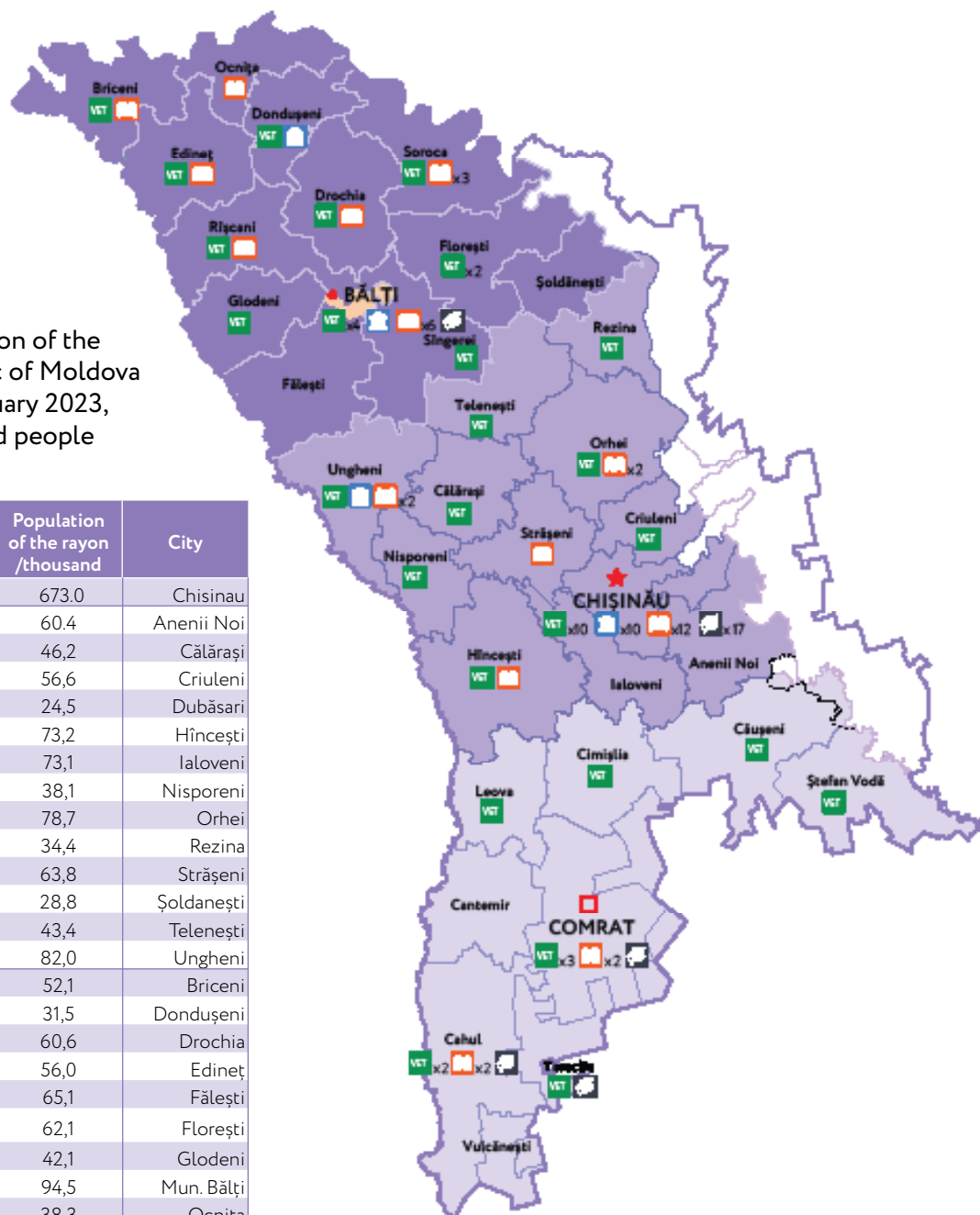
## Becoming partner in Dual VET System



# Educational institutions





Population of the Republic of Moldova on 1 January 2023, thousand people

Region	Population of the rayon /thousand	City	
Central Region <b>703,2</b>	673.0	Chisinau	
	60.4	Anenii Noi	
	46,2	Călărași	
	56,6	Criuleni	
	24,5	Dubăsari	
	73,2	Hîncești	
	73,1	Ialoveni	
	38,1	Nisporeni	
	78,7	Orhei	
	34,4	Rezina	
	63,8	Strășeni	
	28,8	Șoldanești	
	43,4	Telenești	
	82,0	Ungheni	
	Northern Region <b>681,1</b>	52,1	Briceni
		31,5	Dondușeni
60,6		Drochia	
56,0		Edineț	
65,1		Fălești	
62,1		Florești	
42,1		Glodeni	
94,5		Mun. Bălți	
38,3		Ocnîța	
49,6		Rîșcani	
65,2		Sîngerei	
64,0		Soroca	
16,0		Basarabeasca	
Southern Region <b>455,5</b>		78,6	Cahul
	35,6	Cantemir	
	63,9	Căușeni	
	32,6	Cimișlia	
	33,5	Leova	
	46,8	Ștefan Vodă	
	31,3	Taraclia	
117,2	UTA Gagauzia		
<b>2512,8</b>	<b>Total</b>		



source: Ministry of Education and Research of the Republic of Moldova

### LEGEND:

-  Secondary Vocational Institutions (vocational schools)
-  Centers of Excellence
-  Post secondary Vocational Institutions (colleges)
-  Higher Education Institutions (universities)

# Operating costs and taxes

Moldova presents a highly qualified workforce at competitive rates, positioning itself favorably in the regional market. This strategic advantage is underscored by labor costs that rank among the lowest in the region, ensuring operational efficiency and cost-effectiveness.

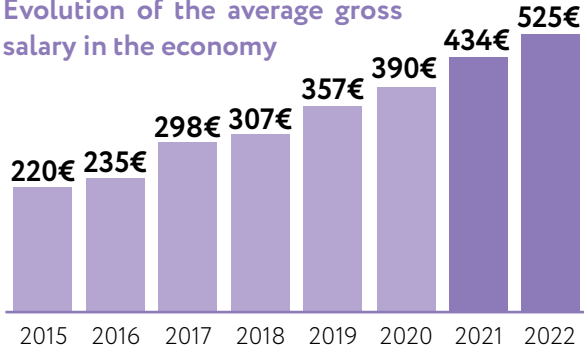
Industry salaries in Moldova vary from EUR 200 to EUR 500 monthly, aligned with experience and expertise, offering significant cost savings without compromising on workforce quality. For instance, a graduate in engineering may command a salary up to EUR 600, showcasing the economic leverage for businesses seeking skilled professionals.

The Moldovan workforce is distinguished by its blend of affordability and efficiency, a legacy of the country's robust industrial

history. This balance is crucial for robust business performance and investment appeal.

