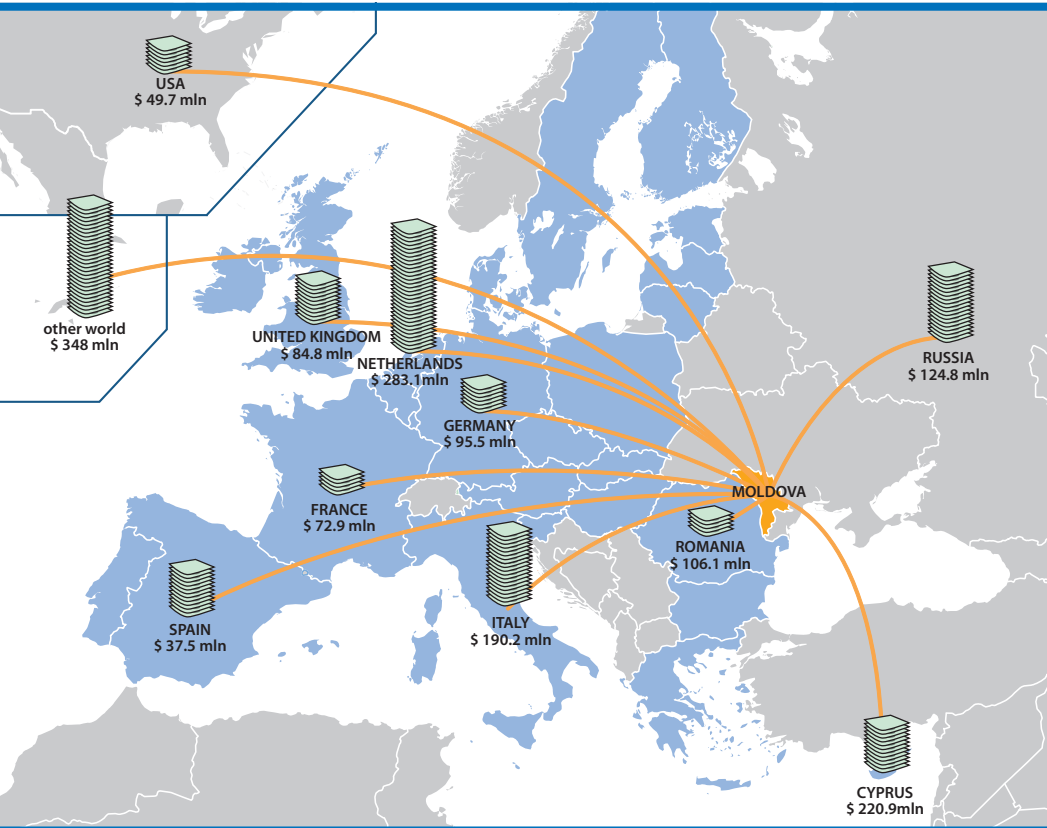


Foreign Investment Guide

Foreign Direct Investment

Investments in Moldova, 1994-2009





































Source: National Bureau of Statistics

Following a decade of economic decline that ended in 2000, Moldova has maintained macroeconomic stability and achieved consistent economic growth. This period was marked by significant increases in foreign investment. FDI represented 1.6% of the country's GDP in 2009. Cumulative total FDI at the end of 2009 reached approximately \$2604.2 million. Presently, Moldova enjoys investments from 91 countries with the major FDI sources being the EU-27, the Commonwealth of Independent States (CIS), the USA and Canada.

