

Investment Opportunities in Moldova: A Gateway for Japanese Companies



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Natalia Bejan got her bachelor's education in Moldova and her masters in Prague, Czech Republic, followed by work in finance and insurance sectors in Europe and Asia, including 2.5 years coordinating a virtual credit card project implementation in China. After 11 years of working abroad, Natalia returned to Moldova in 2020 and served for 2 years as the CEO of Startup Moldova Foundation, supporting the development of the Moldovan tech startup ecosystem. Starting January 2024, Natalia is leading Invest Moldova Agency.

As a rapidly emerging economy at the intersection of Europe and Asia, Moldova presents a promising foundation for international investments, offering compelling opportunities in sectors such as manufacturing, information technology, agriculture, renewable energy, and infrastructure. With 49 agreements forming the foundation of Moldova-Japan relations, including a forthcoming agreement on investment promotion and protection, Japanese companies are well-positioned to gain from Moldova's favorable business climate and strategic location.

Moldova's economy has seen consistent growth, with reforms focused on economic liberalization, reducing administrative burdens, and enhancing the ease of doing business. Trade relations between Moldova and Japan have strengthened considerably in recent years. In the first half of 2024, Japan ranked 19th among Moldova's global trade partners. The bilateral trade value surged to \$65.4 million, marking a 19.2% increase from 2023. The recent growth trajectory

showcases Moldova's expanding economy and increasing openness to global investment.

Key Investment Sectors in Moldova

1. *Information and Communications Technology (ICT and BPO)*

Moldova's IT industry is experiencing rapid growth, supported by modern infrastructure and a highly skilled, multilingual workforce. Japanese companies specializing in software development, AI, and digital services can benefit from competitive operational costs and opportunities for expansion in the tech sector. Moldova Innovation Technology Park (MITP) stands out by offering a unique fiscal regime with a flat 7% tax rate, making it an attractive choice for companies looking to enhance their digital and technological capabilities.

2. *Agribusiness and Food Processing*

With 12% GDP generated by agriculture, the country has immense potential for food production and processing. Japanese companies involved in sustainable agriculture and

With a population of just **2.4 million**, Moldova benefits from free trade agreements that provide access to a vast market of over **870 million consumers worldwide. Moldova's agreements span 47 countries**, fostering economic integration and facilitating trade on a global scale. The Republic of Moldova ranks 135th in the world by area. **BUT**

- 1.3% of all cars manufactured in the world have components made in Moldova (for 2023).
- Moldovan IT exports have increased 3.5 times over the last five years, from 2018 to 2023.
- Ranks among the top 20 global exporters of plums, walnuts, cherries, apricots, rapeseed, apples, wine, and grapes.
- Moldovan wines won a total of 123 medals at the Decanter World Wine Awards 2024.
- The Republic of Moldova has been rated by Fitch Ratings with a "B+" and a stable outlook, highlighting its economic resilience and commitment to reforms and foreign investments.

agro-tech could capitalize on Moldova's fertile soil, strategic export potential to the EU, and proximity to Central Asian markets. Opportunities exist for collaboration in organic farming, specialty crops, and wine production, leveraging Moldova's established agricultural expertise.

3. The Automotive and Electronics Sector in Moldova is a key driver of the economy, accounting for **17% of the country's total exports** and employing over **20,000 people**. From 2015 to 2023, exports in this sector grew by **2.7 times**. Moldova produces **1.3% of all car components worldwide** and supplies components for public transport to **120 cities globally**. Key products include **cable assemblies, wiring harnesses, electronic components, car seat covers, foam and felts, injection-molded parts**, and trim materials, making Moldova a vital player in global supply chains.

4. Renewable Energy:

Moldova is making significant progress in renewable energy development through **structured tenders** and the innovative **Energy Sandbox mechanism**. Structured tenders provide large producers with transparent opportunities to secure renewable energy projects, while the Sandbox offers a flexible regulatory framework for testing advanced energy technologies. Together, these initiatives aim to integrate renewable energy into the grid, enhance flexibility, and support sustainable development.

Moldova wants to increase the share of renewable energy production to a minimum of 30% of electricity consumption by 2030, alongside a remarkable 145% growth in renewable energy capacity between 2020 and 2022. This growth has been driven by Guaranteed Feed-in Tariffs (FiTs) for smaller projects, fiscal incentives, and an obligatory purchase mechanism for renewable energy. Additionally, a High-Level Energy Dialogue between the EU and Moldova has reinforced the country's commitment to a sustainable and innovative energy future.