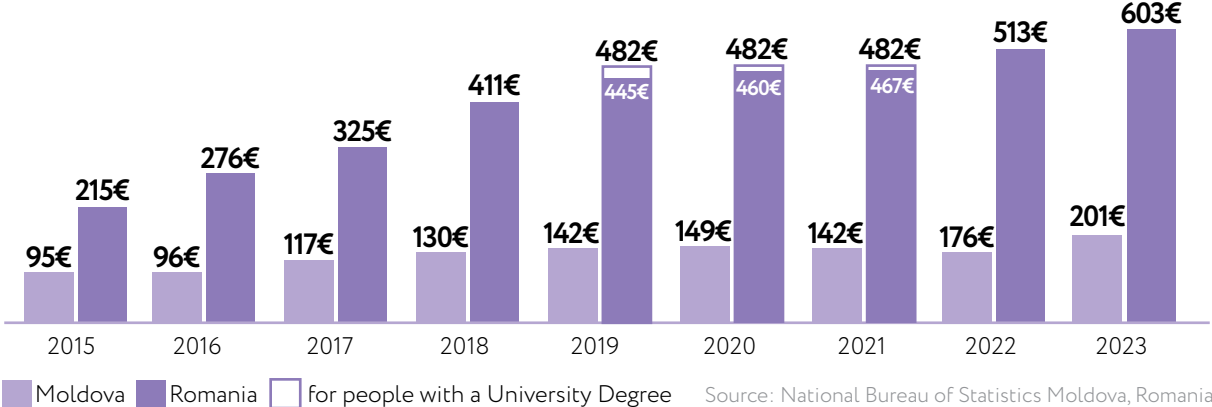
An analysis of the average gross salary demonstrates a steady progression, reflecting an evolving economy and an improving standard of living.

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



Source: National Bureau of Statistics, 2023

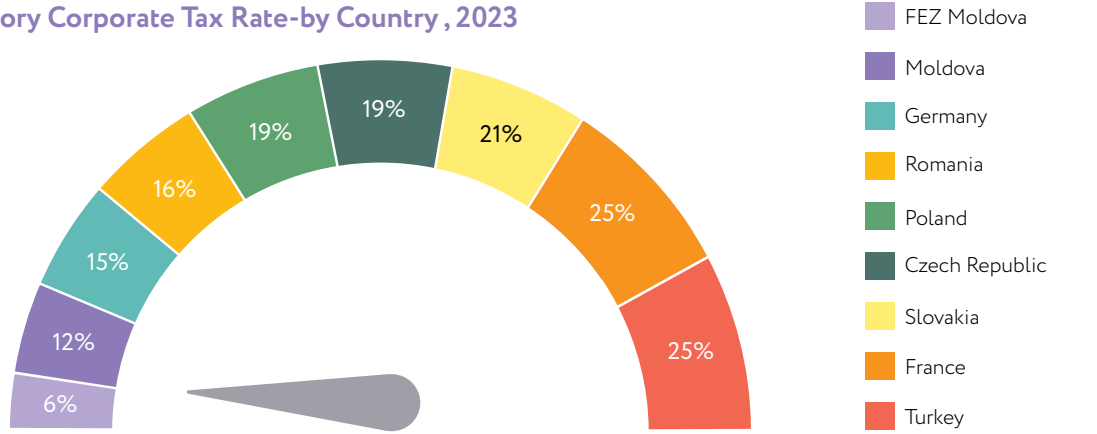
**Evolution of the minimum wage in the Republic of Moldova and Romania**



Source: National Bureau of Statistics Moldova, Romania

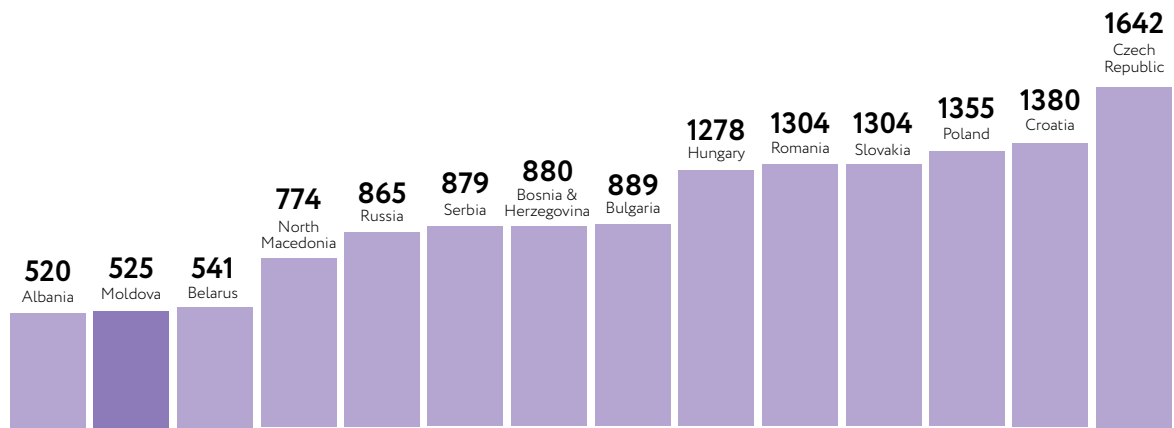
The trajectory of the minimum wage in Moldova illustrates a cautious yet steady growth, with a noteworthy increase over the past six years. This growth, however, is gradual, ensuring sustained economic stability. When juxtaposed with the minimum wage trends in Romania, the data presents an insightful narrative on regional economic dynamics.

**Statutory Corporate Tax Rate-by Country , 2023**



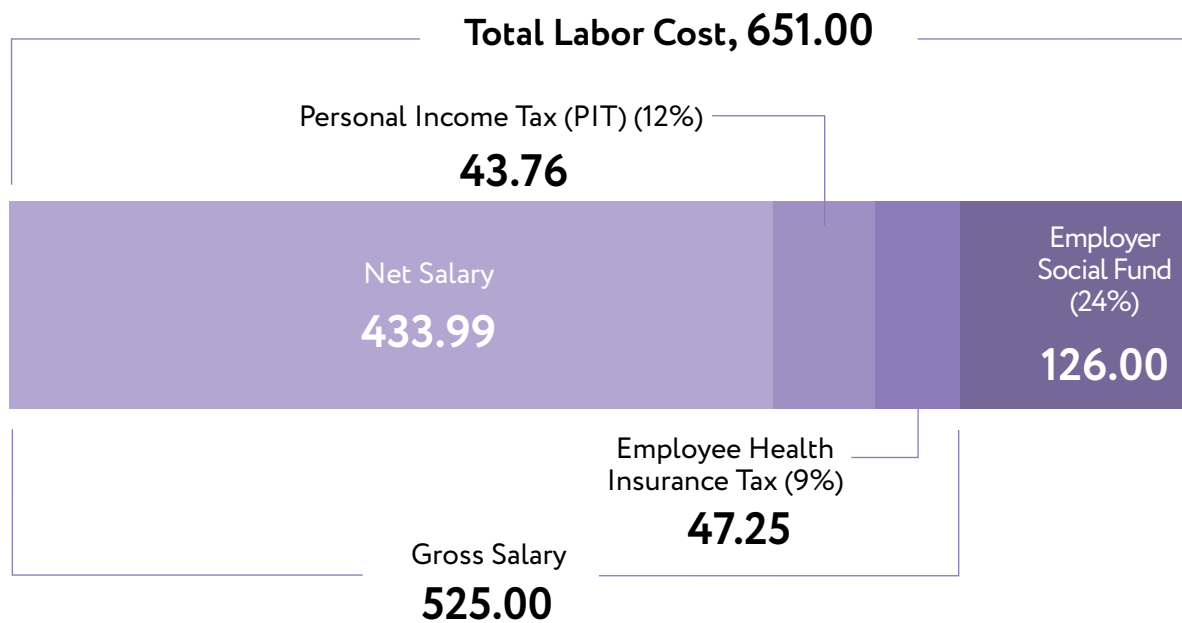
Source: PWC, Worldwide Tax Summaries 2023

