



# GROW IN MOLDOVA

## AN INVITATION TO INVEST IN THE CITY OF ȘTEFAN VODĂ

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**VLADISLAV COCIU**  
Mayor of  
Ștefan Vodă city



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Chief Administrator  
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Dear Investors,

Whether you are looking to initiate a new investment project in Moldova or aiming to optimize your operational costs, the city of Ștefan Vodă is one of your best options to pursue.

In 2018, the Parliament of Moldova decided to create a greenfield-type Free Economic sub-Zone in Ștefan Vodă city, offering consistent economic, custom and tax advantages for new export-oriented investment projects. By 2021, the territory of the Free Economic sub-Zone has been fully equipped with access to the basic utilities, including electricity, gas, water and sanitation. Additionally, the territory has been fully covered with land use regulatory documents, which allows for speedy issuing of all permissions for technical design and construction works (in maximum 30 days).

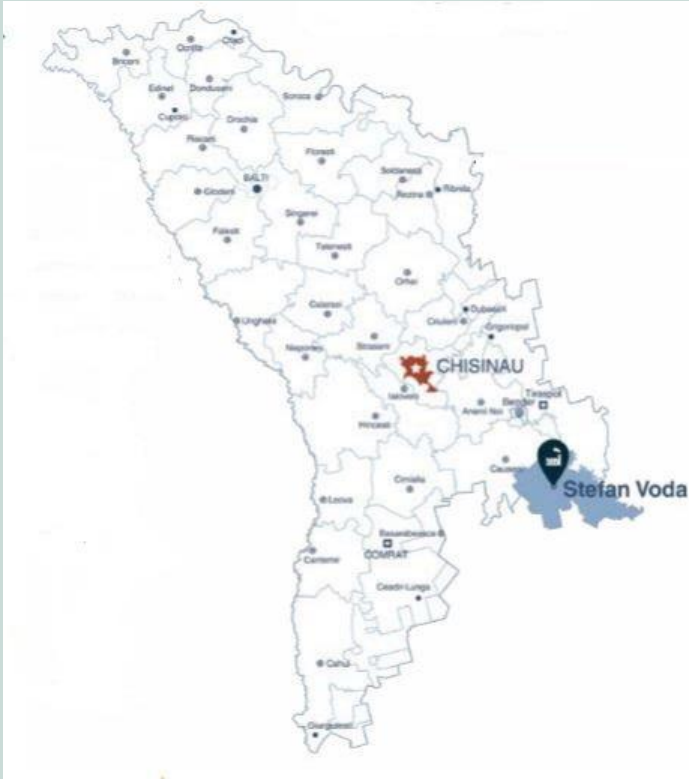
In the city of Ștefan Vodă, your business will gain substantial competitive advantages due to the following factors:

- ✓ In the Ștefan-Vodă agglomeration there is a significant available labor force. According to the most modest estimates, at the beginning of 2021 there were at least 11.5 thousand people of working age, who are not engaged in formal economic activities but are motivated to work. About 7.5 thousand of them are between 17 and 45 years old and can be easily trained as low- and middle- skilled industrial employees.
- ✓ Salary costs in the Ștefan Vodă agglomeration are still 25% lower than the average in the Republic of Moldova.
- ✓ The economic sub-Zone is fully equipped with the access to all basic utilities.
- ✓ The land of the Free Economic Sub-Zone is construction-ready, no additional land preparation work necessary.

We guarantee that you will be served above even your most optimistic expectations.

We are waiting for you in the city of Ștefan Vodă!

# Ștefan Vodă City



Ștefan Vodă is located in the South-eastern part of the Republic of Moldova, on the M30 motorway (Chișinău – Căușeni – Ștefan Vodă – Odessa). The city is situated 100 km away from the capital city Chisinau and 100 km from Odessa, Ukraine.

The nearest international airport is located 87 km away (Chișinău International Airport) and the nearest railway station is located at 27 km (Căușeni, which leads to railway customs crossing point with Ukraine).

The International Port of Odessa (Ukraine) is 100 km away from Ștefan Vodă. The Giurgiulești International Free Port is located at 230 km distance (the only Danube River and Black Sea port in the jurisdiction of Moldova with direct access to international waterways).

The nearest border checkpoint with Ukraine is 45 km away (Palanca). The nearest border checkpoint with Romania is located at 171 km (Leușeni-Albița).

The city is the administrative center of one of the 32 districts in Moldova, which consists from 29 settlements organized in 23 administrative municipalities.

From an economic point of view, Ștefan Vodă city represents a micro-regional growth pole, polarizing the development of an area of over 60 thousand inhabitants, residing in a distance of 20-25 minutes of driving time.

