

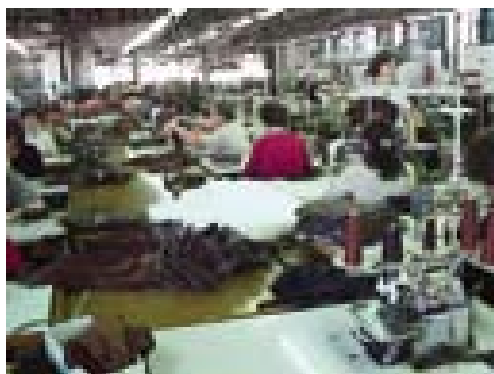
Investment & Export Promotion

Clothing & Textiles

- Garment production is one of the most dynamic sectors of the Moldovan economy
- There are more than 250 operating companies in the sector, nearly half of them medium or large
- More than 21,000 persons work in the sector
- Sector annual turnover is over 190 million euro
- Around 80% of the companies work on CM/CMT processing
- EU markets are the main destination of the sector's exports

In the post-2005 era of liberalised international trade, textiles & clothing have become a truly global industry, with the retailers and distribution firms being able to source product everywhere in the world. Apparel manufacturing as an industrial activity has been declining in the more industrialised countries for over 20 years and this process has speeded before 2008.

As manufacturing moves to lower cost countries, Moldova remains an attractive proposition for investment in a sector which already accounts for 1.5% of the general GDP and 30% of the manufacturing GDP. The textile/apparel cluster employs over 21,000 workers and has become one of the leading exporting sectors in the country, while the Moldovan government is committed to the development of this key industrial sector possessing a largely untapped export potential. The country's proximity to the EU is a key element among its strategic advantages as a supplier of textiles and apparel to consumer markets.



A wide range of products can be produced in Moldova and many of them are. The group includes all types of knitted and woven apparel, lingerie and nightwear, protective

clothing and carpets. More than 250 enterprises are active in the sector, many of them already figuring among the leading exporters of the manufacturing sector.

The first stage in the process of participating in the international trade, begins usually with the acceptance of outward processing work from the target markets. This type of production is also known as CMT (cut, makeup and trim), or by its German name of "Lohn Arbeit". Raw materials, trademarks and design all belong to the contractor, while the garment manufacturers' sole value added is putting together the final product. Initially, it has certain advantages, such as low capital investment; rapid access to new technologies and developing of skilled labour. Margins are low, however, and successful companies involved in this production will move towards developing their own product and offering prospective clients a full package.

In Moldova, many companies are already working for famous European brands, a fact that is reflected in the increasingly high export to such destinations as Italy, Germany, Romania & UK. New opportunities appear as manufacturing costs increase in other supplying countries, such as Bulgaria and Romania. The rapidly developing consumer market of the Russian Federation demands more garments every year. Its cultural and historical background can give Moldova an edge to improving market share there.

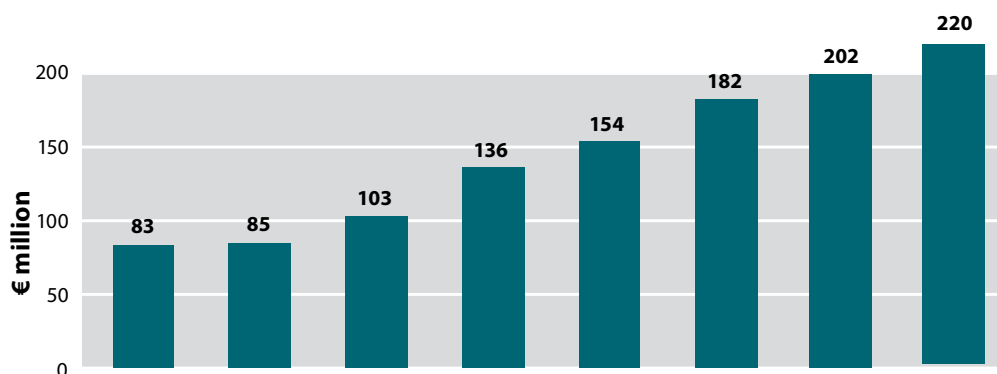
It becomes almost imperative to develop new export markets, to increase the range of products and to strengthen the necessary skills to operate internationally.

Moldova brings to the manufacturing equation a skilled workforce with competitive production costs in Europe and a dynamic industry in the process of acquiring new technologies, forming joint ventures and expanding its client base.

