

IT INVESTMENT GUIDE FOR MOLDOVA

A comprehensive guide
to Europe's next tech
powerhouse

Market potential
Opportunities and incentives
Digital Moldova
Towards Moldova's first unicorn



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2024



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Foreword

Dumitru Alaiba

**Deputy Prime Minister
and Minister of Economic
Development and
Digitalisation of Moldova**



Welcome to Moldova, a nation experiencing a dynamic digital transformation that presents innovative opportunities for both investors and individuals seeking a growing tech environment and a place to call home.

Our commitment to digitalisation goes beyond technological advancement. It is a story of resilience and growth. Our Digital Transformation Strategy 2023–2030 strengthens this commitment, prioritising the interests of our citizens, promoting innovation and entrepreneurship, and attracting foreign investment. By aligning our ambitions with the European Union's Digital Transformation Strategy, we ensure interoperability, access to resources, and collaboration with EU nations.

Through our innovative policies, strategic investments, and thanks to international collaboration, we have built a foundation for a secure and thriving digital landscape. The recent establishment of the Cybersecurity Agency (ANC) and the National Institute of Innovations in Cybersecurity (Cybercor) further strengthens our commitment to safeguarding our cyberspace and promoting a workforce equipped to address threats.

Here's what awaits you in Moldova: a booming IT sector which stands as a testament to the success of Europe's first e-Park. The extension of this initiative until 2035 underscores our commitment to attracting investments. With streamlined services, an open labour market and valuable talent we want to make sure we've got the right people with the right skills, and to make sure tech's a win for everyone.

This guide delves deeper into the specifics of this landscape, providing insights into the opportunities that await you in Moldova. We invite you to explore the possibilities and join us in shaping a secure, innovative, and inclusive digital future.

Natalia Donțu

**Administrator
Moldova Innovation
Technology Park**



Let me welcome you to the Moldova Innovation Technology Park (MITP), Europe's first e-Park and a place where the IT sector grows exponentially.

My astonishing journey with this virtual place started right at its birth. I advised the government on legislation that paved the way for the park. Crafting a new tax system for the IT industry was an exciting experience reinforcing my belief in Moldova's capacity for innovation, even in public policy.

I then assumed leadership at MITP and I discovered the park's vast potential beyond its exceptional tax incentives and business-friendly environment. Through strategic vision, bold initiatives, and unwavering commitment, we have grown MITP into the largest IT community in Moldova, now embracing 80 per cent of the country's IT sector and five per cent of Moldova's GDP.

We are now sharing this IT Investment Guide, an essential road map and manual helping you navigate the dynamic landscape of Moldova's thriving IT industry.

In crafting this guide, we aim not just to showcase Moldova's IT advantages but also the vibrant spirit of innovation and collaboration that defines MITP. From growing start-ups to established industry leaders, MITP serves as a dynamic hub for talent and business opportunities.

I extend my deepest gratitude to all contributors to this guide. Your passion and expertise have infused these pages with life, shaping it into an invaluable resource for investors, entrepreneurs, IT professionals, and tech enthusiasts alike.

So, join us as we embark on this journey of exploration and discovery. Let's tap into Moldova's vast IT opportunities and work towards a brighter future for Moldova and the global IT industry.



Why Moldova?

1 Moldova operates **Europe's first remote technology park** with more than **1,700 residents** and offers a simplified taxation model, a virtual operating regime, and simplified interaction with public authorities

2 The **ICT sector's share** in the country's GDP now tops **five per cent**, surpassing the wine industry, which until recent years was the leading sector in the country's economy

3 **4.4 per cent** of Moldovans are **employed in the ICT sector**, the second highest percentage in any country in emerging Europe, after Estonia

4 Moldova in 2022 had the **highest ICT services growth rates** among neighbouring countries and regional competitors (Ukraine, Belarus, Romania, Estonia, Latvia and Lithuania)

5 The average **internet speed** in Moldova **is higher** than in some more developed countries (such as Germany, Switzerland or Estonia), according to the 2023 Worldwide Broadband Speed League

6 Moldova is included in the **'high' E-Government Development** category for its implementation of digital public services, according to the UN E-Government Development Index

7 Moldova is an **EU candidate** country and has been part of a Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU since 2014

Moldova

in numbers

COUNTRY

2,512,758
population, 2023

33,843
(area in square kilometres)

ECONOMY

2.5%
average real GDP growth between
2016 and 2022

8.8%
average growth of exports between
2016 and 2022
(growth in USD, constant prices)

58.8%
share of services in GDP, 2022

LABOUR FORCE

890,000
economically active population in
2022

56.7%
share of employed population
working in services in 2022

4.1%
unemployment rate in quarter III,
2023

IT SECTOR

23,597
employed in the IT-adjacent sector
in 2022
(IT-adjacent sector is the sum of divisions J58.20
Software publishing, J62 Computer programming,
consultancy and related activities and J631 – Data
processing, hosting and related activities; web portals
of section J – Information and telecommunications)

37.1%
average annual revenue growth of
IT companies, between 2016 and
2022 (euros, current prices)

40%
average annual growth of IT
exports (computer services)
between 2016 and 2022 (euros,
current prices)

EDUCATION

4,245
number of IT students in 2023,
bachelors and masters

840
number of IT graduates in 2022,
bachelors and masters

31.8%
share of the population aged
30-34 who have completed tertiary
education, 2022

MITP

1,621
number of residents at the end of
2023

14.6%
share of residents with foreign
capital in 2023

21,190
MITP resident employees'
headcount, end of 2023

MITP INCENTIVES

7%
single tax paid by MITP residents
(replacing the entire tax burden of
companies and employees)

0%
corporate income tax, local taxes,
real estate and road taxes for
resident companies and social and
health contributions paid for and
by resident companies and their
employees as well as personal
income tax for residents' employees

4
year-long work permits for top
managers (and two-year work
permits for IT specialists, including
their family members) within the IT
Visa Programme



...With few natural resources and perhaps best known internationally for its outstanding wine, Moldova's future development will depend on the further growth of its knowledge economy...

Moldova today: A country ready to make its mark

After much concern that the country could buckle under external pressure caused by Russia's war on Ukraine, Moldova's economy has instead been on an upwards trajectory.

Constitutionally neutral, sandwiched between Ukraine and Romania and with a slither of its eastern territory occupied by a breakaway, Russian-backed separatist government, Moldova, more than any of Ukraine's neighbours, faced an unprecedented crisis in February 2022, when Russia launched its full-scale invasion.

Reliant almost entirely on Russian energy, lesser countries may have crumbled. Moldova didn't. Moldova has taken the opportunity offered by an influx of support from Western allies to uncouple itself from Russia, both politically and economically.

In May 2023, Prime Minister Dorin Recean confirmed that the country had fully weaned itself off Russian gas, saying that while at the start of the war 100 per cent of the energy consumed in Moldova originated in Russia, "today Moldova can exist with absolutely no natural gas or electricity from Russia".

The country has also formally applied for EU membership and was awarded candidate status in June 2022. At the European Council's meeting in December 2023, it was given the green light to start formal accession negotiations.

Several key EU initiatives in support of Moldova are already delivering results. In the summer of 2023, European and Moldovan telecom operators signed an agreement to lower data and voice roaming charges that will help connect citizens and businesses.

The Economic and Investment Plan (EIP) meanwhile, set to mobilise up to 1.6 billion euros in public and private investments for flagship projects, is already delivering on projects being rolled out, worth more

than 670 million euros, in key sectors such as supporting SMEs, energy efficiency and investments in infrastructure. Other initiatives include Moldova's participation in the EU's joint gas purchase platform.

Moldova has also quietly increased engagement with NATO on various issues, with the main aim of reforming and modernising Moldova's defence and security structures and institutions.

According to the World Bank, Moldova has seen solid economic performance over the past two decades, although challenges remain.

Moldova's economy contracted sharply in 2022, GDP falling 5.9 per cent, although it is expected to have returned to growth (of around 2.5 per cent) in 2023. Inflation, which reached 30 per cent in 2022, had been reduced to 4.2 per cent by December 2023.

With few natural resources and perhaps best known internationally for its outstanding wine, Moldova's future development will depend on the further growth of its knowledge economy. The government is aware of this and has in recent years implemented measures to foster the growth of its IT sector and advance the use of digital technologies.

This effort has put the country at the forefront of digital transformation in government services, while boosting its reputation as an IT and technology hub—with the creation of the Moldova Innovation Technology Park (MITP) a key part of this effort. Almost five per cent of the workforce is now employed in the IT sector, a figure set to grow substantially in the coming years. Moldova's external trade developed strongly in 2022 with a 37.9 per cent increase in exports, much of this driven by the services sector.



Moldova's IT sector

Success stories

In this chapter, you will learn how global, regional and local companies' operations in Moldova have helped them succeed. Few people are better placed to talk about the role that [Moldova Innovation Technology Park](#) (MITP) has played in developing Moldova's IT ecosystem than the leaders of the companies who have taken up residence in the park. With backgrounds from across the world, they explain why all roads led them to Chişinău.

Amdaris is headquartered in Bristol, UK, and has been present in Moldova since its foundation in 2009. Operating across the UK, Moldova, Romania, Bulgaria, and Ukraine, Amdaris excels in software application development, managed services, strategy and consulting, product development, and data solutions. In 2023, with 100+ clients, an impressive Net Promoter Score (NPS), and six delivery centres, Amdaris was acquired by Insight Enterprises Inc., a Fortune 500 Solutions Integrator focused on digital transformation.



Petru Haheu
Centre Director

Joining MITP has been a transformative milestone for Amdaris, as it propelled our growth through invaluable financial incentives and government support. The tax incentives provided a robust foundation, fostering economic resilience and enabling us to channel resources strategically. Simultaneously, the government support, reflected in progressive policies and regulatory frameworks, fortified our operations. Amdaris stands as a testament to the symbiotic relationship between the IT sector and MITP, charting a trajectory of success. As we look ahead, our future plans are anchored in continued collaboration with MITP, propelling innovation, creating jobs, and elevating Moldova's stature in the global tech landscape.

Bloomcoding is an online after-school that specialises in providing engaging coding education for children aged 7-14, developing 3D experiences for VR/AR, Minecraft, and Roblox. The company joined MITP in 2021.



Emil Chichioi
Founder & CEO

Bloomcoding's existence today is very dependent on the support of MITP. Our profitable status and considerable growth are direct consequences of the advantages provided by the IT Park. After successfully persuading the Mozaic Investor Syndicate to partake in our pre-seed round, we managed to expand to international markets which led to the closure of our one million euros seed round, one of the strongest deals in the region. This fact can be attributed to in-depth discussions with venture capital funds, highlighting the competitive edge provided by MITP. Financially, one million euros in the IT park outperforms 3.5 million euros in Europe. Our future ambitions are high yet grounded; we aim to establish Moldova's first unicorn. This vision is fueled by the desire to cultivate a thriving start-up ecosystem, propelled by the exceptional local talent and the encouraging fiscal policies for emerging entrepreneurs.

bully! entertainment is a creative experience agency, headquartered in Baltimore, Maryland, US. Our mission focuses on developing innovative narrative and emerging tech experiences for global brands that captivate audiences and inspire action. Our Chişinău studio was established in 2019.



Carlson William Bull
Founder & Exec. Creative Director

MITP has been instrumental to our development as a creative studio, enabling growth of over 250 per cent and the successful delivery of experiences for global brands ranging from Disney to Microsoft. We look forward to a continued relationship with MITP and the larger Moldovan creative communities as we expand the organisation, invest in the development of our creative teams and explore new production and development workflows. We see a very bright future in Chişinău.



Crunchyroll connects anime and manga fans across 200+ countries and territories with the content and experiences they love. In addition to free ad-supported and subscription premium content, Crunchyroll serves the anime community across events, theatrical, games, consumer products, collectibles and manga publishing. Crunchyroll's headquarters is located in Coppel, United States. The team in Moldova was acquired by Crunchyroll in 2016.



Elena Ivanova
Director PBP & Managing Director for Moldova

MITP has played a pivotal role in Moldova's investment and operations. Streamlined processes and regulatory support facilitated our organization, promoting our services and connecting us with a vibrant tech society. Moldova's dynamic community and passionate people shape the vision for sustained growth. Moving forward, we wish MITP more collaborations and investments in the local market, aligning with residents' challenges to meet evolving tech market demands positioning Moldova as a key player in the technological landscape. MITP's goal should be to foster a market of innovation and progress, contributing to the region's respected reputation in the tech industry.

Endava is a global company headquartered in London. By combining world-class engineering, industry expertise and a people-centric mindset, it consults and partners with its customers to create technological solutions that drive innovation and transform businesses. It helps clients to accelerate and take advantage of market opportunities across various industries, including payments, insurance, life sciences, automotive and travel.



Veaceslav Panfil
Country Manager

Founded in 2000, Endava is the largest IT company in Moldova. Our constant goal has been to provide our

employees with the best working environment and development. Thanks to the talents trained in Moldova, we have managed to grow a team of professionals whom we are proud of and with whom we build advanced solutions for our clients.

Over the years, we have experienced constant growth, and MITP has helped us to increase this growth. As such, we have managed to reduce the emigration of specialists abroad and to form a pool of talents experienced enough to contribute, together with the academic environment, to the growth of the number of specialists in the Moldovan market.

FusionWorks is a software development company focusing on full-cycle product development, outsourcing services and IT community building. The company was founded in 2011 by Genadii Ganebnyi and Anton Perkin. FusionWorks is ISO 9001 and ISO 27001 certified by TUV Austria and provides services for customers in 20 countries



Anton Perkin
CEO

As a member of Moldova Innovation Technology Park (MITP) since 2019, FusionWorks has

experienced transformative growth and success. Joining MITP not only provided us with valuable incentives and support that catalysed our development but also opened doors to a thriving community of tech innovators. The new IT policies developed by MITP significantly reduced our operational costs and enhanced our global competitiveness. This partnership has been instrumental in expanding our market reach and attracting top talent. Looking ahead, we are excited to leverage MITP's dynamic ecosystem to drive further innovation, expand our services, and continue contributing to Moldova's growing IT sector.

Langly is an edtech start-up based in Moldova, developing an English language learning innovative product. It is a cross-device platform, whose learning process integrates AI, gamification, and content based on the official Oxford Educational Methodology. The company's main product development takes place in-house at its headquarters in Moldova.



Vitalii Petrosyan
CEO

MITP supports tech innovation and entrepreneurship in Moldova, offering resident companies

tax benefits, cutting production costs, allowing us to hire top-professionals and pay competitive salaries. Our team permanently attends MITP-organised events, gaining fresh perspectives and valuable tools while sharing experience. As a start-up actively seeking investment for a global-market product, we are provided by MITP with special opportunities for participating in international events, attracting new partners. The growing cluster effect strengthens the ecosystem, increasing interest for external investments. Having been in the market for 10 years and developing our third major project, we can observe all the all the positive changes provided.

Orange Systems is the IT hub of Orange Moldova and a resident of the MITP, with more than 16 years of activity in Moldova. With a team of 850+ employees, it is the second-largest IT employer in the country. The company has the key ambition of developing the IT sector under the brand of creativity, quality, and competitiveness, by creating its own software products and local centres of competence, oriented towards digital transformation solutions.



Sergiu Placinta
Director

Orange Systems strengthened its position in the IT services market by joining Moldova Innovation

Technology Park in 2018 to boost growth and expansion in the IT services sector. This includes software development, quality assurance, control and management of IT projects, business intelligence and Data&AI. MITP has contributed to the adoption of a new strategy by Orange Systems—transitioning from services-driven operations to the investment of funds obtained within the fiscal regime for the development of enterprise grade products and solutions oriented towards digital transformation, e-commerce/digital channels and automation of business processes—that today supports more than 50 enterprise customers in Europe, the Middle East and Africa.

Salt Edge is a financial API platform that offers PSD2 and open banking solutions for every business. The company is headquartered in Ottawa, Canada, but has a global presence with offices in London, Bucharest, Chişinău, and Milan, with plans to expand into the Middle East. Salt Edge has been involved in the fintech and open banking industry for over a decade and has assisted over 450 clients in navigating the complex world of open banking.



Vasile Valcov
Chief Commercial Officer

As a member of Moldova Innovation Technology Park for over three years, Salt Edge has had the privilege of experiencing the unique advantages of being part of such a prestigious tech hub. From the transparent and timely environment that promotes innovation to the competitive salaries that enable local talent to focus on innovation and creativity instead of worrying about financial instability, we are confident in the positive results that our continued membership will bring to our company and, in return to the country as a whole. We are proud to be a resident of MITP and grateful for its support throughout the years in our journey towards excellence.

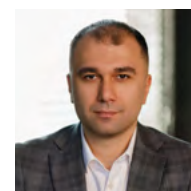
Software Mind provides companies with autonomous development teams who manage software life cycles from ideation to release and beyond. For over 20 years it has been enriching organisations with the talent they need to boost scalability, drive dynamic growth and bring disruptive ideas to life by implementing leading technologies, including cloud, AI and data science.



Ghenadie Gorincioi
General Manager

Software Mind's partnership with MITP supports the dynamic growth of our company and shows our commitment to innovation, as well as R&D initiatives. It's also an opportunity for us to reach more businesses looking to develop evolutive solutions, implement emerging technologies and speed up software delivery. With MITP, we can tap into a talent pool of highly skilled specialists who join our engineering teams to work on ambitious projects for industry leaders, share their domain knowledge and grow their competences.

Stefanini Moldova operates as a technology company offering innovative solutions in IT services and outsourcing. Established in Moldova in 2016, the company specialises in software development, IT consulting, digital transformation, and cybersecurity. Stefanini Moldova is committed to delivering cutting-edge technology solutions to meet global business needs.



Ion Girleanu
Country Manager

Joining MITP and establishing operations in Moldova has been a transformative decision for our company.

The strategy has not only accelerated our development through access to a skilled workforce and advanced infrastructure but has also provided a supportive ecosystem for innovation.

The collaborative environment fostered by MITP has propelled our growth, and we're excited about the future. Moldova's commitment to technology and the partnership with MITP align perfectly with our company's future plans, ensuring continued success and global competitiveness in the ever-evolving tech landscape.

XOR.ai is a Silicon Valley start-up founded in 2016. It specialises in streamlining the recruitment process with chatbots and texting applications since. Headquartered in San Jose, California, the company has had an office in Moldova since 2018.



Nikolay Manolov
CTO & Co-founder

With the help of MITP, Moldova is an excellent location for a back office and development team. At XOR.ai, we build a world-class solution in our niche and help the local community through Startup Moldova and MITP events. We plan to keep building our company and presence in Chişinău, aiming to one day become a billion-dollar business.

Market potential, evolution, forecast and confidence

This chapter looks at the size of the Moldovan IT sector: the number of companies and their headcount, exports, the industry's share in the economy, investment (including foreign investment), as well as how companies see their future growth and opportunities.

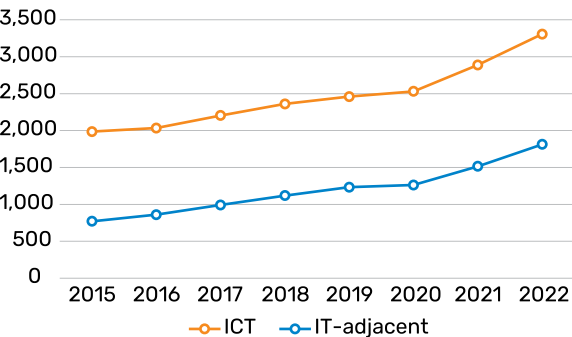
You will learn that the sector, both across the country and among MITP residents, has been growing steadily and sustainably. Within the last decade, the turnover of IT-adjacent companies has almost quadrupled. The headcount in the sector has also been growing and as many as 4.4 per cent of Moldovan employees now work in the ICT sector, the second highest percentage in any country in emerging Europe, after Estonia.

However, Moldova could welcome some more investment in the IT sector. Between 2018, when the MITP was launched, and 2023, total investments grew eight times. Since the Covid-19 pandemic, foreign direct investment in the IT sector has slowed. Nevertheless, companies operating in the sector appear confident and optimistic about its potential and future growth. The tax regime in place in the MITP until at least the end of 2035 offers a wide range of opportunities (see [page 62](#)).

Number and size

Official statistics show that the number of both ICT and IT-adjacent enterprises has grown constantly over the last few years. From 2015 to 2022 the total number of ICT companies grew from 1,946 to 3,306—an increase of more than 66 per cent, while the number of IT-adjacent enterprises (in this case – companies engaged in computer programming, consultancy and related activities, which is the largest IT-related division) grew over the period 2015 to 2022 from 771 to 1,813—by more than 135 per cent.

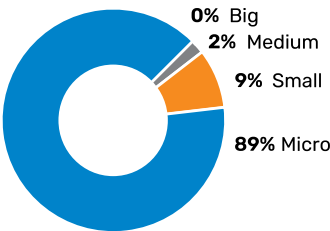
Figure 1. Number of ICT and IT-adjacent* enterprises



Source: The National Bureau of Statistics of the Republic of Moldova (NBSRM)
*Here, IT-adjacent includes companies engaged computer programming, consultancy and related activities of Section J (Information and Communication)

Considering the structure of ICT enterprises by size (see figure 2), Moldova's ICT sector in 2022 was dominated by micro-sized enterprises, which constituted 89 per cent of all enterprises in the sector, followed by small-sized enterprises (nine per cent), and then by medium- and large-sized companies (approximately two per cent and 0.45 per cent of all ICT enterprises respectively). The total number of ICT companies grew to 3,306 in 2022.

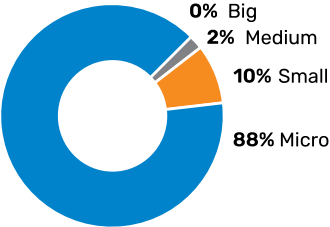
Figure 2. Structure of ICT enterprises by size, 2022; total number of ICT companies in 2022: 3,306



Source: NBSRM

Looking at the structure of IT-adjacent enterprises in 2022 in Moldova, it is almost exactly the same as in ICT, the only difference is a heavier bias towards small-sized companies compared to micro-sized companies, which represent 10 and 88 per cent of all enterprises respectively.

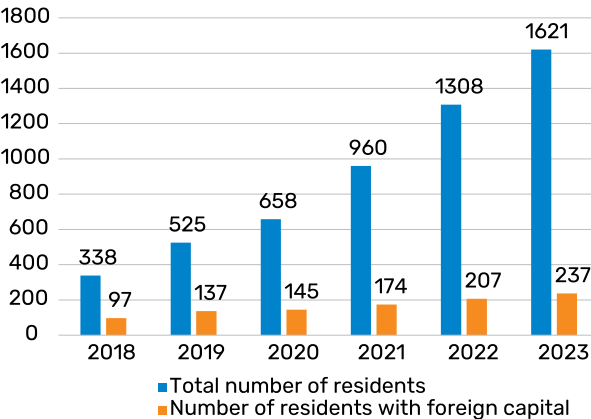
Figure 3. Structure of IT-adjacent enterprises by size, 2022; total number of IT-adjacent* companies in 2022: 1,813



Source: NBSRM
* Here IT-adjacent includes companies engaged computer programming, consultancy and related activities of Section J (Information and Communication)

According to the Moldova Innovation Technology Park, over the last six years there has been a sharp increase in the number of residents: from just 338 in 2018 to 1,621 in 2023. The number of residents with foreign capital for the same timeframe also saw a big increase, more than doubling from 97 to 237.

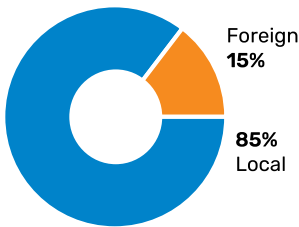
Figure 4. Number of MITP residents at end of year



Source: MITP statistics

In 2023, the share of MITP residents with foreign capital was approximately 15 per cent.

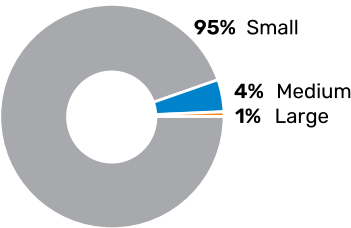
Figure 5. Share of MITP residents with local and foreign capital, 2023



Source: MITP

Looking at the size of MITP residents, small-, middle- and large-sized residents consist of approximately 95, four and one per cent of the total number of residents respectively. When compared with the structure of companies in ICT and IT-adjacent sectors, in the MITP small-sized companies are far better represented, while medium- and large-sized companies are underrepresented.

Figure 6. Share of MITP residents by size, 2023

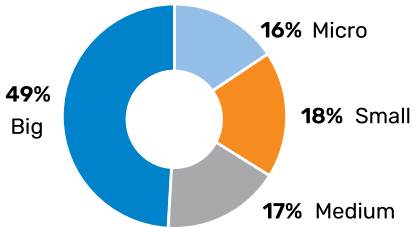


Source: MITP statistics

Turnover and sales revenues

The latest data on ICT companies' turnover shows that approximately 49 per cent of turnover is allocated to the large companies, even though they constitute just less than one per cent of all ICT enterprises. Small companies account for 18 per cent of turnover, with medium- and micro-sized companies accounting for approximately 17 and 16 per cent of the total approximately 1.1 billion euros turnover respectively.

Figure 7. Share of turnover of ICT enterprises by size, 2022; the total number of ICT companies in 2022 is 3,306; total turnover is 1.1 billion euros

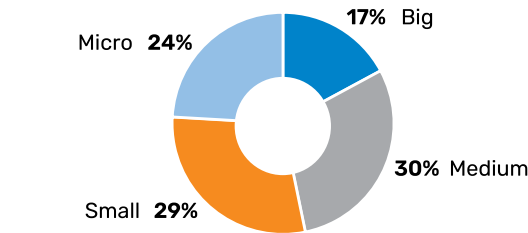


Source: NBSRM

For IT-adjacent enterprises (companies engaged in computer programming, consultancy and related activities of Section J Information and Communication), the situation is different: big companies are responsible for approximately 17 per cent of turnover, medium-sized companies produced around 30 per cent of all turnover, while small- and micro-sized companies generated approximately 29 and 24 per cent of the 438.5 million euros turnover

respectively.

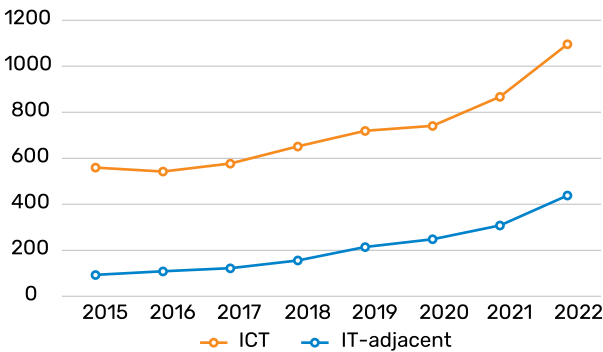
Figure 8. Share of turnover of IT-adjacent enterprises by size, 2022; total number of IT-adjacent companies in 2022 is 1,813; total turnover is 438.5 million euros



Source: NBSRM

From the intertemporal perspective, there has been a constant growth of turnover (in current prices) since 2015. For the ICT sector, turnover increased from around 559 million euros in 2015 to around 1.1 billion euros in 2022: growth of almost 96 per cent. For the IT-adjacent* sector, the growth in turnover is even higher: from almost 92.9 million euros in 2015 to almost 429 million euros in 2022, an impressive 372.1 per cent growth. This demonstrates the overall steady and rapid development of both sectors, and the sharp increase of turnover in 2021, the year after the Covid-19 pandemic, shows strong resilience in these sectors.

Figure 9. Turnover of ICT and IT-adjacent enterprises, million euros



Source: NBSRM

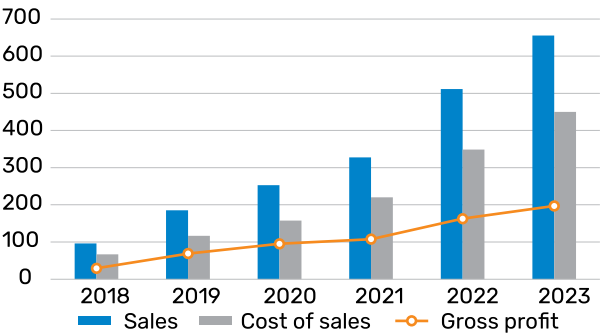
* Here IT-adjacent includes companies engaged computer programming, consultancy and related activities of Section J (Information and Communication)

The growth of sales of MITP residents from eligible activities from almost 96 million euros in 2018 to more than 637 million euros in 2023 is significant increase of more than 565 per cent. At the same time, the cost of sales for the same period grew from almost 67 million euros to a bit more than 450 million euros, an increase of more than 572 per cent.

As such, the gross profit of MITP residents from eligible activities increased from almost 29 million

euros in 2018 to more than 187 million euros in 2023, growth of approximately 549 per cent.

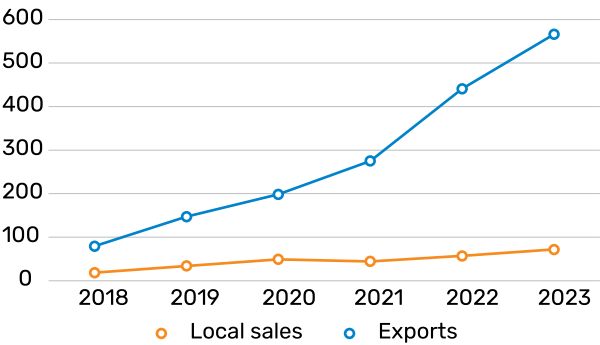
Figure 10. Sales revenue, cost of sales and gross profit from eligible activities of MITP residents, million euros



Source: MITP statistics

Talking about the dynamics of local sales and exports (in current prices) by eligible activities. Both have grown, although at a different pace: local sales have grown from a bit more than 18 million euros in 2018 to almost 72 million euros in 2023, while exports started from a bit more than 79 million euros and increased to 566 million euros in the same time frame. This shows that MITP residents are strongly export-oriented, but that there has also been some growth in local market sales as well.

Figure 11. Sales by eligible activity, local and exports, million euros

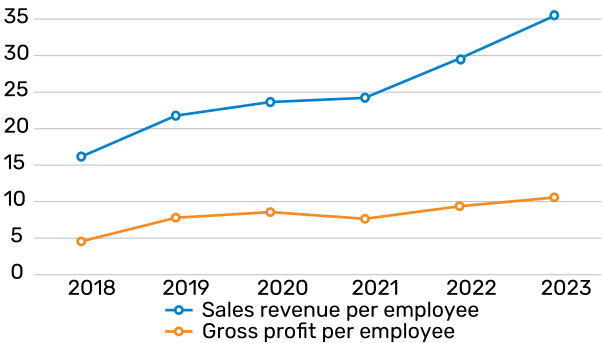


Source: MITP

From the perspective of sales revenue and gross profit from eligible activities per employee employed in eligible activity (in current prices), there is growth in both indicators for the given time frame: from a bit more than 16,100 euros to more than 35,000 euros for sales, and from almost 4,900 euros to more than 10,300 euros for gross profit.

Overall labour productivity for the period 2018-2023 has grown substantially.

Figure 12. Sales revenue and gross profit from eligible activities per employee, thousand euros

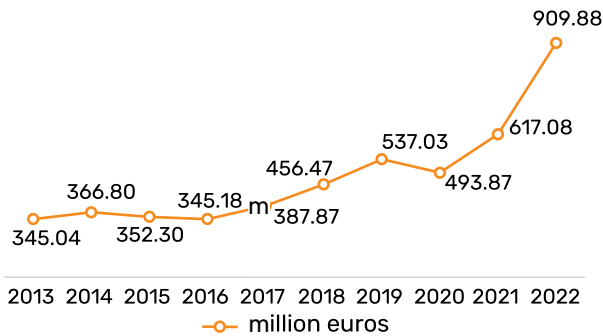


Source: MITP statistics

Exports and value-added

There is constant growth of value-added (current prices) in the ICT sector with the exception of 2020, marked by Covid-19. For the period 2013-2022, value added grew from 345 million euros to almost 910 million euros—overall growth of almost 164 per cent.

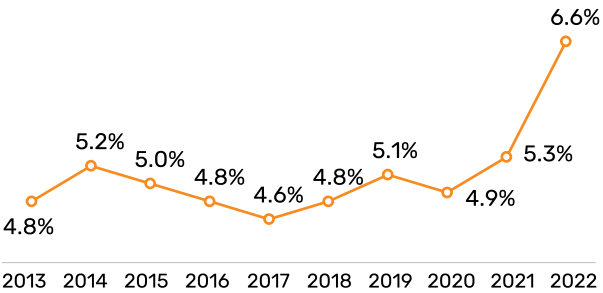
Figure 13. ICT value added, current prices



Source: NBSRM

Next, the share of the ICT sector in Moldova's GDP is considered. The dynamics vary from year to year, with a minimal value of 4.6 per cent in 2017 and a maximal value of 6.6 in 2022. The increase in the share of ICT in GDP from 2013 to 2022 is 1.8 percentage points.

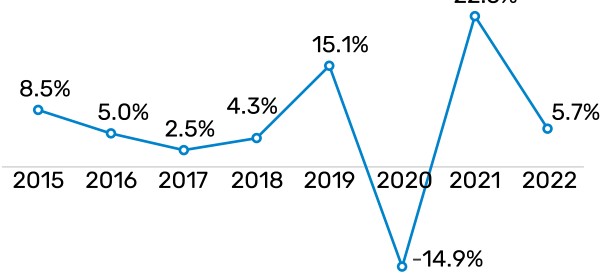
Figure 14. Share of ICT sector in GDP



Source: NBSRM

As far as the annual change of the physical volume of production of the ICT sector is concerned, ICT shows growth during the whole observed period from 2015 to 2022 with the exception of 2020. In the year 2020 a decline of 14.9 per cent occurred, but it completely recovered in the following year, when ICT grew by 22.5 per cent. The average real growth rate of ICT for this time frame is 6.1 per cent, which is higher than the average GDP growth rate of Moldova for this period, 2.1 per cent, by a significant four percentage points.