## Average monthly wages in comparison, 2022



Source: Trading Economics, Wages, 2022

## Structure of the average salary in Moldova, 2022 (EUR)

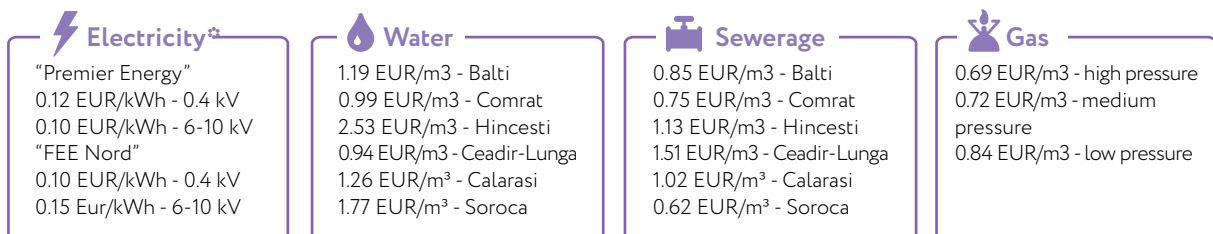


\* This table is using the average salary for 2022 – ca. 524.97 EUR (10,447 MDL)

Annual personal allowance 25,200 MDL is valid only for residents with annual taxable income under 360,000 MDL.

## Utility costs, 2023

Source: Invest Moldova



\*National Agency for Energy Regulation decision no. 312/2023 from 07.06.2023

Water and sewerage is subject of change, depending on the region.

# Moldova Innovation Technology Park



## EUROPE'S FIRST E-PARK

Moldova Innovation Technology Park (MITP), Europe's first e-Park, catalyzes innovation and growth in the IT, R&D, and Engineering sectors through strategic incentives.

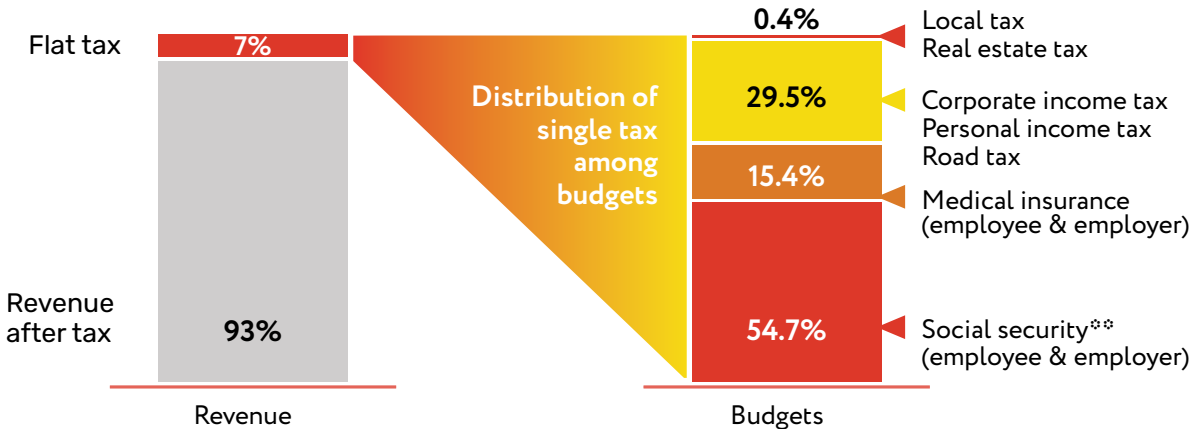
**Unique Taxation:** MITP residents benefit from a flat tax rate of 7% on turnover, which encompasses and simplifies multiple tax categories, including corporate income, personal income, social security, medical insurance, local, real estate, and road taxes.

**Simplified Processes:** Compliance with tax obligations is simplified to a monthly declaration of income, with no need to aggregate data over the year. An annual audit by a Moldovan-accredited firm ensures compliance, while minimizing the administrative burden on companies.

**Extended Guarantees:** MITP offers a state-backed guarantee on the tax and legal regime, securing the preferential treatment outlined upon activity inception. The government's approval of extending MITP's operational term from 10 to 20 years, effective until 2037, alongside the extension of the state guarantee until 2035, ensures long-term stability and growth potential for the sector.

**Ease of Business:** The Virtuality provision allows MITP residents to operate throughout Moldova without a mandatory physical presence within the park premises, granting operational flexibility and reducing overhead costs.

**IT Visa:** The MITP framework facilitates a simplified visa process for IT specialists and managers, granting up to four years of residency with options for extension, encouraging the attraction of top global talent to Moldova's tech sector.



At the same time, the Law on IT Parks and the Tax Code stipulate the minimum amount of the single tax to be paid by Park's residents, which is: 30% of the average monthly salary in the economy, forecasted for the year of the tax period of the tax concerned per employee (who worked during the tax period for at least one day on the basis of an individual employment contract).

The status of the MITP 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 who carries out or intends to carry out as main business activity one or more types of business activities indicated in Article 8 of IT Park's Law. The main business activity should be the one that generates 70% or more of the revenue from sales.



For example, a company in Germany wants to form a team to explore Embedded Programming technologies, or to develop AUTOSAR Compliant Software for Automotive industry, or set up a team in PCB design & embedded firmware development for medical devices or R&D activity. It would then incorporate a company in Moldova and apply to register this company into MITP.

The new company does not have to have the offices at a precise physical address of the park, it can have its offices anywhere in the country or even have a team on remote work. When applying at MITP, everything can be done digitally only with companies incorporating documents. No business plan is required, no feasibility studies. And the application is cost-free.

In up to 7 days after application, the company would receive park registration decision.

The application of the new tax regime begins on the first day of the month following registration.

Once benefitting from the 7% single tax, the company would form a team of 20 people, for example. All of them can be local talents, or foreign nationals located in Moldova, with an easy-to-obtain working permit through a derivative IT Visa program. Team members can be located in any other country, including Germany. Even the administrator of the company can be a foreign national, managing the team from any other country. Moldova has an advanced system of digital-only reporting to fiscal authorities, digital invoicing, and digital correspondence with digital legally empowering signatures. So, a company can be efficiently managed from any location on globe.

Let us assume two scenarios of turnover for the 20 people team.