The main legislative act regulating FDI in Moldova is the Law on Investments in Entrepreneurial Activity, which was enacted in early 2004. Under this Law, Moldova provides full security and protection for all investments, regardless of type, following the provisions of international treaties on mutual protection and encouragement of investments to which the state is a party. Investors may locate their investments in any part of Moldova, in any area of business activity, as long as these are not contrary to national secu-

Bilateral Investment Treaties with 36 Countries

Investment protection agreements with the following countries are currently in force:

 Romania	1992
 China	1992
 USA	1993
 Turkey	1994
 Germany	1994
 Poland	1994
 Hungary	1995
 Finland	1995
 Ukraine	1995
 Netherlands	1995
 Uzbekistan	1995
 Switzerland	1995
 United Kingdom	1996
 Belgium	1996
 Bulgaria	1996
 Israel	1997
 France	1997
 Italy	1997
 Azerbaijan	1997
 Georgia	1997
 Russian Federation	1998
 Greece	1998
 Czech Republic	1999
 Republic of Byelorussia	1999
 Lithuania	1999
 Latvia	1999
 Austria	2001
 Croatia	2001
 Kuwait	2002
 Kyrgyzstan	2002
 Tajikistan	2002
 Slovenia	2003
 Bosnia & Herzegovina	2003
 Albania	2004
 Spain	2006
 Cyprus	2007

Source: Ministry of Economy and Trade



Major Foreign Investors

	Société Générale France Banking
	Lukoil Europe Ltd. Russia, 1995 Petroleum products
	Union Fenosa Spain, 2000 Energy distribution
	Lafarge France Construction materials
	France Telecom MI France, 1998 Telecommunications
	Veneto Banca Italy Banking
	METRO Group A.G. Germany, 2004 Wholesale trade
	Danube Logistics The Netherlands Shipping & Logistics
	Mabanaft A.G. Germany, 2000 Petroleum products
	WNISEF USA, 1997-2005 Food industry, glass bottles, banking sector
	KNAUF Germany Construction
	LEAR USA, Automotive industry

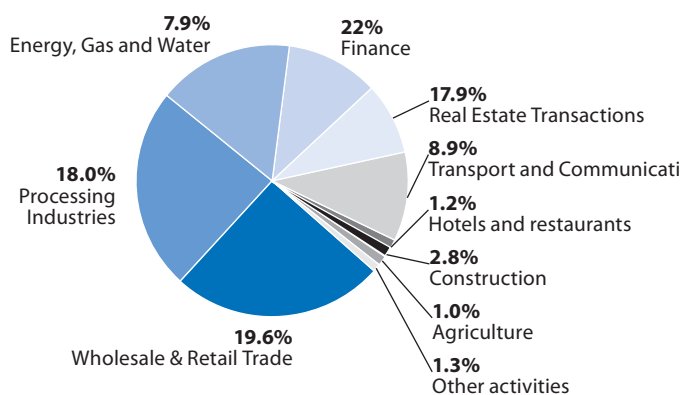
Source: MIEPO

rity interests, anti-monopoly legislation, environment protection norms, public health or public order.

Local and foreign investors have equal rights under the legislation, and there is no discrimination on the basis of citizenship, home, residency, place of business registration, state of origin of the investor or investment. Investors are guaranteed fair and equal treatment in running their businesses without discrimination that would hinder management, operation, maintenance, use, capitalisation, acquisition, growth or disposal of investments. There are no restrictions on the amount of capital that can be invested except for the minimum statutory capital which applies to both local and foreign investors regardless of their origin.

Total FDI in Moldova amounted to more than \$1613,5 million at the end of 2009. The Netherlands is the largest investor with over \$283,1 million since 1994. Other large investors between 1994-2009 have been Cyprus at \$190.2 million; Italy at \$190.2 million; Russia at €88.2 million; Spain at \$64.9 million; the Germany at \$124.8 million; UK at \$84.8 million; France at \$72.9 million; Romania at \$106.1 million; USA at \$49.7 million; and the other world at \$348.0 million.

FDI by sector (2010, 1 January)



Source: National Bank of Moldova

FDI inflows reflect foreign companies' participation in the Moldovan privatization process through investing in company equity, acquiring stock, as well as utilising loans from parent companies. An important indicator of investor trust is reflected in reinvested earnings, which grew over the last several years and are predicted to continue in the future. The share of reinvested earnings in total cumulative investments has increased from 1.9% in 2000 to 12.4% in 2009. This reflects the long-term confidence of businesses that have already invested in Moldova. The largest share of foreign investment is in the fixed assets of joint ventures and foreign companies.