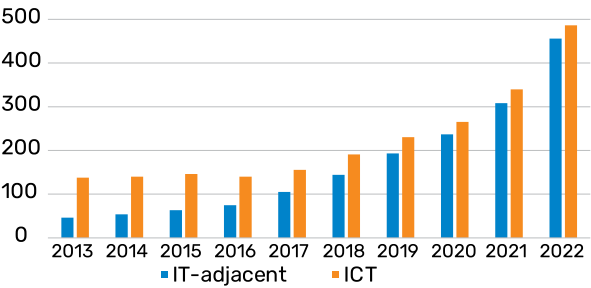
Figure 15. Physical volume production index of ICT, change to the previous year



Source: NBSRM

Next, a look at the export dynamics of Moldova's ICT and IT-adjacent* sectors (here, ICT includes computer services, information services and telecommunication services). In the year 2013, the ICT sector strongly dominated the IT-adjacent sector, meaning that the bulk of ICT exports in that year were telecommunication services. Since 2014, there has been steady growth in the IT-adjacent sector. In 2013, total ICT sector exports were almost 138 million euros, and for the IT-adjacent sector 46.3 million euros, or 33.6 per cent of ICT exports. In 2022, ICT exports were a bit more than 486 million euros, while the IT-adjacent sector totalled almost 456 million, or 93.7 per cent of ICT exports. Therefore, there is not only significant growth in both the ICT and IT-adjacent sectors, but a substantial shift in the structure of ICT exports towards the IT-adjacent sector.

Figure 16. ICT exports, of which IT-adjacent exports, million euros

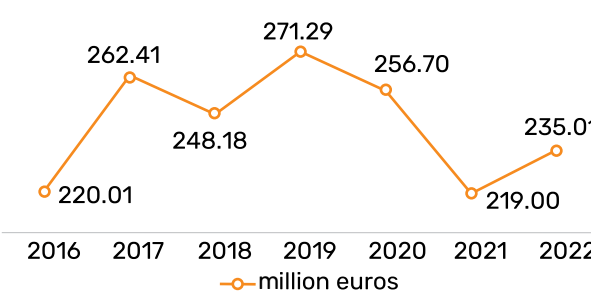


Source: National Bank of Moldova
* Here, IT-adjacent exports are defined as exports of computer services and information services only; data in current prices

Investments

The dynamics of foreign direct investment stock (in current prices) in Moldova's ICT sector show a different dynamic. There has been no substantial change in FDI stock in the ICT sector over the scope of the last seven years. In 2016, total FDI stock was 220 million euros, peaking in 2019 at slightly more than 271 million euros, before falling in 2022 to approximately 235 million euros.

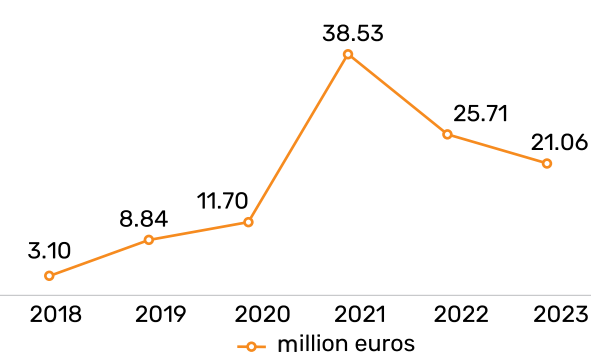
Figure 17. FDI stock in ICT, end of the year



Source: National Bank of Moldova

The next figure looks at the dynamics of the sum of investments by MITP residents in all kinds of assets (current prices): resident activity, tangible and intangible assets. From just 3.1 million euros in 2018, investments peaked in 2021 at 38.5 million, and then declined to a bit more than 26 million euros in 2023.

Figure 18. Total investments of MITP residents

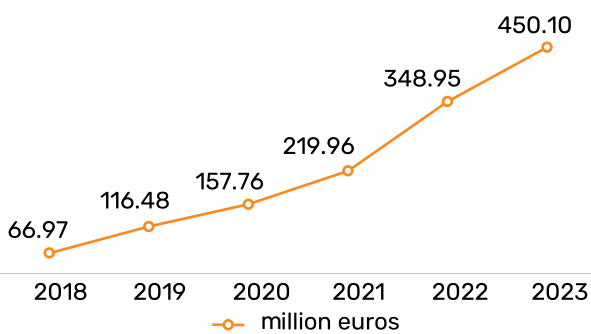


Source: MITP statistics

Cost of operations

Cost of sales (current prices) in MITP has grown substantially: from almost 67 million in 2018 to slightly more than 450 million euros in 2023. However, as has been shown previously, this is mostly due to the growth in the volume of sales.

Figure 19. Cost of sales from eligible activities

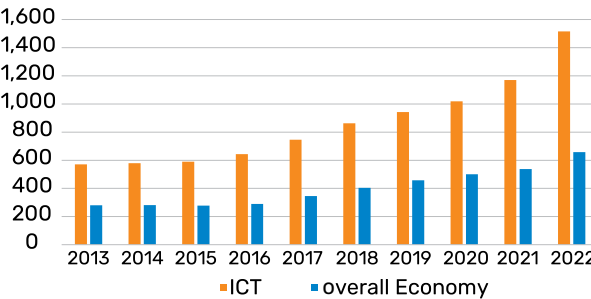


Source: MITP statistics

Next, a look at the average cost per employee in the ICT sector of Moldova and the average cost per employee in the overall economy (in current prices). It can be easily noticed that the cost per employee in ICT is significantly higher than in the overall economy through the period: in 2013 the average cost per employee in the overall economy was approximately

280 euros per month, and in ICT – almost 571 euros per month. In 2022, the average cost per employee in the overall economy was almost 658 euros per month, while in ICT – almost 1,516 euros per month. There has been an increase in both indicators, but the average cost per employee in ICT has grown at a higher pace and the gap between the indicators has widened.

Figure 20. Average monthly cost per employee in ICT sector and in overall economy, euros

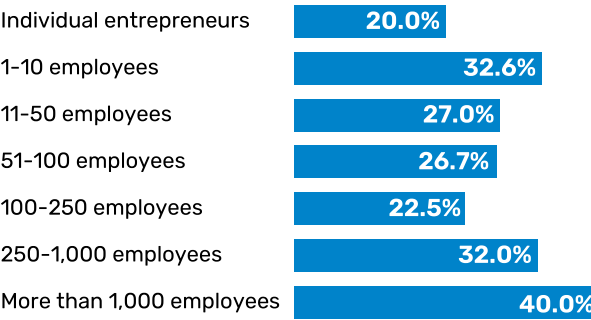


Source: NBSRM

Future prospects

How do Moldovan IT companies see their future? To gauge their mood, companies were asked a series of questions about their prospects for the next 12 months. The average team growth expectations for the next 12 months by the size of enterprise are shown. Here, the biggest companies are the most optimistic. (40 per cent expect to grow their teams). On average, MITP residents are relatively optimistic about growing their teams over the next year.

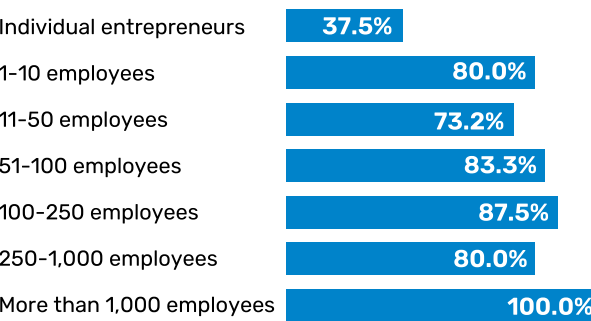
Figure 21. Expectation for team size growth over the next 12 months, average by company size; average for all companies: 28.9 per cent



Source: Emerging Europe Confidence Survey

When it comes to the share of MITP residents who indicated that they expected to grow their teams, the results are similar: the biggest firms are the most optimistic.

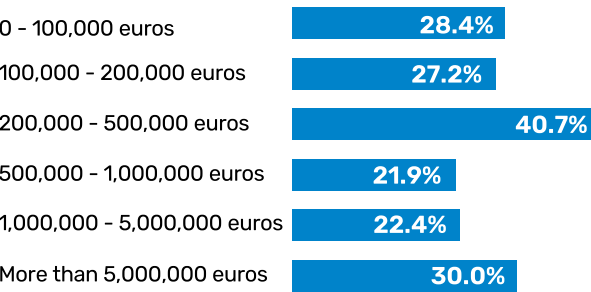
Figure 22. Share of entities which anticipate growing their teams over the next 12 months



Source: Emerging Europe Confidence Survey

The next figure looks at the average expectation for team growth by revenue: here we see those entities which have revenues from 200,000 euros to 500,000 euros have the highest expectation of growing their team.

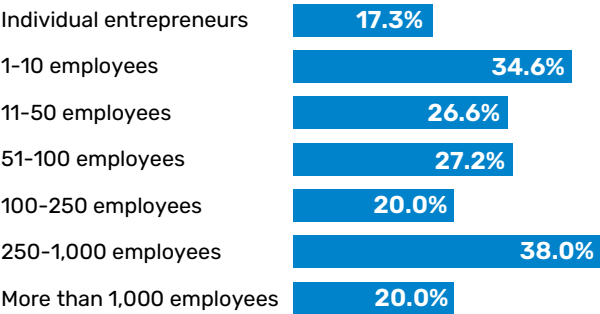
Figure 23. Expectation for team growth over the next 12 months, average by revenue category



Source: Emerging Europe Confidence Survey

The next section looks at revenue growth expectations for the next year. Here there is a clear division by size of entity. Large companies (with 250-1,000 employees) and micro-sized companies (with one to 10 employees) expect to see the highest levels of revenue growth. The lowest expectations of revenue growth come from individual entrepreneurs, medium-sized companies and, perhaps surprisingly, the very biggest companies.

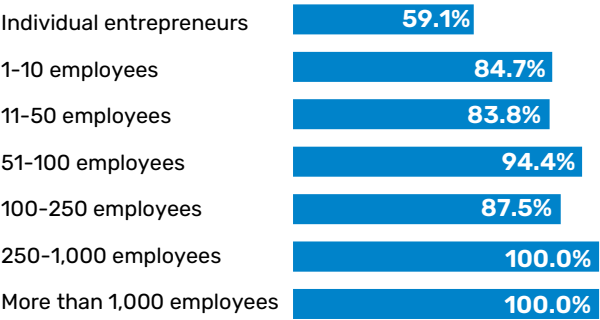
Figure 24. Revenue growth expectation for the next 12 months, average by company size; average for all companies: 29.9 per cent



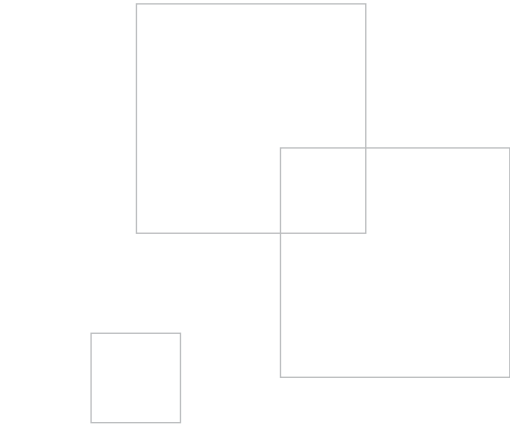
Source: Emerging Europe Confidence Survey

Almost all companies expect to see their revenue grow next year. Of the largest companies, 100 per cent expect their revenues to increase.

Figure 25. Share of entities which expect revenue growth over the next 12 months

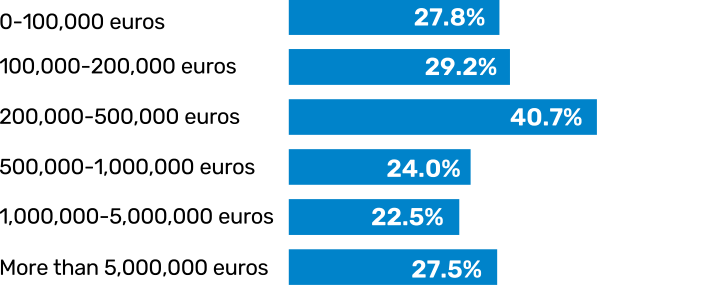


Source: Emerging Europe Confidence Survey



Next, average revenue expectations by current revenue are shown. The highest average revenue growth is expected by medium-sized companies with revenue from 200,000 to 500,000 euros.

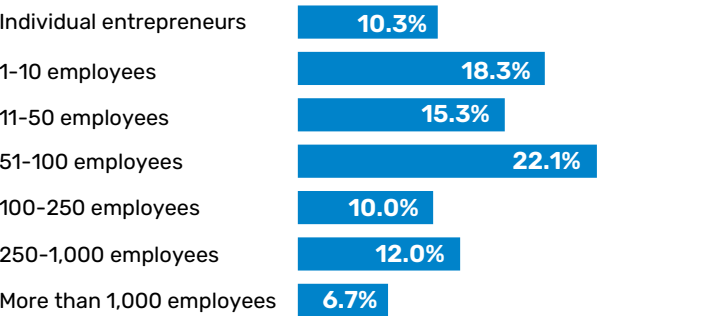
Figure 26. Revenue growth expectation for the next 12 months, average by revenue category



Source: Emerging Europe Confidence Survey

Here, the percentage of firms expecting the cost of goods sold/cost of sales to increase are considered. In general, smaller companies expect costs to grow more than larger companies.

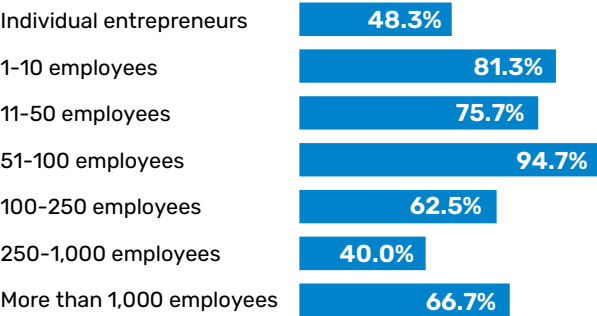
Figure 27. Cost of goods sold/cost of sales growth expectation for the next 12 months, average by size; average for all companies: 19.4 per cent



Source: Emerging Europe Confidence Survey

Next, the share of entities which have indicated that they expect costs to increase, by size. Here, companies with 51-100 employees expect to see the biggest increases in costs.

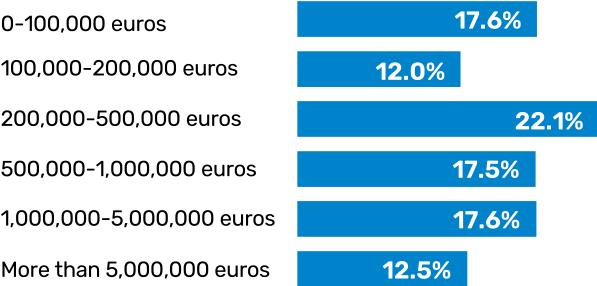
Figure 28. Share of entities which expect the cost of goods sold/cost of sales to increase, by size



Source: Emerging Europe Confidence Survey

The following indicator is how companies, grouped by revenue, expect costs to grow.

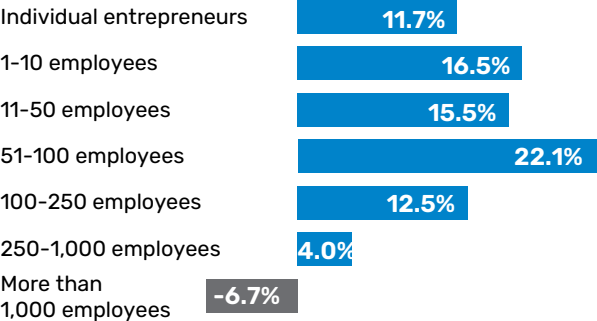
Figure 29. Cost of goods sold/cost of sales growth expectations for the next 12 months, average by revenue category



Source: Emerging Europe Confidence Survey

Next, there is a look at how many companies expect their own prices to increase over the next year. It is worth noting that the very largest companies expect their prices to fall.

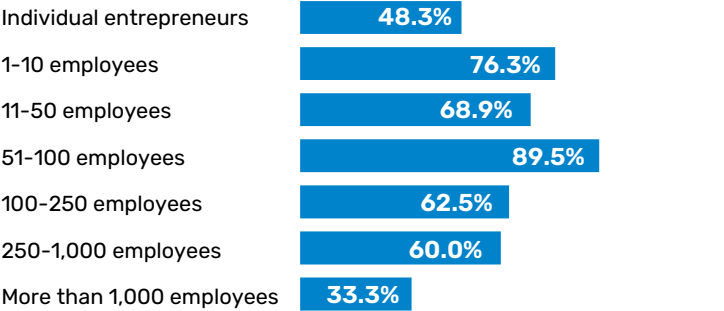
Figure 30. Own prices growth expectations for the next 12 months, average by size; average for all companies: 20.4 per cent



Source: Emerging Europe Confidence Survey

Next, entities which expect their own prices to increase over the next 12 months, by size. Across most metrics, more than 50 per cent of companies expect their prices to increase.

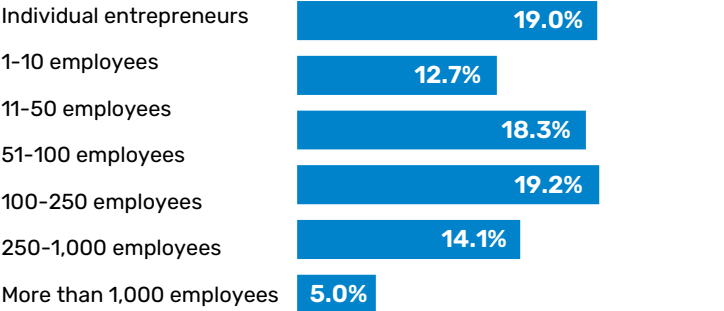
Figure 31. Share of entities which expect their own prices to increase over the next 12 months, by size



Source: Emerging Europe Confidence Survey

Figure 32 shows the same indicator, distributed by categories of revenue. The very biggest companies show the lowest value of expected increases in their own prices, while companies with revenue from one million euros to five million euros show the highest average values.

Figure 32. Own price growth expectations for the next 12 months, average by revenue category

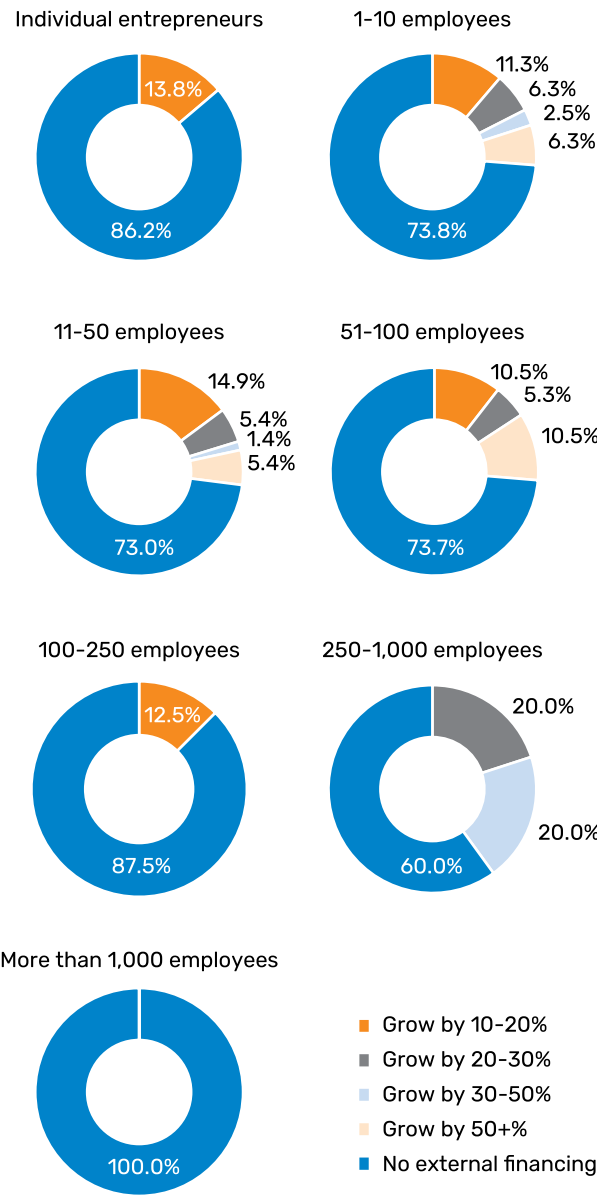


Source: Emerging Europe Confidence Survey



Results on the anticipated growth of the financial leverage rate, by entity size are shown. Very few companies anticipate any involvement in external financing.

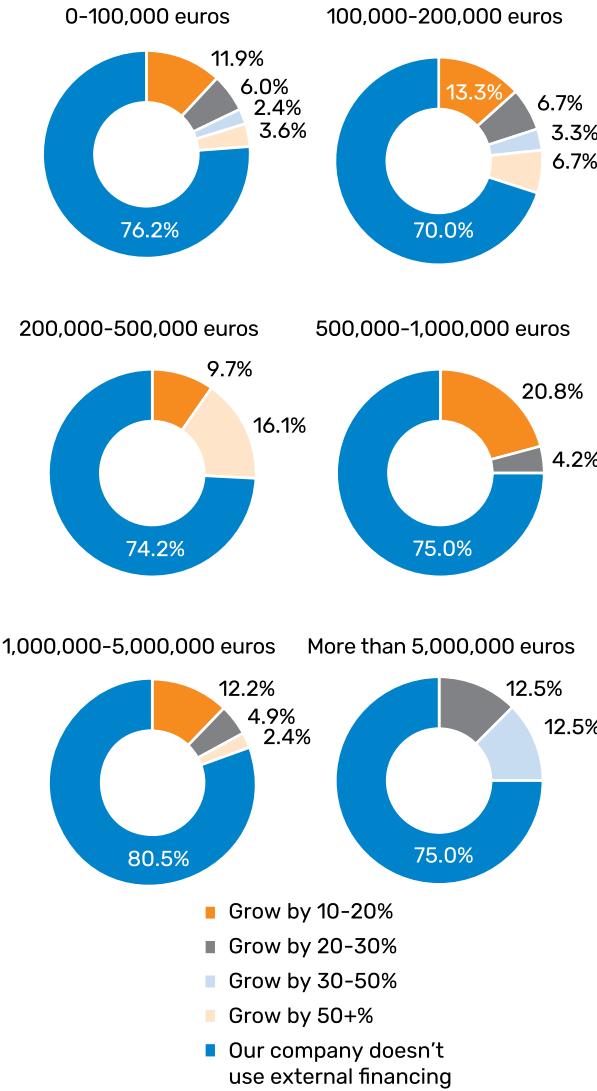
Figure 33. Share of entities which expect to see a growth in leverage rate over next 12 months, by size



Source: Emerging Europe Confidence Survey

Next, the same indicator, distributed among the revenue size categories.

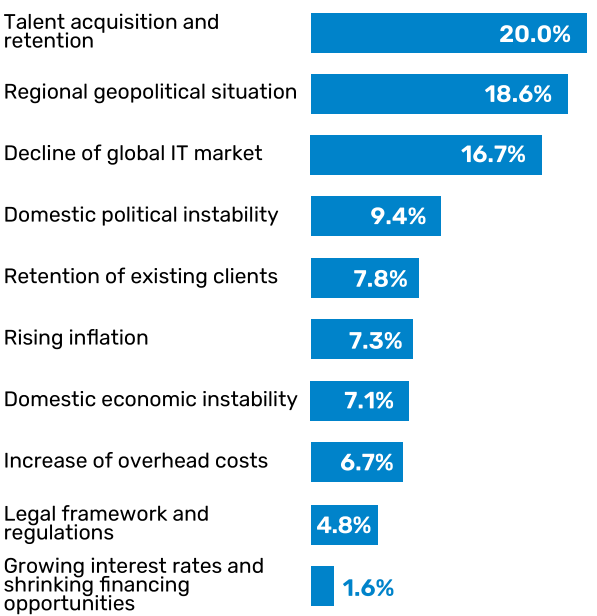
Figure 34. Share of entities which expect to see a growth in leverage rate over next 12 months, by revenue category



Source: Emerging Europe Confidence Survey

The next figure shows the main problems companies expect to face over the next 12 months. Key issues include talent acquisition and retention, the regional geopolitical situation, and the decline of the global IT market.

Figure 35. Main problems, share of answers, all entities

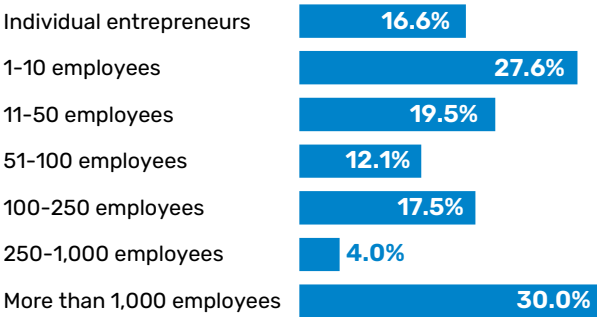


Source: Emerging Europe Confidence Survey

Given that IT companies in Moldova indicate that the current geopolitical situation could be a threat for their operations, Emerging Europe asked about potential relocation plans.

The following indicator is distributed in the range from 0 to 100 and assesses the likeliness of companies relocating their headquarters. The biggest companies are the most likely to consider relocating, although the percentages for all categories are relatively low.

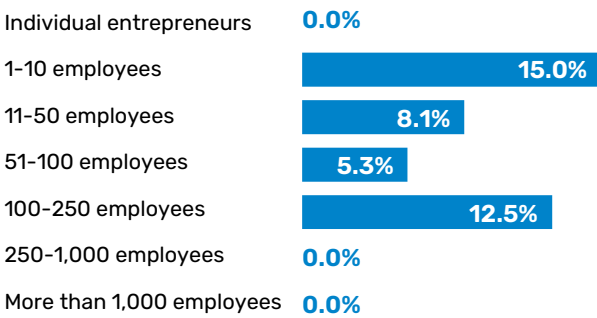
Figure 36. Expectation of relocating to a different country over the next 12-24 months, average by size; average for all companies: 21.9 per cent



Source: Emerging Europe Confidence Survey

The percentage of entities in each size which rated their likelihood of relocating over the next 12 months as higher than 50 per cent is shown, by size of company.

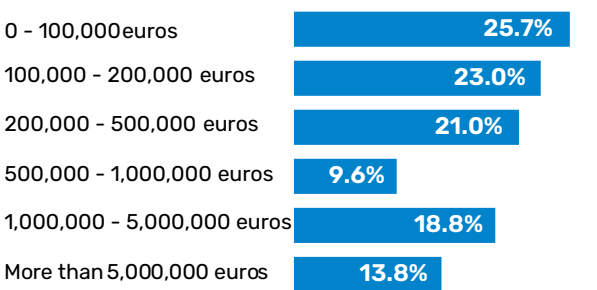
Figure 37. Share of companies who rate the likelihood of relocating at more than 50 per cent, by size



Source: Emerging Europe Confidence Survey

Next, the percentage of entities of each size which rated their likelihood of relocating over the next 12 months as higher than 50 per cent is considered, by revenue.

Figure 38. Expectation of relocating to a different country over the next 12-24 months, average by revenue



Source: Emerging Europe Confidence Survey

Market perception – Moldova's IT in a global context

This chapter looks at how the Moldovan IT market is perceived by heads of companies already operating in the country, as well as C-level executives at international organisations, foreign direct investment advisers, site selection advisers and global influencers. They also share their insights regarding Moldova's potential, value proposition and opportunities it offers.

Emerging Europe surveyed almost 1,000 C-level executives from seven markets – the United States, the United Kingdom, Germany, France, Sweden, Poland and Romania, and ran 20 in-depth interviews with IT and outsourcing professionals from across the globe. Its main objective was to understand the current perception of Moldova's IT and raise awareness about its potential and capabilities.

Moldova is not as known an IT destination as it could be considering its potential and growth, and the fact that its direct neighbours and the other countries in the emerging Europe region are well established IT destinations. Having learnt more, individuals surveyed and interviewed demonstrated significant interest in exploring the market, outsourcing in the country and identifying potential partnership opportunities.

Half of all the respondents express eagerness to consider hiring or outsourcing IT services from Moldovan companies. Poland demonstrates the strongest interest, while Romania exhibits the least enthusiasm.

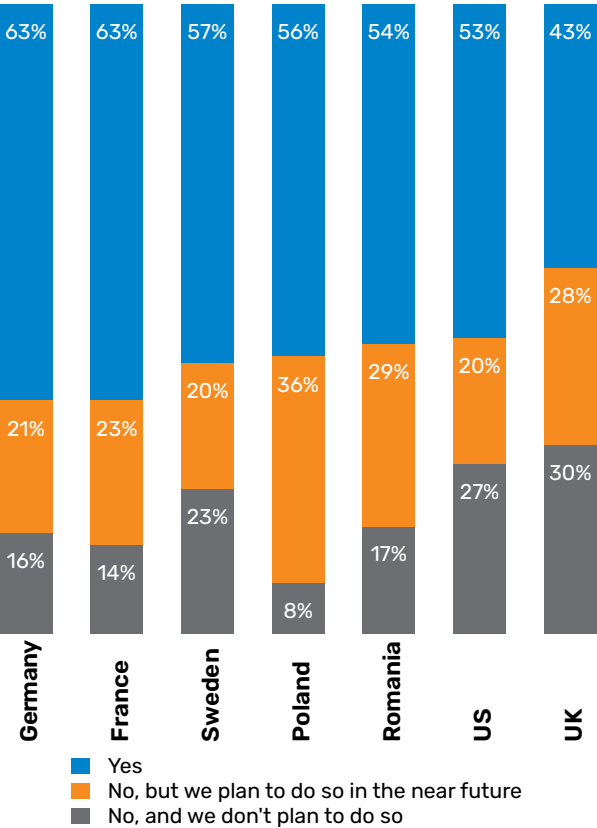
The perceived quality of IT services in Moldova is a primary reason for partnering, followed by cost-effectiveness, labour costs, and Moldova's EU candidacy status. Skilled talent availability, compliance with data privacy regulations, and proficiency in English are also significant factors.

Despite the challenges, many companies would consider partnering with Moldovan IT firms. Quality of IT services, operational cost effectiveness, Moldova's EU candidacy status, and skilled talent availability are primary reasons for collaborating with Moldovan IT firms.

Working with Moldovan IT

According to Emerging Europe's Moldovan IT Perception Survey, more than two-thirds already outsource IT services or planning to do so in the near future.

Figure 39. Current practices and plans of outsourcing IT services

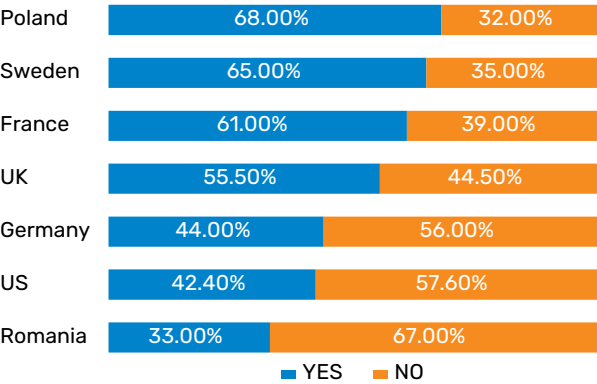


Many companies in these countries currently outsource IT services, but there are differing levels of interest in doing so in the future (see figure 39). Germany and France have the highest current outsourcing rates at 63 per cent, respectively, while the UK has the lowest at 43 per cent. However, many companies in all countries are considering or planning

to outsource IT services soon. Poland leads in future interest at 36 per cent, followed by Romania at 29 per cent, and the UK at 28 per cent.

When respondents were asked about whether they intend to hire or outsource IT services from companies in Moldova, half of them were eager to consider that as an option.

Figure 40. Considering to outsource from Moldovan IT services



The findings for each country reveal that Romania is the least eager, with 67 per cent indicating a hesitancy to hire or outsource IT services from Moldova (see figure 40). In contrast, Poland demonstrates the strongest interest, with 68 per cent expressing a willingness to hire or outsource IT services from Moldova.

Comparatively, countries such as Sweden and France (between 60 and 65 per cent), the UK (55.50 per cent), Germany and the US (39 per cent) exhibit lower levels of willingness, with Poland notably more enthusiastic about hiring or outsourcing from Moldova.