1 scenario:	2 scenario:
Monthly turnover = 80,000 EUR	Monthly turnover = 40,000 EUR
Single tax 7% = 5,600 EUR	Single tax 7% = 2,800 EUR
Minimum amount of single tax = 700 EUR	Minimum amount of single tax = 700 EUR
* 30% * 20 employees = 4,200 EUR	* 30% * 20 employees = 4,200 EUR
So, the single tax in amount of 5,600 EUR (the biggest one) has to be paid.	So, the single tax in amount of 4,200 EUR (the biggest one) has to be paid.

These 2 scenarios represent the monthly single tax calculation. The remaining after-tax amount can be allocated to:

- employee salaries (which are not taxable in Park),
- dividends (the withholding tax of 6% on dividends)
- and other company's expenses.

Since Moldova has a treaty with Germany for avoiding double taxation, that states the lower rate to be applied once, there will be no need to pay a second income tax in Germany.





Moldova’s progressive tax structure, featuring a 7% single tax rate under the Moldovan IT Park (MITP) system, offers transparency and ease in financial planning for IT and high-tech industries. Annual independent certification affirms compliance with MITP standards, ensuring a straightforward and cost-effective audit process.

The scope of MITP encompasses a broad spectrum of advanced activities such as artificial intelligence (AI), embedded programming, software and high-tech research and development (R&D), and the design and manufacturing of sophisticated electronic components. This inclusivity underlines Moldova’s commitment to fostering innovation.

A manufacturing facility for semiconductors, for instance, would be eligible for the 7% tax rate, highlighting the government’s adaptability to current global tech trends. Furthermore, the country’s strategic approach allows multinational corporations to establish Shared Service Centers, thereby leveraging Moldova’s competitive advantages.

Moldova stands out in the region for its ability to attract and retain top-tier talent in engineering and IT due to competitive salaries coupled with the favorable tax regime. The implication is clear: Moldova offers not only cost advantages but also a dynamic and skilled workforce, proving itself as a contender for high-tech investment and development.

**A Comparative Perspective: IT Salary Costs in Moldova versus Romania**

Category	Romania (as of Nov 2023)	Republic of Moldova (now – 2035)
Gross salary (EUR)	4,783	3,000
Taxes, employee (EUR)	1,783	0
Taxes, employer (EUR) 2025*	108	0
Net salary (EUR)	3,000	3,000
Total Labour Cost (EUR)	4,891	3,000

\* Note: The employer tax figure for Romania in 2025 assumes specific fiscal policies and may be subject to change.

The implementation of the 7% single tax regime has significantly contributed to the flourishing of businesses, fostering innovation among teams and individuals. This strategic fiscal policy has also served as an inspiration for the younger generation, particularly in cultivating interest in IT and engineering careers. As a result, we are now witnessing the emergence of the first substantial wave of highly skilled graduates, ready to explore and seize opportunities that align with their talents.



Photo credit: Freepik.com

## MITP IN NUMBERS



ACTIVE RESIDENTS

1,700+



FORECASTED REVENUE  
FOR 2023

552 M EUR



EMPLOYEES

20,700+



COMPANIES WITH  
FOREIGN CAPITAL

230+



COUNTRIES

39



NEWLY CREATED  
COMPANIES

1,200+

Source: Moldova IT Park, December 2023



**6% GDP share**  
\*of Moldova IT sector



**11 % country's export**  
\*of Moldova IT sector

## What Activities Are Eligible for IT Park Residents?



Custom software development, specifically client-oriented software (62.01)\*;



Data processing, web page management and related activities (63.11)\*;



Editing activities related to other software products (58.29)\*;



IT consulting services (62.02)\*;



Other information technology service activities (62.09)\*;



Management activities (management and operation) of computing means (62.03)\*;



Other research and experimental development on natural sciences and engineering (72.19)\*;



Research and experimental development on biotechnology (72.11)\*;



Other educational activities with a focus on computer training (85.59)\*;



Specialised design activities that employ high-performance computers (74.10)\*;



Editing of computer games (58.21)\*;



Web portal activities (63.12)\*;



Call center operations (82.20)\*, with a focus on export-oriented services;



Manufacturing of electronic components restricted to microprocessors and integrated circuits. (26.11)\*;



Motion picture, video and television programme post-production activities (59.12)\*, exclusively for the computer games industry, limited to the following services:



Other labor supply services (78.30)\*, provided exclusively for international markets;

- digital color correction and rewrapping services (59.12.13);
- sound editing and design services (59.12.17);
- sound recording and music publishing activities (59.20)\*, exclusively for the computer game industry, limited to original sound recordings (59.20.13).



Post - production stage of production of movies, video and television programs (52.12)\*, based on the use of high - quality specialized computer equipment, limited to:

- services for creating video effects (59.12.14);
- services in the field of animation (59.12.15)

\*According to the Classification of Activities in the Moldovan Economy (CAEM Rev 2 and CSPM 2)

# Strategic Geographic Positioning of Moldova

Moldova's prime geographic location and robust transportation network afford seamless access to the Commonwealth of Independent States(CIS)and European markets. This superior positioning facilitates both just-in-sequence and just-in-time logistics operations, vital for modern supply chains. Notably, freight transit to central European hubs such as Germany is achievable within a two-day timeframe.

Moldova stands along the critical Pan-European transport corridor, enhancing its role as a trade nexus. The IXth transport corridor, spanning from Helsinki through to Alexandroupoli, intersects Moldova, directly linking it with key markets and fortifying its role in trans-European logistics.

## Giurgiulești International Free Port

The Giurgiulesti International Free Port (GIFP) further cements Moldova's status as a

logistical epicenter. Situated along Corridor VII by the Danube River, GIFP serves as a pivotal node for direct maritime and river transport, enabling efficient transshipment and distribution activities. Equipped with specialized terminals and forwarding capabilities, GIFP extends Moldova's reach to road, rail, river, and sea transport, positioning it as a vital logistics hub at the EU's threshold.

### Transport Efficiency Highlight

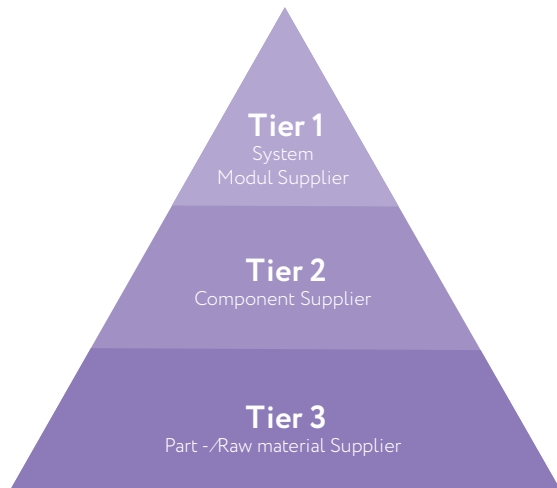
- From Moldova to Germany: Approximately 2 days by truck
- From China to Moldova via the Trans-Siberian route: Approximately 23 days
- From China to Moldova by sea: Approximately 35 days
- Moldova's advantageous location is pivotal for manufacturers, particularly OEMs, Tier 1, and Tier 2 suppliers, providing expedited and reliable logistics for the European region.