5. The Textiles, Apparel, Footwear, and Leather (TAFL) sector is a major contributor to Moldova's economy, accounting for approximately **10% of the country's total exports**. Renowned international brands such as **Versace, Armani, Prada, Dolce & Gabbana, Calvin**

Klein, and Moncler manufacture their products in Moldova, drawn by the sector's high-quality production standards, modern quality control systems, and quick delivery to **EU and CIS markets**. The TAFL sector employs over **20,000 people**, predominantly women, making it a key driver of Moldova's economic growth.

6. Moldova's pharmaceutical sector is rapidly growing, with the drug market reaching \$320.5 million in 2023. Local manufacturers now hold 9.15% of the market, supported by seven GMP-certified companies, three with EU-level certification. Exports, accounting for 55% of production, reached \$44.7 million in 2023, targeting diverse global markets. Government incentives, favorable tax policies, and EU integration are driving further growth, positioning the sector as a key contributor to Moldova's economy.

7. Moldova's construction materials industry benefits from its strategic proximity to Ukraine, positioning the country as a key production and distribution hub in the region. The growing demand for construction materials is driven by reconstruction projects in Ukraine, offering significant opportunities for local producers and international investors. With competitive costs, a skilled workforce, and quick access to regional markets, Moldova is emerging as a critical supplier in this transformative process.

Why Invest in Moldova?

Doing Business in Moldova

- ✓ Business Registration: Can be completed in 24 hours
- ✓ 65% of Business Services are digitized for efficiency
- ✓ E-signature: Standard practice for all official transactions
- ✓ Top 50 in the World for Ease of Doing Business

Tax & Financial Incentives

- ✓ 0% Tax on Retained Earnings to encourage reinvestment
- ✓ 7% Unique Flat Tax for IT and BPO sectors
- ✓ 25% Cash Rebate for TV production activities
- ✓ 5% Cash Rebate for promoting Moldova internationally

Talent

- ✓ Top 1 in Global Robotics Challenge

Success Stories of Foreign Investment in Moldova:

Draexlmaier Group (Germany): The company specializing in the production of automotive components has been operating in Moldova since 2007; it has built two factories employing over 5,000 employees. The total investment amounted to \$100 million. The factories export products for brands such as BMW and Mercedes, demonstrating a high level of technological integration and quality.

SEBN (Sumitomo Electric Bordnetze): The Japanese company specializing in the production of cable harnesses opened two factories in Moldova, one in Orhei and the other in Straseni. The total investment amounted to €47 million and the factories employ more than 3,300 people. This investment has strengthened Moldova's position as a reliable partner for international corporations.

Endava (UK): The IT company with a focus on digital transformation has successfully leveraged Moldova's skilled workforce and tax incentives to expand its operations, providing services to clients around the world. The company, which has been operating in Moldova since 2000, employs about 1,200 IT specialists.

ROCA Industry, Romania's leading industrial holding in construction materials, has expanded significantly in Moldova, strengthening its position in the fiberglass mesh market. With plans to double production capacity and establish a new paint factory, ROCA Industry is enhancing Moldova's role as a key player in the regional construction materials sector.

- ✓ Top 13 in Economic Gender Equality
- ✓ Simplified Work Permit for citizens from 47 countries
- ✓ #2 in Emerging Europe for IT Workers per Capita
- ✓ Business Services offered in 14 Languages

Investment Platforms in Moldova

Moldova Innovation and Technology Park (MITP)

- ✓ More than 2,100 residents and more than 22,000 employees.
- ✓ Europe's first e-Park, offering digital flexibility and a flat 7% tax rate on revenue, guaranteed until 2035.
- ✓ A flexible IT visa program for access to global talent.
- ✓ Innovative environment fostering the growth of technology-driven businesses.

Industrial Parks in Moldova

- ✓ 10 industrial parks across the country, providing designated territories for industrial production, service provision, applied scientific research, and technological development.
- ✓ Normative Prices: Below market prices for land purchases.
- ✓ Reduced Rental Costs: Reduced prices for state land rentals.
- ✓ Free Infrastructure Access: Free connection to existing infrastructure within the park.

Types of Industrial Parks

Type A: General-purpose parks for diverse industrial production and technology commercialization.

Type B: Specialized parks for digital technology, creative industries, R&D, and innovation.

Type C: Multifunctional parks for small-scale, local production.

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Moldova's strategic location, proactive government, and supportive investment environment make it an attractive destination for Japanese companies aiming for sustainable growth and market expansion. Located in Chisinau, the capital of the Republic of Moldova, the Embassy of Japan, together with Invest Moldova Agency, provides comprehensive support, further enhanced by the forthcoming investment agreement, creating strong foundations for long-term economic partnerships and success. 🍀

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Invest Moldova Agency

Invest Moldova Agency is a public institution under the prime minister of the Republic of Moldova, mandated to assist foreign investors in opening and running strategic investments in the Republic of Moldova, and is promoting exports and country image.

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