Figure 41. Reasons behind partnering with a Moldovan IT company

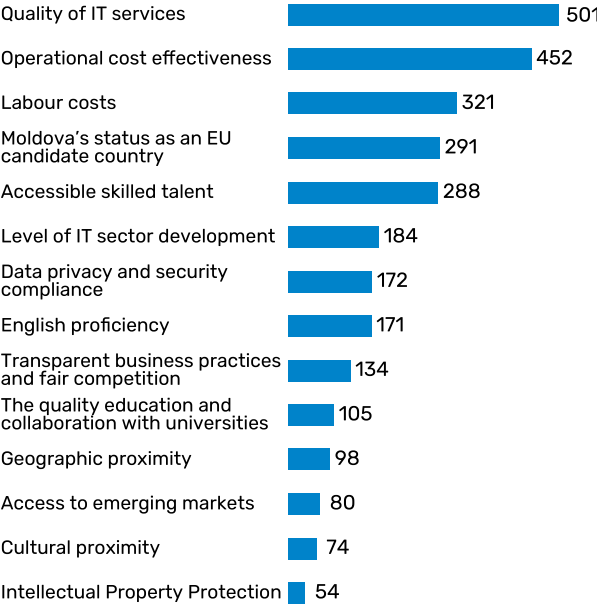


Figure 41 displays responses regarding why companies in seven markets might partner with Moldovan IT firms, with respondents choosing up to three options. The most popular reason, selected by 51 per cent of the respondents (501 mentions), is the perceived quality of IT services.

Some 46 per cent of respondents highlighted cost-effectiveness, a third mentioned labour costs, while almost 30 per cent valued Moldova's EU candidate status. A similar group emphasised the availability of skilled talent in Moldova.

Other important factors included the development of Moldova's IT sector (almost every fifth respondent), compliance with data privacy regulations and proficiency in English (18 per cent respectively, and transparent business practices (14 per cent).

Figure 42. Main three reasons why to partner with Moldovan IT companies

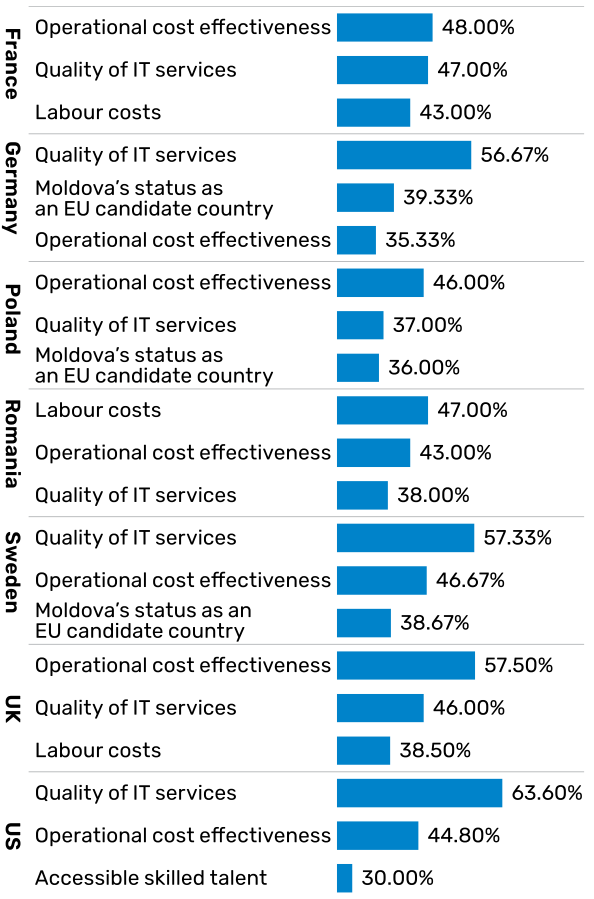


Figure 42 highlights the top three reasons why respondents from each of seven countries consider partnering with Moldovan IT companies. The findings emphasize the significance of quality services, cost-effectiveness, and favourable labour conditions in Moldova, along with the potential benefits linked to its EU candidacy status and skilled workforce, in attracting partnerships.

Figure 43. Main challenges related to the perception of Moldovan IT companies' potential, capabilities, and value proposition

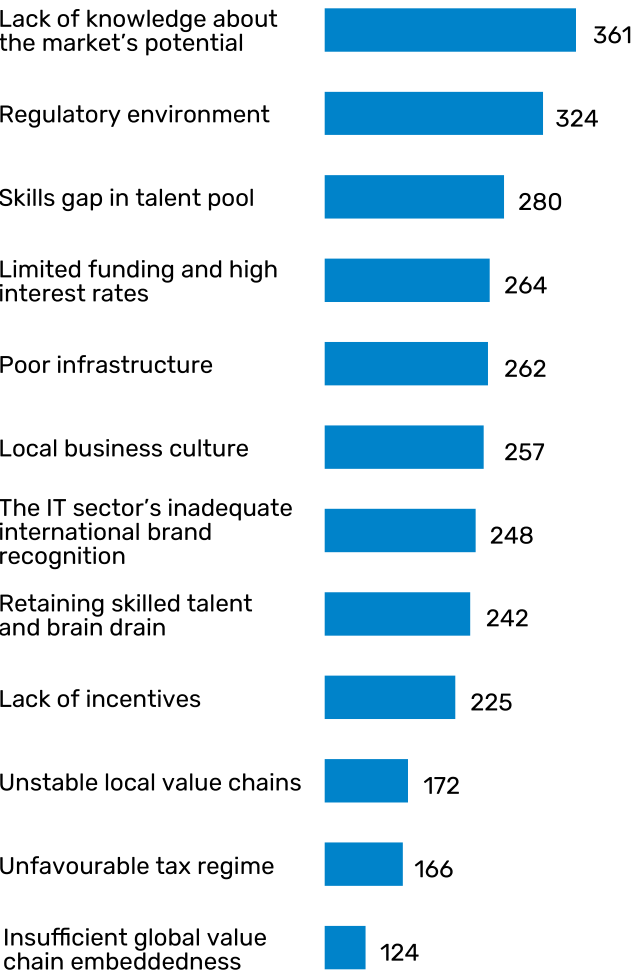


Figure 43 illustrates the main challenges identified by respondents regarding their perception of Moldovan IT companies' potential, capabilities, and value proposition. Each respondent could select up to three options.

The most prevalent challenges include a lack of knowledge about the market's potential, regulatory environment issues, and a skills gap in the talent pool. Other challenges encompass limited funding and high interest rates, poor infrastructure, and navigating the local business culture.

Respondents also highlighted challenges such as inadequate international brand recognition, retaining skilled talent and brain drain, and the lack of incentives. Less frequently mentioned challenges include unstable local value chains, an unfavourable tax regime, and insufficient global value chain integration.

Figure 44. Main three challenges to partnering with Moldovan IT companies



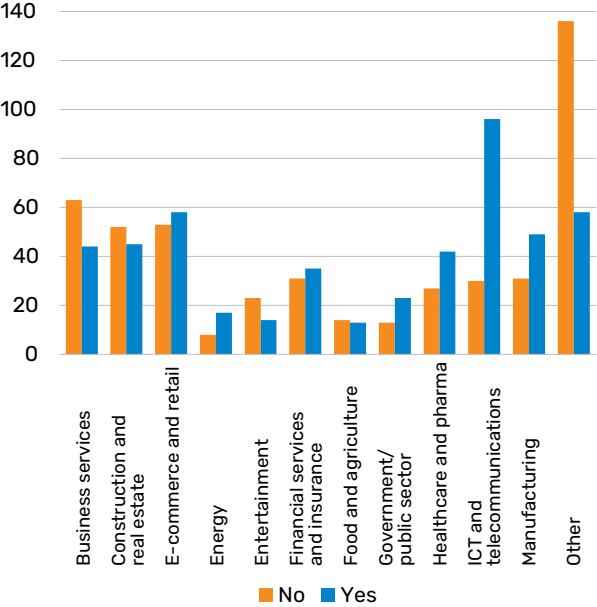
Meanwhile, figure 44 presents the primary three challenges perceived by respondents in each of seven markets regarding Moldovan IT companies' potential, capabilities, and value proposition. Respondents from France (33 per cent) and Poland (34 per cent) emphasize challenges in navigating local business culture, while a lack of knowledge about market potential is widespread, noted by respondents from Germany (36.67 per cent), Poland (35 per cent), Romania (32 per cent), Sweden (48 per cent), the UK (41.5 per cent), and the US (37.6 per cent).

Regulatory complexity is highlighted by respondents from various countries, including France (32 per cent), Germany (35.33 per cent), Poland (40 per cent), Romania (31 per cent), the UK (39.5 per cent), and the US (35.2 per cent).

Infrastructure deficiencies are notably mentioned by respondents from Germany (32.67 per cent) and Romania (45 per cent), while challenges in talent retention and brain drain are emphasized by respondents from France (32 per cent) and the US (35.2 per cent).

Limited funding and high interest rates are mentioned by respondents from the US (32.8 per cent), and a skills gap in the talent pool is noted by respondents from Sweden (32 per cent).

Figure 45. Willingness of companies to outsource from Moldovan IT services and type of sector



The data in figure 45 showcases the willingness of companies across various sectors to consider outsourcing IT services from Moldovan IT companies. Leading the pack are ICT and telecommunications, with a significant 96 companies open to outsourcing, closely followed by e-commerce and retail, with 58 companies considering outsourcing.

On the flip side, energy and government/public sector exhibit the least inclination towards outsourcing from Moldovan companies, with only 17 and 23 companies respectively considering it.

Additionally, manufacturing sees a balanced stance, with 49 respondents open to outsourcing compared to 31 that prefer to keep IT services in-house. Other companies operating in sectors such as food and agriculture, entertainment, business services, and construction and real estate, also present mixed attitudes towards outsourcing.

Figure 46. Willingness of companies to outsource from Moldovan IT services and type of organisation

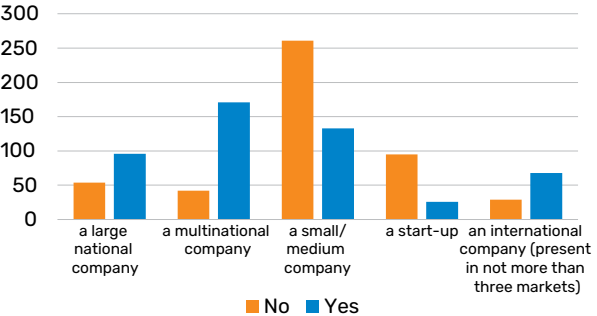


Figure 46 provides insights into the outsourcing from Moldovan IT companies preferences of different types of organisations. Small and medium-sized companies tend to lean towards keeping IT services in-house, with 66 per cent of them expressing a preference against outsourcing. In contrast, multinational companies show a strong inclination towards outsourcing, with 80 per cent considering this option.

Large national companies and international companies (present in not more than three markets) are less inclined to outsource compared to multinational companies. Specifically, more than a third of national companies and 30 per cent of international companies would not consider outsourcing. Conversely, two-thirds of large national companies and 70 per cent of international companies are open to the idea of outsourcing.

Start-ups, while showing a similar reluctance to outsource like small and medium-sized companies, exhibit a level of openness to outsourcing, with every fifth considering this option.

Figure 47. Considering to outsourcing from IT companies in Moldova and current outsourcing practices of companies

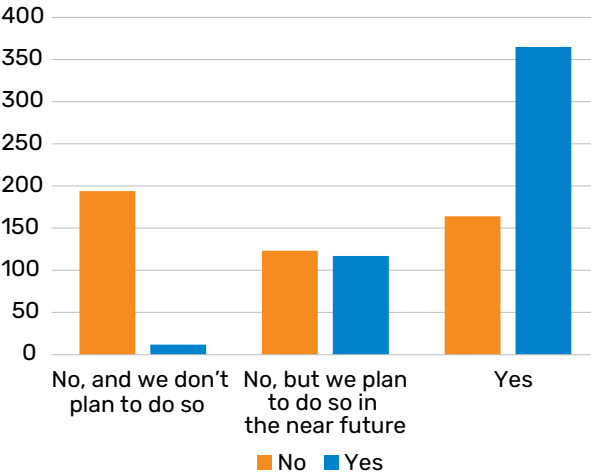


Figure 47 provides data on the number of companies considering hiring or outsourcing IT services from IT companies in Moldova and their current outsourcing practices.

Some 365 companies that already outsource IT services would consider doing so from IT companies in Moldova. Moreover, 164 of them that do not currently outsource IT services would consider hiring or outsource IT services from Moldova.

In addition, 117 that already outsource IT services from abroad plan to outsource from Moldova in the near future. 123 that do not currently outsource IT services from abroad do not plan to do so from Moldova in the near future.

Among the companies that do not currently outsource IT services, 194 do not either plan to hire IT services from Moldova. Among the ones that do not plan to outsource in Moldova, a mere 12 already outsource.

Figure 48. Considering to partner with Moldovan IT companies and three main challenges

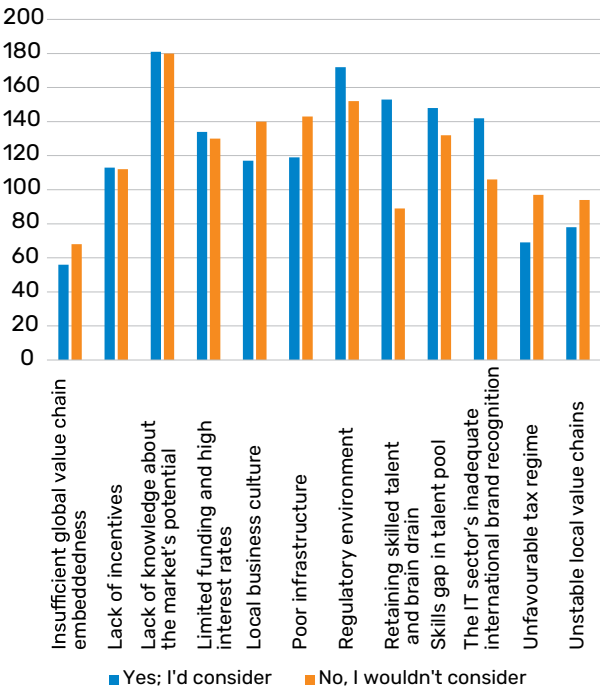
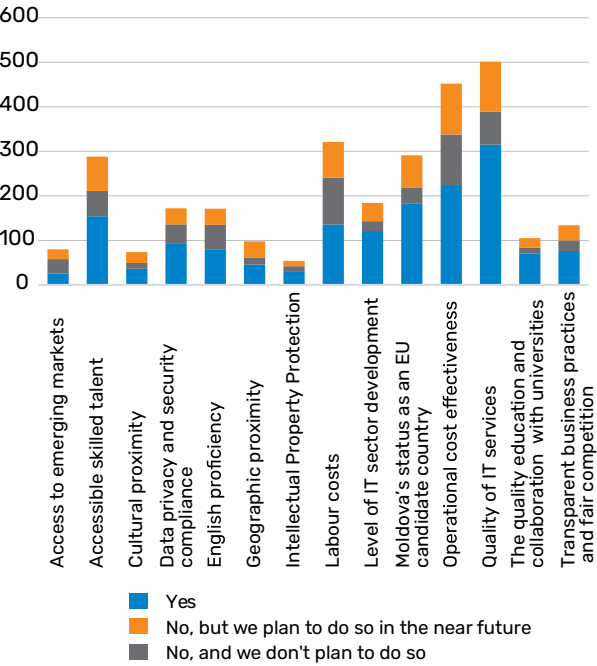


Figure 48 provides insights into whether the surveyed companies would consider partnering with IT companies from Moldova and the three main challenges to doing so. Among the main challenges mentioned is the lack of knowledge about the market's potential. Despite this, almost every fifth company would consider partnering, while a similar group would not. Similarly, some 17 per cent of companies would consider partnering despite concerns about the regulatory environment, compared to some 15 that would not.

Conversely, challenges like poor infrastructure deter more companies, with almost 15 per cent unwilling to partner compared to 12 per cent that would consider it. Other challenges that deter companies from partnering rather than making them willing to partner are insufficient global value chain embeddedness, local business culture, unfavourable tax regime, and unstable local value chains.

Figure 49. Outsourcing IT services and three main reasons to partner with Moldovan IT companies



In figure 49 data reveals insights into the outsourcing behaviour of companies in seven markets regarding IT services, alongside the perceived motivations for partnering with Moldovan IT firms.

Among companies already engaged in outsourcing, the primary reasons for collaborating with a Moldovan entity include the perceived quality of IT services (a third), operational cost effectiveness (almost 30 per cent), Moldova's status as an EU candidate country (almost 20 per cent), accessibility of skilled talent (almost 16 per cent).

Among companies currently not outsourcing but intending to do so in the near future, the leading factors influencing their decision to engage with a Moldovan IT partner are operational cost effectiveness, labour costs, and quality of IT services.

Also, for companies not presently outsourcing and lacking plans to do so, the top three reasons cited for considering partnership with a Moldovan IT company are operational cost effectiveness, labour costs, and quality of IT services.

Global perception

During a series of in-depth interviews with Moldova-based heads of international IT and tech companies, C-level executives at international organisations, foreign direct investment advisers, site selection advisers and global influencers, Emerging Europe asked about their perception of the country's IT sector and its capabilities.

Mark Angus
CEO, Genesis Global Business Services



It's awesome from what I've heard, a beautiful country. From a tourism perspective, it has a lot to offer. If memory serves me correctly, it's famous for being a wine producer. [...] In my experience, I haven't really seen any marketing around Moldova. I haven't come across any value propositions about the country. I know that it has a burgeoning BPO-CX industry. The last time I checked, I think there were two to three thousand people working in the BPO sector (excluding ITO).

Lynda Arsenault
International FDI and Outsourcing Adviser



I don't think I have ever seen Moldova at an event. Based on my experience of working with various geographies it is essential to be seen, to be talked about.

Wiktor Doktor
CEO, Pro Progressio



The first things that come to my mind are not connected to IT and Moldova. I have absolutely no idea about the IT environment in Moldova.

David J Deadman
Procurement Director, RELX Group



As a country that has had the ability to provide IT services for about 10-15 years, I'm aware that Moldova has been growing and developing.

Anne Bibb
Co-Founder & COO, Ethos Support



I have always been curious if Moldova had the same infrastructure as Romania, Bulgaria, or Georgia, if I could access the same type of languages and resources. [...] That region is great, whether it's Romania, Bulgaria, or Georgia. I have gone completely around Moldova because it felt like the hole in the doughnut; there was nothing for me to access there.

William Carson
Director of Market Engagement, Ascensos



If there are technology aspects that Moldova can genuinely point to and say 'we do a lot of this,' they might feel that if they focus on a niche, they might excel in that area while missing out on other opportunities. It could be in cybersecurity, for example. They should tell that story. Then people will recognise their expertise, and that expertise might lead to other opportunities.

Loren Moss
Business Intelligence Adviser



I know very little about Moldova. From a strictly business perspective, I expect Moldova to be a lower-cost version of Romania. Being a neighbour, I am aware that the politics are somewhat different, but I would expect to find similar talent although not as deep a pool given its smaller size. I would expect also the cost structure to be lower.

Olivier Prado
Founder and CEO, GPG Call Centre & BPO Solutions; President of the Board of the Business Leaders in Moldova



The economic environment in Moldova is known for its friendliness and openness to business.

Peter Ryan
Global BPO Adviser, President and Principal Analyst, Ryan Strategic Advisory



Moldova has been one of those countries that has really fascinated me for quite some time. Given the heritage of the country, and quite frankly, the very strong levels of IT skills that you can find on the ground, I've always thought it could be a potential hub for like a mini hub, a niche hub for certain types of IT services.

Elena Ivanova
Managing Director, Crunchyroll Moldova



I can see that there is definitely a lot of potential in Moldova. I believe it's the people who make this market impressive because we have talent.

Romek Lubaczewski
Retired Partner, PwC



The first time I went to Moldova, it felt a bit like the first time I went to Poland, Ukraine, Romania. It felt like Poland 30 years ago, Ukraine 20 years ago, 15, Romania 10 years ago. But I mean it as an advantage. [...] One advantage is that there is not a lot of competition, which can make you the big fish in the small pond very quickly. The pool of skilled people is very good and virtually untapped, which is a great advantage. However, the challenge will be on building leadership and management teams.

Stephen Loynd
Founder and Principal, TrendzOwl



I have not thought much about Moldova, but if it's mentioned to me, it would be in the context of countries in that region of the world, as well as countries like Estonia that have done more and have a higher profile. [...] I don't have deep enough knowledge to consider Moldova as a next-tier potential place in the world of IT, even though technologies are spreading so quickly.

Irina Strajescu
People and Communication Director and HR Director, Moldcell



It's rewarding to hear that Moldova is second after Estonia in the region when it comes to the share of people employed in the economy.

Shelli Ryan
Chief Executive Officer, Founder, Ad Hoc Communication Resources



I'm not familiar with [Moldova], but if they are proficient in multiple languages, it would make sense to incorporate this in their customer experience (CX). This capacity could enable them to represent a great deal of clients across a variety of regions worldwide.

Olga Surugiu
CEO, Orange Moldova, Vice President, Moldovan Association of ICT Companies



There are a lot of advantages because we now have a very good political environment. [...] When you teach behaviour that leads to value creation, it becomes clear that cultural proximity with our customers—most of whom are from the European Union—plays a significant role.

George Teodorescu
Global Head of Risk and Compliance and Regional Director for Moldova, Mixbook



The IT industry is blossoming in Moldova, and it's a steady and bright spot in the country's economic and educational landscape. The legislation optimizes taxation and allows for maximum flexibility in employment matters – including specifically allowing for remote or out-of-country employment, which allows local IT firms to hire global talent and digital nomads. This fosters a culture of employee loyalty, which is just one of the many benefits for IT firms in Moldova.

Elias Van Herwaarden
Head of Location Strategy, Occupier Services EMEA, Colliers International



I can imagine Moldova isn't exactly the IT or tech capital of the world. My position on Moldova is that I will continue to showcase it in front of my clients to see if they are interested in investigating further.

Joel Walker
Co-Founder and Chief Operating Officer, The Knowledge Group



The IT sector in Moldova is clearly very mature. When I think about outsourcing, I divide that into two main domains: help desk and customer-facing IT for internal or external customers, and then ADM, which I'd call application development and maintenance. Essentially, it's more classic software development.

Strengthening the value proposition

Emerging Europe also asked the C-level executives and experts about how the Moldovan IT sector could corroborate its offering and reinforce its position on the global market.

Cristina Ceban
Talent Acquisition Lead, Endava



To ensure talent availability in Moldova, it's important to invest in IT education programmes, foster partnerships between universities and industry for practical skill development and create a supportive ecosystem that encourages innovation.

David J Deadman
Procurement Director, RELX Group



[When I look for new providers], I'm looking for a company that either provides standard technology services like .Net or Java. I'm more interested in companies that have more esoteric skills and a strong focus on quality, client satisfaction and efficient delivery.

Mark Angus
CEO, Genesis Global Business Services



You'd want to ensure that you clearly identify and articulate your value proposition to make it stand out.

Alexandru Gozun
Head of PwC Moldova Office, Director Business and Public Sector Advisory Services, President, Amcham Moldova



We need to build a proper communication strategy, and we can do it. We already have champions.

Stephen Loynd
Founder and Principal, TrendzOwl



Now, if they are very interested and motivated, they should start by refreshing and updating their message to talk about their changing landscape.

Peter Ryan
Global BPO Adviser, President and Principal Analyst, Ryan Strategic Advisory



If they can communicate the presence of a strong ecosystem capable of supporting small and medium-sized enterprises with their various needs—whether AI or other services – it would enhance their appeal or image. [...] There needs to be a concerted effort raising of the game within the country to elevate its image and present a professional organised front to the world. Moldova should showcase its educated talent force that can undertake and excel in complex projects.

Joel Walker
Co-Founder and Chief Operating Officer, The Knowledge Group



If it's a non-EU country, I think people will be interested to understand data privacy, ITIP protections, data protection regulations.

Elias Van Herwaarden
Head of Location Strategy, Occupier Services EMEA, Colliers International



Efforts should focus on enhancing the local talent pool, mirroring the successful models seen in many other cities across Central Europe, which have demonstrated a track record of achievement in this area.

Olga Surugiu
CEO, Orange Moldova, Vice President, Moldovan Association of ICT Companies



To truly make an impact on a larger scale we must strive for something truly outstanding. We need a claim—a value proposition—that sets us apart, much like Estonia's renowned 100 per cent digital service offering, which continues to inspire awe. [...] We must integrate in a broader context to distinguish ourselves as a country of 2.5 million people, situated between East and West, still possessing a potential to make a transformative impact.

Shelli Ryan
Chief Executive Officer, Founder, Ad Hoc Communication Resources



Provide us with tours so we can then come back to your country and explain to our clients who are looking for maybe a competitive price point.

Technologies and services delivered from Moldova

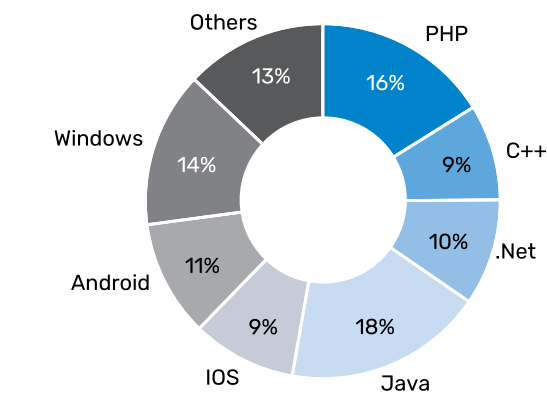
This chapter looks at the strengths of the Moldovan IT sector, the services and technologies it provides, as well as the verticals in which it operates.

The IT industry might be quite diverse as far as services and technologies are concerned but e-commerce, Fintech and mobile software development comprise almost a third. Trade, telecommunications, transport and entertainment are the leading industries and – as the IT sector is export-oriented – the vast majority of companies deliver B2B projects.

Technologies

The following graph shows which technologies companies in the MITP make use of. Note that companies often make use of more than one of the technologies listed.

Figure 50. Technologies used by companies in the MITP, 2023

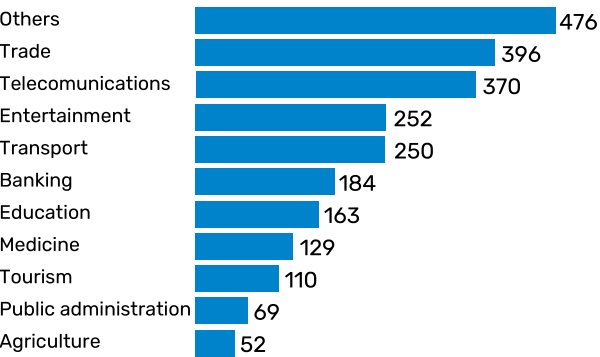


Source: MITP

Verticals

This graph shows the fields of activity in which companies in the MITP operate. Note that one company can operate in more than one field of activity. The most widespread fields of activity are trade, telecommunications and entertainment.

Figure 51. Fields of activity of companies in the MITP, 2023



Source: MITP

Types of projects

Here, the share of types of projects carried out by firms in the MITP is shown. As above, companies may carry out more than one type of project.

Figure 52. Types of project of companies in the MITP, 2023

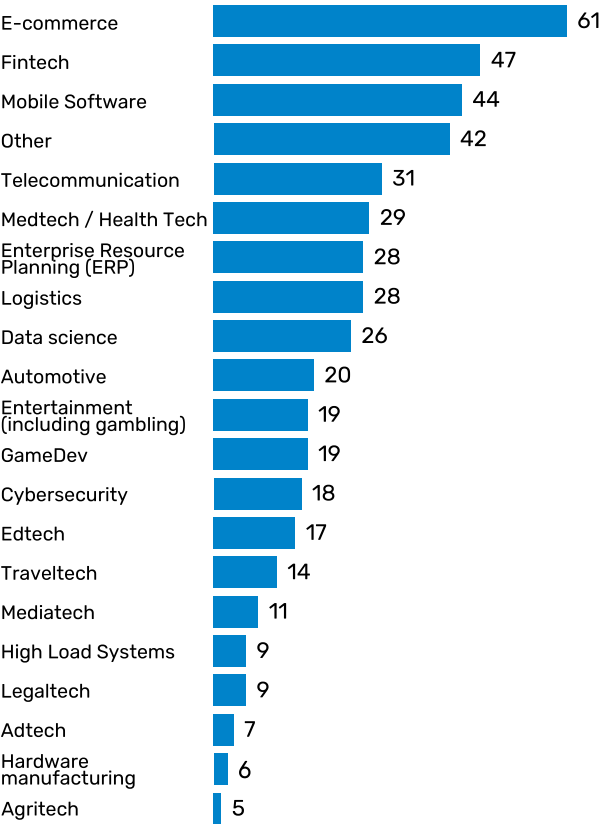


Source: MITP

Confidence survey

The next figure shows the structure of the types of activity of respondents to our Confidence Survey. It shows that the most widespread fields are e-commerce, fintech and mobile software—similar to the MITP’s internal statistics.

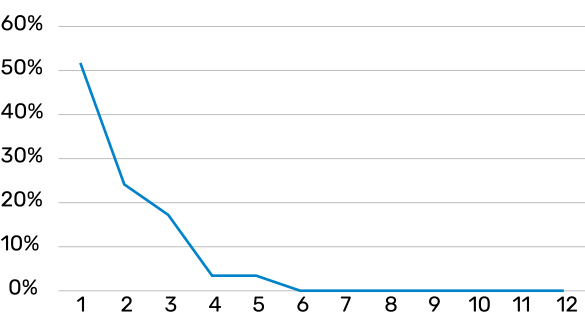
Figure 53. Types of activity of companies in the MITP, 2023



Source: Emerging Europe Confidence Survey

The following figure shows the number of fields in which individual entrepreneurs operate – the horizontal axis indicates the number of sectors in which individual entrepreneurs are active, and the vertical axis shows the share of individual entrepreneurs who are active in the respective number of sectors. The same is applicable for the following figures. More than half (almost 52 per cent) of all individual entrepreneurs operate in just one field.

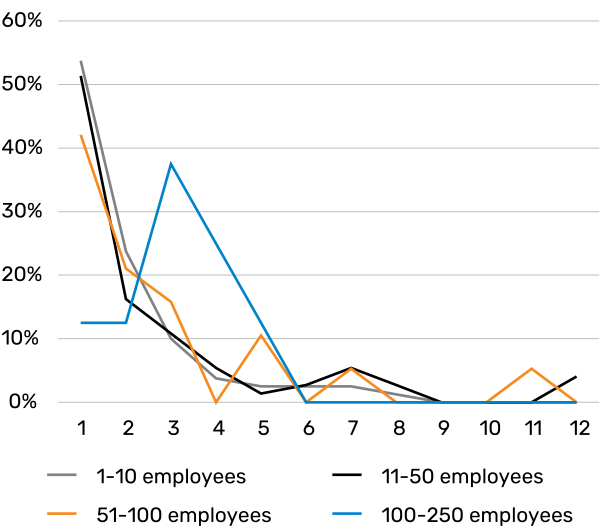
Figure 54. Share of the number of sectors of individual entrepreneurs



Source: Emerging Europe Confidence Survey

Next, the number of fields in which SMEs operate is considered. As with individual entrepreneurs, the majority by and large operate in just one field. The exception is for the biggest SMEs, those with 100-250 employees, where the highest number operates in three fields.

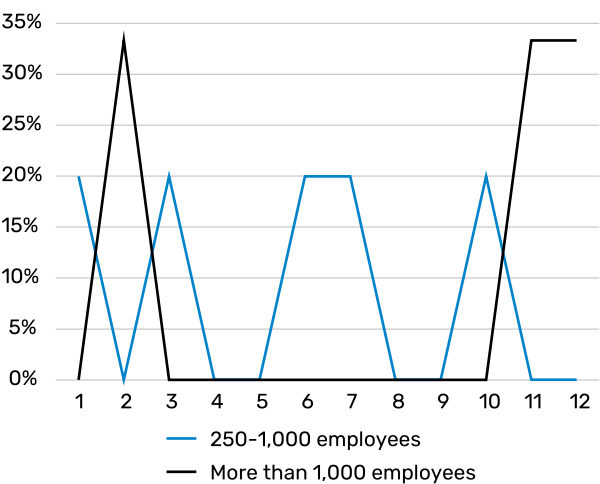
Figure 55. Share of the number of sectors of SMEs



Source: Emerging Europe Confidence Survey

Finally, the following figure depicts big companies by the number of sectors in which they are active. In contrast to individual entrepreneurs and SMEs, there is no trend. Some big companies have few specialties, while others operate in several.

Figure 56. Share of the number of sectors of big companies



Source: Emerging Europe Confidence Survey

Regional positioning of Moldova's IT Sector

In this chapter, we look at how the Moldovan IT sector performs in comparison with its regional peers across a number of indicators looking at talent and skills, IT infrastructure, business environment, economic impact, as well as the approach to sustainability.

Even though the chapter explores the entire emerging Europe region with 23 countries, it focuses on Moldova's neighbours and other economies similar in size and the development of the IT sector: Albania, Belarus, Georgia, North Macedonia, Romania and Ukraine.

IT infrastructure is Moldova's strength. In that component of the IT Competitiveness Index, the country ranks 7th, and only Romania, among Moldova's direct competitors, ranks higher. Overall, Moldova's position in the Index has improved over the years, which

together with the growing number of IT companies and increasing exports, shows a positive trend.

Sustainability and Environmental, Social and Governance (ESG), which are high on the agenda for the vast majority of global companies, appear to be on track in Moldova too. In the Planet component of the Sustainability, the country ranks third in the emerging Europe region.

IT Competitiveness

In Emerging Europe's IT Competitiveness Index for 2023, Moldova took 17th place of the 23 countries included in the ranking, ahead of Armenia and below North Macedonia. Across the various metrics, Moldova's score was consistent, ranking between 16th and 18th places.