To this extent, MIEPO will continue to support the industry in its overseas expansion.

| Sector | Opportunities | Strengths |
|----------|--|---|
| Textiles | <ul style="list-style-type: none"> Growing demand for household textiles in CIS countries High production costs in EU make Moldovan products attractive. Easy access to markets under Autonomous Trade Preferences (ATP) Geographic proximity to EU markets. | <ul style="list-style-type: none"> Good supply of cotton fabrics for bed linens Short delivery times to EU and Russia. Good price/quality ratio Good reputation for Moldovan products among CIS consumers |
| Apparel | <ul style="list-style-type: none"> Relocation of production capacity away from EU countries Increasing preferences under ATP Deregulated textile markets in EU after 2005 | <ul style="list-style-type: none"> Relatively well qualified labour force Competitive production cost Proximity to consumer markets Good technology level on average |
| Carpets | <ul style="list-style-type: none"> Growing demand for carpets in CIS markets Preferences for Moldova under ATP | <ul style="list-style-type: none"> Good price/quality relationship Ability to deliver quickly to EU and Russia |

Total exports of textiles and related products



Some Moldovan companies which manufacture clothing under their own label:

CODRU TEXTIL

Ready-made garments
vivamodels@yahoo.com

CROITOR TRICOT

Knitted outdoor; children's knitwear; sports knitwear; knitted goods.
tricotval@mcc.md

CODREANCA

Works clothes, ladies' clothing
codreanca@mtc-cl.md

GALANTA

Textile haberdashery, fancy bands and cords; curtain cloth; shoe laces.
galanta@mtc-or.md

IONEL

Men's clothing; ladies' clothing; work clothes; headwear.
partners@ionel.moldnet.md

LENICRIS - LUX

Children's knitwear; sports knitwear; knitted goods; underwear.
lenicris@gmail.com

RAVETTI

Ladies' underwear; lingerie.
office@ravetti.md

TRICON

Ready-made garments; knitted goods; knitted underwear.
Tel: +299 20746

VASCONI

Underwear; sports knitwear; knitted goods.
info@ixstyle.md

VISTLINE

Ladies coats.
vistline@mail.ru

MOBILE

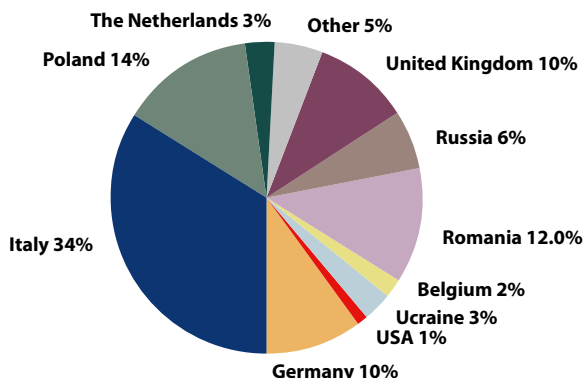
Ladies' clothing
mobile@arena.nor.md

RUNFELSIA

Ladies' and men's clothing, knitwear
elitestyle_admin@mail.ru



Textiles and apparel export structure in 2008, by country



Company profiles



JSC Ionel

The Joint Stock Venture “**Ionel**” was established in October 1945. The factory is specialized in the production of men’s clothes: coats, suits, jackets, trousers; women’s clothes: coats, suits, jackets, skirts, shorts, - children’s clothes: suits, trousers. Beside this assortment, special clothes, bedclothes and hats are sewn. More than one hundred new models are designed during the year for stores in Italy, Germany, the United States and Canada. The company participates in exhibitions in the USA, Italy, France and CIS countries. In 1996 it was awarded with the International Premium Prize for Technology and Quality.

JSC Codreanca

JSC Codreanca, situated in Calaras, with 100% private share capital, was founded in 1967, and specializes in sewing work clothes, ladies and mans clothing. Since 1995 JSC “Codreanca” has collaborated with companies from Italy, Holand and Germany in Lohn system production.

JSC Tricon

JSC “Tricon” situated in Cahul. Based in 1966, this enterprise is the biggest producer of knitted and woven articles from south of the country. The selection of the produced goods includes the knitted wear for women, men and children; woven articles for women – dresses, pants, skirts, blouses, suites, half-length overcoats and coats for winter. For long time “Tricon” Company works with foreign companies from Austria, Germany, Italy and Romania. In 1996-1997 at the XIX and XXII “International. Competitions “International Gold Star” the high duality of goods was commended with “Gold Star”. The prize “Platium Star”, the “Tricon” Company has been obtained at the XIV International competition in 1998 in Madrid, Spain. The JSC “Tricon” has modern equipment and introduces new technologies. The qualified artists create new collection of fashionable wear.

