

Overview and Structure of IT Services Market in Moldova

Local IT companies provide services like IT consulting, implementation, customer support, operations management, and cloud services.

Domestic market (M\$)	2020	2021	2022	2023	2024	CAGR
IT Consulting	4.93	5.09	5.11	5.16	5.19	3.38%
Implementation	18.39	18.81	19.08	19.31	19.40	3.23%
Support Services	9.50	9.81	10.10	10.20	10.45	4.05%
Operations Management	4.59	5.31	5.98	6.69	7.46	13.81%
Turnover	3.95	4.01	4.32	4.48	4.56	6.52%
Domestic Total	41.35	43.04	44.58	45.84	47.06	4.97%

Outsourcing market (m\$)	2020	2021	2022	2023	2024	CAGR
IT Services	110.49	117.61	124.70	130.79	136.63	7.05%
BPO	20.47	23.15	26.30	28.24	30.42	11.21%
Support Services	20.28	23.03	25.42	28.12	30.94	12.24%
Operations Management	11.38	12.77	15.06	16.09	17.22	11.92%
Outsourcing total	162.62	176.57	191.48	203.25	215.20	8.59%

Total (m\$)	203.97	219.61	236.06	249.09	262.26	7.86%
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Source: IDC study on "Moldova IT Market 2019-2024"



ICT Sector in Moldova & Development Perspectives

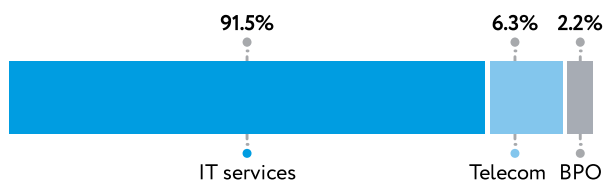
Moldova's ICT industry has demonstrated remarkable growth over the past decade, fuelled by high market demand, competitive dynamics, and consolidated efforts. This sector is a significant contributor to the national economy, generating approximately 6% of Moldova's GDP, which translates to revenues nearing MDL 21.8 billion or USD 1,154 million annually.

The year 2017 marked a significant phase for Moldova's electronic communications market, characterized by agile competition and robust growth. This period positioned the country among top global destinations for high-speed Internet, with widespread availability of Gigabit Internet, enhancing accessibility and connectivity.

ICT Sector in Moldova & Development Perspectives



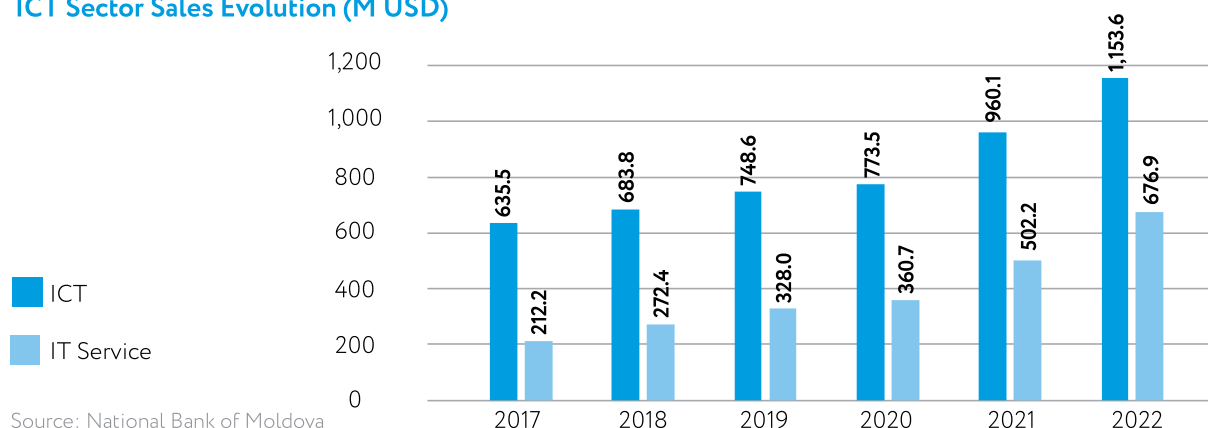
ICT Exports by type of services



Source: calculations based on National Bank of Moldova data

From 2015 to 2022, the IT sector emerged as the driving force behind the growth of Moldova's ICT industry, achieving a fourfold increase and surpassing telecom sector advancements. This remarkable growth was largely attributed to a

ICT Sector Sales Evolution (M USD)



Source: National Bank of Moldova

focused policy and legislative framework tailored to the Information Technology and Digital Industries, catalyzing its dynamic and exceptional evolution.

