

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.

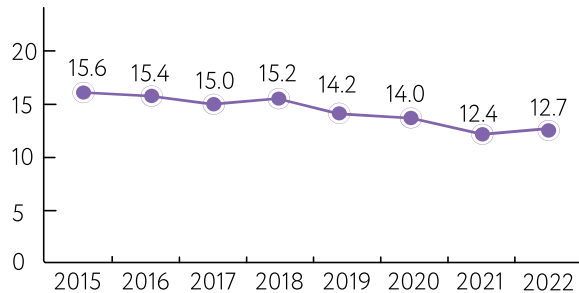
Key players in the industry include renowned firms specialized in cable systems, such as Draexlmaier Automotive and Sumitomo Electric Bordnetze, as well as companies in the automotive interiors segment like Lear Corporation. Moldova's value proposition is further bolstered by its capacity for precision 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.



Photo credit: Alpha Industries/Spamol SRL

Moldova's Automotive Components Industry: Accelerating Economic Growth

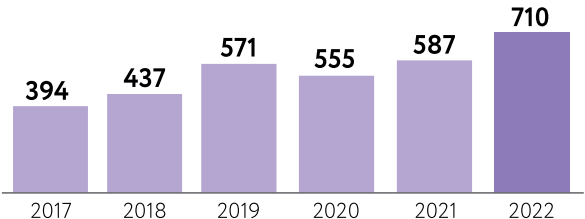
Moldova's automotive sector is an emergent pillar of the economy, having witnessed substantial growth due to the country's strategic utilization of its industrial capacity and educational infrastructure, including universities and vocational schools. With exports comprising 17% of the nation's total,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

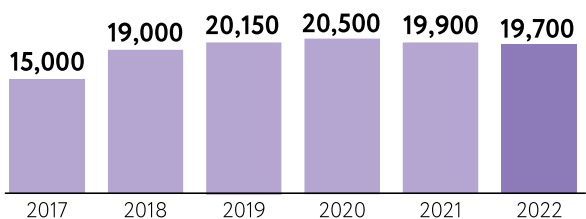
Moldova's attractive investment climate, bolstered by the Free Economic Zones (FEZ), continues to draw significant direct investment focused on export-oriented industrial development, further underpinning the industry's robust ecosystem.

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