Country	City	Supplier	Distance, km	Borders
Romania	Pitesti	Dacia-Renault	560	1
	Craiova	Ford	710	1
Poland	Bielsko Biala	Fiat Chrysler Automobiles (FCA)	999	1
	Gliwice	GM/Opel	1,029	1
	Poznan	Volkswagen	1,303	1
Hungary	Gyor	Audi	1,077	1
	Kecskemet	Mercedes-Benz	1,006	1
Slovakia	Trnava	PSA Peugeot Citroën	1,126	1
	Bratislava	VW	1,170	1
	Zilina	Hyundai/KIA	1,100	1
Austria	Graz	MagnaSteyr	1,350	1
Bosnia & H.	Sarajevo	Skoda	1,288	3
Czech Republic	Mlada Boleslav	VW	1,440	1
	Kolin	PSA/Toyota	1,450	1
Slovenia	Novo Mesto	Renault	1,475	1
Bulgaria	Bahovitsa	Great Wall Motor	780	1
Turkey	Gebze, Izmit	Honda, Isuzu, Hyundai	1,093	2
	Arifiye	Toyota, Otkar (Iveco, Land Rover)	1,143	2

## Competitive products

Moldova provides excellent opportunities in Tier 2 and Tier 3 supplier production in the Automotive Industry.

### Automotive Supply Chain structure:



The combination of the knowledge pool, labor cost advantages, favorable tax and social security regimes, and close trade relations makes production competitive for products like:

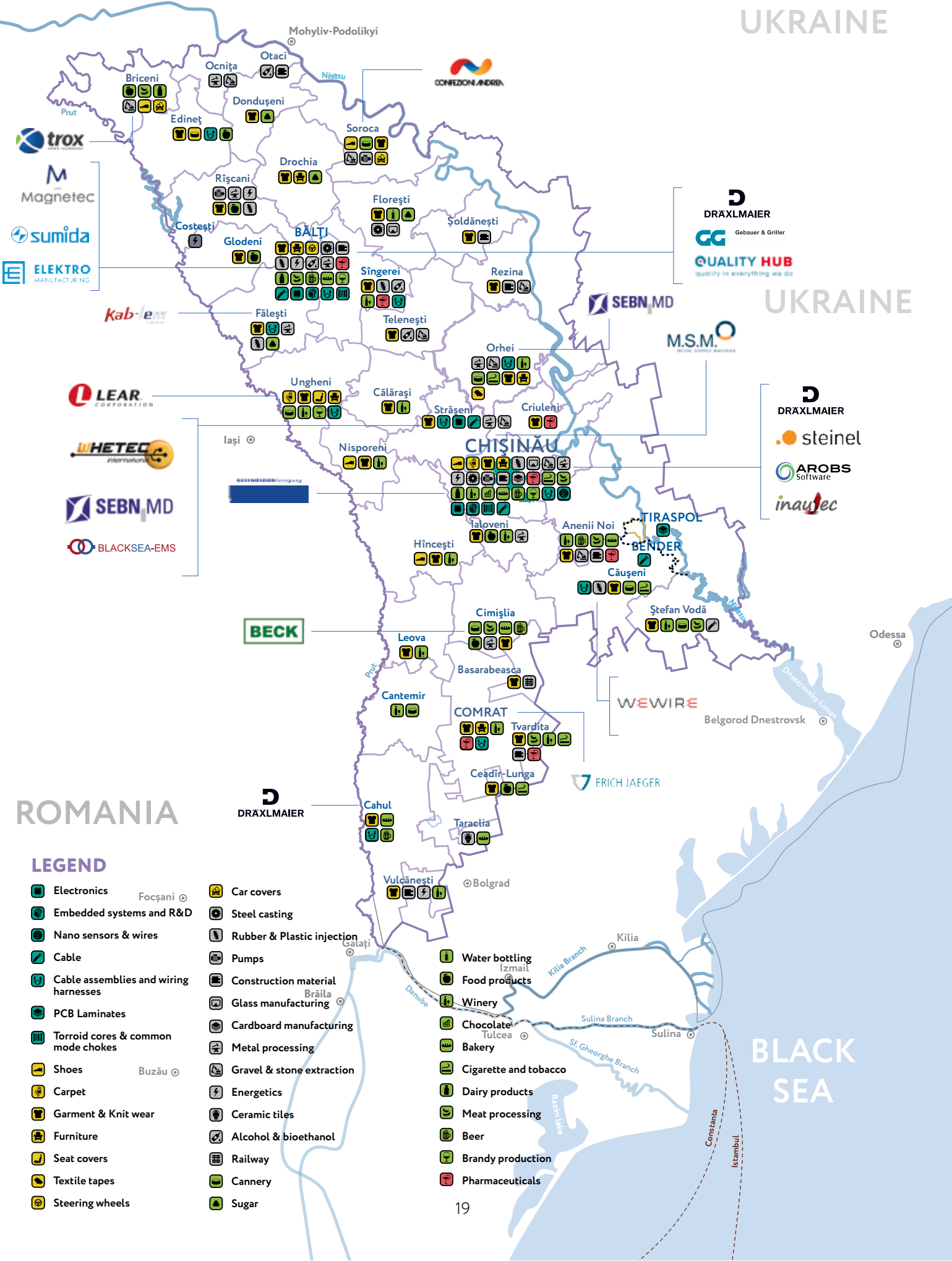


Photo credit : Dräxlmaier Group, FEZ Balti subzone 2

Product Description	Produced in Moldovan Automotive Industry	Produced in Moldova
Seat and car covers, airbags, textile parts	x	x
Textile tapes, safety belts		x
Cables and wires	x	x
Wire harnesses	x	x
PU Foam		x
Plastic & Rubber molding injection	x	x
Steering wheels	x	
Engineering and R&D	x	x
Embedded Systems	x	x
Foundry & Steel castings		x
Machine parts and components	x	x
Electronics EMS, SMT, THT	x	x
Metal construction (welding)	x	x

# Success Stories & Industrial Competences

UKRAINE



- trox
- Magnetec
- sumida
- ELEKTRO MANUFACTURING
- Kab-e
- LEAR CORPORATION
- WHETEC INTERNATIONAL
- SEBN MD
- BLACKSEA-EMS

