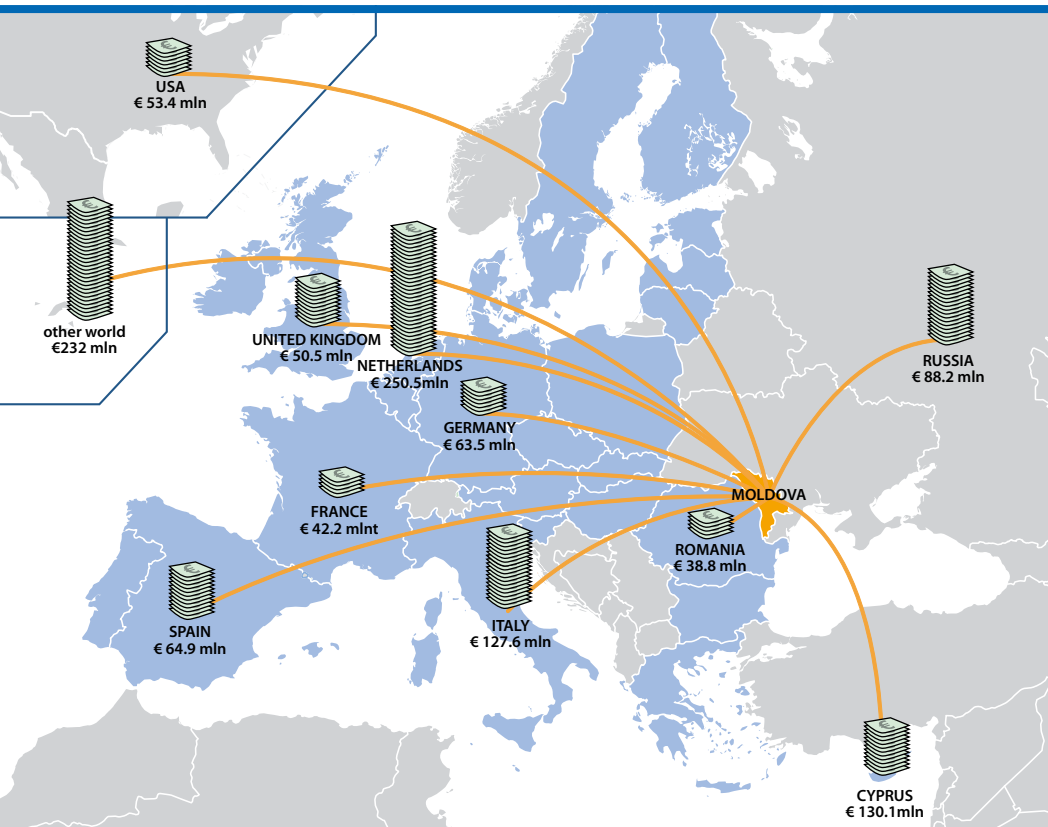


Foreign Investment Guide

Foreign Direct Investment

Investments in Moldova, 1994-2008 (1 October)







































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 inflow amounted to €484.2 million in 2008 or €149 million (44.5%) more than in 2007. FDI represented 11.8% of the country's GDP in 2008. Cumulative total FDI at the end of 2008 reached approximately €1747.7 million. Presently, Moldova enjoys investments from 86 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



Foreign Direct Investment

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



Mabanft A.G.
Germany, 2000
Petroleum products



WNISEF
USA, 1997-2005
Food industry, glass bottles, banking sector



KNAUF
Germany
Construction

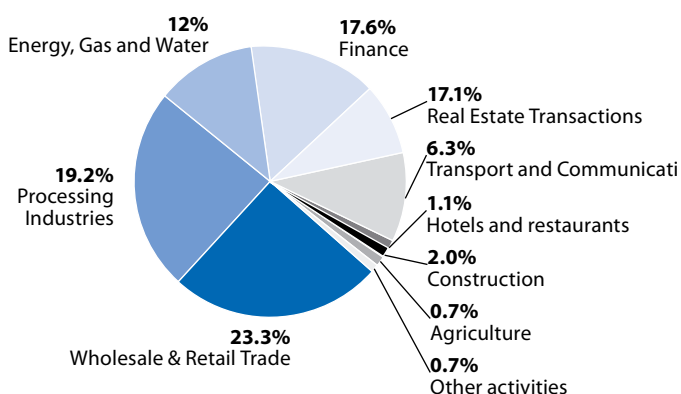
Source: MIEPO

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 €1747 million at the end of 2008. The Netherlands is the largest investor with over €250 million since 1994. Other large investors between 1994-2008 have been Cyprus at €130.1 million; Italy at €127.6 million; Russia at €88.2 million; Spain at €64.9 million; the Germany at €63.5 million; UK at €50.5 million; France at €42.2 million; Romania at €38.8 million; USA at €53.4 million; and the other world at €219.0 million.

FDI by sector (2008, 1 October)



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 11.6% in 2008. 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.