Figure 57. IT competitiveness Index, 2023

Rank	Country	TOTAL	Talent	IT Infrastructure	Economic Impact	Business Environment
1	Estonia	64.4	25.1	12.5	9.5	17.3
2	Poland	60.9	26.1	12.6	8.2	14.0
3	Czechia	59.2	23.7	9.6	9.2	16.7
4	Lithuania	57.7	21.0	13.3	7.7	15.8
5	Slovenia	57.3	22.6	9.9	8.2	16.7
6	Romania	57.1	23.1	12.5	9.6	11.9
7	Slovakia	55.9	23.6	9.7	8.0	14.6
8	Latvia	55.8	22.4	9.0	8.0	16.4
9	Hungary	55.2	22.7	11.8	7.9	12.8
10	Kosovo	55.0	27.6	10.3	9.7	7.4
11	Bulgaria	53.5	20.8	12.0	8.8	11.9
12	Serbia	52.5	22.9	9.4	8.8	11.4
13	Croatia	52.0	20.9	8.6	8.8	13.6
14	Ukraine	51.6	22.3	9.9	10.3	9.1
15	Belarus	51.3	23.3	10.2	9.6	8.3
16	North Macedonia	45.7	19.6	6.4	8.6	11.1
17	Moldova	44.8	15.6	11.3	8.0	9.8
18	Armenia	44.0	18.4	7.6	7.2	10.7
19	Georgia	42.7	12.2	6.2	10.0	14.4
20	Montenegro	38.9	12.6	5.6	9.2	11.6
21	Azerbaijan	38.7	11.3	7.1	11.5	8.7
22	Albania	38.2	12.9	6.6	9.3	9.4
23	Bosnia and Herzegovina	33.9	12.7	4.8	9.2	7.2

Source: Emerging Europe

Talent

The number of ICT students per 100,000 inhabitants, for the period 2017–2021 in Moldova showed an average growth rate of 5.8 per cent, almost 0.5 percentage points higher than the emerging Europe average. In this metric, Moldova performed better than its neighbours and some competitors—Albania, Belarus, Ukraine and Romania, but worse than Georgia. Over the same time frame Romania also saw higher growth than Moldova in the number of ICT graduates per 100,000 inhabitants.

Of persons employed in ICT as a percentage of all people employed in the economy, Moldova had the second highest share in the region —4.4 per cent, 0.35 percentage points more than in the emerging Europe region as a whole. Here, Moldova is outperformed only by Estonia.

Moldova also saw more growth in the number of people employed in ICT (as a percentage of the total workforce) compared to its neighbours and competitors, with the exception of Albania.

In 2023, Moldova took 13th place out of 17 countries in the region in English proficiency. Out of Moldova's competitors which were indicated at the beginning of the chapter, Albania and Ukraine performed worse.

In PISA testing (a new round of which was performed in 2022), pupils from Moldova took 13th place out of 20 countries in the region by overall score, 14th place in mathematics and science and 13th place in reading. There is an improvement compared to the previous PISA round in 2018, when Moldova took 15th place by overall score, 17th place in mathematics and 14th in reading.

Figure 59. PISA score, 2022

PISA score, 2022, mathematics			PISA score, 2022, science			PISA score, 2022, reading		
Country	Score	Rank	Country	Score	Rank	Country	Score	Rank
Estonia	510	1	Estonia	526	1	Estonia	511	1
Poland	489	2	Slovenia	500	2	Poland	489	2
Czechia	487	3	Poland	499	3	Czechia	489	2
Slovenia	485	4	Czechia	498	4	Latvia	475	4
Latvia	483	5	Latvia	494	5	Croatia	475	4
Lithuania	475	6	Hungary	486	6	Hungary	473	6
Hungary	473	7	Lithuania	484	7	Lithuania	472	7
Slovakia	464	8	Croatia	483	8	Slovenia	469	8
Croatia	463	9	Slovakia	462	9	Slovakia	447	9
Ukraine	441	10	Ukraine	450	10	Serbia	440	10
Serbia	440	11	Serbia	447	11	Ukraine	428	11
Romania	428	12	Romania	428	12	Romania	428	11
Bulgaria	417	13	Bulgaria	421	13	Moldova	411	13
Moldova	414	14	Moldova	417	14	Montenegro	405	14
Montenegro	406	15	Montenegro	403	15	Bulgaria	404	15
Azerbaijan	397	16	Georgia	384	16	Georgia	374	16
Georgia	390	17	Azerbaijan	380	17	Azerbaijan	365	17
North Macedonia	389	18	North Macedonia	380	18	North Macedonia	359	18
Albania	368	19	Albania	376	19	Albania	358	19
Kosovo	355	20	Kosovo	357	20	Kosovo	342	20

Source: PISA

Figure 58. English proficiency Index, 2023

Country	Score	Rank
Croatia	603	1
Poland	598	2
Romania	596	3
Bulgaria	589	4
Hungary	588	5
Slovakia	587	6
Lithuania	576	7
Estonia	570	8
Serbia	569	9
Czechia	565	10
Georgia	541	11
Belarus	539	12
Moldova	536	13
Albania	533	14
Ukraine	530	15
Armenia	528	16
Azerbaijan	463	17

Source: Education First (only countries from emerging Europe region included in the Index are listed)

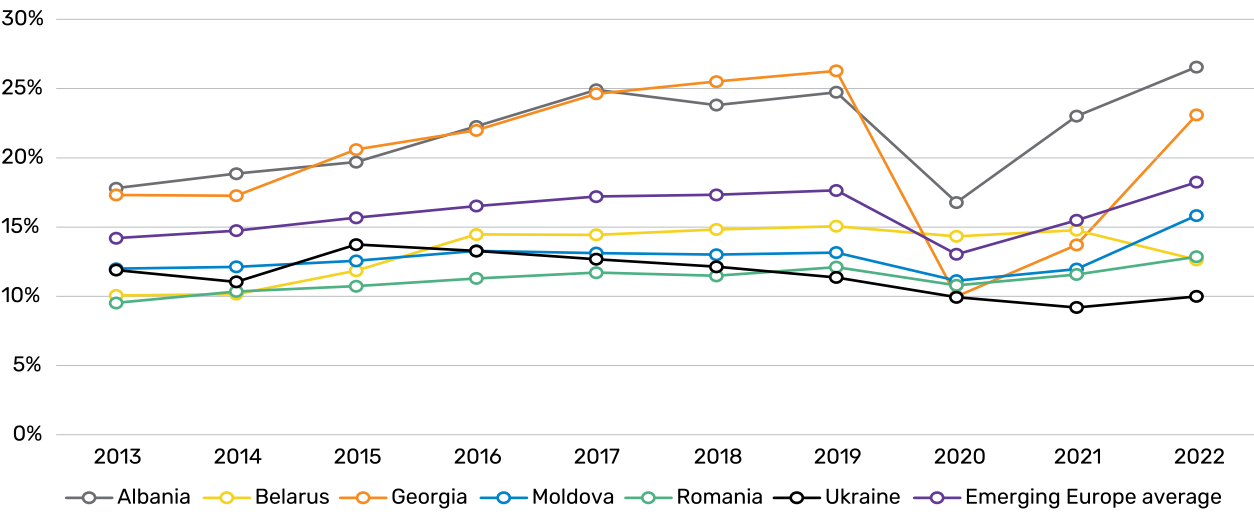
Figure 60. Total results, PISA 2022

Country	Sum	Mathematics, % of Moldovan Result	Science, % of Moldova result	Sum of three categories, % of Moldova result	Moldova's ranking by overall score
Estonia	1547	123.19%	126.14%	124.33%	1
Poland	1477	118.12%	119.66%	118.98%	2
Czechia	1474	117.63%	119.42%	118.98%	3
Slovenia	1454	117.15%	119.90%	114.11%	4
Latvia	1452	116.67%	118.47%	115.57%	5
Hungary	1432	114.25%	116.55%	115.09%	6
Lithuania	1431	114.73%	116.07%	114.84%	7
Croatia	1421	111.84%	115.83%	115.57%	8
Slovakia	1373	112.08%	110.79%	108.76%	9
Serbia	1327	106.28%	107.19%	107.06%	10
Ukraine	1319	106.52%	107.91%	104.14%	11
Romania	1284	103.38%	102.64%	104.14%	12
Bulgaria	1242	100.72%	100.96%	98.30%	13
Moldova	1242	100.00%	100.00%	100.00%	13
Montenegro	1214	98.07%	96.64%	98.54%	15
Georgia	1148	94.20%	92.09%	91.00%	16
Azerbaijan	1142	95.89%	91.13%	88.81%	17
North Macedonia	1128	93.96%	91.13%	87.35%	18
Albania	1102	88.89%	90.17%	87.10%	19
Kosovo	1054	85.75%	85.61%	83.21%	20

Source: PISA

Economic impact

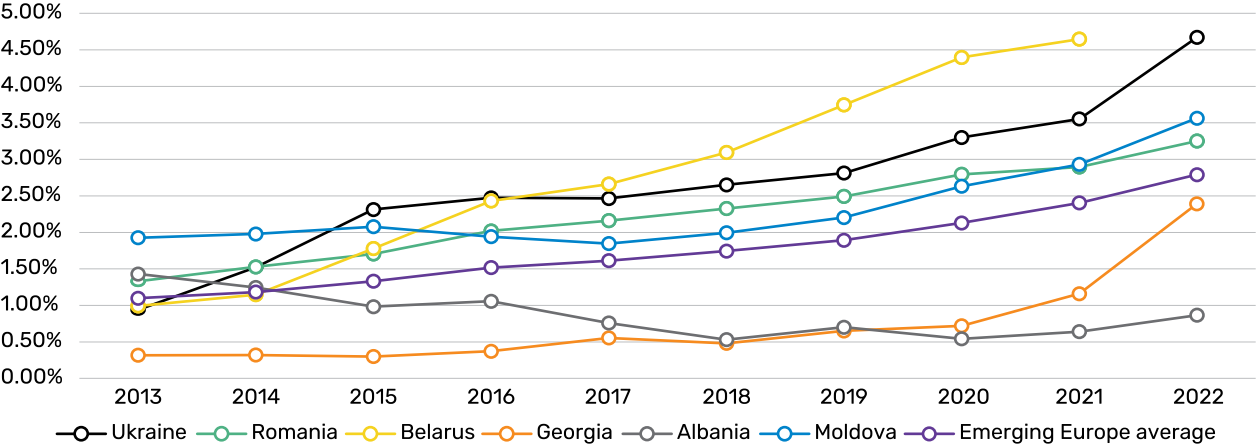
Figure 61. Services exports, share of GDP



Source: World Bank

Figure 62 shows the share of ICT sector exports as a percentage of GDP. Moldova has the third largest share among competing countries. In addition, Moldova's share of ICT in GDP saw a higher pace of growth than the emerging Europe region average.

Figure 62. ICT services exports, share of GDP



The next figure represents the output and value added per employee in ICT in 2021. Moldova performs poorly—20th by output of ICT and 22nd by value added.

Figure 63. Output per employee in ICT per month, euros, 2021

Position	Country	Euros	Comparison to Moldova
1	Estonia	11 064	584%
2	Romania	10 677	564%
3	Czechia	9 795	517%
4	Slovenia	8 730	461%
5	Croatia	7 946	420%
6	Bulgaria	7 233	382%
7	Poland	7 099	375%
8	Lithuania	6 975	368%
9	Slovakia	6 757	357%
10	Latvia	6 485	343%
11	Hungary	5 948	314%
12	Albania	5 396	285%
13	Montenegro	5 103	270%
14	Bosnia and Herzegovina	4 954	262%
15	Serbia	4 587	242%
16	Ukraine	4 295	227%
17	Georgia	3 354	177%
18	Belarus	3 126	165%
19	North Macedonia	2 827	149%
20	Moldova	1 893	100%
21	Armenia	1 606	85%
22	Azerbaijan	1 568	83%
23	Kosovo	1 356	72%
	Emerging Europe	6 469	342%

Source: Emerging Europe

Figure 64. Value added per employee in ICT per month, euros, 2021

Ranking	Country	Euros	Comparison to Moldova	Ranking
1	Estonia	6 403	590%	1
2	Romania	6 090	561%	2
3	Czechia	5 930	546%	3
4	Slovenia	5 087	468%	4
5	Croatia	4 482	413%	5
6	Latvia	4 191	386%	6
7	Slovakia	4 082	376%	7
8	Poland	3 851	355%	8
9	Kosovo	3 786	349%	9
10	Hungary	3 537	326%	10
11	Bulgaria	3 501	322%	11
12	Montenegro	3 190	294%	12
13	Bosnia and Herzegovina	2 618	241%	13
14	Georgia	2 472	228%	14
15	Lithuania	2 340	215%	15
16	Albania	2 284	210%	16
17	Ukraine	2 209	203%	17
18	Belarus	2 165	199%	18
19	Serbia	2 046	188%	19
20	North Macedonia	1 382	127%	20
21	Azerbaijan	1 092	101%	21
22	Moldova	1 086	100%	22
23	Armenia	1 008	93%	23
	Emerging Europe	3 668	338%	

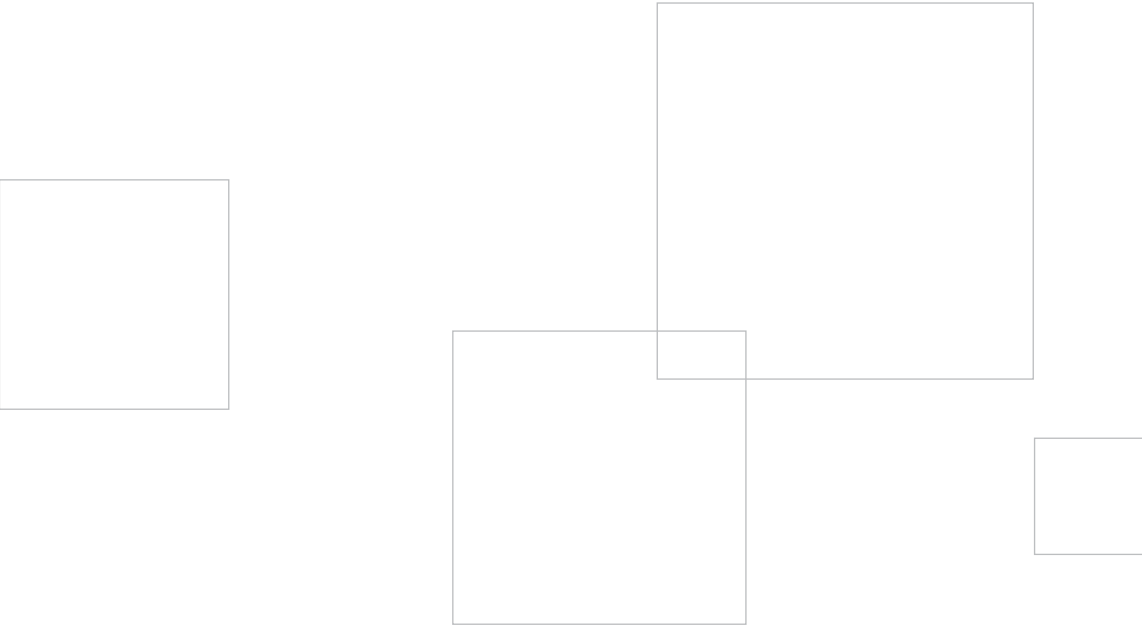
Infrastructure

In the IT Competitiveness Index 2023, Moldova had the third-best internet speeds in the region, behind only Romania and Hungary. Moldova was also in 2022 ahead of Albania, Georgia, Romania, Belarus and Ukraine in the Online Services Index.

Economic impact

The share of the ICT sector in value added in Moldova’s GDP was 5.34 per cent in 2021, more than 0.7 percentage points higher than the regional average and sixth best in the region – after Belarus, Estonia, Bulgaria, Romania and Czechia.

The average growth rate for this indicator for 2017-2021 in Moldova is also 0.6 percentage points higher than the regional average. If countries which outperformed Moldova from the perspective of the share of ICT in GDP are compared, Moldova’s workforce in this sector in 2021 is cheaper: in Belarus, the average salary in ICT is 45 per cent higher (it was 1,058.6 euros per month in Moldova), in Estonia – almost 165 per cent higher, in Bulgaria – almost 80 per cent higher, in Romania – higher almost by 108 per cent, and in Czechia it was 147 per cent higher.



Business environment

The ICT Regulatory Tracker in 2022 assigned 90 points to Moldova, 2.2 points more than the emerging Europe average. Moldova performed better than Albania, Belarus and Ukraine, but worse than Romania and Georgia. However, the gap between Moldova and Georgia is 0.5 points, and to Romania – 1 point, which is a marginal difference. From the perspective of the Human Development Index, the only neighbouring and/or competing country which performed worse than Moldova, is Ukraine.

Sustainability and ESG
(Environmental, Social and Governance)

Moldova is 13th in the Emerging Europe Sustainability Index. It ranks 20th in the People category (education and healthcare), third in Planet (sustainable lifestyles and green energy), 14th in Prosperity (people-first economy and inclusive entrepreneurship), eighth in Peace (world order, democracy and the rule of law and media freedom) and 18th in Partnership (regional collaboration and modern leadership). In the overall ranking, Moldova outperformed Albania, Belarus and Ukraine.

Figure 65. Emerging Europe Sustainability Index

Total Index			People			Planet		
Country	Points	Rank	Country	Points	Rank	Country	Points	Rank
Estonia	78.2	1	Estonia	82.3	1	Albania	75.0	1
Slovenia	70.1	2	Czechia	80.2	2	Armenia	71.5	2
Czechia	69.9	3	Slovenia	76.4	3	Moldova	70.7	3
Latvia	69.1	4	Poland	72.1	4	Croatia	69.3	4
Lithuania	68.9	5	Lithuania	68.8	5	Latvia	68.9	5
Slovakia	65.5	6	Croatia	65.7	6	Romania	67.8	6
Croatia	62.5	7	Latvia	64.9	7	Hungary	67.5	7
Poland	61.6	8	Slovakia	64.3	8	Montenegro	67.5	8
Hungary	56.9	9	Montenegro	62.7	9	Georgia	65.3	9
Montenegro	56.4	10	Hungary	60.5	10	Slovenia	65.2	10
Romania	55.8	11	Serbia	58.2	11	Azerbaijan	63.7	11
Armenia	52.3	12	Belarus	55.6	12	Belarus	63.1	12
Moldova	51.7	13	Armenia	51.7	13	Kosovo	62.7	13
N. Macedonia	51.3	14	Bulgaria	51.4	14	Slovakia	61.9	14
Bulgaria	51.1	15	N. Macedonia	51.1	15	Serbia	61.6	15
Albania	50.9	16	Romania	50.8	16	Poland	60.4	16
Serbia	50.9	17	Kosovo	50.3	17	Lithuania	58.4	17
Kosovo	50.1	18	Albania	50.1	18	Czechia	56.5	18
Georgia	49.7	19	BiH	48.4	19	N. Macedonia	56.4	19
BiH	44.1	20	Moldova	41.1	20	Ukraine	55.0	20
Ukraine	42.0	21	Georgia	40.8	21	Estonia	54.2	21
Belarus	40.5	22	Ukraine	39.1	22	BiH	53.0	22
Azerbaijan	31.0	23	Azerbaijan	35.3	23	Bulgaria	46.0	23

Prosperity			Peace			Partnership		
Country	Points	Rank	Country	Points	Rank	Country	Points	Rank
Estonia	88.3	1	Estonia	89.9	1	Lithuania	78.5	1
Slovenia	58.3	2	Czechia	82.6	2	Estonia	76.1	2
Czechia	57.2	3	Lithuania	82.2	3	Latvia	75.4	3
Lithuania	56.5	4	Latvia	81.2	4	Slovenia	74.1	4
Latvia	55.1	5	Slovakia	78.5	5	Czechia	73.3	5
Poland	53.6	6	Slovenia	76.6	6	Slovakia	70.3	6
Slovakia	52.8	7	Croatia	67.4	7	Bulgaria	62.5	7
Croatia	51.3	8	Moldova	63.7	8	Hungary	62.2	8
Romania	47.8	9	Bulgaria	62.8	9	Poland	60.7	9
N. Macedonia	40.9	10	Poland	61.2	10	Croatia	58.7	10
Montenegro	40.7	11	Romania	59.6	11	Serbia	54.1	11
Hungary	40.2	12	Kosovo	58.3	12	Montenegro	53.8	12
Serbia	36.5	13	Montenegro	57.4	13	N. Macedonia	53.4	13
Moldova	34.7	14	Georgia	56.9	14	Romania	52.8	14
Kosovo	34.0	15	Armenia	55.3	15	Georgia	52.7	15
Bulgaria	32.9	16	N. Macedonia	54.7	16	Armenia	50.9	16
Georgia	32.7	17	Hungary	53.9	17	Albania	50.4	17
Armenia	32.2	18	Albania	51.1	18	Moldova	48.4	18
BiH	28.3	19	Bosnia and Herzegovina	48.5	19	Ukraine	47.3	19
Belarus	28.2	20	Ukraine	44.3	20	Belarus	45.3	20
Albania	27.8	21	Serbia	43.9	21	Kosovo	45.1	21
Ukraine	24.2	22	Azerbaijan	25.5	22	BiH	42.4	22
Azerbaijan	17.1	23	Belarus	10.4	23	Azerbaijan	13.4	23

Source: Emerging Europe

An overview of incentives in Moldova and selected countries in the region

This chapter looks at IT-related incentives offered by Moldova and compares them with those offered by several other countries in the emerging Europe region: Belarus, Bulgaria, Estonia, Georgia, Latvia, Lithuania, Poland, Romania, Slovakia, and Ukraine.

Tax Exemptions

Corporate Income Tax (CIT) Exemptions:

- Moldova offers a single tax on sales income to residents of the Moldova Innovation Technology Park (MITP) and their employees, set at a favourable rate of seven per cent. This tax streamlines the taxation process by replacing seven other taxes and fees, including corporate tax, personal income tax, social security and health insurance contributions at the level of employer and employee, local taxes, road taxes, and real estate taxes (see Doing business in IT on [page 62](#)).
- Belarus offers zero per cent corporate income tax until 2049.
- Georgia exempts IT companies (after obtaining virtual zone status) from CIT, for income received through services provided abroad.
- Estonia taxes only dividends, not earnings reinvested in the company.
- Latvia also has zero per cent CIT on reinvested profits. The taxation of corporate profits is postponed until those profits are distributed as dividends or deemed to be distributed.
- Poland offers various income tax options, including IP BOX relief and flat-rate income tax. For sole proprietorships, income tax is 12 per cent

for earnings up to 120,000 Polish złoty, and 32 per cent for amounts above that. The IT industry often chooses the IP BOX for its five per cent PIT/CIT tax rate. Limited liability companies in B2B cooperation can choose from nine per cent CIT, IP BOX relief with five per cent tax, or flat-rate income tax at 8.5 per cent (for companies using an individual's assets).

- Slovakia provides corporate income tax relief for projects lasting up to five years (or up to seven years for larger projects). Companies must apply to the Ministry of Economy, and the relief lasts for a maximum of ten consecutive tax periods, starting no later than the third year after approval. Annual relief is capped at 20 per cent of the total corporate income tax.
- Ukraine provides companies in Diia City with a choice between the 'classic' corporate income tax, or profit tax, charged at a rate of 18 per cent, or the corporate income tax on special conditions, often called withholding tax, which has a lower rate of nine per cent.

Property Tax Exemptions:

- Moldova exempts IT park residents from real estate tax.
- Belarus offers a zero per cent property and land tax until 2049 for assets within the Hi-Tech Park.
- Estonia taxes land with rates varying from 0.1 per cent to 1.0 per cent annually.
- Lithuania offers local incentives for property tax exemption.
- Latvia provides various property tax exemptions, including those within its five special economic zones offering an 80 per cent rebate on property tax, potentially reducing rates to as low as 0.3 per cent of the cadastral price until 2035. Municipalities offer exemptions with rebates ranging from 0 per cent to 90 per cent for newly established businesses.

- Poland has property tax exemptions in special economic zones and on the municipality level for newly started businesses as part of de minimis aid to support the development of modern technologies, innovations and research and development activities.

Export-related Tax Exemptions:

- Moldova offers zero VAT rate to the export of goods and services.
- Belarus offers zero per cent export tax until 2049.
- Bulgaria offers VAT exemptions on IT/software services and products.
- Georgia offers preferential tax regimes for exporters of IT service: a five per cent corporate tax, zero per cent on dividends, five per cent personal income tax, and zero per cent VAT.
- Estonia has various VAT rates and special schemes for e-commerce. A zero per cent VAT rate also applies to services provided outside Estonia.

Import Duty Exemptions:

- Belarus offers zero per cent customs duty on imported IT equipment until 2049.
- Bulgaria has no customs duty on imported VAT on IT/software services and products.
- Georgia imposes a zero per cent import tax on listed products.
- Poland does not provide tax exemptions on the import of hardware and software, but if the purchaser of computer software is the end user, then such a purchase does not qualify for withholding tax.

Tax Credits

R&D Tax Credit:

- Belarus offers R&D tax credits within the legal framework of the Hi-Tech Park.
- Lithuania offers a triple R&D expenses deduction – a 300 per cent deduction of eligible R&D expenditures.
- Poland provides R&D relief for start-ups and R&D centres, offering deductions for specific eligible costs that can be deducted in the current year or carried forward up to six years. The relief is

also retroactive and can be used to pay personal income tax liabilities for R&D employees.

- Slovakia offers a superdeduction incentive for R&D. Before 2018, taxpayers could deduct only 25 per cent of eligible R&D costs if they had tax losses. Since January 1, 2018, they can deduct 100 per cent. This was further increased to 200 per cent for R&D costs from 2020 onwards.

Training and Skills Development Credit:

- Estonia allows the deduction of training expenses related to professional or vocational competence, with specific criteria for eligibility.
- Lithuania does not offer tax credits for trainings, but some individual upskilling programmes may be available.
- Poland exempts certain benefits financed by employers for improving professional qualifications from personal income tax.
- Slovakia provides contributions for training employees from the local labour office, with specific eligible costs and conditions.

Investment Tax Credit:

- Belarus offers investment tax credits in a general order.
- Estonia imposes a zero per cent tax on retained and reinvested profits.

Tax deductions

Investment Deductions:

- Estonia offers a basic exemption from taxable income up to 6,000 euros per calendar year.
- Lithuania provides a temporary incentive allowing companies to reduce taxable profit up to 100 per cent for investment projects in fixed assets.
- Poland offers relief for robotisation and prototypes, allowing deductions from the tax base for expenses incurred in these areas.
- Slovakia provides a special tax regime for companies with R&D operations, allowing additional deduction of R&D costs from the income tax base.

Depreciation Deductions:

- Estonia's CIT system does not require depreciation rules, but there are no limits on carrying forward losses.
- Lithuania offers accelerated depreciation for R&D assets, with depreciation time depending on the category of assets.
- Poland allows depreciation write-offs for various IT assets, including electronic equipment, software, and licenses, with specific depreciation rates and methods.

Financial Grants & Subsidies

Start-up Grants:

- Moldova offers to technological start-ups access to financial resources from the Fund for Support of Digital Innovation and Technological Start-ups, which operates under government-approved regulations.
- Estonia offers funding support through various programmes such as the Eurostars product development programme, the product development programme, and support for the digital transformation of companies.
- Georgia provides grants through innovation co-financing and FDI grants implemented by LEPL Enterprise Georgia/Invest in Georgia, including cashback of up to 15 per cent of capital expenditures and workforce training costs, with ICT being one of the eligible sectors.
- Latvia offers funding through European Funds for Social Development and European Funds for a Modern Economy.
- Poland provides support through European Funds for a Modern Economy, including measures like Startup Booster Poland and Innovator's Laboratory.
- Slovakia offers support through several programmes, including European Funds for Social Development and measures aimed at digitisation and cross-border cooperation.

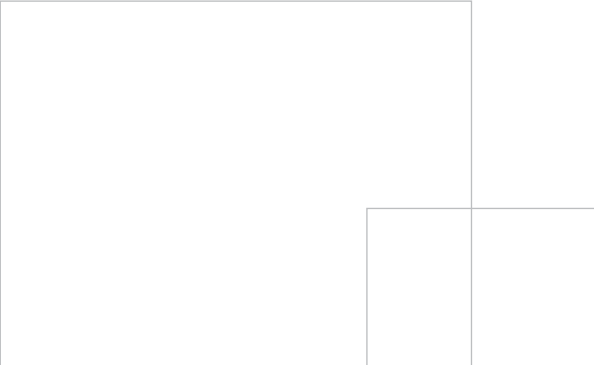
Innovation Grants:

- Moldova provides financing to SMEs on three thematic financing components including progress in R&D related to green technology, digital innovation, and sustainable production.

- Estonia offers grants through programmes like EIC Accelerator, Innnowide, and development grants.
- Georgia provides grants through various programmes such as innovation co-financing grants and export promotion initiatives.
- Latvia offers innovation grants for companies, including ICT firms.
- Poland provides support through Regional Operational Programmes, Horizon 2020, and other government grant programmes.
- Slovakia offers support through programmes aimed at digitisation, research, and innovation.

Export Promotion Subsidies:

- Moldova has a programme supporting export promotion activities including co-funding from the state for the participation of private companies in exhibitions, summits, B2B meetings and conferences. Also, it has a zero per cent VAT rate for exported goods and services.
- Belarus provides subsidies for IT firms exporting software/services internationally within the legal framework of the Hi-Tech Park.
- Estonia offers support for export activities through measures such as workshops in various languages and business consultation services. Also, Estonia has a zero per cent VAT rate for exported goods.
- Georgia supports export promotion activities through participation in international trade fairs and exhibitions (organised by LEPL Enterprise Georgia)
- Latvia provides support for export activities through programmes aimed at promoting international competitiveness.
- Lithuania provides measures aimed at export promotion activities, such as for the identification of new export markets, product certification and for products exhibitions held abroad.
- Poland offers support for export promotion through programmes such as Internationalisation of SMEs (Eastern Poland), Industry Promotion Programmes, and the Polish Economy Brand Programme.
- Ukraine provides support for export promotion activities through state and donors funds.



Special economic and technology-development zones, high-tech zones, and science and technology parks

IT-specific zones/parks:

- Moldova Innovation Technology Park (MITP) offers residents several benefits, including the flexibility to work from anywhere in Moldova, remote working from abroad, simplified tax administration with a single seven per cent tax on sales revenue replacing seven other taxes, and easy employment of foreign nationals through the IT Visa Programme. No payroll taxes are due neither by the employer, nor by its employees. Salaries are not subject to any salary withholdings and, thus, the gross and net salaries equal, while employees enjoy full state health insurance and limited social security benefits.
- The Belarus' Hi-Tech Park offers a special legal regime for IT companies across the country.
- Estonia hosts several science and business parks including Tehnopol Science and Business Park, Tartu Science Park, and Ülemiste City.
- Latvia has five special Economic Zones (SEZs), including Riga Free Port, Ventspils Free Port, Liepaja Special Economic Zone, Rezekne Special Economic Zone, and Latgale Special Economic Zone. They offer tax Incentives such as 80 per cent of rebate on the applicable CIT, which can make the tax rate as low as four per cent, 80 per cent rebate on the applicable property tax which can make the tax rate as low as 0.3 per cent.
- In Poland, the Polish Investment Zone (PSI) has been in operation since 2018; IT companies and shared services centres can benefit from these incentives. It provides income tax exemptions for up to 70 per cent of the investment value for a period of 10-15 years.
- Ukraine's Diia City offers a legal and tax regime specifically tailored for IT companies. Benefits for its residents include 5 per cent income tax, a social security fee (22 per cent of the minimum wage,) nine per cent exit corporate tax or 18 per cent income tax.
- In Lithuania, free economic zones (FEZs) offer CIT tax exemption for up to 10 years and a 50 per cent CIT rate reduction for the following six years for companies that meet specific investment criteria.

Free Trade Zones:

- Belarus: There are seven Free Trade Zones in Belarus, providing relaxed customs regulations for international IT trade.
- Estonia: Estonia has three Free Trade Zones located in different parts of the country, monitored by the Estonian Tax and Customs Board, offering benefits like VAT exemption for goods destined for re-export.

Intellectual Property Rights

IP Box Regime:

- Lithuania provides a reduced corporate income tax rate for profits earned from qualified intellectual property rights developed through R&D activities.
- Poland implements an IP BOX regime where a reduced tax rate of five per cent applies to income generated from qualified intellectual property rights, including copyrights to computer programs, patents, and industrial designs.

Patent Box:

- Poland offers incentives for income derived from patents, utility patents, designs, and software, including a reduction in the taxable base for such income.
- Slovakia introduces a regime where income from granting the right for using patents, utility patents, design and software patents, utility patents, designs, and software can benefit from a reduced tax rate. In case of cooperation (of more subjects) on the research, the amount of eligible income is proportionally reduced.

Employment Incentives

Employment Tax Credits:

- In Moldova, IT Park resident companies offer salary packages to their employees that are exempted from all payroll taxes. Moreover, the country operates an IT Visa Programme. This programme enables foreign nationals employed by MITP residents to secure a work permit either for four years (managers/founders/board of directors' members) or for two years (specialists) under

simplified immigration procedures lasting about one month. Family members (parents, spouse, and children) of the employees are also eligible for this programme.