- DRAXLMAIER
- Gebauer & Griller
- QUALITY HUB
- quality in everything we do

UKRAINE

- DRAXLMAIER
- steinel
- AROBS Software
- inautec

**BECK**

**WEWIRE**

**ERICH JAEGER**

**DRAXLMAIER**

ROMANIA

BLACK SEA

## LEGEND

- |                                       |                            |
|---------------------------------------|----------------------------|
| Electronics                           | Car covers                 |
| Embedded systems and R&D              | Steel casting              |
| Nano sensors & wires                  | Rubber & Plastic injection |
| Cable                                 | Pumps                      |
| Cable assemblies and wiring harnesses | Construction material      |
| PCB Laminates                         | Glass manufacturing        |
| Torroid cores & common mode chokes    | Cardboard manufacturing    |
| Shoes                                 | Metal processing           |
| Carpet                                | Gravel & stone extraction  |
| Garment & Knit wear                   | Energetics                 |
| Furniture                             | Ceramic tiles              |
| Seat covers                           | Alcohol & bioethanol       |
| Textile tapes                         | Railway                    |
| Steering wheels                       | Cannery                    |
|                                       | Sugar                      |
|                                       | Water bottling             |
|                                       | Food products              |
|                                       | Winery                     |
|                                       | Chocolate                  |
|                                       | Bakery                     |
|                                       | Cigarette and tobacco      |
|                                       | Dairy products             |
|                                       | Meat processing            |
|                                       | Beer                       |
|                                       | Brandy production          |
|                                       | Pharmaceuticals            |

## BusinessLink.md: Moldova’s Premier B2B Platform

BusinessLink.md stands as Moldova’s inaugural online platform dedicated to streamlining the connection between local suppliers and international buyers. This digital marketplace allows Moldovan suppliers to register, detailing their company profiles and technological capabilities, thereby joining an expansive database accessible to global purchasers.

### Services Offered by ODA through BusinessLink.md:



**Matchmaking:** The ODA team conducts thorough market analysis to pinpoint suppliers that align with your specific criteria. Following this, we curate a select list and coordinate one-on-one meetings tailored to your business needs.



**Business visits:** Facilitating reconnaissance missions, enabling you to visit and engage with potential partners and suppliers directly. This service includes establishing vital connections with pertinent authorities and organizations.



**Supplier development:** ODA is committed to aiding SMEs with aspirations towards global market integration. It provides strategic assistance designed to expand their operational capabilities and position them within international value chains (GVC).

Access the platform to identify potential supplier suitable for your needs. ODA offers relevant programs, support tools to develop the SMEs to qualify and meet your specific requirements.



### Relevant sectors on the platform to explore the potential suppliers



Electronics



R&D and Engineering



ICT



Metal working



Plastic and rubber processing

### How to create the company profile as buyer or supplier, on the platform?



Sign in or Register



Complete the company profile



Profile checked by an operator/expert



Profile published



The profile is listed and searchable

## Process Flow for Partner Engagement



### General Information Submission

Begin by providing fundamental details such as the company name, location, and contact information.



### Detailed Request for Quotation (RFQ)

Specify the salient attributes of the requested products or services, including their main features and potential applications.



### Partnership Experience Disclosure

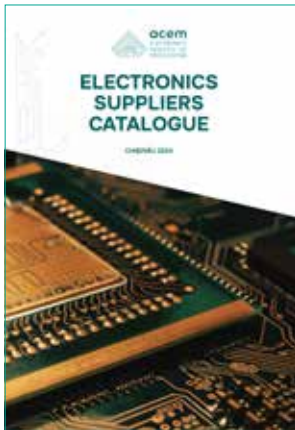
Disclose prior partnership experiences, overall turnover, and expertise, such as knowledge of foreign languages.



### Technology and Equipment Specification:

Detail the technological capabilities and equipment you seek in a potential partner, including parameters like workforce expertise and technological infrastructure.

## Electronics Suppliers Catalogue



<https://acem.md/en/electronics-suppliers-catalogue/>



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



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



# Strategic Logistics and Nearshoring in Moldova

Moldova's prime location and robust transportation infrastructure facilitate seamless access to both Central Asian and European Union markets. This strategic positioning ensures efficient just-in-sequence delivery of goods; for example, transit from Germany to Moldova can typically be completed in approximately two days.

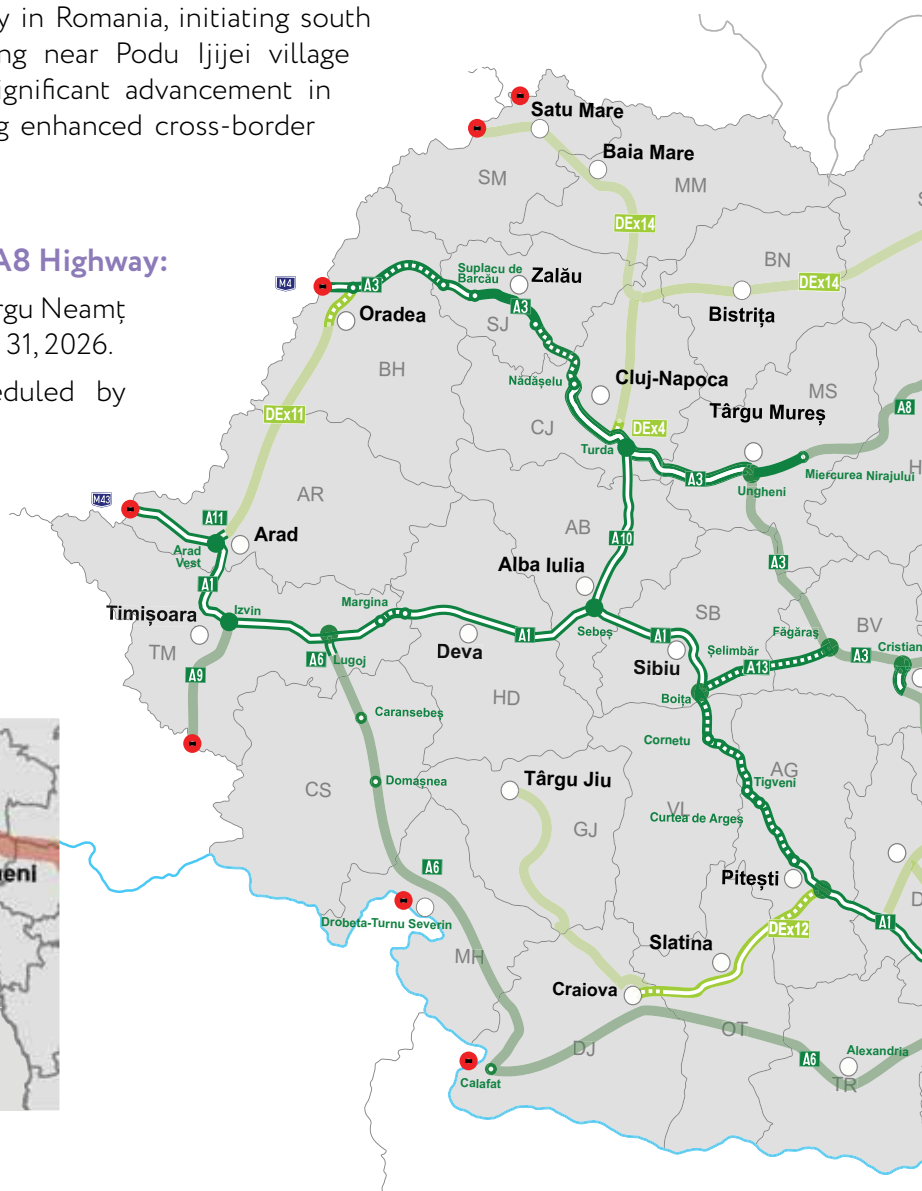
The vital Pan-European Corridor traverses Moldova, enhancing connectivity with important regional hubs. Key rail and road routes—spanning from Helsinki to Greece—cross the nation, linking Moldova with crucial economic partners.