Additionally, there are over 100 thousand inhabitants living within a 30 km radius of Ștefan Vodă city, including over 60 thousand residents who are of working age.

The city of Ștefan Vodă has a well-developed local utility infrastructure, equipped with the main local services (centralized water supply and sanitation, public lighting and waste management). The city transport infrastructure is in good quality, with an excellent connection to the national and international road networking.

In accordance with many independent assessments, the mayoralty of Ștefan Vodă is recognized as one of the most transparent and business-friendly local public administrations in the Republic of Moldova.

## Land Site Offer

In 2018, by the decision of the Parliament of Moldova, in Ștefan Vodă city has been established a greenfield-type Free Economic sub-Zone (FEZ). The sub-FEZ has a surface of 8.9 hectares free buildable area, located one kilometer away from the city center. The sub-Zone is managed by the Administration of the Balti Free Economic Zone.

The FEZ land plot is public property of the city of Ștefan Vodă.



<b>FEZ Residency Eligibility:</b>	Any natural or legal person registered according to the law as a subject of entrepreneurial activity in the Republic of Moldova.	
<b>FEZ Residency Admission:</b>	On the basis of an application submitted by a potential investor, the FEZ Administration is organizing a dedicated tailor-made tender.	<u>Necessary time:</u> maximum 3 months
	<p>Documents required for submission to the Evaluation Committee:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> The official request addressed by a potential investor to the FEZ Administrator</li> <li><input checked="" type="checkbox"/> A copy of the certificate on registration as a subject of entrepreneurial activity in the Republic of Moldova, issued by the Public Services Agency.</li> <li><input checked="" type="checkbox"/> Short information about the participant</li> <li><input checked="" type="checkbox"/> Proof of the tender fee payment (€400)</li> <li><input checked="" type="checkbox"/> The investment project or business plan for the activity proposed in FEZ</li> </ul>	
<b>FEZ Residence Cost:</b>	<p>Total €2,000 - a single payment for the entire period of activity in the Free Economic sub-Zone, including:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Tender Fee = €400</li> <li><input checked="" type="checkbox"/> Registration fee = €600</li> <li><input checked="" type="checkbox"/> Fee for business activity permit = €1000</li> </ul>	
<b>Land Lease and Purchase</b>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> 0.5€ /m2 – land lease fee</li> <li><input checked="" type="checkbox"/> 0.65€ /m2 – land purchasing price</li> </ul>	Land purchasing price (based on state norm price) is applicable after the investment finalization
<b>Vacant Sites Availability:</b>	8.9 hectares: dedicated land plots shall be segmented per specific request of individual investors	
<b>Equipment with engineering infrastructure</b>	<p><u>Access Road:</u> 50 meters distance</p> <p><u>Centralized Water Supply:</u> on-site: Ø110 mm pipeline (utility cost = €1,79/m3)</p> <p><u>Centralized Sewage System:</u> on-site: 5000 m3/24h (utility cost = €1.08/m3)</p>	

	<p><u>Electricity: on site: 2,5 MV line (utility cost = €0.1/kWh)</u></p> <p><u>Natural gas: on site: 0,125-0,25 Mpa pipeline (utility cost = €0.2/m3)</u></p>
<p><b>Local regulation of land use and construction</b></p>	<p>The FEZ land plot is fully equipped with all necessary urban and land use regulatory documentation, duly approved by the City Council.</p> <p><input checked="" type="checkbox"/> <u>Issuing of land use certificate</u> = maximum 30 calendar days since the submission of the request</p> <p><input checked="" type="checkbox"/> <u>Issuing of building permit</u> = maximum 30 calendar days since the submission of the request</p>
<p><b>Fiscal and Economic Facilities:</b></p>	<p><input checked="" type="checkbox"/> Corporate income tax (CIT) rate: 6%</p> <p><input checked="" type="checkbox"/> Exemption from CIT for a period of 3 years, when investing 1 million USD in fix assets of the company and/ or in FEZ infrastructure development (for 5 years, when investing 5 million USD)</p> <p><input checked="" type="checkbox"/> VAT for equipment and machinery: 0%</p> <p><input checked="" type="checkbox"/> Customs procedures tax: 0.1% from customs value of goods</p> <p><input checked="" type="checkbox"/> Guarantee and protection from changes in legislation for a general period of up to 10 years, while under certain conditions this period may be extended to 20 years.</p> <p><input checked="" type="checkbox"/> Exemption from excise duties for goods introduced in the free zone from outside the Republic of Moldova, from other free zones, from the rest of the territory of Moldova, originating from this zone and exported outside the territory of the Republic of Moldova.</p> <p><input checked="" type="checkbox"/> Optimization the controls of residents by the state controlling institutions.</p> <p><input checked="" type="checkbox"/> A simplified procedure of work permits issuance for the foreign workers.</p> <p><input checked="" type="checkbox"/> Customs Office available on site, operating 7days/ week (if necessary 24 hours/day)</p>

## Available Workforce

Despite a continuous migration out-flow characteristic to the Republic of Moldova, there is still a significant reserve of available workforce in Ștefan Vodă agglomeration.