- Belarus has no specific employment tax credits but offers simplified procedures for employing foreign specialists in Hi-Tech Park, allowing them to be employed as easily as local employees. Also, the Hi-Tech Park residents enjoy reduced income tax (nine per cent instead of 13 per cent) and social contributions (seven per cent instead of 35 per cent) on their salaries.
- Estonia offers a tax system that is uniform to all sectors. There are no tax cuts nor benefits. It offers the Work in Estonia programme, which may include tax incentives or benefits for employees.
- Latvia provides incentives for hiring foreign specialists with a gross salary above a certain threshold through salary co-financing programmes. Also, it provides a low flat social tax incentive for start-ups and eligible start-up employees enjoy a zero per cent individual income tax rate.
- Poland has no specific employment tax credits for employers, however some IT workers who are working based on employment contracts or civil contracts may benefit from a 50 per cent tax deductible costs formula in case of creation and transfer of copyrights to employers.
- Ukraine's DIIA.City provides employment incentives such as a personal income tax at the rate of five per cent.

Employee Stock Ownership Plans:

- Estonia offers an Employee Share Option Scheme (ESOP) with tax benefits for employees receiving company shares as compensation. ESOPs incentivise employees by allowing them to acquire shares in the company.
- Lithuania has a special regulation that should be assessed case by case.
- Latvia's tax treatment of share options is outlined in certain regulations.
- In Poland employees receiving shares from the company may face taxation based on the specific programme and provisions. There are provisions allowing for deferring tax payment deadlines until shares are sold.
- In Ukraine some companies offer the opportunity for employees to buy company shares as a form of benefit.

Regulatory & Administrative Incentives

Fast-Track Licensing:

- Moldova: Business registration can be done in 72 hours, and the process can be completed electronically.
- Belarus: Expedited licensing is available within the Hi-Tech Park.
- Georgia: Business registration processes in Georgia are generally fast, taking one day.
- Estonia: The Estonian Investment Agency helps expedite the licensing process for strategically important investors.
- Latvia: Business registration can be completed within 1-3 days, and the process can be conducted electronically.

Simplified Compliance:

- Moldova: MITP residents should submit only one report on the single tax to the fiscal office, instead of seven different reports (on taxes included in the single tax), as well as a unique transaction of a single tax to the state budget.
- Belarus: IT companies within the Hi-Tech Park benefit from reduced bureaucratic procedures and simplified compliance.
- Estonia: Various measures are in place to simplify compliance, including digital signatures for legal documents, online reporting and taxation, and the Estonian Information System Authority (RIA) ensuring security and implementing measures to safeguard digital identities and transactions.
- Latvia offers a green corridor for priority investment projects that included two times faster administrative procedures for construction, migration procedures, and spatial planning.

Investment Facilitation

One-Stop Shops:

- Invest Moldova serves as a one-stop shop and provides information on investment climate, sector-specific information, consulting on suitable locations (Invest Moldova database, information on relevant tax, legal and administrative issues).

- Belarus offers single points of contact to streamline IT business registration and licensing.
- Estonia provides business service providers through the e-Residency marketplace.

Collaboration & Clustering

Cluster Development Initiatives:

- Moldova has some organisations that provide support programmes for the local tech community, such as the MITP community, networking programmes, knowledge-sharing programmes, private-public connectors, tech segmented communities, start-up community organisations (accelerators, hackathons, mentorship programmes), etc.
- Belarus provides cluster development initiatives to promote collaboration in the IT ecosystem.
- Bulgaria engages in cluster development initiatives to promote collaboration and knowledge sharing in the IT ecosystem.
- Georgia's ICT Cluster promotes collaboration and knowledge sharing within the IT ecosystem.
- Estonia's ICT Cluster and other initiatives like the Briefing Centre foster collaboration and knowledge sharing in the IT ecosystem.
- Lithuania is engaged in offering cluster development initiatives.
- In Latvia, the Latvian IT Cluster is involved in promoting collaboration and knowledge sharing in the IT ecosystem.
- In Poland various initiatives like PWCyber, Tech Leaders Polska, and IT for SHE and POLISH IT/ ICT focus on cluster development and knowledge sharing.
- In Slovakia, the Slovak Alliance for Innovation Economy (SAPIE), a non-profit platform connects technological and innovative companies.
- Ukraine: IT associations and clusters like IT Ukraine Association, Lviv IT Cluster, and Kharkiv IT Cluster promote knowledge sharing within the IT ecosystem.

Digital Nomad and Remote Worker Visas

- Moldova: New provisions introduced in 2023 allow for remote work without the need for a physical presence in the country, under certain conditions. Foreign citizens can perform remote work in any country without obtaining immigration

documents (work permit, residence permit, visa) if they meet specific conditions, such as holding a Moldovan State Identification Number (IDNP) and an electronic identity. A new legislative package for the digitisation of the economy was recently presented for public consultation to be implemented as of January 1, 2025. Under this initiative it is proposed to regulate the concept of digital nomads, foreigners having the right to carry out their activity on Moldovan territory while being an employee of a company registered abroad, by using communication and information technology. Digital nomads will not be subject to Moldovan legislation in respect of employment contracts. After the 183 days during 12 consecutive months, the digital nomad will be considered to have tax residency in Moldova.

- Georgia: Although not formally labelled as a digital nomad visa, Georgia allows remote work during stays. To qualify, individuals must either earn a monthly income of 2,000 US dollars or possess a bank statement showing deposits of 24,000 US dollars. After 183 days, individuals become tax residents, subject to a 20 per cent income tax. Georgia's Individual Entrepreneur scheme offers a favourable one per cent tax on business turnover up to 155,000 US dollars, particularly beneficial for remote employees and freelancers.
- Estonia: In June 2020, Estonia pioneered the world's first official digital nomad and freelancer visa, allowing individuals to work remotely in the country for up to one year. Estonia is also known for its e-residency programme, which facilitates the management of EU-based businesses for foreign entrepreneurs through digital signatures.
- Latvia: Following Estonia's lead, Latvia has implemented its own digital nomad visa, available for foreign nationals working for employers or businesses registered in OECD countries. The visa is valid for one year, with the possibility of renewal.
- Romania: In December 2021, Romania introduced its digital nomad visa, permitting remote workers to reside in the country for up to 12 months, with the option to extend for an additional year. Originally requiring a monthly income of 1,100 euros, the visa now mandates 3,700 euros per month.



Moldova from a broader tech perspective

Labour market and workforce, education and talent

This chapter considers the stance and dynamics of the labour market, as well as the data on the number of students and graduates who are future specialists, and dives into some indicators such as the gender structure of employees.

The observation with the dynamics of average monthly salaries per employee in ICT, IT-adjacent sectors (here we define IT-adjacent as the sector, in which companies perform activities 'computer programming, consultancy and related activities' of Section J 'Information and Communication'), and MITP residents' employees, involved in eligible activities, are shown in current prices.

The overall labour dynamics of ICT and IT-adjacent sectors in Moldova is on a clear uprising trend: the number of ICT employees, students and graduates is constantly growing for considered periods. Such a process shows a continuous structural shift in the labour market of Moldova towards a higher role of ICT and IT sectors in the economy. Moldova is successfully digitalising.

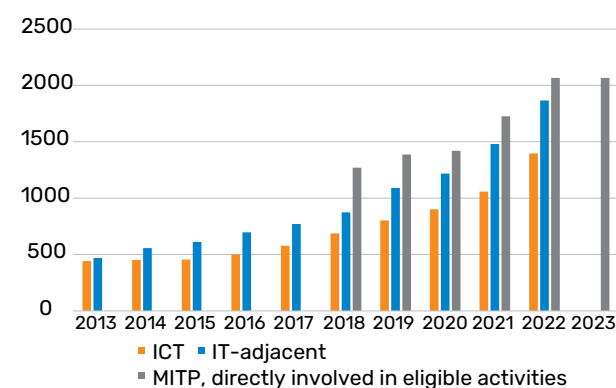
Alongside the increase in the number of current employees and future specialists, the gross salaries as well as labour costs for employees show steady growth as well. For ICT this growth exceeds that of the total economy, and for the IT-adjacent sector, it exceeds the one of ICT.

These facts highlight two developments: firstly, higher rates of employment do not fully satisfy the demand for a new labour force in sectors;

secondly, the Moldova IT sector continues to be highly competitive among other sectors of Moldova's economy and is able to pay more and more remuneration.

Now, considering ICT in Moldova, the average gross monthly salary growth for the time frame from 2013 to 2023 was from almost 442 euros to 1,396 euros, which is 216 per cent, while in the country's IT-adjacent for the same period from a bit more than 468 euros to slightly more than 1,865 euros—more than 298 per cent growth. For MITP residents average monthly salaries increased from almost 1,270 euros in 2018 to slightly more than 2,031 euros in 2023.

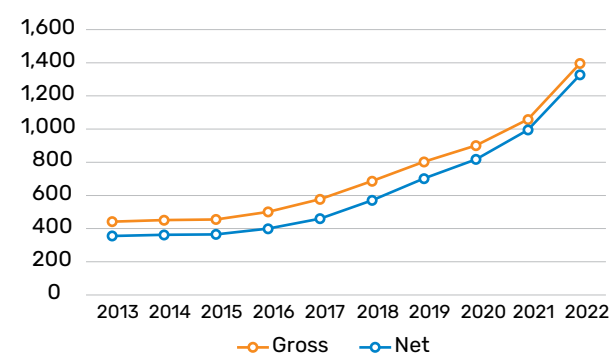
Figure 66. Average gross salary, euros



Source: NBSRM, MITP statistics

Figure 67 shows the dynamics of average gross and net salaries in the ICT sector (in current prices) for the time period from 2013 to 2022. In both cases, salaries more than tripled: almost 3.12 times for gross salary and more than 3.7 times for net. In 2013, the net salary constituted around 80.5 per cent of the gross salary, while in 2022 this share has grown to 95 per cent, depicting Moldova's preferential tax regime for the IT sector, which is in high demand among Moldova's employees.

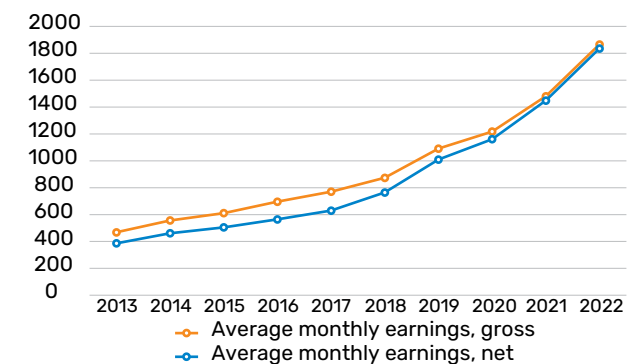
Figure 67. Average salary in ICT sector, euros



Source: NBSRM

Figure 68 looks at the change in average monthly earnings in the IT-adjacent sector (we define IT-adjacent as computer programming, consultancy and related activities of Section J 'Information and Communication'). For the period from 2013 to 2022, earnings have grown from 468 euros gross and 386 euros net in 2013 to a bit more than 1,865 euros gross and slightly more than 1,835 euros net in 2022, showing growth of a bit more than 298 per cent gross and slightly more than 375 euros net. In 2013, net earnings were 82.5 per cent of gross, while in 2022 this share has grown to 98.4 per cent, again demonstrating Moldova's preferential tax regime.

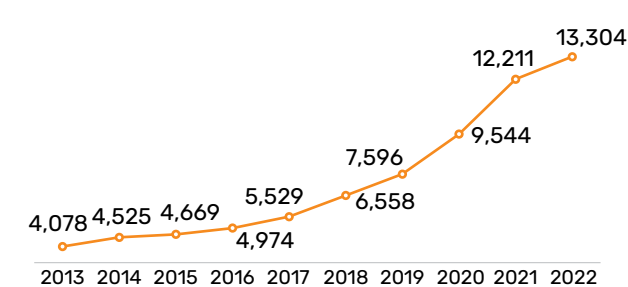
Figure 68. Average monthly earnings in IT-adjacent, euros



Source: NBSRM

Figure 69 shows the growth of the number of employees in the IT-adjacent sector (defined as previously). For the time frame 2013-2022, the number of employees has grown from 4,078 to 13,304. This trend depicts the fact for both growing demand for labour in IT-adjacent sector as well as a high appeal of this sector for workers, who benefit from relatively high salaries.

Figure 69. Number of employees in IT-adjacent sector

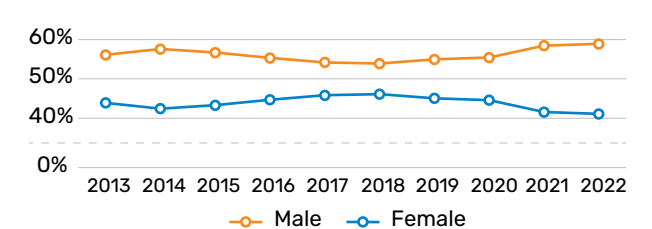


Source: NBSRM

Through the period from 2013 to 2022, the share of women in the ICT sector grew from 2013 to peak in 2018, when 46.1 per cent of all employees were female. Since then, the share of female workers has been in decline, and in 2022 the share was 41.1 per cent.

Although the share of female employees has not been growing, the absolute number of female employees in ICT increased substantially: from 7,769 in 2013 to 11,781 in 2022, almost 52 per cent growth. Taking into consideration the continuous decrease in the number of persons employed in Moldova due to demographical processes, the growth of the absolute number of women employed in ICT means an even more steep increase in the share of female workers in ICT.

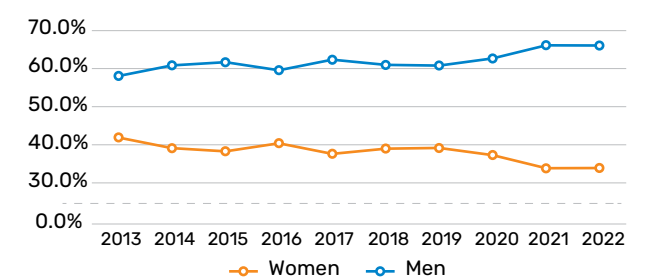
Figure 70. Share of ICT employees by gender, per cent



Source: NBSRM

In the IT-adjacent sector the gender dynamic is different from ICT: through the time frame 2013-22, an overall decline of the share of female workers can be observed. In 2013, the share of women in this sector was 41.9 per cent, while in 2022 female workers constituted only 33.9 per cent of all workers.

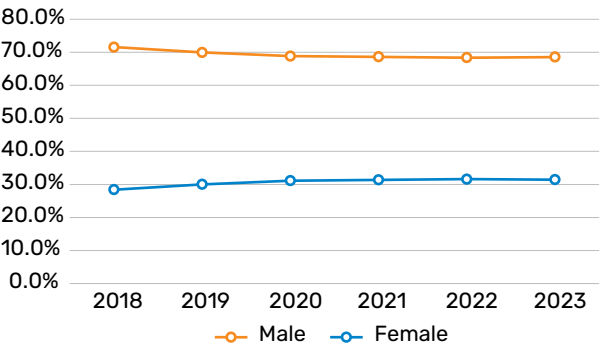
Figure 71. Share of employees in IT-adjacent by gender, per cent



Source: NBSRM

Compared to ICT and IT-adjacent sectors, the share of women employees of MITP, who are involved in eligible activities, is relatively stable and even shows slight growth: from 28.4 per cent in 2018 to 31.4 per cent in 2023.

Figure 72. Share of MITP employees involved in eligible activities by gender, per cent

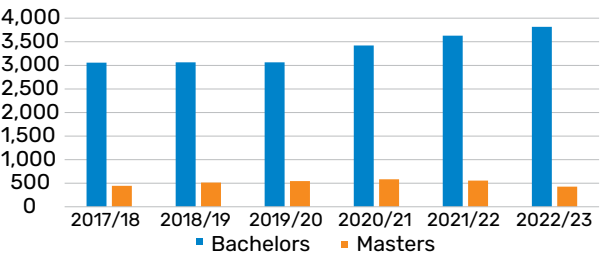


Source: MITP

The next set of indicators looks at students and graduates of Moldova’s universities—the future talent pool for Moldova’s IT sector.

There has been steady growth in the number of undergraduates in ICT, from 3,058 in the academic year 2017-18 to 3,817 in 2022-23. For masters students in fields related to ICT, the trend is not so obvious: the number of masters students was 445 in 2017-18, peaking in 2020-21 at 585 students, and then declining to 428 in 2022-23. That is a signal that future employment in the ICT sector is getting more and more desired among students.

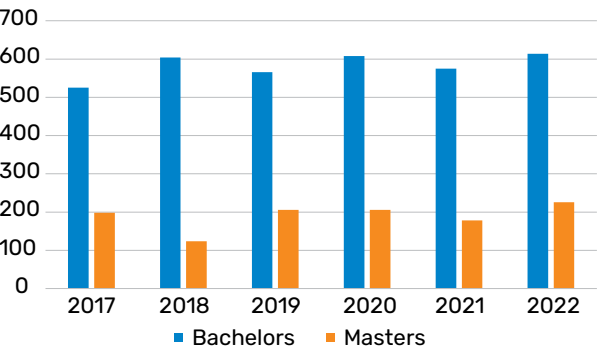
Figure 73. Number of ICT students by education level



Source: NBSRM

The next graph shows the number of ICT graduates from the country’s universities. There is no overall trend for either under- or post-graduates. In some years there is a decline, in others growth. In 2017, there were 525 bachelors and 198 masters graduates, while in 2022 there were 614 bachelors and 226 masters graduates, a change of 17 and 14.1 per cent respectively.

Figure 74. Number of ICT graduates by education level

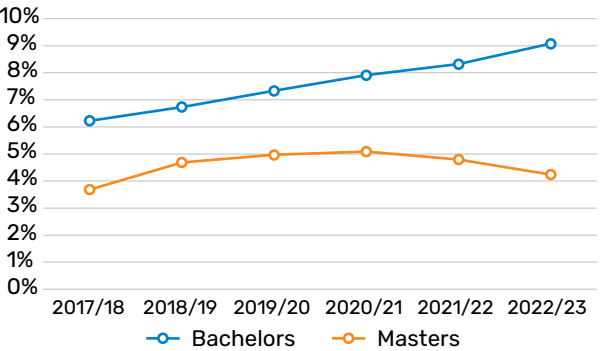


Source: NBSRM

When it comes to the share of ICT students at universities as a percentage of the total number of students at universities in Moldova, there is a clear linear trend for undergraduates: from 6.2 per cent in 2017-18 to almost 9.1 per cent in 2022-23, growth of 2.9 per centage points in total. Hence, it could be concluded that the future supply of the labour force for ICT sector appears to be available.

However, there is no such trend for masters students: the share of ICT masters students reached its maximum value of almost 5.1 per cent in 2020-21, and then declined to a bit more than 4.2 per cent in 2022-23. That might be due both to the decline of the demand for masters in ICT (as bachelors are viewed as educated enough to get a position) and the desire of students to start their professional career as soon as possible.

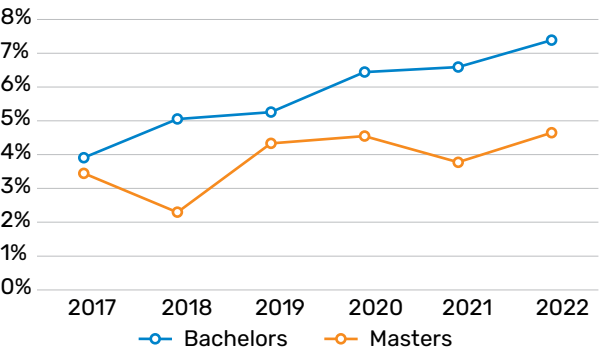
Figure 75. Share of ICT students of all students by level of education, per cent



Source: NBSRM

The share of ICT specialties graduates is similar to that of students, however it is more oscillating: the share of bachelor ICT graduates has grown from 3.9 per cent in 2017 to almost 7.4 per cent in 2022, a growth of 3.5 percentage points. The share of masters ICT graduates has also grown from almost 3.5 to almost 4.7, total growth of approximately 2.2 percentage points.

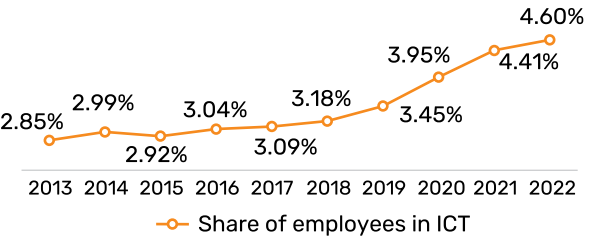
Figure 76. Share of ICT graduates of all graduates by level of education, per cent



Source: NBSRM

The share of employees in ICT in Moldova compared with the employees in whole economy has grown considerably over the past decade, from 2.85 per cent in 2013 to 4.6 per cent in 2022, which indicates the positive structural change in the employment patterns towards ICT.

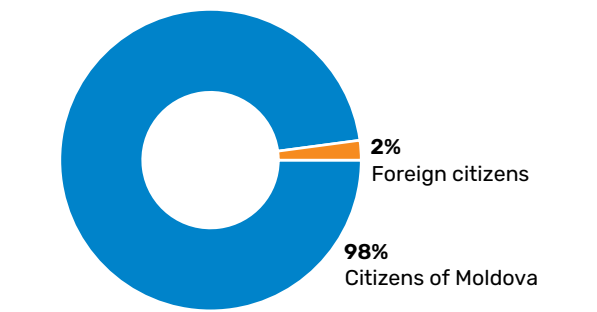
Figure 77. Share of employees in ICT in total economy, per cent



Source: NBSRM

The next step is to look at the structure of MITP resident employees in 2023: approximately two per cent were foreign citizens, and approximately 98 per cent were Moldova citizens.

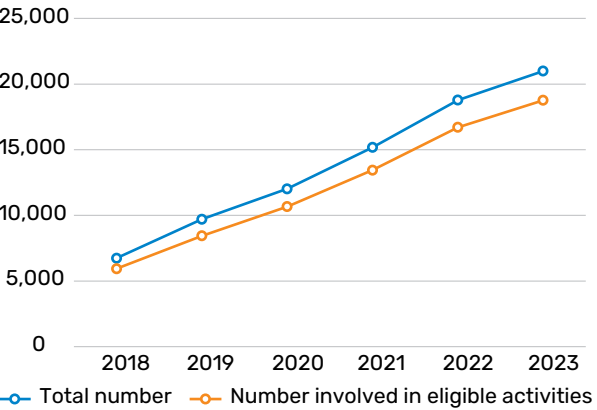
Figure 78. Structure of MITP residents employees by citizenship



Note: 2023 Total number of MITP residents employees in 2023: 20995
Source: MITP statistics

The following graph shows the dynamics of the number of MITP resident employees from 2018 to 2023. The total number of employees has grown from 6,744 in 2018 to 20,995 in 2023. The number of employees involved in eligible activities, has increased from 5,941 to 18,770. A clear, steep linear pattern is observed; it can therefore be concluded that MITP is an in demand place for employment and business activity.

Figure 79. Number of MITP resident employees



Source: MITP statistics

Doing business in IT, business services and the creative sector

This chapter looks at how to do business in the IT, business services and creative sectors in Moldova.

The process of registering and maintaining a business in Moldova is quite straightforward. In recent years, the Moldovan government has put significant emphasis on the digitalisation of public services for business. (Read more about these developments on [page 74](#)).

The Law on State Registration of Legal Entities and Individual Entrepreneurs regulates the registration procedures along with specific provisions dedicated to certain types of companies (e.g. limited liability companies or joint stock companies), the Moldovan Civil Code regulates relations, including the contractual, among businesses and third parties, and the Moldovan Tax Code regulates the procedure and terms of taxpaying in Moldova.

Over the last few years, Moldova has simplified the business registration process. The state registration of legal entities and their branches, and of individual entrepreneurs, is done during working days, within 24 hours. In urgent cases, the registration can be completed within four hours. As a result, in 2023, 6,442 new companies were registered, an all-time high. Detailed information about setting up a company can be found in the chapter on the Regulatory and legal environment on [page 64](#).

From the perspective of innovations, Moldova held 60th place in the Global Innovation Index out of 132 countries in 2023—an improvement of four places since 2021, overcoming Georgia and Albania, but performing worse than Romania, Poland and Ukraine.

As far as the Network Readiness Index 2023, benchmarking the future of the network economy, is concerned, Moldova ranks 67th, higher than Albania (79), and Georgia (78) but lower than Armenia (63).

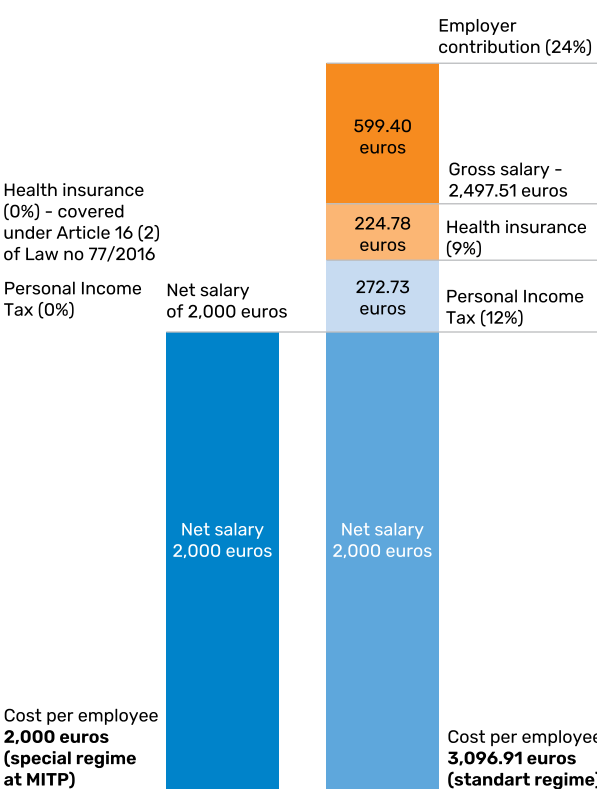
In 2018, the country set up the Moldova Innovation Technology Park, Europe’s first virtual park operating a special tax regime.

MITP resident companies enjoy several benefits:

- Virtual presence—they can carry out their activity anywhere in Moldova, without being limited to a specific location.
- Reduced tax burden—they pay a single seven per cent tax which replaces seven different taxes.
- Simplified administration—they make a single monthly payment thus reducing operational costs.
- IT visa—they can hire foreigners and are able to obtain work permits under the IT Visa Programme for a longer term than in the usual tax regime (two years for IT specialists, four years for IT resident management).
- State guarantee – the single tax rate of seven per cent and its structure is guaranteed by the state until December 31, 2035.
- The park functioning term has been extended until 2037.

Considering the regulation under the Law on IT parks, companies and individuals who are residents of MITP benefit from a preferential taxation regime, as they pay the single tax of seven per cent of sales revenue (but not less than 4,110 Moldovan lei per employee per month in 2024—approximately, 213 euros per month).

Figure 80. Cost per employee – standard tax regime vs special regime at MITP*



* the gross salary of 2,000 has been chosen for illustrative purposes

Payroll taxes are included in a single tax, therefore the cost per employee equals the effective net salary. Employees enjoy the same benefits as all employees in other sectors of the economy (e.g. full medical insurance, limited social security benefits – i.e. medical leave – including caring for a sick child), maternity leave, childcare leave up to the age of three, pension.

In order to become an MITP resident, a company has to meet the following eligibility criteria:

- registered on the territory of the Republic of Moldova as a subject of entrepreneurial activity
- not be in the process of insolvency or liquidation, restructuring as result of bankruptcy, or having suspended business activity
- 70 per cent or more of sales revenue must be generated from eligible activities

The company’s activities that are eligible must generate at least 70 per cent of the resident company’s turnover. The eligible activities within MITP are the following:

- custom software development, including programming, modification, testing and support of software products
- editing software products
- computer games
- operating systems
- corporate applications

- tech consultancy, including computer systems planning and design
- management and operation of computer systems
- labour supply (exclusively for export)
- call centre activities (exclusively for export)
- audio recording and music editing activities, limited to original sound recordings (for computer games)
- manufacturing of hardware such as microprocessors or integrated circuits
- data processing, administration of web pages
- operation of web portals
- research and development in biotech
- cinematic post-production, including special effects and animated films
- specialised design based on high-performance hardware
- computer training
- cinematographic post-production, limited to digital colour correction (for computer games)
- cinematographic post-production, limited to editing and sound design (for computer games)

Resident companies are required to comply with the following MITP obligations:

- Pay the resident fee (for the month when the resident status is obtained, the contribution is 50 Moldovan lei (approximately 2.60 euros). Starting from the following month, the resident fee is established depending on the number of park residents and their income obtained from sales. For 2023, the resident fee was 86 Moldovan lei per month (4.50 euros) in case of achieving an annual income of one million Moldovan lei (approximately 51,800 euros).
- Submit a quarterly report by the 25th day of the month following the reported quarter, e.g. by April 25 for the first quarter.
- Perform an annual check – the annual verification (limited audit procedures) is carried out by an audit entity accredited in Moldova and each resident independently selects and contracts their audit entity.
- Inform new employees in writing (prior to their employment) about the particularities of social and medical insurance, along with requirements on income tax from the salary.
- Observe the requirements of general legislation such as: keeping accounts, presenting reports, financial statements and declarations, respecting the anti-money laundering requirements.
- Notify the MITP administration of any statutory changes, e.g. the name, the administrator, the legal address, the contact data (phone and email, etc.)

Companies can apply to become MITP residents using an online platform [mitp.md](#) via director’s digital signature (English version also available).

Regulatory and legal environment

This chapter looks at the regulatory and legal framework that governs Moldova's technology sector. Key laws and regulations include the Law on IT Parks, the Law on Registration of Legal Entities and Individual Entrepreneurs, the Intellectual Property (IP) and Data Protection provisions, cybersecurity regulations and labour legislation, each impacting various aspects of the sector. Additionally, you will learn about various national programmes supporting innovation and the development of the IT sector.

Regulations on starting a new business

The Law on State Registration of Legal Entities and Individual Entrepreneurs mentions the procedure, time frames, documents required and fees for registration of business. Establishing a business entity in Moldova involves registration with the State Register of Legal Entities/Individual Entrepreneurs held by the Agency for Public Services.

The most widespread forms are limited liability companies (LLCs) and joint stock companies (JSCs), along with individual entrepreneurs as individual businesses. From a corporate's perspective and easiness of doing business, the choice usually tends to be an LLC. All mentioned types of business are permitted to become a resident of MITP.

Documents needed to register a new company are the following:

- an application form for registration (available for download [here](#));
- a decision on incorporation and documents of incorporation of the legal entity, according to its type of activity (e.g. LLC or JSC);
- copy of an identification document (ID card/passport) of the founder and administrator;

- information about effective beneficiary under the anti-money laundering (AML) legislation.

In addition to the above, for registration of a new company with foreign capital (a subsidiary of a foreign company) the following documents, translated into Romanian and apostilled, are required:

- an extract from the register (e.g. commercial, trade) of the founder;
- incorporation documents of the foreign legal entity/founder.

Documents needed to register an individual entrepreneur are:

- an application form for registration available for download [here](#).
- an identification document (ID card/passport)

The fee for registration of a legal entity within the regular timeframe of 24 hours is about 60 euros, and in an expedited term of 4 hours – 230 euros. Also, online submission procedure of documents is available via a dedicated email address (inregistrare.ud@asp.gov.md) under the condition that all documents are signed with electronic signature obtained from Moldovan providers.

Moldova's Law on Limited Liability Companies sets the legal framework for the establishment, operation, reorganisation, and liquidation of such entities, providing a legal foundation for their activities.

This law ensures the protection of the rights and interests of associates, shareholders, and stakeholders, promoting transparency and accountability in corporate practices. By limiting shareholders' personal liability to their invested capital, the law incentivizes investment, legal compliance, and fosters trust in these businesses.

In October 2023, in order to enhance the business environment, facilitate investments, and strengthen shareholder relationships, as well as to align the Moldovan law to international best practices and the standards of the European Model Companies Act, essential amendments were introduced to the Limited Liability Companies. The available instruments for the investors to consider upon structuring a LLC business refer to:

- shareholders' agreement conclusion – allows shareholders to regulate the exercise of rights within the company, including voting and the transfer of ownership interests, the coordinated management of the company, or abstaining from certain actions.
- proportionality rule – it gives shareholders the right to set a different ratio between the value of the ownership interest (i.e. share) and the associated rights, thus allowing for the diversification of contributions from each shareholder and encourages investors with limited financial resources to participate in commercial companies.
- incentive capital – allows employees to participate in the financial benefits of the company or become fully-fledged shareholders.
- liberalisation and simplification of the company administration – it allows stakeholders to establish different timelines for distribution of net profit, intermediate payment of dividends, and other aspects.
- flexibility on mandatory statutory rules – allows stakeholders to decide which changes to the company's data will be included in the Articles of Association and which will only become binding through a general meeting of shareholders.
- flexible share capital – it allows for contribution to the share capital with intellectual property rights, the conversion of a pecuniary obligation, and clear procedure for increasing the share capital through additional contributions.

Online services for business

The Moldovan State Tax Service and Government allows residents to pay the majority of taxes, contributions, services and fees online, and for some services by using the Government E-Payment Gateway. Those include taxes on vehicles, issuance of residence certificate, registration as a value-added tax (VAT) payer, personal income tax (PIT), social security contribution, health insurance contribution, issuance or extension of the entrepreneur's patent, wealth tax and real estate tax.

EU candidate status

In 2014, Moldova signed the Association Agreement (AA) with the European Union, which started came into force in 2016. The Agreement established the Deep and Comprehensive Free Trade Area (DCFTA) with the EU, which introduced a range of obligations on the Moldova Government, such as the introduction of quality certification procedures for certain products, quality requirements, anti-discrimination regulations, combating corruption and money-laundering, enhancement of legislations and justice systems, minorities rights protection etc. Since 2014, Moldova has [implemented](#) two National AA Action Plans, the first (2014-2016) was achieved in a proportion of 73.73 per cent, and the second (2017-2020) was achieved in a proportion of 71.56 per cent. The third Action Plan was signed in 2021.