Between 2017 and 2022, the IT industry witnessed a substantial rise in annual sales revenue, climbing from \$212 million to over \$677 million. This represents a 6% contribution to the related GDP, with an impressive increase of approximately \$175 million in 2022 alone. In this reference year, combined with the sales volume in the electronic communications industry, the ICT sector accounted for 8% of the national GDP.

2022 also saw the export volume of ICT products and services surpass \$512 million. The ICT sector underwent a significant transformation, shifting from primarily offering Internet access networks and services to focusing on high-value, export-oriented IT products and services.

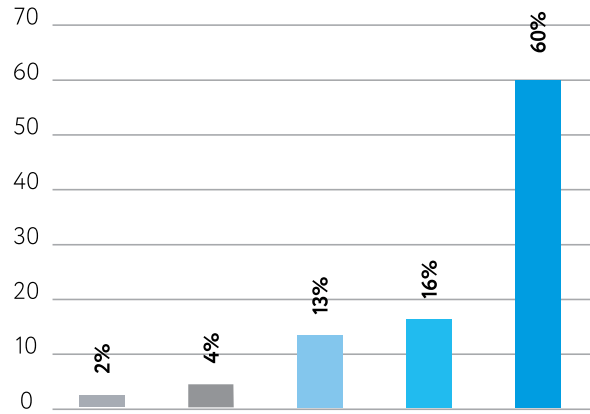
Over the past decade, Moldova has achieved a tenfold increase in IT exports, leveraging its strategic position as a subcontracting hub. This success is attributed to the nation's cost-effectiveness, skilled workforce, and advantageous geographic location, making it a preferred destination for outsourcing IT services and thus propelling substantial industry growth.

Despite the economic challenges faced in 2022, the IT industry continued its upward trajectory, contributing to the mitigation of the broader economic downturn. The incentives provided by IT Park legislation played a pivotal role in this resilience, significantly bolstering the development of the ICT sector.

ICT services exported by Moldova:

- Game development
- Editing other kinds of software
- IT consultancy
- Data processing, page administration and similar activities
- Software development

Source: Invest Moldova Agency

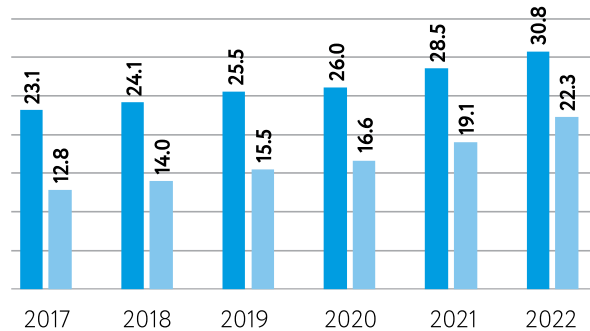


Evolution of ICT Sector Employees

The positive evolution in the ICT sector is accompanied by the increase in the number of companies in this period - from 2,200 to 3,300, and of the employed staff - from 23,350 people to 32,600 people, ensuring the best level of salary in the economy.

- ICT
- IT Service

Source: National Bank of Moldova

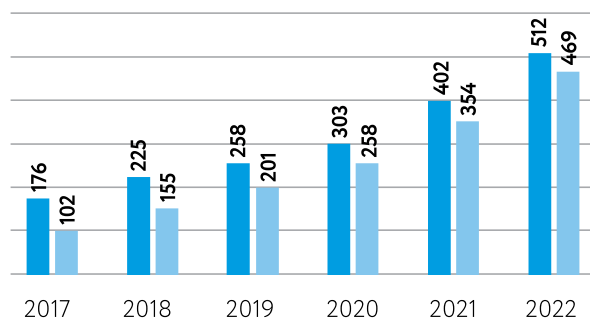


ICT Sector Exports Evolution (M USD)

As per estimates, the IT industry employs over 23,400 professionals, servicing mainly European and U.S. markets. The service focus is across multiple industries, especially in Government, banking, fintech, automotive, healthcare, and telecom, while including platform technologies such as big data, cloud and Internet of Things (IoT).