## Unirii A8 Highway in Romania

The development of the Unirii A8 Highway, spanning over 304 km from Târgu Mureș to Ungheni, is set to fortify connections between Romania and the Republic of Moldova, specifically tying into the route from Ungheni. This arterial road aligns strictly with regional planning regulations and is anticipated to cross the Iași county in Romania, initiating south of Boureni commune and concluding near Podu Ijjei village in Golaiești commune. It marks a significant advancement in transnational infrastructure, promising enhanced cross-border flow of goods and personnel.

### Projected deadlines for the Unirii A8 Highway:

- Completion of the section up to Târgu Neamț and the Prut river bridge by December 31, 2026.
- Extension to Târgu Mureș scheduled by December 31, 2030.

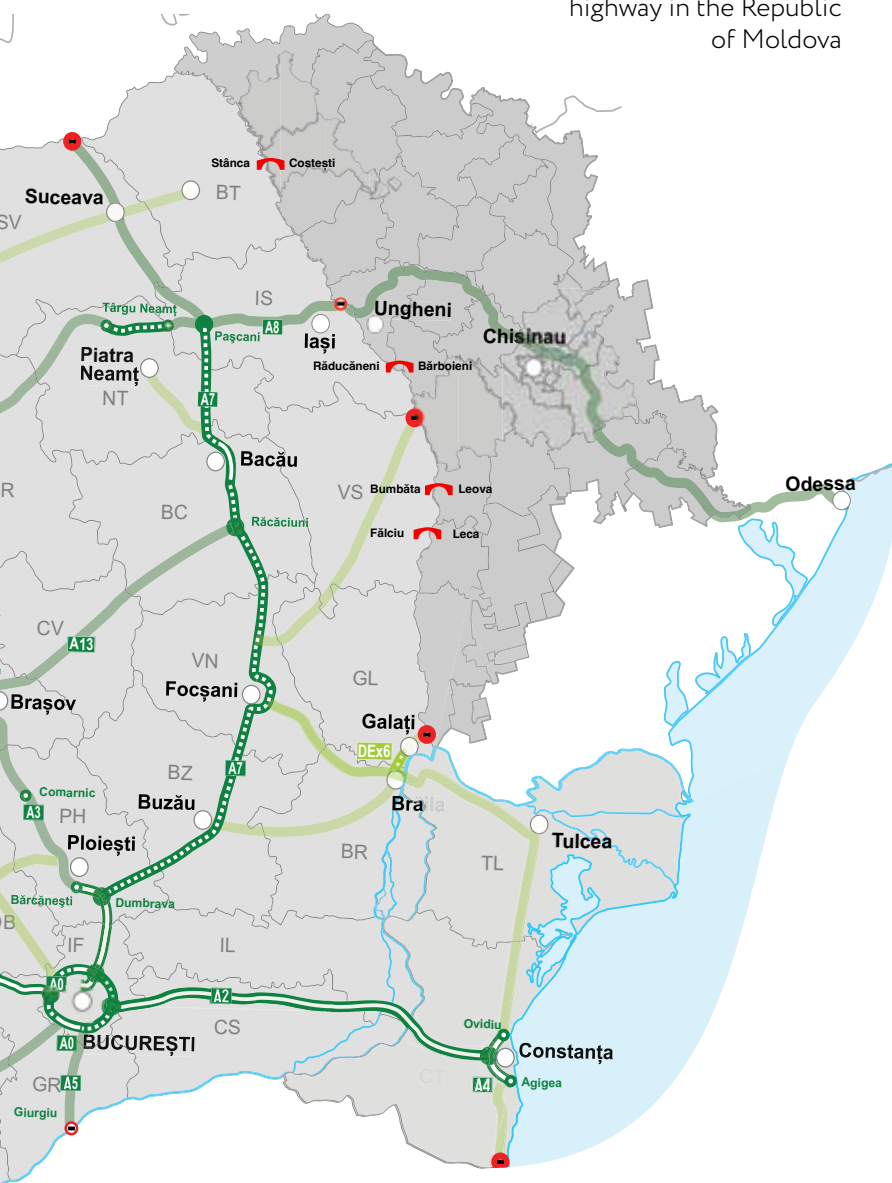




# Overview of Iași, RO – Ungheni, MD – Chișinău, MD – Odessa, UA Highway Development

The highway in the Republic of Moldova, would connect the cities of Iași, Ungheni and Chișinău, and later the southeast of the country and Odessa. Its project took on a more tangible shape when it was included in the great infrastructure reconstruction plan in the Republic of Moldova, and at the 4th edition of the Support Platform for Moldova, it was also presented a detailed plan of this highway, with its exact route, but also with the budget estimates necessary for its construction. The first part of the highway Ungheni - Chișinău, with a distance of more than 100 km, and the budget estimated is EUR 1.1 billion for the construction of the entire segment. The estimated budget of the second segment Chișinău, Anenii Noi, Causeni, Tudora – Starokazachie (UA) is higher, about EUR 1.6 billion, but its distance is also greater, about 245 km.

Photo: This will be the route of the entire highway in the Republic of Moldova



## Moldova A7 Highway (Romania) Connectivity

The Moldova Highway A7 project will create a vital link between the Black Sea and via A2, extending towards Central Europe. This route, part of the larger “Via Carpatia” network, is envisioned to enhance connectivity between the Mediterranean Sea, the Black Sea, and the North Sea.

Republic of Moldova will gain access to this expansive corridor, facilitating commerce and transit through key European nations. It will intersect with several major highways, notably the Via Carpatia, enhancing Moldova’s integration into the European transport network and boosting the movement of goods.

This highway will serve as a connector to major Romanian routes: the A7 (east-west) and the A8 (north-south towards Bucharest).

### LEGEND:

- Motorways
  - In service
  - - - - - Under construction
  - Tendered
  - Planned
- Expressways
  - In service
- Bridges
  - ⤴ Under construction

# Investment Incentives



## Free Economic Zones

Free Economic Zones (FEZ) in Moldova serve as strategic platforms for export-oriented manufacturing entities seeking advantages from a beneficial customs and tax framework. The country hosts six FEZs strategically positioned either in proximity to national borders or within major urban centers, offering preferential operational conditions coupled with dedicated administrative support aimed at customer satisfaction.



## Industrial Parks

Industrial Parks (IP) are specifically designated areas dedicated to fostering industrial production, service provision, and advancement in applied research and technological development. Moldova has developed ten Industrial Parks, aiming to stimulate industrial growth within its borders.

### 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/m<sup>2</sup> 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.