From the taxation perspective, Moldova had to implement good governance practices, such as transparency principles, exchange of tax information with the EU, fair tax competition, and a fight against tax fraud and tax avoidance. Moldova was also obligated to approximate VAT and excise duties regulation with EU standards.

In June 2022, the European Council recognised the significant success of the reforms Moldova has made, and therefore Moldova was granted candidacy status from the EU, which brought with it new requirements for further reforms. in order to enhance reforms progress.

In 2022, the new association [recommendations](#) of the EU-Republic of Moldova Association Council were introduced. According to them, parties agreed to further investment in Moldova's digital transformation, including the development of support programmes for the digitalisation of SMEs, e-governance and public digital services as well as digital skills and e-literacy among the population. The recommendation highlights some important steps for Moldova to make in the sphere of cybersecurity, data protection and tax administration:

- Strengthen cyber security by means of enacting into national law the Directive (EU) 2016/1148 on measures for a high common level of network security and information systems in the Union (NIS Directive). Moldova adopted this legislation in 2023.
- Continue harmonisation of the national legal framework in the field of personal data protection to EU law with a particular focus on Regulation (EU) 2016/679 and Directive (EU) 2016/680 – that framework was almost fully adopted by Moldova, the fundamental steps are already active.

- Support the implementation of e-Government agenda, with an emphasis on cross-border e-Services for citizens and businesses, as an important output of the EU4Digital project
- Continue legal approximation in the Customs area by implementing the 2021 Customs Code in line with the Union Customs Code and other acts listed in Annex XXVI of the Association Agreement. In this regard Moldova has approved a new Customs Code that officially came into effect on January 1st 2024.

Framework for IT Park Creation and Operation

Moldova's law on IT Parks (No. 77 of April 21, 2016) establishes the general framework and governs the establishment and operation of information technology parks in the country. The law outlines permitted activities to be developed within the park, including computer programming, software development, and consulting services. It also allows for education, research and development, and specialised services tailored for the computer games industry. Additionally, the law contains the requirements that the companies have to meet in order to become residents of the park and benefit from single tax.

In December 2017, the Government issued a decision detailing the functioning and establishing the Moldova IT Park, as a virtual park with the Administration as the administrative body to operate the park. The decision was made effective from January 2018, for a duration of 10 years.

March 2023 saw amendments to the Law on IT Parks, and recent amendments effective from February 12, 2024, aim to enhance the legal framework for MITP residents such as:

- Extension of the IT park's operational term to 20 years, subject to the Government's adjustment of the subsidiary framework.
- Extension of the state guarantee until 2035, ensuring tax stability for residents despite potential future tax regime alterations.
- Inclusion of new export-oriented activities as eligible within the park: call centre activities and other labour supply services and post-production services for media content, exclusively for the computer games sector.

Additional changes include allowing the employees of IT park residents to work within or outside Moldova without territorial constraints. The scope of eligible activities within the IT park has expanded to include post-production services for media content, exclusively for the computer games sector.

These changes offer several benefits to MITP residents, including work flexibility, the ability to attract international talent without requiring physical relocation, and the opportunity to form international teams.

For specific eligibility criteria and eligible activities, check the chapter Doing business in IT on [page 62](#).

Legal framework aimed at regulating and safeguarding intellectual property rights

Moldova has in place provisions and requirements related to copyright and protection of intellectual property (IP) rights governed by key laws and regulations.

The State Agency on Intellectual Property (AGEPI) plays a pivotal role in promoting and overseeing activities for the legal protection of intellectual property, encompassing industrial property rights, copyrights, and related rights.

In particular, the Law on Copyrights and Related Rights (enacted in July 2022) regulates and safeguards intellectual property rights. It is particularly tailored to address the challenges posed by modern technology.

The law aligns Moldovan copyright legislation with various European directives. These directives cover a wide spectrum, including copyright and related rights, satellite broadcasting, cable retransmission, databases, harmonisation of copyright in the information society, resale rights for original works of art, intellectual property rights enforcement, rental rights, the term of protection of copyright, legal protection of computer programmes, and permitted uses for individuals with disabilities.

The law encompasses various aspects, including copyright protection, the management of rights, the role of collective management organisations, and procedures for addressing copyright infringements. Foreign individuals and entities enjoy equal treatment under copyright and related rights.

Various specialised laws protect different aspects of intellectual creations, including the Law on the Protection of Industrial Designs (applicable since December 2007), the Law on the Protection of Trademarks (applicable since September 2008), and the Law on the Protection of Inventions (applicable since October 2008).

Patents are granted to inventions adhering to criteria of novelty, inventive step, and industrial applicability, retaining validity for 20 years from the date of filing. Trademarks find safeguarding through registration with AGEPI, holding initial validity for a decade from application and permitting indefinite renewal for successive ten-year periods.

Industrial designs meeting the standards of novelty and individual character are eligible for protection, with registration lasting an initial five years and renewable for further five-year terms, reaching a maximum of 25 years.

Copyrights extend protection to original works such as literary, artistic, and musical creations, enduring for the life of the author plus 50 years posthumously. Trade secrets, including confidential business information like formulas and processes, enjoy legal protection under Moldovan law, with no prescribed duration but requiring continuous confidentiality to maintain their protected status.

Framework for Protection of Personal Data

Moldova has in place provisions and requirements related to personal data protection.

The National Centre for Personal Data Protection is the state authority in charge of supervising compliance with legal requirements on personal data protection.

Moldova has the Law on the Protection of Personal Data (that came into effect in October 2011, with an amendment effective in April 2023) that establishes a legal framework for safeguarding personal data in accordance with European General Data Protection Regulation (GDPR).

In line with GDPR, recent amendments to the Law on the Protection of Personal Data detailed the legal regime for the cross-border transmission of personal data, allowing the free movement of data between Moldova, the EEA states, and the countries ensuring an adequate level of personal data protection, as

approved by the Moldovan regulator. In addition, the problem of transferring personal data outside of the EEA has been solved by approving the Moldovan version of the standard contractual clauses (SCC) covering three data-transfer scenarios: controller-to-controller; controller-to-processor; and processor-to-controller.

The Law on the Protection of Personal Data focuses on protecting fundamental rights and freedoms of data subjects, particularly the right to privacy, and applies to a broad spectrum of data processing activities within Moldova, including those by foreign data controllers.

The law sets fundamental conditions for processing, storing, and using personal data, with an emphasis on obtaining explicit consent from data subjects for data processing. Data subjects' sights are clearly outlined.

The law also introduces a Data Protection Impact Assessment process to evaluate potential data protection risks.

Taking into consideration the recommendations of the European Union in the context of accession of Moldova to the EU, data protection remains one of the key points for improvement of the legal framework. A draft law implementing GDPR rules, a direct transposal of EU rules in Moldova, is currently under consideration and public consultation.

Framework on Cybersecurity

Cyber security in Moldova is a national priority, and strengthening the capacities of this sector are crucial in the regional context and the increasingly frequent challenges of the digital age.

Therefore, in line with recommendations of the European Union, Moldova's new cybersecurity law, effective January 1, 2025, was developed with EU support to enhance cybersecurity standards. It empowers Moldova's authority to designate institutions meeting these standards, which must report cyber incidents.

The law incorporates EU best practices, aiming to improve cybersecurity communication and enhance Moldova's cyber space security. Enacted on March 16, 2023, the law governs cybersecurity norms, organization, and cooperation, establishing a framework for crisis management, ensuring network

and information system security, and managing cyber incidents.

At the end of 2023 was appointed the National Agency for Cyber Security and the National Institute of Innovations in Cyber Security "Cybercor", these institutions will play a key role in preventing and combating cyber threats.

Government initiatives and programmes incentivising the IT industry

Digital Innovation and Technological Start-ups Support Programme

The Digital Innovation and Technological Start-ups Support Programme aims to provide non-repayable financial aid to small and medium-sized innovative enterprises (SMEs) and start-ups in Moldova, focusing on information and communication technologies and emerging sectors. Its core mission is to promote research and development activities, fostering innovation, prototyping, and sustainable industrial production and environmentally friendly technologies.

The programme is managed by the Organisation for the Development of Entrepreneurship (ODA), and comprises three thematic financing components:

- Digital Innovation: Supporting innovative concepts and methodologies leading to cutting-edge digital or electronic products, services, and operational models.
- Green Technology: Advocating breakthroughs in research and development for innovative technological products and services aiming to replace materials, machinery, processes, and systems with adverse environmental impacts.
- Sustainable Production: Nurturing inventive processes, practices, and applications to revitalize conventional industrial production models, promoting resource circularity.

In February 2023, fourteen innovative Moldovan tech projects secured state funding as a result of a call for projects under this programme. The winning projects proposed various ideas, including establishing a virtual marketplace for tourism, incorporating innovative elements into waste recycling, creating an

application to monitor vital information for newborns, and setting up a digital school for programming and logic, among other innovations.

Backed by USAID and the Government of Sweden, this programme offers grants of up to 500,000 Moldovan leu (around 25,000 euros) per project, totalling 5.65 million lei (around 282,500 euros) for all winners. Participating companies are required to contribute 20 per cent of the investment value.

National Programme for Promoting Entrepreneurship and Increasing Competitiveness (PACC 2027 Programme)

The PACC 2027 Programme aims to strengthen Moldova's entrepreneurship, fostering a more competitive and sustainable economy. It seeks to modernise the business environment, particularly for EU market alignment, by enhancing local companies' productivity, reducing the informal economy, and promoting inclusive sustainable development.

Through digitalisation and deregulation initiatives, including reforms to laws such as the Entrepreneurship and Enterprise Law, the programme aims to cultivate innovation, supporting start-ups, e-commerce, and green practices.

Framework on Crowdfunding

Moldova has recently adopted a crowdfunding law, operational from March 2024. This financing model has the potential to revolutionise the entrepreneurial landscape by easing access to funding and fostering innovation.

The law establishes clear guidelines for crowdfunding services, defining providers as legal entities registered in Moldova and authorised to offer such services, ensuring a reliable framework for donors. It also distinguishes between key players in the crowdfunding process, such as developers seeking funding and investors contributing to projects.

Additionally, the law covers reward-based crowdfunding, where donors receive benefits, and equity-based crowdfunding, where investors gain a stake in the supported business. These regulations aim to create a secure environment for start-ups, donors, and investors, encouraging the growth of a vibrant and innovative start-up ecosystem in Moldova.

Framework on Foreigners' Employment

Passport holders of over 100 countries globally are not required to obtain a visa to enter Moldova. A full list of these countries can be found [here](#).

Passport holders of other countries, specifically of Afghanistan, Bangladesh, Cameroon, Chad, Congo, Democratic People's Republic of the Congo, Egypt, Eritrea, Faso, Ghana, Indonesia, Iran, Iraq, Ivory Coast, Jordan, Lebanon, Liberia, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, North Korea, Pakistan, Palestine, Sierra Leone, Somalia, Sudan, South Sudan, Syria, Tunisia, Turkmenistan, Yemen, are required to obtain an invitation from an individual who exercises full legal rights, or an entity registered in Moldova, to complete the entry visa application process.

Since September 2023, citizens of the 27 European Union countries, and since January 2024, citizens of 20 other countries, have not been required to obtain a temporary work permit and are allowed to work for up to 90 days on Moldovan territory. The list of non-EU countries includes Albania, Armenia, Azerbaijan, Australia, Bosnia and Herzegovina, Canada, Georgia, Iceland, Japan, Liechtenstein, Montenegro, North Macedonia, Norway, Serbia, South Korea, Switzerland, Turkey, Ukraine, the United Kingdom and the United States.

If they intend to work in Moldova after the initial 90 days, the passport holders of all these 47 countries can choose to obtain a permanent work permit upon arrival or at any time within the first 90 days.

The General Inspectorate for Migration provides detailed requirements in specific cases [here](#).

Additionally, the residents of the MITP exclusively, can hire highly qualified IT managers and specialists from abroad based on the so called IT Visa Programme. Individuals who administrate an MITP resident company can be granted a four-year work permit and IT-specialists – a two-year work permit.

For more information about the IT Visa Programme, go to Doing IT in Moldova on [page 62](#).

Remote work regulations

Moldovan labour legislation allows remote work under the condition that such type of work is expressly mentioned in the labour agreement concluded between the parties. The Labour Code provides the specifics of remote work, sets the rights and obligations of parties (remote workers benefit from the same rights as non-remote workers) and gives some details on contract regulations.

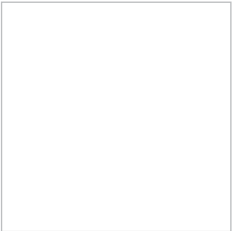
Foreigners, regardless of their citizenship, may be employed by a MITP resident on the basis of an employment contract. Their employment can be concluded in two ways: if the foreign citizen will physically relocate or will remain outside the territory of the Republic of Moldova.

Foreigners have the right to work without obtaining a visa, the right of residence or the right of temporary residence, without obtaining the work permit/ temporary residence, if a series of conditions are met cumulatively:

- a) obtain a state identification number (IDNP) and electronic identity under Moldovan legislation;
- b) will not exceed 90 days within 180 days and does not have the status of a Moldovan tax resident;
- c) the employment contract is concluded as an electronic document, electronically signed by both parties.

The salary in the remote work employment contract can be established and paid in the currency agreed by the parties.

If the employee is hired from abroad and will not physically relocate to Moldova, they are subject to taxation in their country of residence.




Tech ecosystem and start-ups


This chapter looks at the start-up ecosystem in Moldova as well as its key stakeholders. Nurturing a thriving tech ecosystem is essential to the country's efforts to strengthen innovation and investment.


Moldova is an emerging start-up ecosystem. According to StartupBlink's Global Start-up Ecosystem Index 2023, Moldova ranks 85th globally (three places higher than in 2022) and last but one in the emerging Europe region (Kosovo and Montenegro are not included in the index). However, Moldova's capital Chişinău achieved a remarkable rise of 157 spots to 497th globally in 2023. The other two cities with vibrant start-up communities are Bălţi, in the northern part of the country, and Cahul, in the south.


Dealroom says that between 2018 and the third quarter of 2023, Moldovan start-ups raised 46 million US dollars. Startup Moldova, which supports the development of the start-up ecosystem, runs [a database](#) of over 80 start-ups.


Here are some of the most notable Moldovan start-ups with significant funding raised:


 **XOR**, which produces modern communication software for efficient recruitment, hiring, and talent retention, has raised 12.7 million US dollars.

 **Brizy**, a multiplatform website builder that anyone can use, raised 2.4 million US dollars.


 **GO₂**, a ClimateTech and AgTech company which built the first and the largest global geospatial data marketplace in agriculture, has raised two million euros.


 **enablD.**, offering smart and cost-effective business communications services, has raised 1.4 million US dollars.


 **fagura**, a credit marketplace that intends to become a digital bank, crowdfunded 786,845 euros from 287 investors, in their second crowdfunding campaign.


 **NodeShift** Most recently, in January 2024, **NodeShift**, a decentralised cloud provider that allows businesses to build and host secure applications affordably, raised 3.2 million US dollars from Inovo, Notion Capital, 10X Founders, Kestrel0x1, Arca, Oxford Seed Fund and Epic Games to launch their product publicly to developers at large.


And here, some other start-ups that have already become or are on their way to become Moldova's start-up success stories:


 **Bloomcoding**, an online coding education platform for children teaching them how to code through Virtual and Augmented Reality experiences.


 **EasyPlan**, the medical business management assistant.


 **Dely**, white label delivery solutions required to set up and run a delivery business.


 **DoctorChat**, an online clinic platform.


 **EdooSitter**, a platform connecting parents to verified and trained babysitters.


 **personizely**, a tool that allows businesses to dynamically tailor their websites to each visitor, creating an engaging user experience.


 **planable**, a marketing collaboration platform used for content review, approval and publishing.


 **ROCMAN**, a platform automating recruitment tasks, managing the candidate base and hiring the right person.

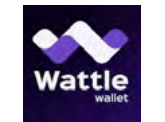
 **renter**, a long-term electric bicycle rental service for couriers.

 **SelfTalk**, a platform to enhance well-being and performance through self-talk science.

 **sonr**, a small underwater communicator allowing swimmers and triathletes to progress faster than ever.

 **unde**, a platform for event pages management with tools for events promotion, tickets sale and community building.

 **ViarLive**, a tool that allows 360 enthusiasts and business owners to create and share VR experiences with ease.

 **Wattle**, a fingerprint protected wallet that provides a secure and intuitive platform for storing, exchanging, and trading digital currencies.

Eugene Tsyркlevich
Founder & CEO, Parkopedia



As an angel investor born in Moldova, I am particularly drawn to Moldovan start-ups for their resilience, innovative spirit, and deep understanding of both local and global market needs. Moldova's unique geographical and cultural position, straddling the East and the West, imbues its entrepreneurs with a versatile approach to problem-solving, enabling them to create solutions that are both locally relevant and globally scalable. Additionally, the growing tech talent pool and the increasing support from both the government and private sector for start-ups in Moldova make investing in these ventures not just a matter of national pride, but a strategic decision with promising returns.

Anton Waschuk
Scout at u.ventures and Director of Innovation, Education and, Entrepreneurship at Western NIS Enterprise Fund



Over the past five years, I've witnessed a remarkable transformation in Moldova's IT sector, solidifying its position as a dynamic and promising hub for technology and innovation in Eastern Europe. The period has been characterised by a significant surge in investment deals, a testament to the growing confidence among both local and international investors in Moldova's digital future. Particularly noteworthy, in 2023, Moldovan start-ups raised over 10 million euros, marking a substantial positive development in our sector. As an investor in the Moldovan market, I find myself evaluating more potential deals than ever before, a clear indication of the sector's robust growth and the burgeoning interest it has sparked. This influx of investments has played a crucial role in fostering a vibrant ecosystem, marked by a skilled talent pool, forward-thinking entrepreneurship, and supportive government policies geared towards innovation. Looking ahead, I see Moldova's IT sector on the cusp of further exponential growth, brimming with untapped potential in areas like fintech, edtech, and cybersecurity. There lies an abundance of opportunities for investors and entrepreneurs alike to drive the next wave of digital transformation.


Vasile Tofan
Senior Partner, Horizon Capital




Moldova, like Ukraine, has a strong math and science legacy, which resulted in a solid software engineering base. It gave birth to IT services success stories like Endava, Pentalog or Amdaris, but is increasingly churning promising product start-ups. As Horizon Capital, we just completed the raise of a 350 million US dollar growth equity fund so will be keenly looking to backing tech champions in the region.


There are no local venture capital funds, which is an opportunity for players from the region and beyond. The start-up ecosystem is bound to evolve and grow and those who come at this stage are able to help shape the ecosystem and make an impact but also negotiate favourable terms. In fact, there are several funds that have either already invested in Moldovan start-ups or actively exploring the local ecosystem.


[10X Founders](#)


[Angular Ventures](#)


[Credo Ventures](#)


[Gapminder](#)


[Gurtin Ventures](#)


[Horizon Capital](#)


[Inovo](#)


[Notion Capital Managers](#)


[s16vc](#)


[SignalFire](#)

[Signet Global](#)

[The Garage](#)

[Twin Ventures](#)

[u.ventures](#)


[Western NIS Enterprise Fund](#)

Local funding is provided by [Business Angels Moldova](#) and [Mozaic](#).




[Alliance of Small and Medium-sized Enterprises from Moldova](#)


[Centre of Excellence in Computing and Information Technologies](#)

[Chemonics](#)

[Digital Innovation Hub of Moldova](#)


[Dreamups](#)

[Drupal Moldova](#)

[Entrepreneurship Development Organisation](#)

[European Bank for Reconstruction and Development](#)

[finantari](#)

[Impact Academies and Camps](#)

[Innovate Moldova \(Future Technologies Activity project in Moldova\)](#)

Moldova's start-up ecosystem enjoys support from various investor groups and organisations.

[Investiții.md](#)

[MentorMe](#)

[Mediacor](#)

[Moldova Innovation Technology Park](#)

[Moldovan Association of ICT Companies](#)

[Orange Moldova](#)

[Startup City Cahul](#)

[Startup Moldova](#)

[Simpals Factory](#)


[Technovator](#)


[Technology Transfer Network of Moldova](#)


[Tech Women](#)


[Tekwill](#)


[Traktor Community](#)


[XY Partners](#)


[Yep! Moldova](#)


[Centre of Creative Industries Artcor,](#)


[Community Business Centre](#)

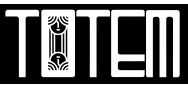
[Digital Park](#)

[Generator Hub](#)

[iHub](#)

[Skytower](#)

[Tekwill](#)

[Totem](#)

There is also a growing number of co-working spaces and offices in the country's capital, including

For more details related to the legal requirements and support for start-up founders, see the chapter Regulatory and legal environment on [page 64](#).

Digital transformation of public services

In this chapter, we look at Moldova’s digital transformation, focusing on its main national strategy and key objectives for 2030. It also provides insights into the current status of digitalisation in public services, which is a barometer of the country’s digital and tech readiness.

Moldova’s digital transformation reached a milestone in September 2023 with the official endorsement of the country’s Digital Transformation Strategy for 2023-2030. This approval represents a step toward Moldova’s future, emphasizing the nation’s commitment to adopting global standards and leading digital practices.

This mission is rooted in core guiding principles, including prioritising human development, distributing implementation responsibilities among various stakeholders, and pledging dedication to international best practices and full alignment with EU standards and regulations.

Moldova’s vision is clear: to become an innovative, all-encompassing digital society with modern infrastructure, digitally literate citizens, a pro-digital administration, a thriving digital business community, and a collaborative environment fostering innovation and sustainable human development.

Key objectives of the strategy include:

- **Digital Society:** Promoting education, digital skills, bridging disparities, digital entrepreneurship, and widespread digital service availability.
- **Competitive ICT Environment:** Establishing universal broadband access, cutting-edge infrastructure, data reuse, investment attraction, and private sector partnerships.
- **Secure Cyberspace:** Ensuring safety, protecting online rights and freedoms, securing infrastructure, fostering collaborative cyber protection, and enhancing cybersecurity awareness.
- **Invisible Digital State:** Transitioning to a paperless, automated, data-driven public administration with sector-wide digitalisation and interoperability.
- **Digital Economy:** Connecting data and services with the EU, supporting startups, nurturing the ICT industry, and enabling cross-border digital services.
- **Digital Moldova - Trusted International Partner:** Aiming for a shared digital space with Romania, legal alignment with the EU, digital ID recognition, global digital leadership, and contributing to best practices.

Expected outcomes of this journey include:

- **Inclusive Societal Transformation:** Ensuring participation and benefits for all segments of society.
- **Citizen-Centric Services:** Tailoring public services to genuine needs with inclusivity, transparency, and innovation.
- **Revamped Governance:** Creating an efficient, secure, and innovative public administration integrated with digital technologies.
- **Knowledge-Driven Economy:** Transitioning to a knowledge-based, innovative economy with digital business solutions and increased digital financial transactions.

- **Secured Cyber Environment:** Protecting state and personal data, digital rights, and personal data control.
- **Internationally Recognised Digital State:** Reducing the digital divide in Moldovan life.
- **Digitally Empowered Nation:** Integrating digital literacy into educational programmes and promoting digital education as a fundamental life skill.

As the strategy is implemented, milestones expected to be achieved by 2030 include:

- Achieving a 100 per cent digitisation rate for all public services and electronic data exchange in the public sector.
- Ensuring that at least 50 per cent of the population has access to electronic medical records.
- Ensuring that more than 70 per cent of citizens have an active digital identity.
- Ensuring that more than 80 per cent of the population has basic digital skills.
- Increasing the share of STEM graduates among all university graduates to at least 16 per cent.
- Ensuring that the share of specialists in the field of ICT is at least two per cent of the adult population, with gender convergence.
- Increasing the share of ICT in gross domestic product to at least 10 per cent.
- Ensuring that the share of ICT products and services in total exports is at least 15 per cent.
- Ensuring that more than 60 per cent of SMEs achieve a basic level of using digital technologies in business management and product and service development.
- Ensuring that more than 40 per cent of Moldovan companies have access to digital platforms for their products and services.
- Ensuring that at least 50 per cent of Moldovan companies use Cloud/IA/Big Data technologies.
- Making important digital business services for companies fully available, with technical capabilities for opening, managing, and closing a business remotely.
- Increasing the export of IT and BPO services by 15 per cent annually and ensuring at least 10 per cent local adaptation of digital solutions developed in Moldova.

- Increasing the number of students studying digital technologies in various fields from six per cent to 10 per cent.
- Ensuring that electronic signatures are mutually recognised between Moldova and the European Union.
- Ensuring that at least 30 per cent of government e-services are available in cross-border scenarios.
- First Moldovan start-ups reaching ‘unicorn’ status, and no fewer than 10 Moldovan products reaching a valuation of 100 million US dollars.

In 2023, 70 per cent of data requests were made online, indicating a shift towards digital services. Two out of three entrepreneurs prefer using online services, with only 30 per cent of requests being made in person at counters. Out of 3.7 million requests for various services, 2.48 million were processed online, while 1.1 million were handled at counters.

Regarding digitalisation, 50.9 per cent of all public services are now fully digitalised. Institutions such as the National Archives Agency, Chamber of Commerce and Industry, National Medical Insurance Company, the National Social Insurance House, Geodesy, Cartography and Cadastre Agency, Ministry of Economic Development and Digitization, Environment Agency, and National Agency for the Regulation of Nuclear and Radiological Activities have achieved 100 per cent digitalisation.

In February 2024, Moldova joined the EU Digital Europe Programme, adding up to another advancement with vast digitalisation prospects across various sectors. The programme boasts a budget of 7.5 billion euros for 2021-2027 period. This development enables Moldovan businesses, local governments, NGOs, and central institutions to access European funds dedicated to digital transformation, marking a key moment for its public administration and business environment.

Infrastructure and connectivity

This chapter looks at Moldova’s telecommunications landscape, digital infrastructure and air transport connectivity.

In 2022, Moldova made advancements in its telecommunications landscape. According to data from the International Telecommunication Union (ITU), Moldova allocated two per cent of its Gross National Income (GNI) per capita to the fixed broadband sector, resulting in 24.4 fixed broadband subscriptions per 100 inhabitants.

Moldova also reported 29.1 fixed-telephone subscriptions per 100 inhabitants, underscoring the continued relevance of fixed telephony. On the household front, 59.9 per cent of Moldovan households owned a computer, and 67.5 per cent had internet access.

The commitment to mobile broadband and cellular services was evident with investments of 0.6 per cent and 0.7 per cent of GNI per capita, respectively. Moldova achieved full broad mobile network coverage, reaching 100 per cent of the population with mobile-cellular networks, 99.9 per cent with 3G networks, and 99.2 per cent with 4G networks.

Furthermore, the country boasted 127.4 mobile cellular subscriptions per 100 inhabitants, and mobile broadband users consumed an average of 7,318.5 MB of data per month per subscription.

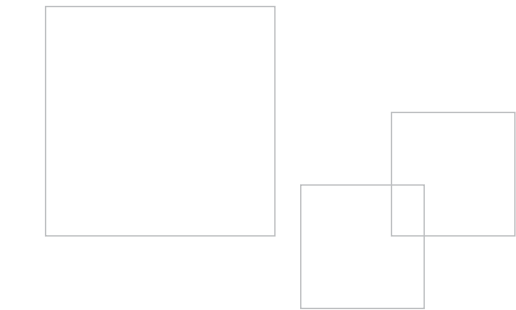
In addition to these achievements, in 2023, Moldova secured 36th spot worldwide with a mean download speed of 92.10 megabits per second (cable.co.uk).

Within the emerging Europe region, Moldova attained 6th position in mean download speed, trailing behind Slovakia, Romania, Slovenia, North Macedonia, and Poland. (see figure 81).

Figure 81. Mean download speed (Mbps) Emerging Europe Region.

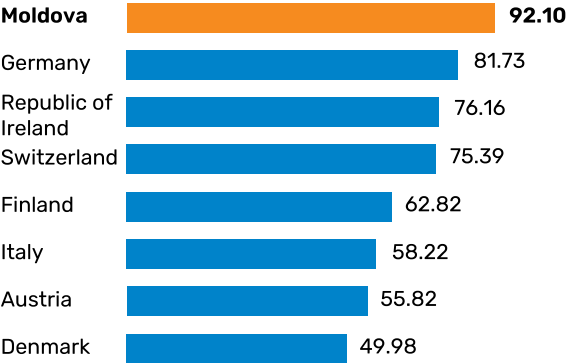


Source: cable.co.uk



What makes Moldova’s achievement even more significant is that its internet download speed surpasses that of several EU member countries and Western European nations, including Germany, Ireland, Finland, Italy, Austria, Denmark, and Switzerland (see figure 82).

Figure 82. Mean download speed (Mbps) in Moldova and selected Western countries.



Source: cable.co.uk

Additional data, drawn from a comprehensive study by Cable.co.uk, examining mobile data plans across 237 countries and 5,603 offerings, show that Moldova emerged as the 19th most budget-friendly country worldwide for mobile data, with an average cost of just 0.28 US dollars per 1GB.

In the context of emerging Europe, Moldova clinched second spot, outperforming 21 other countries (data for Bulgaria was unavailable for comparison). What truly stands out is that Moldova surpasses several Western European nations in terms of mobile data affordability. Although its pricing proves to be less competitive than countries like Italy and France, Moldova outshines all other EU member states and the United Kingdom.

Air transport connectivity

In 2023, Chişinău Airport saw new developments: nineteen airlines, including seven new additions such as Air Montenegro, AZAL, and Israir Airlines, operated both charter and scheduled flights to 40 destinations worldwide. Three airlines—Eurowings, Georgian Wings, and Air Baltic—announced plans to commence scheduled flights for the summer of 2024.

The airport served a total of 2,838,073 passengers, surpassing its target by 104.5 per cent and marking a 22.9 per cent increase from 2022, equivalent to 529,358 additional passengers. Aircraft movements totalled 24,947, while cargo and mail volumes reached 2,652.6 tons and 628.7 tons, respectively.

In 2024, the airport expanded its reach with flights to eight new destinations, including Munich, Podgorica, Dubai, Baku, Tirana, Athens, Valencia, and Sri Lanka. Wizz Air reinstated services to Rome, Milan, and London, while several major airlines such as Turkish Airlines and Austrian Airlines increased frequencies on their existing routes.

In December 2023, Chişinău Airport was admitted into the International Council of Airports in Europe (ACI Europe), highlighting its commitment to European standards.

Figure 83. Approximate flight duration between Chişinău and selected cities.

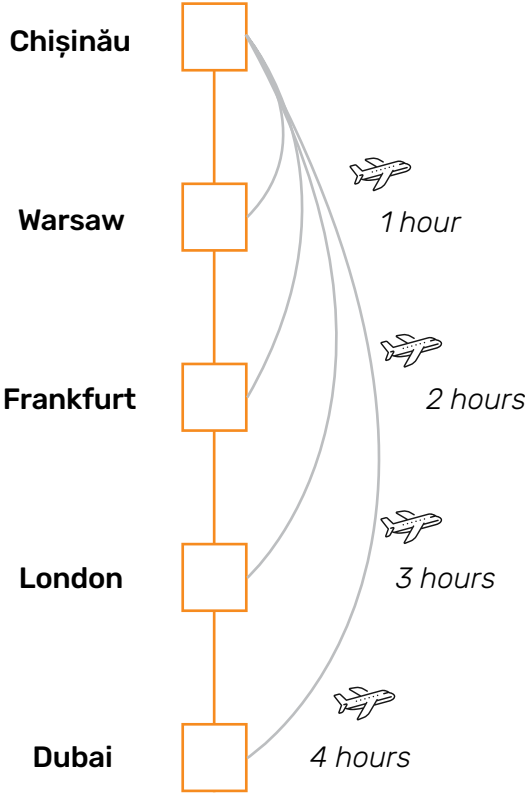




Figure 84. Direct air connections

Other innovative industries

In this chapter, we look at Moldova's innovative sectors, other than IT, and see how they support the country's pursuit of becoming a knowledge-based economy which contributes to its advancement in technical and scientific innovation.

Automotive



The automotive components industry has been one of the fastest growing sectors in Moldova in recent years.

This has been the result of an increased focus on the unused industrial potential of Moldova and an industrial production focus in Moldova's education system (Technical University, technical colleges and vocational schools).

Investors include Lear Corporation, Dräxlmaier Automotive, Gebauer & Griller, Sammy Cablaggi / Kablem, Elektromanufacturing, Confezioni Andrea Covercar, LEONI, SEBN Sumitomo Electric Bordnetze, Fujikura Automotive, Coroplast Fritz Mueller, and APM Automotive.

Some of the key areas are the production of cables, wiring harnesses for cars, car seat covers, plastic moulding injections, metal processing, electronics and electronic components, and assembling.

But Moldova also has a track record of local successful automotive producers. In 2023, Informbusiness, a Moldovan company set up over 30 years ago, produced its first electric buses with a battery capacity of about 70 kilometres that can be recharged within 30 minutes. The company made its international mark much earlier, exporting technology for trolleybuses, electric buses, and trams to over 170 cities globally.

Automotive research and development (R&D), design, AI development and semiconductor manufacturing are eligible to benefit from the MITP tax regime. For more details, see the chapter Doing business in IT, business serviced and the creative sector on [page 62](#).