Based on the most modest estimations, in the Ștefan Vodă district there are currently over 11.5 thousand people of working age, motivated to work, but not involved in formal economic activities. About 7.5 thousand of them are between 17 and 45 years old, which could be relatively easily converted into low- and middle-skilled technical workers.

### Estimation of the labor force availability in the Ștefan Vodă agglomeration, at the beginning of 2021

Indicators	Estimations	Comments
Total population in Telenești agglomeration	≈ 52,000 people	According to the official statistics ≈63,500 inhabitants. However, according to the estimates, over 10,000 are currently residing permanently or temporarily abroad.
Number of working-age people currently living de facto in the agglomeration (excluding circular emigrants)	>30,000 people	≈ 60% of the total present population
Including: Number of people aged 17-45, living de facto in the agglomeration (without emigrants)	>20,000 people	≈39% of the total present population
Number of people officially employed	≈ 8,500 people	Employees from public and private sector, inclusively formally self-employed
Number of working-age inhabitants living de facto in the agglomeration (excluding emigrants) but not participating in any form in formal economic activities	>22,000 people	Including residents currently engaged in informal economic activities (seasonal and occasional), without social and medical guarantees, with an average remuneration of 200-250 MDL / day (€ 10-12)
<b>The existing minimum (estimated) labor reserve pool that de facto lives in the Ștefan Vodă agglomeration, which is not yet involved in migration, has adequate work discipline and is motivated to work in a stable job</b>	<b>≈ 11,500 people, inclusively ≈7,500 in age of 17-45</b>	

At the same time, within a radius of 30 km from the city of Ștefan Vodă, over 100 thousand people are residing de-facto (excluding emigrants), including over 60 thousand of working age, of which about 40 thousand aged 17-45.

The labor cost in the Ștefan Vodă agglomeration is among the lowest in the Republic of Moldova. In 2020, the average monthly salary was 5.5 thousand MDL (€250) or about 75% compared to the national average. Moreover, in the private sector, the monthly cost of unskilled and low-skilled labor is about 3 thousand MDL (<€150) for full-time positions and about 200-250 MDL/day (€10-12) for seasonal and occasional positions.

Currently the Ștefan Vodă agglomeration is still available a reliable pool of skilled work force with industrial experience, mostly in the following fields:

- Wine production
- Production of canned fruits and vegetables
- Textiles
- Assembly of plastic parts
- Cable production

### Availability of industrial skills and experience in Stefan Voda agglomeration

#	Industries	Specializations	
		Closed business entities	Functional business entities
1.	Light industry	N/A	<input checked="" type="checkbox"/> Textile factory "Araco Textil" – cca 50 employees <input checked="" type="checkbox"/> Workshop for the production of trousers for men "Stis & Styles" – cca 15 employees <input checked="" type="checkbox"/> 2 small family-type workshops (cca 10 employees)
2.	Wine making	N/A	<input checked="" type="checkbox"/> A cluster of 7 wineries - all located in rural areas of the district (Purcari, Crocmaz, Popeasca, Tudora and Carahasani) - over 350 employees
3.	Production of canned fruits and vegetables	<input checked="" type="checkbox"/> Canning Factory Olănești – in the past it employed over 500 workers, currently it does not work	<input checked="" type="checkbox"/> "Nistru Olănești" canned food production line - about 15 employees
4.	Production of construction materials	N/A	<input checked="" type="checkbox"/> "Uniqa Wall Systems and Constructions" prefabricated house production plant - about 25 employees <input checked="" type="checkbox"/> Production section for plastic doors and windows - about 15 employees
5.	Plastic assemblies	N/A	<input checked="" type="checkbox"/> Toy factory "Snoopy Toys" in Răscăieți – over 15 employees.
6.	Cereal processing	<input checked="" type="checkbox"/> The bakery factory Ștefan Vodă - in the past about 300 workers were employed, at present it does not work	<input checked="" type="checkbox"/> "Grape Alliance" alcohol production plant - currently stationed <input checked="" type="checkbox"/> Flour production section (SRL Vitarina Prim) in Antonești village - about 10 employees <input checked="" type="checkbox"/> 10 mills - all located in rural areas <input checked="" type="checkbox"/> 12 sunflower mills, of which one located in the town of Ștefan Vodă and 11 – in proxy rural area <input checked="" type="checkbox"/> 2 small family-type bakeries
7.	Fish processing	N/A	<input checked="" type="checkbox"/> "Pascofis" fish products production hall in Căplani village
8.	Furniture industry	N/A	<input checked="" type="checkbox"/> 2 mini furniture assembly workshops (about 15 employees in total)
9.	Cable production	N/A	<input checked="" type="checkbox"/> "Tehelectro-SV" in Ermoclia village (about 70 employees)