- ICT
- IT

Source: National Bank of Moldova



The Information and Communications sector in Moldova is primarily in a build-out phase, with major investments focused on basic hardware infrastructure, such as server, storage, infrastructure software, and network equipment implementations.

Moldova's ICT sector stands as a cornerstone in building a regionally and globally competitive economy. Its progress in international ICT rankings demonstrates Moldova's commitment to technological prowess, fostering innovation, attracting foreign investment and securing a prominent position on the global stage.

As the ICT industry develops further every year, education has a significant role in cultivating specialists. Top universities are successfully partnering with local and foreign companies, to be able to provide innovative technologies to students, internships, employment opportunities, etc.

There are now over 200 schools throughout the country that teach children robotics courses, as part of a nationwide effort led by the Government for increasing digital literacy. Other courses cover virtual reality, 3D printing, entrepreneurship skills, animation, game design, digital media production, etc.

The Global Innovation Index



out of 132
<https://rb.gy/s89o1u>

Network Readiness Index



out of 131
<https://rb.gy/poqa6f>

e-Government Development Index



out of 193
<https://rb.gy/1h4eut>

Global Remote Work Index



out of 108
<https://rb.gy/c71t5i>

Regional Tech Expansion: Thriving Local IT Communities and Emerging Talent through Regional Hubs in Moldova. Focused on developing the local IT community and nurturing young talents.

North: Center for Innovation and Technology Transfer, Balti:

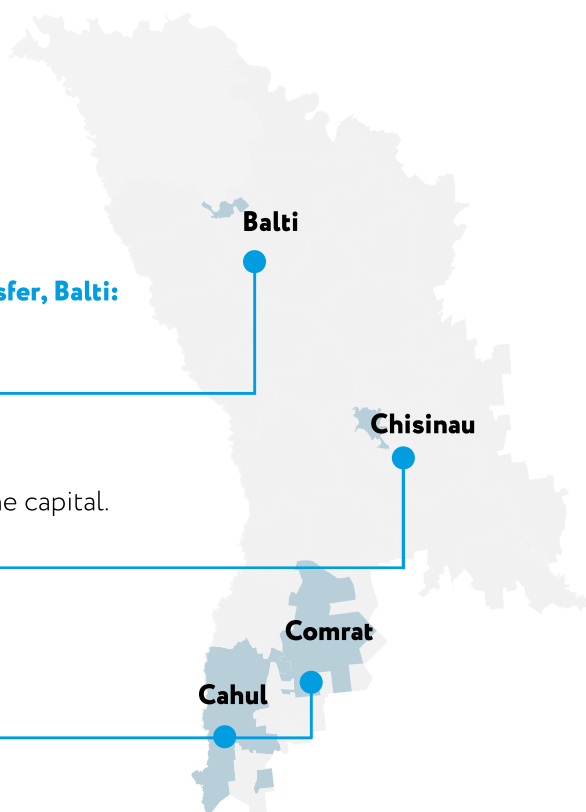
- Emerging as a local IT hub.
- Contributing to the sector's spread and growth.

Center: Chisinau:

- The sector's initial development took place in the capital.
- A hub for innovation and technology.

South: Start-up City Cahul and Comrat KIT Hub:

- Dynamic hubs in the southern region.
- Playing a crucial role in the sector's expansion.



In Moldova's ICT sector, companies embrace:



INTELLIGENT PROCESS AUTOMATION (IPA)



ROBOTIC PROCESS AUTOMATION



MACHINE LEARNING



VIRTUAL ASSISTANT



NATURAL LANGUAGE PROGRAMMING



VIDEO/PICTURE RECOGNITION

These innovations underscore the company's commitment to automation and innovation that is reshaping operational and paving the way for future success.