Creative



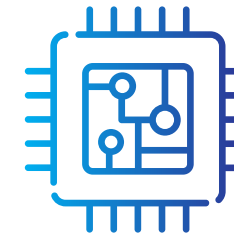
The creative industry has great development potential, with a positive impact on the country's economic growth. Film, video and photography production, digital and interactive media, video games, virtual and augmented reality, 3D modelling and virtual prototyping, surround sound design, digital motion capture and 3D animation are only a few of the areas that are on the rise.

In December 2023, Moldova hosted the first edition of the Cinema Hora International Forum with around 70 film industry representatives from 20 countries, fostering cooperation between Moldova and European nations, including Romania, Ukraine, Bulgaria, Greece, Germany, Denmark, Montenegro, Croatia, Armenia, Norway, North Macedonia, Georgia, Israel and the Baltic countries.

With the ratification of the European Convention on Cinematographic Co-productions and the adoption of the 'cash-rebate' law, Moldova offers a refund of up to 30 per cent of the costs of film and audiovisual production in the country. The scheme covers an array of creative content possibilities, from fiction, documentary and animation features and shorts to TV show episodes, music videos, commercials, reality shows and web shows.

Post-production studios specialising in visual effects and sound editing are now eligible to benefit from the MITP tax regime. For more details, see the chapter Doing business in IT, business serviced and the creative sector on [page 62](#).

Electronics



Moldova has been known for its electronic equipment manufacturing tradition for decades. It used to be the third largest supplier of electronic equipment in the Soviet Union. Today, with some 160 companies and 12,800 employees, the electronics industry is one of the most promising industrial sectors in the country in terms of contribution to GDP, job creation and attracting foreign direct investment.

The Nanotechnology and Nanosensors Centre in Moldova is the only one across eastern Europe that can design and manufacture nanosensors on individual nanowires (or nanotubes, nanoflakes, nanorods) with diameters from 10 nm to micrometres. Also, Moldovan researchers have developed the first highly porous, mechanically flexible and extensible inorganic nanomaterial, which is hydrophilic and hydrophobic at the same time. The material is called aerogallit (aero-GaN) and could be used in many practical applications due to its unique properties.

The first nanostructured micro-submarine with both light-driven and load-bearing capabilities was invented by Moldovan researchers. The submarine consists of a matrix of TiO₂ nanotubes that functions as nano-engines under UV illumination.

Electronic research and development (R&D), design and semiconductor manufacturing are eligible to benefit from the MITP tax regime. For more details, see the chapter RDoing business in IT, business serviced and the creative sector on [page 62](#).

Global Business Services (BPO & SSC)



This sector is on the rise in Moldova. According to the Business Services Sector in Moldova 2023 report, released by the Association of Business Service Leaders Moldova (ABSL), in 2021 there were 4,795 outsourcing companies, employing some 32,000 people. Most of them provided IT services (2,305 enterprises), legal and accounting activities (1,067 companies), management and business consultancy (606 enterprises) and marketing services (277 companies).

33 companies, surveyed by ABSL, operate in the category of Information Technology, five of them are Business Process Outsourcing centres, and three are Research and Development centres. Half of all companies participating in the research express their intent to broaden their range of activities. The primary markets served by these entities are in Europe and the United States. Notably mentioned countries include the UK, Romania, US, Germany, Belgium, Poland, and Canada. English takes the lead as the most used language within these companies, followed by six other languages driven by customer requirements: Romanian, French, Russian, German, Italian, and Spanish. Around 70 per cent of the companies incorporate Intelligent Process Automation (IPA) into their operations, with Machine Learning and Chat GPT and/or similar tools.

The sector is now partially eligible to benefit from the MITP tax regime. For more details, see the chapter Doing business in IT, business serviced and the creative sector on [page 62](#).

How to IT in Moldova?

A guide for investors, buyers
and partners, and individuals

A guide for investors

This chapter helps you find the right information in order to benefit from investing in the Moldovan IT and tech sector and what steps to take to start an operation in the country.

Check the following information if you'd like to learn about...

- available direct air connections – [page 78](#)
- average gross salaries in the IT sector – [page 59](#)
- co-working spaces available in Moldova – [page 73](#)
- English proficiency compared to other countries in the region – [page 45](#)
- how competitive the Moldovan IT sector is in the emerging Europe region – [page 44](#)
- how confident the Moldovan IT sector is about its future growth – [page 27](#)
- how long it takes to set up a company in Moldova – [page 64](#)
- how Moldova grows its pool of talent – [page 59](#)
- how the IT sector has grown over the last few years – [page 22](#)
- how to develop a remote business in Moldova – [page 69](#)
- how to do business in the IT sector in Moldova – [page 62](#)
- how to hire foreign citizens in Moldova – [page 69](#)

- how to register as an MITP resident – [page 63](#)
- how to set up a company in Moldova – [page 64](#)
- how the incentives offered by Moldova compare with those offered by some neighbouring countries – [page 50](#)
- how the Moldovan tech sector is perceived globally – [page 32](#)
- Moldova's Digital Strategy – [page 74](#)
- Moldova's EU candidate status – [page 65](#)
- Moldova's online services for business – [page 65](#)
- Moldova's performance in the sustainability index (ESG) in the emerging Europe region – [page 49](#)
- the cost per employee for companies benefiting from the special tax regime – [page 62](#)
- the cost of operating in the IT sector – [page 26](#)
- the digital infrastructure in Moldova – [page 76](#)
- the eligibility criteria and activities for companies that want to benefit from the special tax regime – [page 63](#)
- the exports and turnover of the IT sector – [page 25](#)
- the foreign direct investment in the IT sector – [page 25](#)
- the government's initiatives and programmes – [page 52](#)
- the internet speed and cost in Moldova – [page 76](#)
- the key strengths of the Moldovan IT sector as seen by international C-level executives – [page 33](#)
- the legal framework aimed at regulating and safeguarding intellectual property rights – [page 66](#)
- the legal framework on cybersecurity – [page 67](#)

- the legal framework on IT Park creation and operation – [page 66](#)
- the legal framework on protection of personal data – [page 67](#)
- the legal framework on registration and regulation of limited liability companies – [page 64](#)
- the legal framework on remote workers – [page 69](#)
- the main challenges for the Moldovan IT sector – [page 34](#)
- the main reasons behind partnering with Moldovan IT companies – [page 33](#)
- the methodology used in this research – [page 94](#)
- the number of IT students and graduates – [page 60](#)
- the obligations companies that want to benefit from the social tax regime need to comply with – [page 63](#)
- the output and value added in the IT sector per employee – [page 25](#)
- the political context in Moldova – [page 13](#)
- the progress of digitalisation of the public sector – [page 74](#)
- what companies that have been in Moldova for some time say about doing IT in Moldova – [page 16](#)
- what international analysts, FDI advisers, location experts and C-level executives say about IT in Moldova – [page 37](#)
- which countries' citizens are allowed to travel to Moldova visa-free – [page 69](#)
- which sectors are eligible to benefit from the special tax regime – [page 63](#)
- which technologies and services are delivered from Moldova – [page 42](#)

Organisations and websites to check:



- [American Chamber of Commerce in Moldova](#)
- [Association for the Development of Electronic Communications and Innovative Technologies](#)
- [Association of Business Service Leaders Moldova](#)
- [Association of Electronic Industry Companies for Moldova](#)
- [Business Angels Moldova](#)
- [Chamber of Commerce and Industry](#)
- [European Business Association](#)
- [Foreign Investors' Association](#)
- [General Inspectorate for Migration, Ministry of Internal Affairs](#)
- [Invest Moldova Agency](#)
- [Ministry of Foreign Affairs](#)
- [Ministry of Economic Development and Digitalisation](#)
- [Moldova Innovation Technology Park](#)
- [Moldovan Association of ICT Companies](#)
- [Public Services Agency](#)
- [Technology Transfer Network of Moldova](#)
- [Trade Information Portal](#)
- [Why MITP](#)

A guide for buyers and partners

This chapter offers information about how to buy IT services in Moldova or how to partner with a Moldovan IT company.

Check the following information if you'd like to learn about...

- available direct air connections – [page 78](#)
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- how Moldova grows its pool of talent – [page 59](#)
- how the IT sector has grown over the last few years – [page 22](#)
- how the Moldovan tech sector is perceived globally – [page 32](#)
- Moldova's Digital Strategy – [page 74](#)
- Moldova's EU candidate status – [page 65](#)
- Moldova's online services for business – [page 65](#)
- Moldova's performance in the sustainability index (ESG) in the emerging Europe region – [page 49](#)

- the cost per employee for companies benefiting from the special tax regime – [page 62](#)
- the cost of operation in the IT sector – [page 26](#)
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- [Association of Business Service Leaders \(ABSL\) Moldova](#)
- [Association of Electronic Industry Companies for Moldova](#)
- [Association for the Development of Electronic Communications and Innovative Technologies](#)
- [Chamber of Commerce and Industry](#)
- [European Business Association](#)
- [Foreign Investors' Association](#)
- [Invest Moldova Agency](#)
- [MITP residents' profiles](#)
- [Ministry of Foreign Affairs](#)
- [Ministry of Economic Development and Digitalisation](#)
- [Moldova Innovation Technology Park](#)
- [Moldovan Association of ICT Companies](#)
- [Technology Transfer Network of Moldova](#)
- [Trade Information Portal](#)



A guide for analysts and site selection consultants

This chapter helps you find the right information to understand the country's tech potential and the opportunities it offers for your potential clients and readers.

Check the following information if you'd like to learn about...

- available direct air connections – [page 78](#)
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- the progress of digitalisation of the public sector – [page 74](#)
- the start-up ecosystem – [page 70](#)
- the tech ecosystem stakeholders and supporters – [page 72](#)
- what companies that have been in Moldova for some time say about doing IT in Moldova – [page 16](#)

- what international analysts, FDI advisers, location experts and C-level executives say about IT in Moldova – [page 37](#)
- which countries' citizens are allowed to travel to Moldova visa-free – [page 69](#)
- which sectors are eligible to benefit from the special tax regime – [page 63](#)
- which technologies and services are delivered from Moldova – [page 42](#)

Organisations and websites to check:



- [Association of Business Service Leaders Moldova](#)
- [Association of Electronic Industry Companies for Moldova](#)
- [Association for the Development of Electronic Communications and Innovative Technologies](#)
- [Centre of Excellence in Informatics and Informational Technologies](#)
- [Chamber of Commerce and Industry](#)
- [General Inspectorate for Migration, Ministry of Internal Affairs](#)
- [Invest Moldova Agency](#)
- [Ministry of Foreign Affairs](#)
- [Ministry of Economic Development and Digitalisation](#)
- [Moldova Innovation Technology Park](#)
- [Why.mitp.md](#)
- [Moldovan Association of ICT Companies](#)
- [Public Services Agency](#)
- [Technology Transfer Network of Moldova](#)
- [Trade Information Portal](#)

A guide for individuals

This chapter offers a guide to the right information for those planning to move to Moldova, seek employment in the country, work as a digital nomad or set up a start-up.

Check the following information if you'd like to learn about...

- available direct air connections – [page 78](#)
- average gross salaries in the IT sector – [page 59](#)
- co-working spaces – [page 73](#)
- English proficiency compared to the other countries in the region – [page 45](#)
- how competitive the Moldovan IT sector is in the emerging Europe region – [page 44](#)
- how confident the Moldovan IT sector is about its future growth – [page 27](#)
- how long it takes to set up a company in Moldova – [page 64](#)
- how Moldova grows its pool of talent – [page 59](#)
- how the IT sector has grown over the last few years – [page 22](#)
- how to develop a remote business in Moldova – [page 69](#)
- how to do business in the IT sector in Moldova – [page 62](#)
- how to hire foreign citizens in Moldova – [page 69](#)

- how to register as an MITP resident – [page 63](#)
- how to set up a company in Moldova – [page 64](#)
- how the incentives offered by Moldova compare with those offered by some of the neighbouring countries – [page 50](#)
- how the Moldovan tech sector is perceived globally – [page 32](#)
- how to become a digital nomad in Moldova – [page 55](#)
- Moldova's Digital Strategy – [page 74](#)
- Moldova's EU candidate status – [page 65](#)
- Moldova's online services for business – [page 65](#)
- Moldova's performance in the sustainability index (ESG) in the emerging Europe region – [page 49](#)
- the cost per employee for companies benefiting from the special tax regime – [page 62](#)
- the cost of operation in the IT sector – [page 26](#)
- the digital infrastructure in Moldova – [page 76](#)
- the eligibility criteria and activities for companies that want to benefit from the special tax regime – [page 63](#)
- the government's initiatives and programmes – [page 52](#)
- the internet speed and cost in Moldova – [page 76](#)
- the key strengths of the Moldovan IT sector as seen by international C-level executives – [page 33](#)
- the legal framework aimed at regulating and safeguarding intellectual property rights – [page 66](#)
- the legal framework on cybersecurity – [page 67](#)

- the legal framework on IT Park creation and operation – [page 66](#)
- the legal framework on protection of personal data – [page 67](#)
- the legal framework on registration and regulation of limited liability companies – [page 64](#)
- the legal framework on remote workers – [page 69](#)
- the main challenges for the Moldovan IT sector – [page 34](#)
- the methodology used in this research – [page 94](#)
- the obligations companies that want to benefit from the social tax regime need to comply with – [page 63](#)
- the political context in Moldova – [page 13](#)
- the progress of digitalisation of the public sector – [page 74](#)
- the start-up ecosystem – [page 70](#)
- the tech ecosystem stakeholders and supporters – [page 72](#)
- what companies that have been in Moldova for some time say about doing IT in Moldova – [page 16](#)
- what international analysts, FDI advisers, location experts and C-level executives say about doing IT in Moldova – [page 37](#)
- which countries' citizens are allowed to travel to Moldova visa-free – [page 69](#)
- which countries' citizens are not required to apply for a temporary for permit – [page 63](#)
- which sectors are eligible to benefit from the special tax regime – [page 63](#)

Organisations and websites to check:



- [Business Angels Moldova](#)
- [Ecosystem players](#)
- [General Inspectorate for Migration, Ministry of Internal Affairs](#)
- [Ministry of Foreign Affairs](#)
- [Ministry of Economic Development and Digitalisation](#)
- [Moldova Innovation Technology Park](#)
- [Moldova IT Career Centre](#)
- [Mozaic Ventures](#)
- [Numbeo Cost of Living](#)
- [Organisation for the Development of Entrepreneurship](#)
- [Public Services Agency](#)
- [Relocate to Moldova](#)
- [Startup Moldova](#)
- [Trade Information Portal](#)

Appendices

Methodology

In the desktop research process, the Emerging Europe team used the following data sources:

- Data collected by the Moldova Innovation Technology Park—the intelligence on the current state of the ecosystem provided by MITP resident companies.
- Emerging Europe’s own data. We constantly collect data in order to analyse the state and development of the IT sector of the emerging Europe region.
- Other data from national and international sources (a full list of resources is available in the References and Acknowledgements section).

Desktop research (for Market Potential and Labour Market): data from the latest Future of Emerging Europe Sustainability Index was used, as well as its categories. Each category in turn consists of two subcategories, and they have a number of indicators, with equal weights for the calculation of each subindex, while two subindexes are used in the calculation of each category with equal weight.

For the calculation of the Sustainability Index, each category has an equal weight. Overall, 78 indicators contributed to the Sustainability Index: nine for the subindexes Future-proof education and 11 for Health and social life—they are part of the People category, subindex Sustainable lifestyle has nine indicators, and Green energy has seven indicators—together they constitute the Planet category.

People-first economies and Inclusive entrepreneurship with six indicators in each contribute to the category Prosperity. World order, democracy and the rule of law has 11 indicators, Media freedom and the future of information with six indicators together are par of the Peace category.

Finally, regional collaboration with six indicators and Modern leadership with seven indicators contribute to the Partnership category.

In addition, some parts of the latest Emerging Europe Future of IT: 2023 report were used for the section Regional positioning. In this report, indicators have different weights, as well as subindexes of the report, contributing different shares with a consideration of their relevance to the total index. The IT Competitiveness Index consists of four categories and twelve subcategories:

Figure 85. The IT Competitiveness Index

Weights	Number of indicators	Categories and subcategories
40 per cent	18	Talent
20 per cent	10	Education
8 per cent	5	Labour force
12 per cent	3	Talent competitiveness
20 per cent	6	IT infrastructure
10 per cent	2	Connectivity
7 per cent	3	Digital transformation
3 per cent	1	Non-personnel resources
20 per cent	11	Economic impact
9 per cent	6	Economic performance
7 per cent	4	Cost competitiveness
4 per cent	1	Covid resistance
20 per cent	10	Business environment
6 per cent	2	Intellectual property and cybersecurity
9 per cent	3	Support for industry development
5 per cent	5	Economic competitiveness

For other indicators, data from the National Bureau of Statistics of the Republic of Moldova (NBSRM), National Bank of Moldova, and internal Moldova Innovation Technology Park (MITP) statistics were used.

In some cases, an IT-adjacent indicator as a proxy for the IT sector is used—the reason for this indicator is a lack of data for the IT sector in Moldova as a whole.

Therefore, in some cases, the IT-adjacent indicator includes the data on companies engaged in computer programming, consultancy and related activities of section J of NACE rev. 2 Information and Telecommunications, which is the largest IT-related division.

In others, it is a sum of NACE rev. 2 divisions J58.20 Software publishing, J62 Computer programming, consultancy and related activities and J631 Data processing, hosting and related activities; web portals of section J Information and Communication, and in others—as a sum of computer and information services.

An overview of IT incentives in Moldova and selected countries in the region

Emerging Europe conducted research on existing tax exemptions and incentives related to the IT sector in Moldova and selected countries in the region, including Belarus, Bulgaria, Estonia, Georgia, Latvia, Lithuania, Poland, Romania, Slovakia, and Ukraine.

The methodology involved engaging with IT sector associations and relevant public institutions overseeing the sector to request detailed information on various types of incentives. (For the full list of institutions that participated and provided information, see References and Acknowledgements on [page 108](#)).

These incentives encompassed tax exemptions, tax credits, tax deductions, financial grants and subsidies, special economic and technology development zones, intellectual property incentives, employment incentives, regulatory and administrative incentives, investment facilitation, and collaboration and clustering initiatives.

The data collected included descriptions of each incentive type, along with specific attributes such as duration, percentage of tax reductions/credits, and other relevant details. Data for Moldova was sourced from the Moldovan Information Technology Park (MITP) and relevant legal framework in Moldova.

Confidence Survey

Emerging Europe conducted a Confidence Survey of MITP residents, with the total number of respondents being 218 firms of all sizes.

Emerging Europe assessed different indicators, such as the size of the entity by size category, revenue of the entity by category, type of activity, main problems, different indicators of growth anticipation, relocation anticipations and financial leverage growth anticipations.

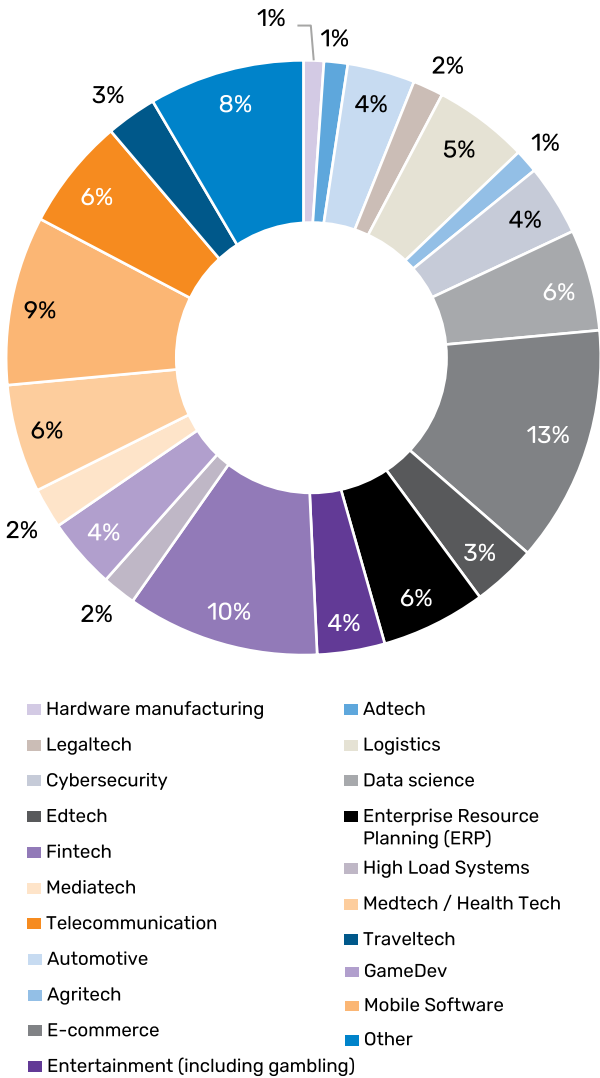
Questions which were asked in the confidence survey:

1. What is the size of your operation in Moldova?
2. When was your operation in Moldova launched?
3. What is the annual revenue of your company in Moldova?
4. What business sectors does your operations in Moldova serve?
5. Do you expect your team to grow or reduce in size over the next 12 months?
6. Do you expect your revenues to increase or decrease over the next 12 months?
7. Do you expect your cost of goods sold (COGS) / cost of sales (COS) to increase or decrease over the next 12 months?
8. Do you plan to raise or lower the price of your services or products over the next 12 months?
9. Do you plan to increase or decrease the leverage rate over the next 12 months?
10. What could be the biggest challenges for your company in the next 12-24 months?
11. How likely is your company to relocate its headquarters to a different country in order to access opportunities and expand in the next 12-24 months?

Here, some details of respondents who were polled in Emerging Europe’s Confidence Survey are described. In general, 13.3 per cent of respondents were individual entrepreneurs, 36.7 per cent were representatives of enterprises with 1-10 employees, 33.9 per cent represented companies with 11-50 employees, 8.7 per cent represented companies with 51-100 employees, 3.7 per cent represented companies with 100-250 employees, 2.3 per cent represented firms with 250-1,000 employees, and 1.4 per cent represented companies with more than 1,000 employees.

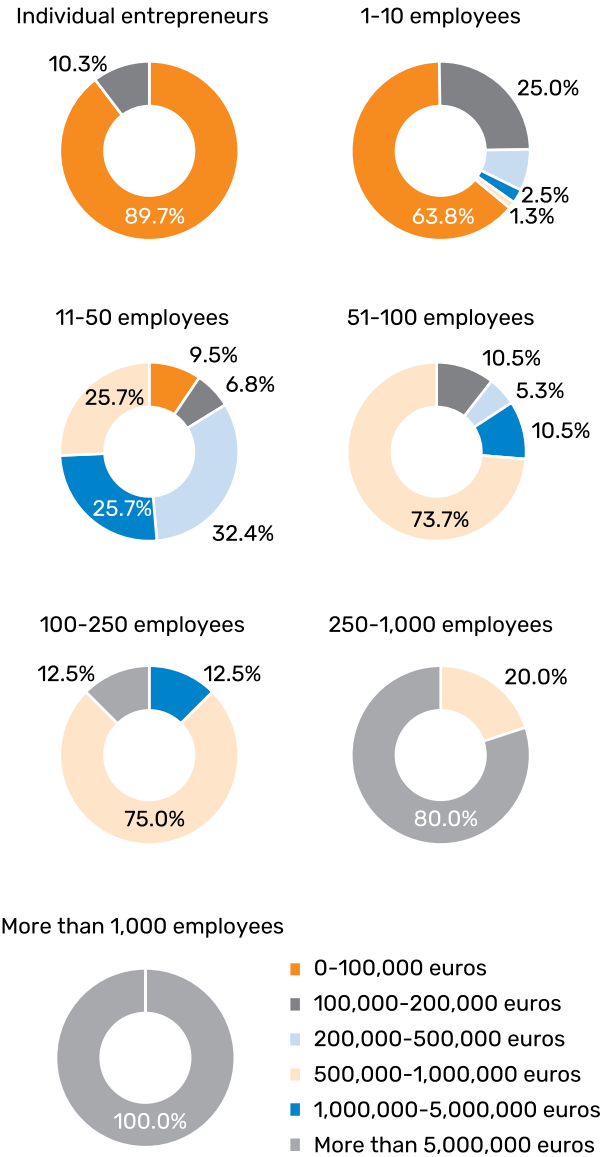
The most widespread type of activity of MITP entities, according to the poll, is e-commerce with approximately 13 per cent of respondents active in this field, fintech with about 10 per cent of respondents, and Mobile Software—approximately nine per cent.

Figure 86. Types of activity of entities



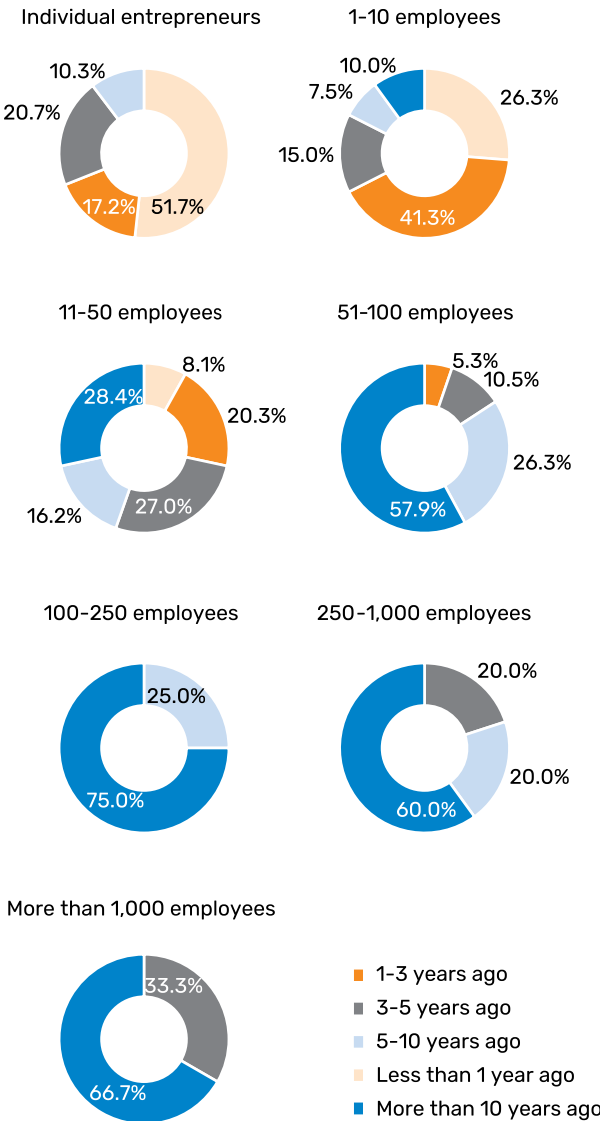
In the following figure the division of revenue categories by size is shown. To conclude, there is an obvious positive correlation between the size and revenue category.

Figure 87. Share of entities revenues by size category



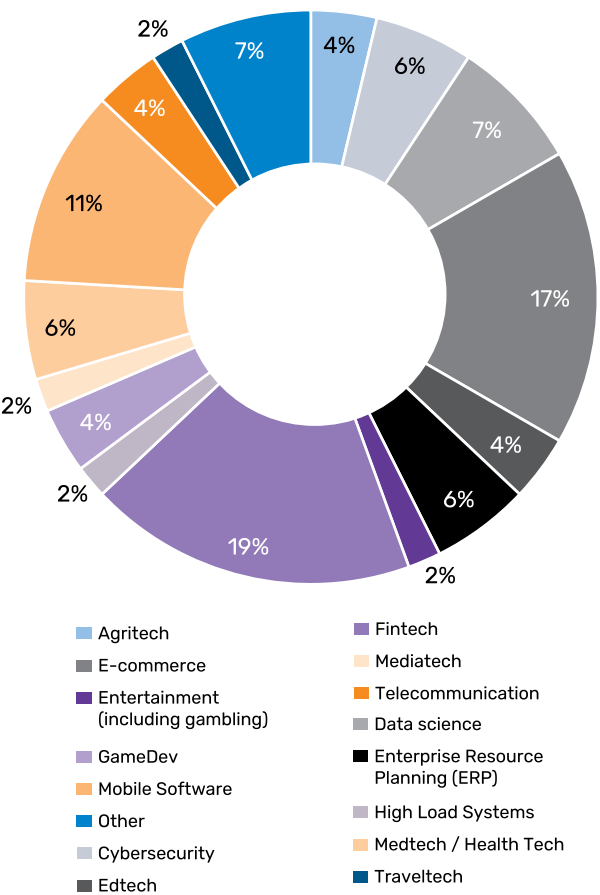
The following figure shows the share of entities by years on the market with division by size. More than 51 per cent of individual entrepreneurs are on the market for less than one year, which indicates the high growth of the number of individual entrepreneurs during last year. Considering firms, the biggest share of firms, namely almost 50 per cent, are active for more than 10 years.

Figure 88. Share of entities by years on a market, by size



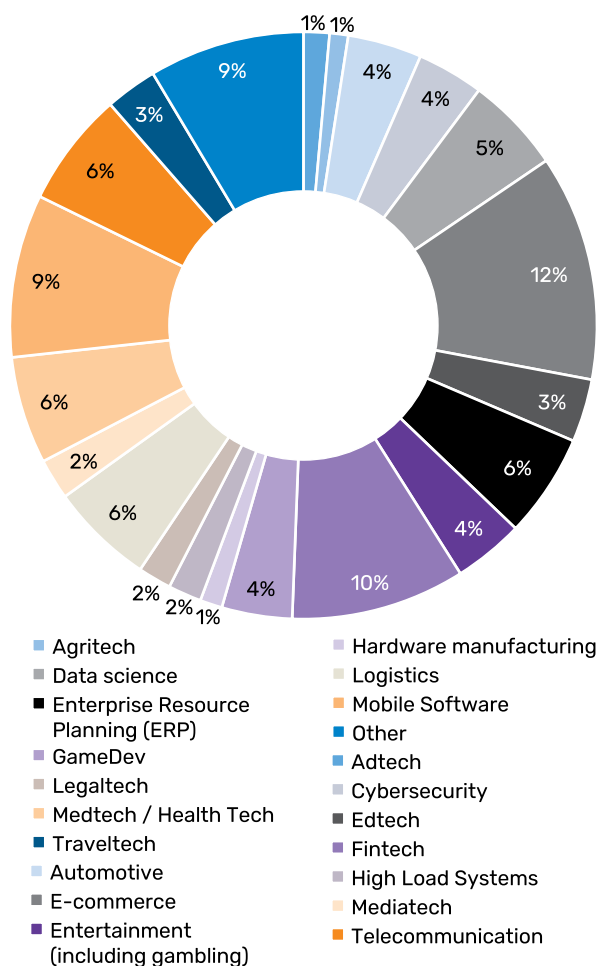
Individual entrepreneurs are the most active in the field of Fintech, E-commerce and Mobile software.

Figure 89. Type of activity, individual entrepreneurs



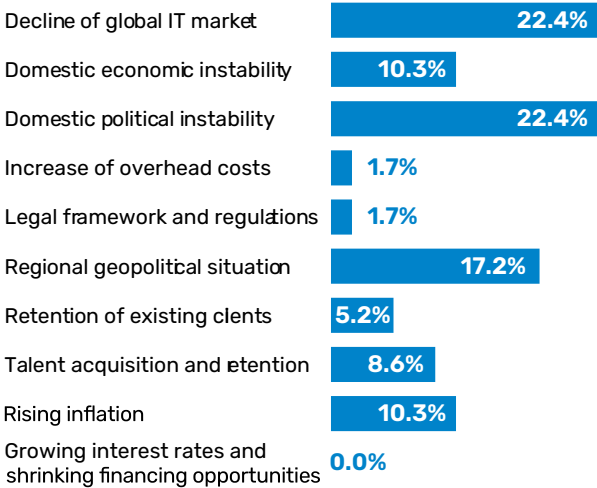
Considering companies, the most popular directions are E-commerce, Fintech and Mobile software.

Figure 90. Type of activity, companies



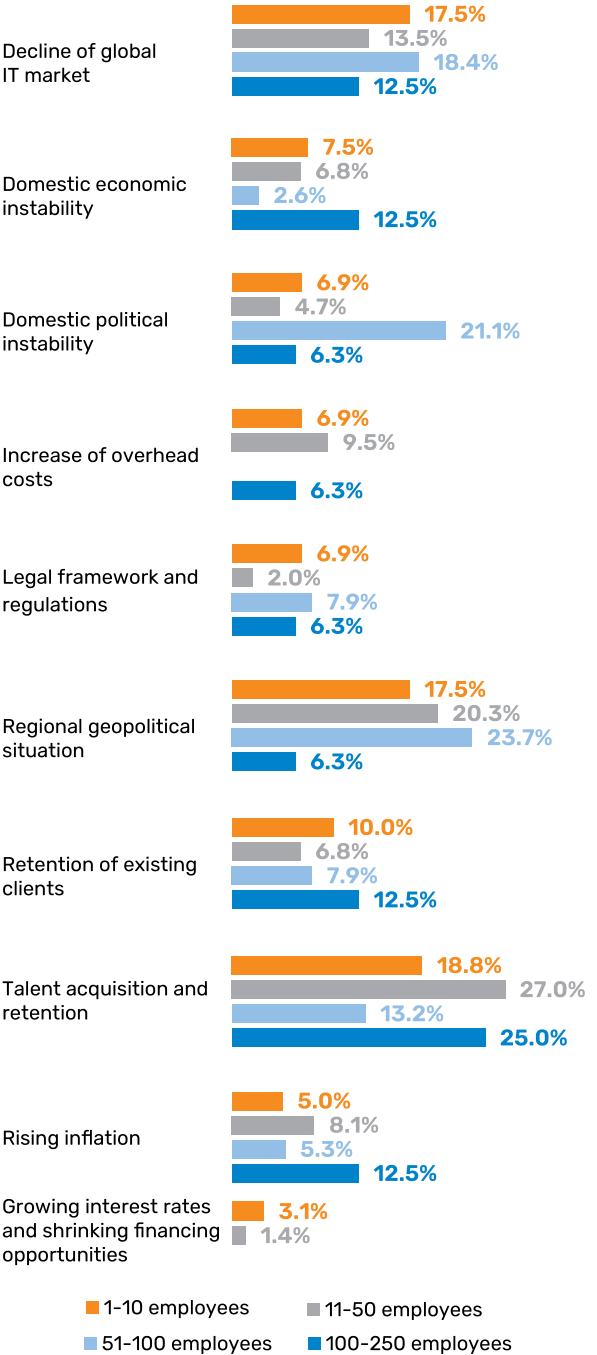
The main problems that concern individual entrepreneurs are a decline in the global IT market, domestic political instability and the regional geopolitical situation.