JSC Floare-Carpet

JSC “Floare-Carpet” is an enterprise which produces jacquard double-faced machine made carpets. It was founded in 1978. The technological cycle of carpet production represents a finished process which refers to the production of wool and pure wool threads, their dyeing, carpet weaving, finishing, and marking and stocking of the finished products. The high content of wool fibres in combination with good technology provides the optimal operational quality to the carpets. The assortment of finished articles constitutes a variety of colors, drawings and dimension types. JSC «Floare-Carpet» is interested in further developing and promoting its export of carpets and carpet articles.

JV INFINITY Inc.

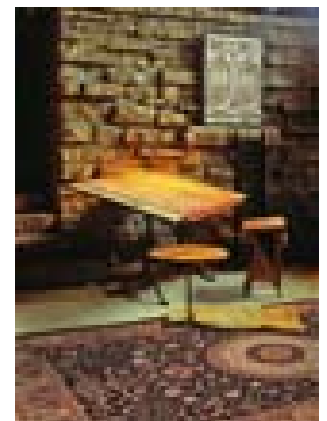
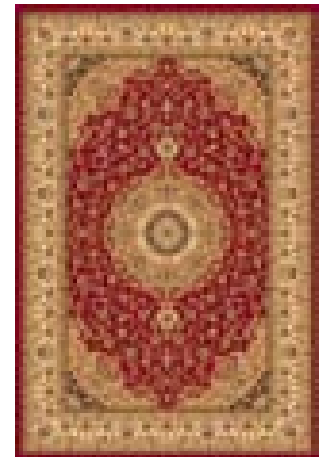
Moldovan-Turkish JV “INFINITY Inc.” was founded in 1997. Number of employees is more than 1000. Product assortment: nightgowns, pyjamas(for women and men), tracksuits, underwear for men (pants, boxers and tank tops), football shirts, polo jerseys, and knitted clothing for children. The enterprise has wide experience in collaboration with well-known companies from USA,Canada, Japan and European countries.



JV MOLDABELA Moldovan-Belgian JV «MOLDABELA» LTD was founded in 2001 on the basis of a Moldovan carpet production company JSC «Covoare-Ungheni». Number of employees is approximatively 400 persons. The factory is specialised in production of jacquard carpets, synthetic and wool carpets and is the leader in this field. The assortment is characterised by a wide range of classic, Oriental, European and abstract style images (more than 1000). The enterprise is equipped with industrial modern equipment from Belgian and German producers (sewing machines, equipment for decorative work and packing equipment). The policy of the enterprise is to manufacture quality carpets, in accordance with clients' demands. For this purpose the quality system EN ISO 9001: 2000 was implemented.

STEAUA-REDS Mixed Moldovan-Italian enterprise «STEAUA- REDS». Employs more than 250 persons. Founded in 1998 on basis of the knitting factory «Steaua». The new enterprise uses the best traditions of production of knitted articles – 50 years of experience in production, professionalism, leading edge skills, Italian style and quality, and advanced manufacturing science. Monitoring modern trends in fashion and being in step with technical progress in the knitting industry, «STEAUA- REDS» produces a large range of knitted articles from all types of fabrics for ladies, men and children: sweaters, jackets, dresses, skirts, jumpers, scarves, hats. The enterprise uses different fabrics and different types of finishing (printing, machine and manual embroidery) giving to the products an elegant or a sport style.

IUVAS The IUVAS knitting factory has high specification technical equipment, which allows for the production of a diverse range of products and high productivity. The company has sewing machines such as : Pegasus, Juki, Global and Yamato. All products are sold on the internal market of the Republic of Moldova. The factory is interested in exporting its range of product.



How MIEPO can assist Investors and Exporters

MIEPO's investment promotion services include:

- Conducting general sector analyses, including macro-economic and other data such as operational costs and labour availability.
- Organising essential contacts during the pre-investment stage including facilitating negotiations at central and local authority levels.
- Identifying optimal locations for setting up operations and organising site visits.
- Identifying legal, accounting, architectural and engineering and other assistance needed for launching an enterprise.
- Investor aftercare: policy advocacy, troubleshooting, advice, contacts.

MIEPO's export marketing support services include:

- Facilitating buyer introductions by organising tailored itineraries focused on leading Moldovan companies, and support and public sector organisations.
- Assisting with market entry strategies, researching markets, identifying market opportunities, and sourcing agents and distributors.
- Organising business and trade missions to established and prospective markets.
- Participating in leading international sectoral trade exhibitions.
- Providing support services to first time exporters including export training, market intelligence, and market planning.

MIEPO's primary objectives are to enhance the social and economic development of Moldova through investment and export promotion activities.

Moldovan Investment and Export Promotion Organisation

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