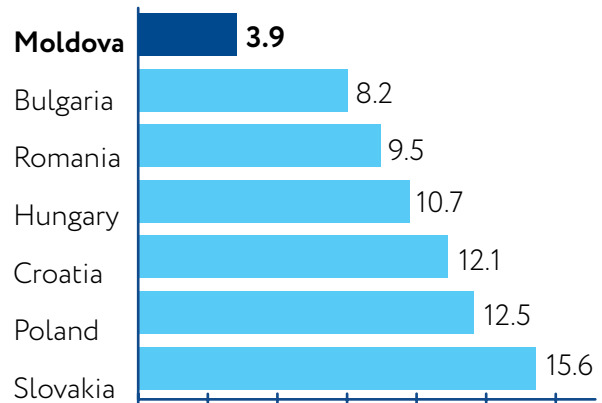


Operational costs

Moldova emerges as a highly cost-effective investment destination, offering some of the most competitive operational expenses in the region. The average hourly labor cost stands at 3.9 EUR, significantly lower than its European neighbors.

This financial advantage is extended across the spectrum of operational expenses, from affordable utility costs, such as electricity ranging from 0.10 EUR/kWh to 0.14 EUR/kWh and gas from 0.69 EUR/m³ to 0.84 EUR/m³, to reasonable rental rates for commercial spaces, suggesting a conducive environment for both startups and established businesses looking to maximize their investment.

Average hourly labor costs, 2022, EUR



Source: Eurostat, Statistics explained, 2020

Utility costs

Electricity

"Premier Energy"
 0,12 EUR/kWh - 0,4 kV
 0,10 EUR/kWh - 6,10 kV
 "FEE Nord"
 0,14 EUR/kWh - 0,4 kV
 0,10 EUR/kWh - 6,10 kV

Water

1,19 EUR/m³ - Balti
 0,99 EUR/m³ - Comrat
 2,53 EUR/m³ - Hincesti
 0,94 EUR/m³ - Ceadir-Lunga
 1,26 EUR/m³ - Calarasi
 1,77 EUR/m³ - Soroca

Sewerage

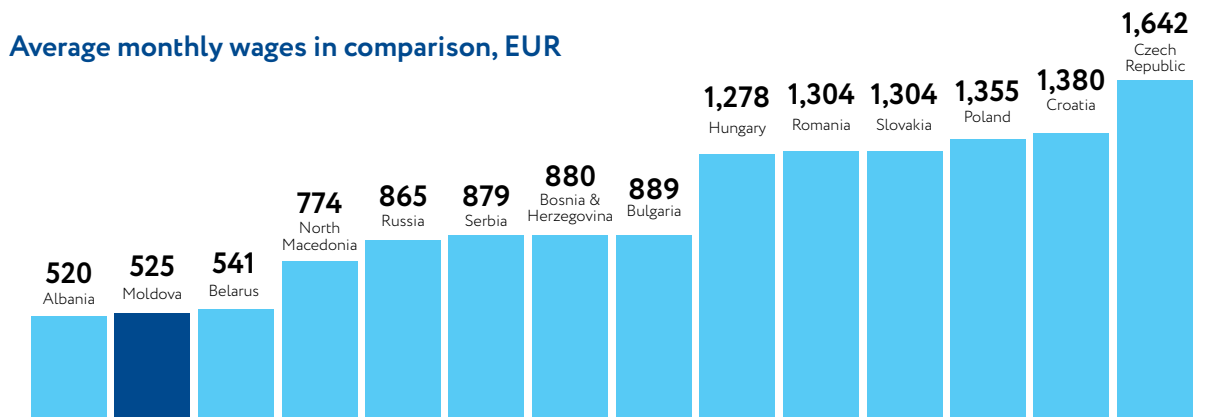
0,85 EUR/m³ - Balti
 0,75 EUR/m³ - Comrat
 1,18 EUR/m³ - Hincesti
 1,51 EUR/m³ - Ceadir-Lunga
 1,02 EUR/m³ - Calarasi
 0,62 EUR/m³ - Soroca

Gas

0,69 EUR/m³ - high pressure
 0,72 EUR/m³ - medium pressure
 0,84 EUR/m³ - low pressure

*National Agency for Energy
 latest approved data in 2023

Average monthly wages in comparison, EUR



Source: Trading Economics, Wages, 2021



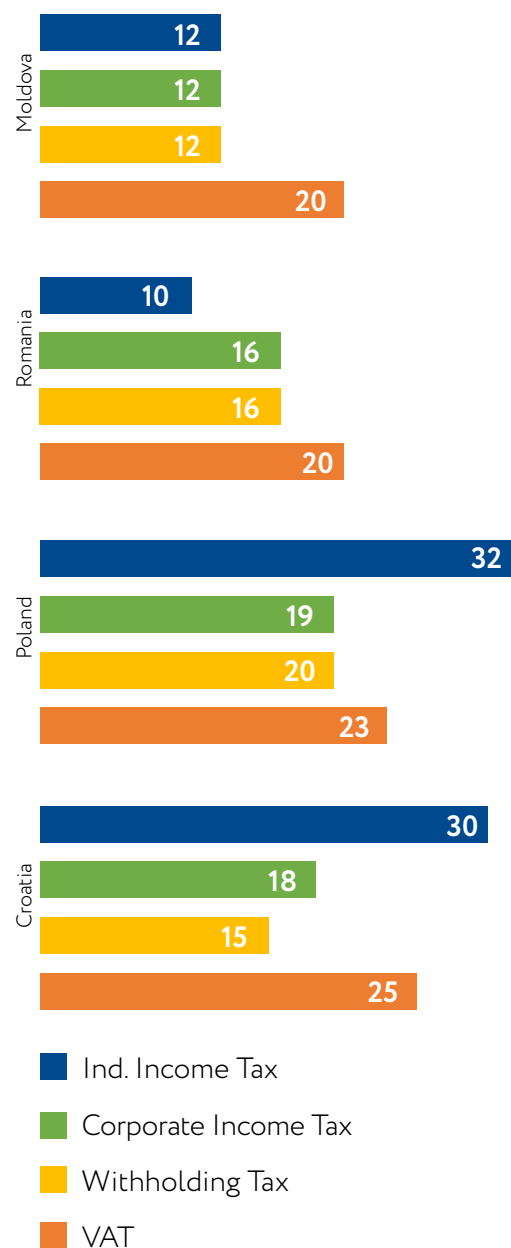
Production hall Fujikura Automotive, Chisinau
 (Source: Moldovan Government)

Taxes

There are 51 operational Tax Treaties for Avoidance of Double Taxation concluded by Moldova with other jurisdictions. Although Moldova is not a member of the Economic Cooperation and Development Organization (OECD), Moldova applies OECD rules in interpreting Double Taxation Treaties.

Type of Tax	Tax Rate
Personal Income tax	12%
Corporate Income tax (CIT)	0% for reinvested income; 7% agricultural income; 50% reduction for FEZ enterprises
Social Security	24% for employer
Health insurance	9% for employee
VAT	20% standard rate 8% for HORECA 6% for natural gases 8% i.e. pharmaceutical 0% international transportation
MITP Residents	7% single tax on turnover
Dividends	6% Resident /non-resident
Royalties	12% Resident /non-resident

Tax rates in comparison, %



Source: PWC, Worldwide Tax Summaries, 2023