## Availability of Agricultural Raw Materials

The evaluation of the current agricultural production in Ștefan Vodă district reveals the availability of significant investment potential for the development of the following agri-progressing and food industries:

- Production of preserves, juices, pasta and jams from fruits and vegetables, including organic & bio
- Milk processing
- Meat processing and sausage production
- Fodder production (possible in combination with animal husbandry complexes)
- Production of flour and related products (biscuits, pasta, snacks, etc.)
- Production of ethyl alcohol (from cereals)
- Production of croutons, dry breakfasts, instant cereal flakes, müsli, etc.

### The production of agri-food raw material in Ștefan Vodă district

#	Items	Average Yearly Production	Nota Bene
1	Corn	> 30,000 tons	<input checked="" type="checkbox"/> The cultivation of cereals and technical crops is currently dominating the agriculture of the district
2	Grain	>100,000 tons	
3	Sunflower	>20,000 tons	
4	Barley	>40,000 tons	
5	Nutty fruits	5-10,000 tons	<input checked="" type="checkbox"/> The district provides about 10% of the national production of vegetables and 7% of nutty fruits of the Republic of Moldova.
6	Seeded fruits	>7,000 tons (mostly peaches)	
7	Vegetables	≈ 8,000 tons (mostly onion, carrots and cabbage)	<input checked="" type="checkbox"/> There is significant development potential, due to the existence of an irrigation base  <input checked="" type="checkbox"/> Currently over 20 industrial refrigerators are operational in Ștefan Voda district, with a total capacity of about 15 thousand tons.
8	Grapes (for wine)	≈ 7,000 tons	<input checked="" type="checkbox"/> The Ștefan Voda district is developing the most dynamic wine cluster in the country with 7 competitive wineries
9	Table grapes	≈5,000 tons	<input checked="" type="checkbox"/> There is a positive dynamic of expansion and renewal of vineyards - specialization in the export of fresh grapes
10	Wool	≈24 tons	<input checked="" type="checkbox"/> Farms: 5 of cattle, 7 of pigs, 2 of chickens, 2 of rabbits, 19 de sheep and goats  <input checked="" type="checkbox"/> High production share of individual householders
11	Milk	> 9,000 tons	
12	Livestock	> 2,500 cattle > 4,500 pigs ≈ 10,000 sheep and goats > 200,000 chickens	
13	Honey	> 35 tons	<input checked="" type="checkbox"/> There are over 5.5 thousand bee families in the district (estimated)

## Availability of Related Services

The city of Ștefan Vodă has an experienced [vocational school](#), specialized in the following fields:

#	Specializations	Number of students
1	Chefs and Waiters	98
2	Tractor driver and machinist	53
3	Plasterer	39
4	Tailor and seamstress	19
5	Electrician	44
6	Electric welder	15
TOTAL		273

In the Ștefan Vodă district, there is a developed system of regular passenger transport connections, which ensures a favorable environment for promoting and supporting labor mobility:

### Provision of passenger transport services in the agglomeration

To/from Ștefan Vodă	Frequency
Palanca, Berzoaia, Crocmaz, Răscăieți, Carahasani	1 route per day
Cioburciu, Căplani	2 routes per day
Talmaza, Olănești, Copceac	3 routes per day
Slobozia, Palanca	5 routes per day
Chișinău (via Ermoclia and Popeasca)	11 routes per day
Route Chișinău – Odessa, via communities of Ermoclia, Popeasca, Palanca, Tudora, Crocmaz, Olănești, Antonești și Slobozia	13 routes per day

Subsidiaries of four largest commercial banks in the Republic of Moldova operate in the city of Ștefan Vodă: BC "Moldova AgroIndbank", BC "Moldincombank" and BC "Victoriabank" (part of the Romanian financial-banking group "Banca Transilvania") and BC "FinComBank".

In the city there is a four-star hotel with 10 rooms (8 rooms with one bed and 2 rooms with 2 beds).

## Contacts:



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