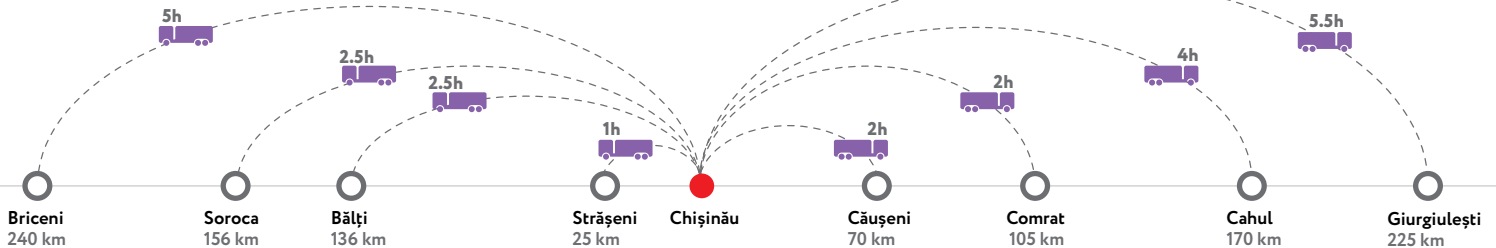


# Industrial platforms



[iplatforms.gov.md](http://iplatforms.gov.md)

## Main distances in km and hours (h)





# Testimonials

“ Ungheni and its free economic zone, where Lear Corporation Moldova is placed since 2010, confirmed itself as a well performing and competitive plant. The geographical position (30 km from EU border), the proximity to the European customer base and suppliers, as well as the dedicated labor force are the right ingredients for a success story. We see potential for further expansion of our business in Ungheni.”



“ SEBN aims to implement a long term project in Moldova, which confirms that the country is attractive for the automotive industry with available workforce, necessary infrastructure for its development and openness to foreign investment. Through early engagement and strong collaboration with the Parliament, Government and local authorities, it was created a Free Economic Zone in Orhei, which provides favorable conditions for a successful activity.”

“ Moldova has a competitive country profile, providing good opportunities for business development. These are multiplied by the willingness of Authorities and such Institutions as Invest Moldova and GIZ of collaboration with the foreign investors, in order to contribute to the economy growth. This makes a solid foundation for a long term partnership between the Foreign Investor and the Country Society.”



“ Since 2007 we work in Moldova and our experience is very positive. The strategic location and proximity to the European Union, the great manufacturing tradition of workers and the direct relations with local and central institutions of the capital Chisinau ensure excellent base for any foreign investor.”

“ The international growth of G&G requires a good choice of regions for our plants. We look for availability of motivated staff, safety and good cooperation with authorities. All of these factors made Moldova to a strong match. We are very satisfied with the conditions in Balti and are happy to increase our foot print soon.”





“ The DRÄXLMAIER Group is a reliable partner to the automobile industry and one of the technological leaders in the premium segment. We started our business in Moldova in 2007 and since then have continuously expanded operations. This country proved to have great potential for the development of our projects. DRÄXLMAIER made a huge investment in Moldova and built a second plant in 2011 within the Free Economic Zone in “Balti”, with full support by local and central authorities. The inventor of the customer-specific wiring harness, the DRÄXLMAIER Group stands for pioneering innovations in conventional and alternative drive systems, as well as in electrical and electronic components. Great extension of plant 2 in Balti in 2017 for new DRÄXLMAIER projects in Moldova proved an outstanding investment in the region. In 2018 we have successfully expanded our design & engineering activities in Interiors in Chisinau Product Development Office in Technical University campus, as well as built a new plant and started production of wiring harnesses in Cahul. At DRÄXLMAIER, employees participate in international projects of producing customer-specific wiring harnesses and developing components and interior parts for the Premium automotive industry. DRÄXLMAIER is a pioneer in the field of apprenticeship. In 2014 the company launched the Dual Education System and after one year the first graduates have been hired. Implementing this system and continuously training our staff, the company can guarantee a consistently high quality of the education level. DRÄXLMAIER is a responsible partner of the region and supports various projects that help developing it, continuously supporting social, education, sports and culture projects of the region.”

“ From the beginning of our investment in the Republic of Moldova, the local and central Government, the Investment Agency as well as the authorities have supported the business activity. We are continuously developing our operations in Soroca, and see a great potential for growth.”



“ In the light of foreseeable strong growth in our business fields, especially in the e-mobility and renewable energy business units, we came to Moldavia for the first time in February 2019 in order to search a new location for assembly activities. We were positively surprised about the country with many motivated and well skilled people and within one year and the active support of the Moldavian Investment Agency, GIZ Moldova and FEZ administration in particular, we were able to start our production in April 2020. Thanks to the well qualified and engaged employees, the development of the plant in Balti continues almost as planned, despite the considerable restrictions caused by the corona virus. As an established supplier in the strong growing markets of eMobility, safety and renewable energies, we offer technologies as an expert for nanocrystalline toroidal cores and wound components that enable our customers to operate successfully in their markets and create added value as well as a sustainable protection of our environment. We as a company stand for quality, reliability, flexibility, speed and customer orientation. Our corporate culture with flat hierarchies based on trust and partnership is highly appreciated by our customers, suppliers and employees. Due to the positive development, we plan further investments and the transfer of some purchasing-, engineering- and development-activities into this location, partly with worldwide responsibility for the MAGNETEC Group. MAGNETEC continues to grow and we welcome all suppliers, cooperation partners, employees and customers, who want to accompany us on this path.”

# THE ONE-STOP SHOP FOR ALL YOUR INVESTMENT QUESTIONS

Invest Moldova Agency is a public institution under the Prime Minister's Office, serving as primary source of information and assistance for investors and exporters in Moldova.

## ASSISTANCE & INFORMATION



### Provide

- Information on the investment climate
- Sector-specific information
- Consulting on suitable locations – FEZ, IP (Invest Moldova database)
- Information on relevant tax, legal and administrative issues



### Assist

- Scoping missions (agenda, logistics, follow up)
- Investment incentive application
- Information on business providers - HR, Legal, Consulting, etc.



### Connect

With relevant partners:

- Embassies
- Government authorities
- Business associations
- Existing investors

## INVESTMENT ATTRACTION & PROMOTION ACTIVITIES



- G2B and B2B Missions abroad



- International events - promotion of the investment climate of the Republic of Moldova



- Moldova Business Week

## AFTERCARE



Assistance with permits, and regulatory compliance.



Provide strategic, operational and administrative assistance.



Supporting business growth, Mergers and Acquisitions.



Fostering the process of finding suitable industrial sites and commercial properties.



Connecting investors with universities and relevant institutions.



Organizing informative events and conferences for foreign investors.



Stimulating a fruitful collaboration between private sector and Industrial Parks.



## CONTACT US:

office@invest.gov.md  
www.invest.gov.md



Invest Moldova Agency is the prime source of information and assistance for potential investors.

We offer customized services to guide you through every step of the investment decision process and provide ongoing support for existing investors looking to expand their operations.

Our team consists of permanent investment attraction experts, sector-specific consultants, and regional officers. Together, we leverage our collective experience to furnish you with pertinent information and establish connections with both businesses and government entities, empowering your decision-making process.

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