Figure 91. Main problems, share of answers, individual entrepreneurs



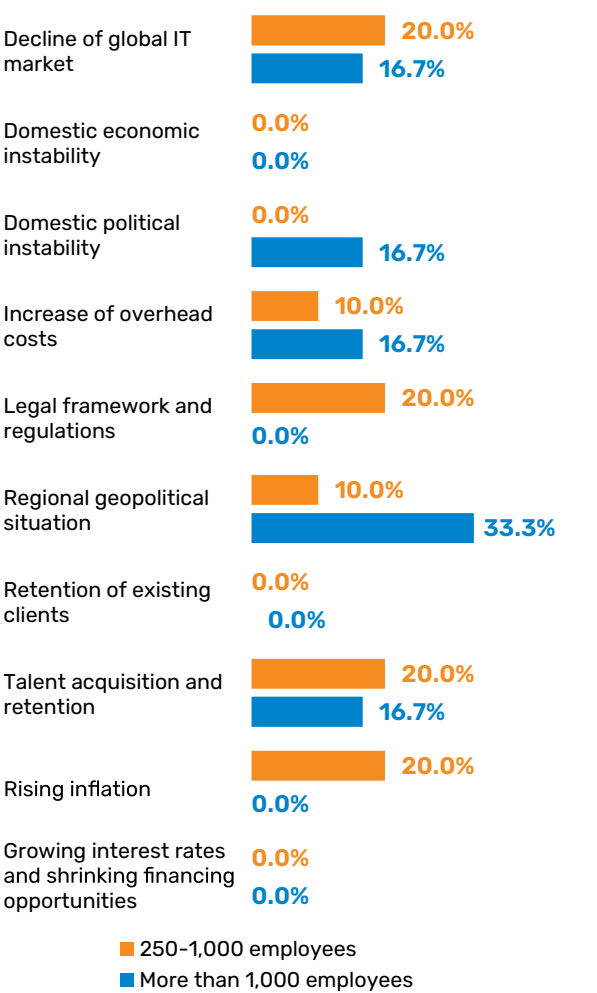
Considering small and medium-sized enterprises (from 1 to 250 employees), the most frequently mentioned problems are talent acquisition and retention, the regional geopolitical situation and the decline of the global IT market.

Figure 92. Main problems, share of answers, SMEs



Considering big companies (with more than 250 employees), the most frequently mentioned problems are a decline of the global IT market, the regional geopolitical situation and talent acquisition and retention.

Figure 93. Main problems, share of answers, big companies



Further, figures from the Confidence Survey, which were depicted in the section Market potential are represented.

Figure 94. Expectation for team growth over the next 12 months, average by company size; average for all companies: 28.9 per cent

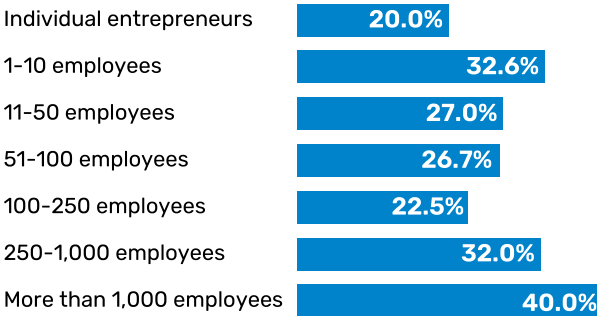


Figure 95. Share of entities which anticipate growing their teams over the next 12 months

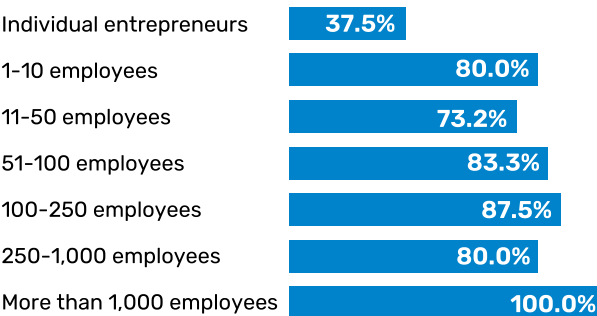


Figure 96. Expectation for team growth over the next 12 months, average by revenue category

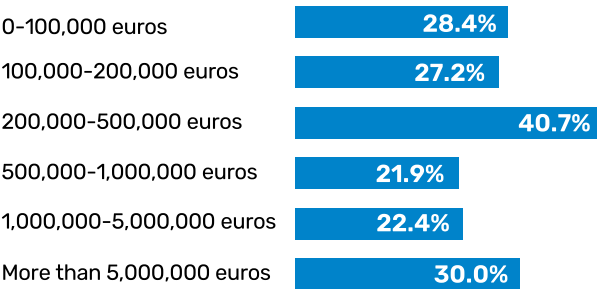


Figure 97. Revenue growth expectations for the next 12 months, average by company size; average for all companies: 29.9 per cent

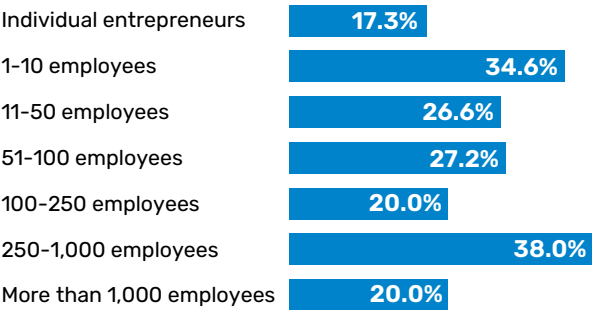


Figure 98. Share of entities which expect revenue growth over the next 12 months

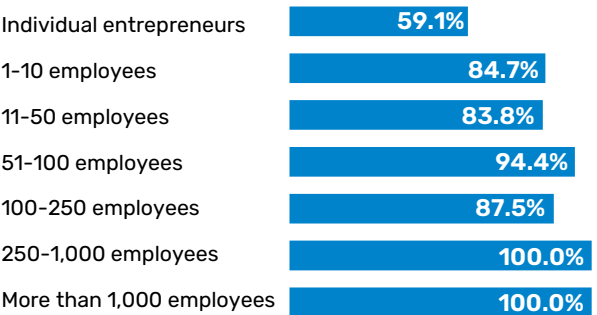


Figure 99. Revenue growth expectation for the next 12 months, average by revenue category

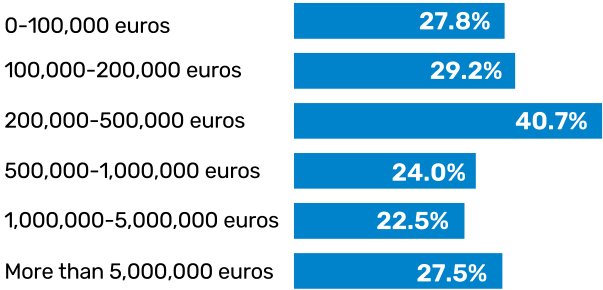


Figure 100. Cost of goods sold/cost of sales growth expectation for the next 12 months, average by size; average for all companies: 19.4 per cent

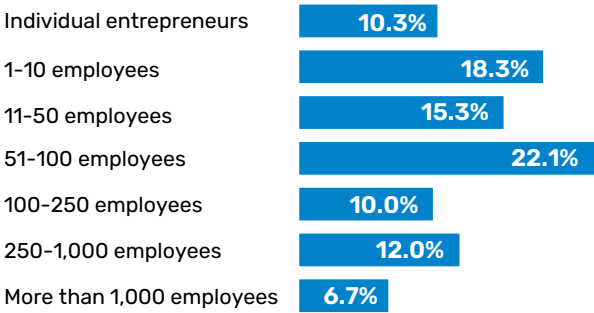


Figure 101. Share of entities which expect the cost of goods sold/cost of sales to increase, by size

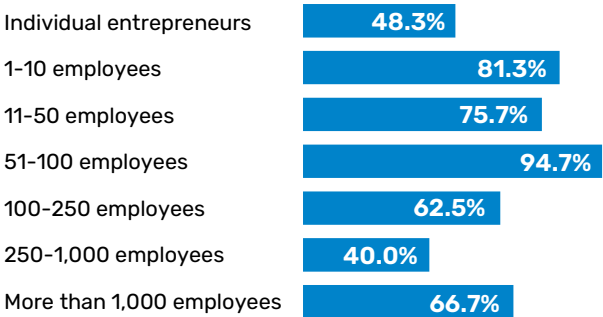


Figure 102. Cost of goods sold/cost of sales growth expectations for the next 12 months, average by revenue category

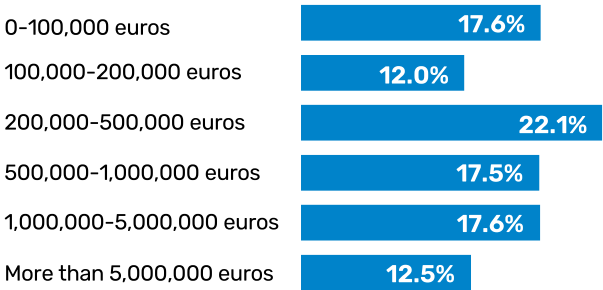


Figure 103. Own prices growth expectations for the next 12 months, average by size; average for all companies: 20.4 per cent

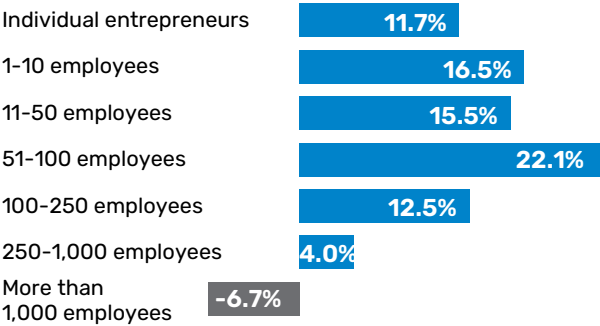
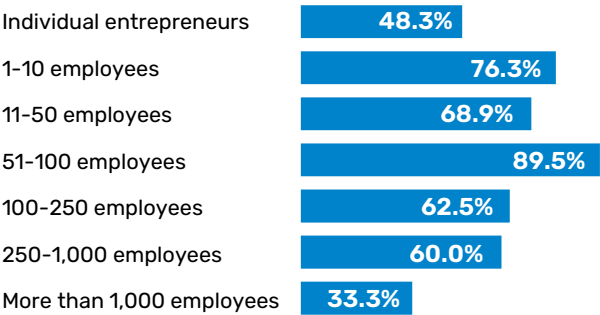


Figure 104. Share of entities which expect their own prices to increase over the next 12 months, by size



Graph 105. Own price growth expectations for the next 12 months, average by revenue category

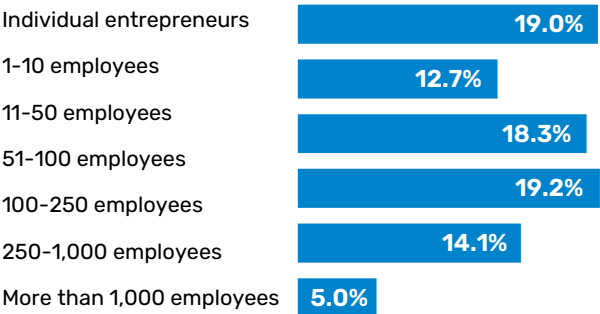


Figure 106. Share of entities which expect to see a growth in leverage rate over next 12 months, by size

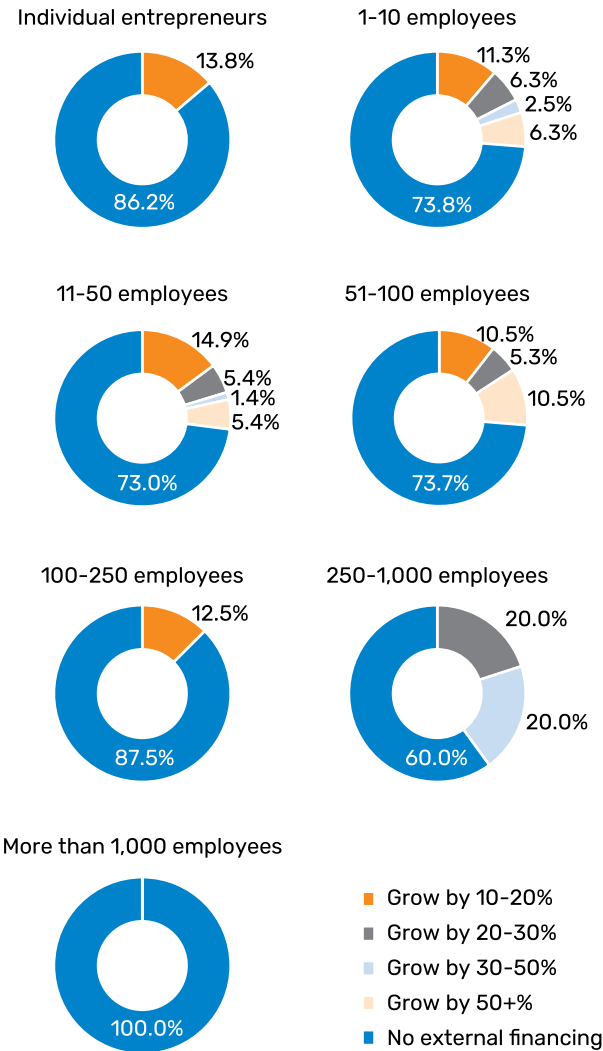


Figure 107. Share of entities which expect to see a growth in leverage rate over next 12 months, by revenue category

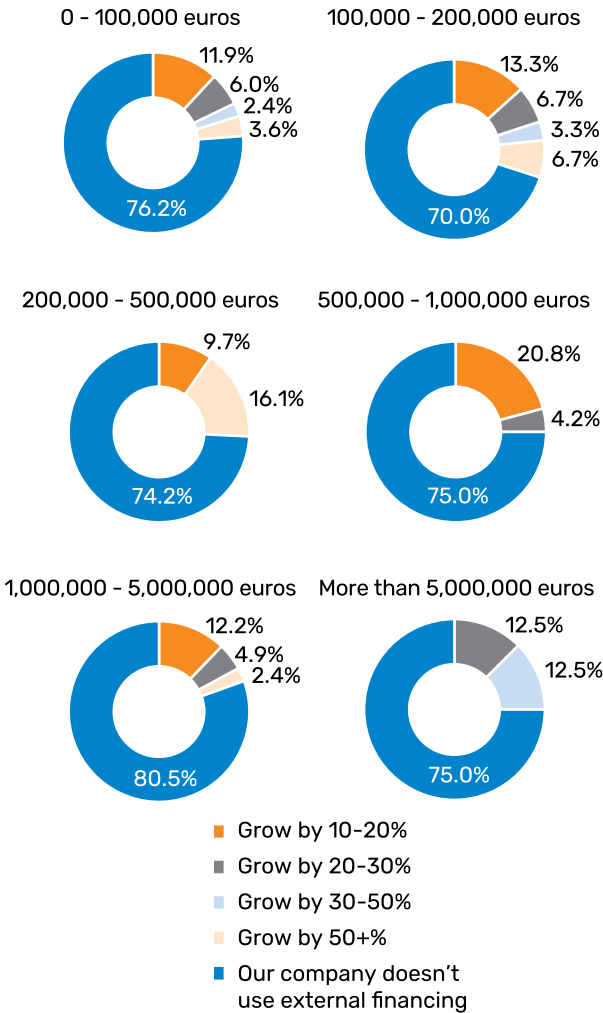


Figure 108. Main problems, share of answers, all entities

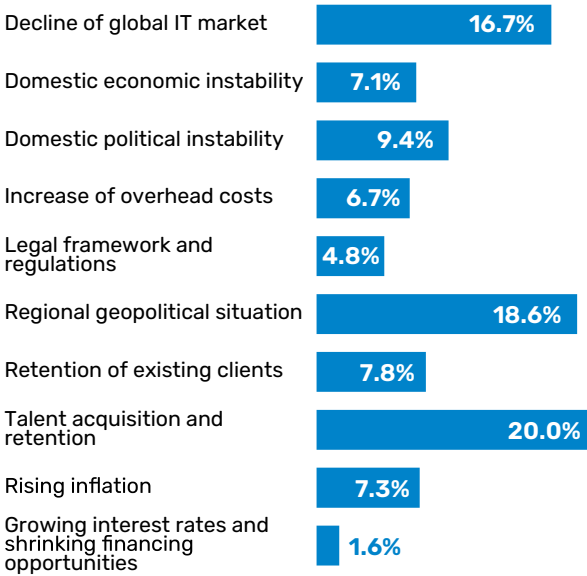


Figure 109. Expectation of relocating to a different country over the next 12-24 months, average by size; average for all companies: 21.9 per cent

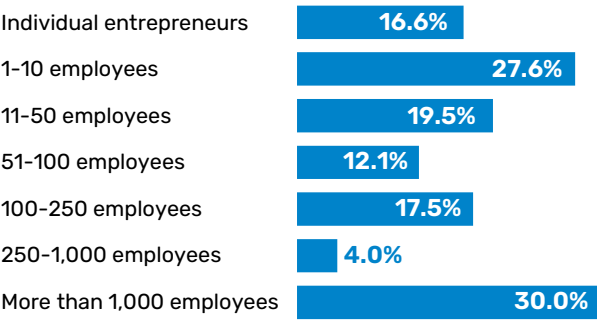


Figure 110. Share of companies who rate the likelihood of relocating at more than 50 per cent, by size

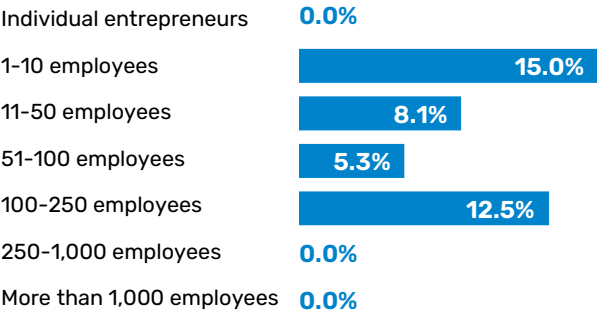
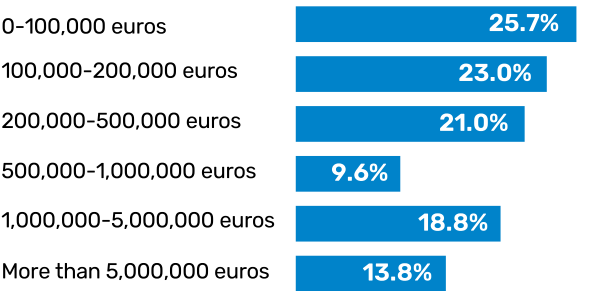


Figure 111. Expectation of relocating to a different country over the next 12-24 months, average by revenue



Perception Survey

The IT Perception Survey is conducted in seven markets (the United States, the United Kingdom, Germany, France, Sweden, Poland, and Romania) and includes 975 respondents. We asked several types of questions, including the size of organisations, the sectors in which organisations operate, whether companies currently outsource IT services, whether they would consider outsourcing IT services from Moldovan companies, the three main perceived challenges in partnering with these companies, as well as the three main reasons to do so.

Figure 112. Number of targeted respondents per country

Country	Percentage	Number of targeted respondents
US	25	250
UK	20	200
Germany	15	150
France	10	100
Sweden	10	75
Poland	10	100
Romania	10	100

Here are the questions of the survey:

1. What type of organisation do you represent?
 - 1.1. a multinational company
 - 1.2. an international company (present in not more than three markets)
 - 1.3. a large national company
 - 1.4. a small/medium company
 - 1.5. a start-up
2. Which sector does your organisation operate in?
 - 2.1. Financial services and insurance
 - 2.2. ICT and telecommunications
 - 2.3. E-commerce and retail
 - 2.4. Food and agriculture
 - 2.5. Energy
 - 2.6. Healthcare and pharma
 - 2.7. Construction and real estate
 - 2.8. Manufacturing

- 2.9. Business services
- 2.10. Entertainment
- 2.11. Government/public sector
- 2.12. Other

3. The Covid-19 pandemic has boosted demand for IT outsourcing to drive digitalisation, increase productivity and competitiveness, or reach other goals. Does your company already outsource IT services?
 - Yes
 - No, but we plan to do so in the near future.
 - No, and we don't plan to do so.
4. Would you consider hiring or outsourcing IT services provided by IT companies in Moldova?
 - Yes
 - No
5. Based on your current understanding of the potential, capabilities and value proposition of Moldovan IT companies, what are / could be the reasons behind partnering with a Moldovan IT company? (select three items)
 - 5.1. Moldova's status as an EU candidate country
 - 5.2. Operational cost effectiveness
 - 5.3. Quality of IT services
 - 5.4. Accessible skilled talent
 - 5.5. Transparent business practices and fair competition
 - 5.6. The quality education and collaboration with universities
 - 5.7. Labour costs
 - 5.8. Level of IT sector development
 - 5.9. Geographic proximity
 - 5.10. Cultural proximity
 - 5.11. English proficiency
 - 5.12. Intellectual Property Protection
 - 5.13. Data privacy and security compliance
 - 5.14. Access to emerging markets
6. Based on your current understanding of the potential, capabilities, and value proposition of Moldovan IT companies, what could be the biggest challenges? (select three items)
 - 6.1. Lack of knowledge about the market's potential
 - 6.2. Retaining skilled talent and brain drain
 - 6.3. Skills gap in talent pool
 - 6.4. Limited funding and high interest rates
 - 6.5. Lack of incentives
 - 6.6. Regulatory environment
 - 6.7. The IT sector's inadequate international brand recognition

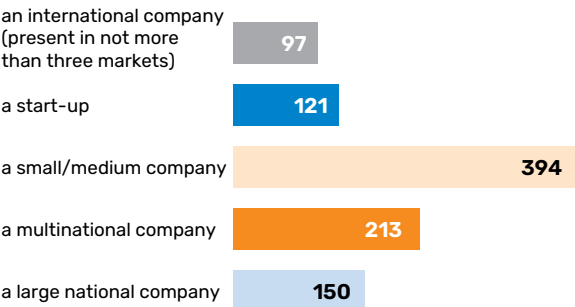
- 6.8. Local business culture
- 6.9. Unfavourable tax regime
- 6.10. Poor infrastructure
- 6.11. Unstable local value chains
- 6.12. Insufficient global value chain embeddedness

7. Did you know that...? (yes or no)
 - Moldova runs Europe's first e-Park with some 1,600 residents, offering a simplified and favourable taxation model (7 per cent single tax), an IT Visa Programme, a virtual operating regime and simplified interaction with public authorities?
 - 4.4% of Moldovans are employed in the ICT sector, the second highest percentage of the entire workforce after Estonia (according to the Future of IT in Emerging Europe 2023 report)?
 - The average internet speed in Moldova is higher than in some developed countries such as Germany, Switzerland or Estonia (according to the 2023 Worldwide Broadband Speed League)?
 - Moldova is included in the 'high' E-Government Development category for its implementation of digital government, according to the UN E-Government Development Index?
 - Moldova is an EU candidate country and has had a Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU since 2014?

The following figures present the profile of respondents (based in the size of organisation and the sector in which they operate) who took part in the Perception Survey.

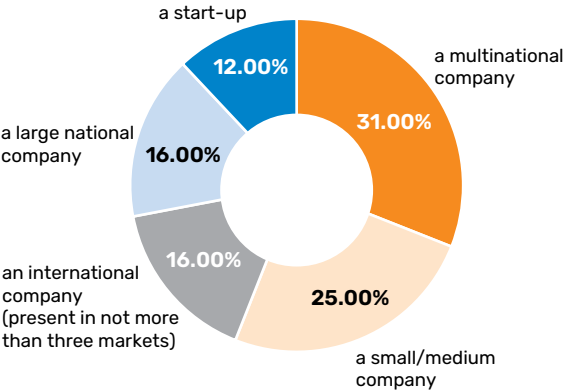
Figure 112 shows the distribution based on their size and scope of operations. It reveals that most participants were small to medium-sized companies (394). Multinational companies (213) also featured, while large national companies accounted for 150 responses, indicating a lower presence than the small to medium-sized category. Start-ups were represented by 121 responses, and international companies with a limited market presence (up to three markets) were the least represented, with 97 responses.

Figure 113. Type of Organisation in all seven markets



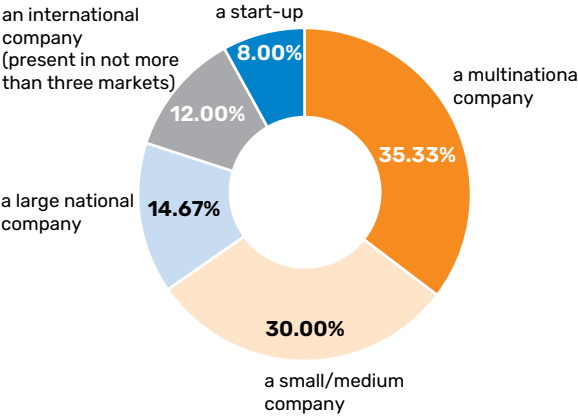
Figures 114-120 present the distribution of respondents in each of seven markets.

Figure 114. Type of organisation – France



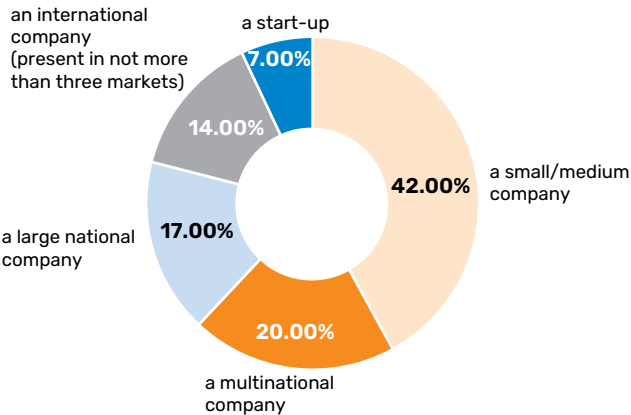
The most common type of French organisation surveyed is a multinational company (31 per cent) followed by small to medium-sized companies at 25 per cent, international companies at 16 per cent, large national companies also at 16 per cent, and start-ups at 12 per cent.

Figure 115. Type of organisation – Germany



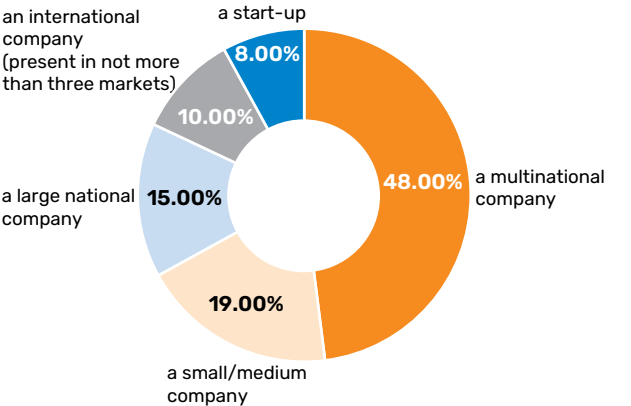
In Germany, multinational companies constitute 35.33 per cent of respondents, followed by small and medium-sized companies with 30 per cent, large companies with 14.67 per cent, international companies with 12 per cent and start-ups with eight per cent.

Figure 116. Type of organisation – Poland



Among respondents from Poland, small and medium-sized companies represent 42 per cent, multinational companies make up 20 per cent, large national companies account for 17 per cent; international companies constitute 14 per cent and start-ups represent 7 per cent.

Figure 117. Type of organisation – Romania



The Romanian respondents are small/medium companies (48 per cent), multinational companies (19 per cent), start-ups (15 per cent), large national companies (10 per cent) and international companies (8 per cent).

Figure 118. Type of organisation – Sweden

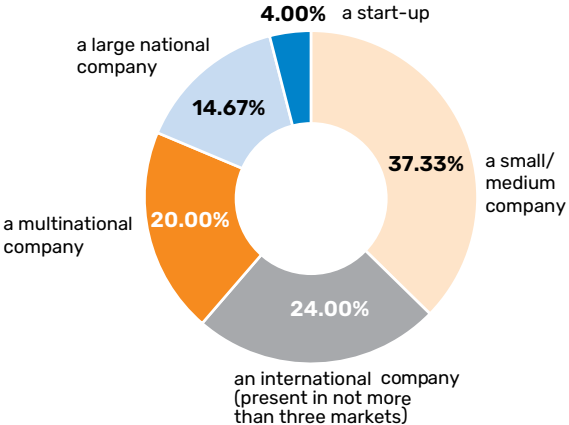
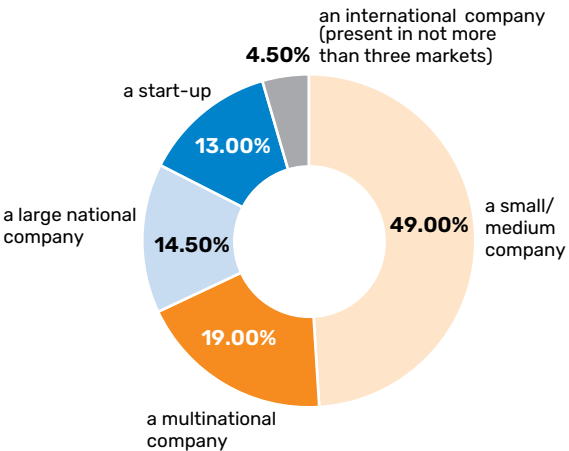


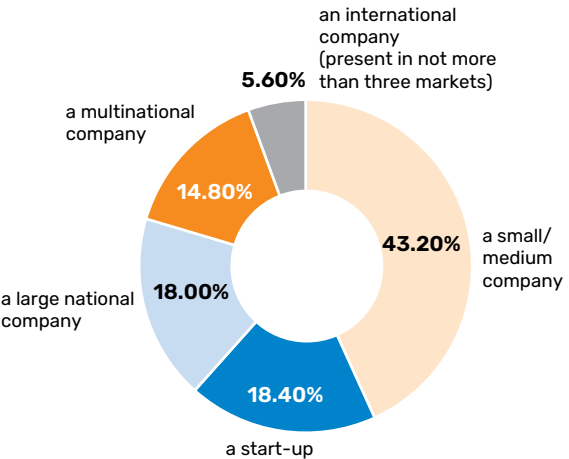
Figure 118 provides the distribution of Swedish respondents which represent small/medium company (37.33 per cent), international companies (24 per cent), multinational company (20 per cent), large national company (14.67 per cent), start-ups (4 per cent).

Figure 119. Type of organisation - the UK



The majority of organisations surveyed in the UK are small to medium-sized companies, accounting for 49 per cent. This is followed by multinational companies at 19 per cent, large national companies at 14.50 per cent, start-ups at 13 per cent, and international companies at 4.50 per cent.

Figure 120. Type of organisation – the US



While in the US, most of organisations surveyed are small to medium-sized companies (43.20 per cent), followed up by start-ups at 18.40 per cent, large national companies at 18 per cent, multinational companies at 14.80 per cent, and international companies at 5.60 per cent.

When considering the sectors in which the respondents operate the data suggest a broad spectrum of industries. figure X.B indicates that the most common sectors represented are Business services with 107 responses, E-commerce and retail with 111 responses, ICT and telecommunications with 126 responses, and other sectors with 194 responses. On the other hand, Energy, Food and agriculture, Government/public sector, Entertainment, Financial services and insurance, Healthcare and pharma, Manufacturing, and Construction and real estate sectors are also represented but with fewer responses, ranging from 25 to 97.

Figure 121. Sector in which your organisation operates in - Seven markets

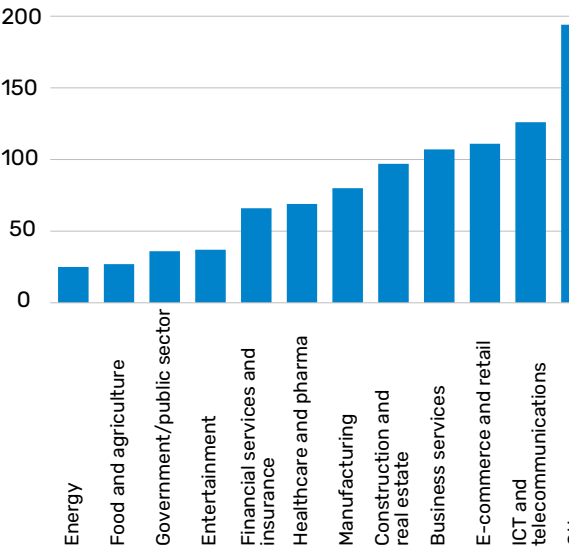


Figure 122. Sector in which your organisation operates in – three main sectors in each market

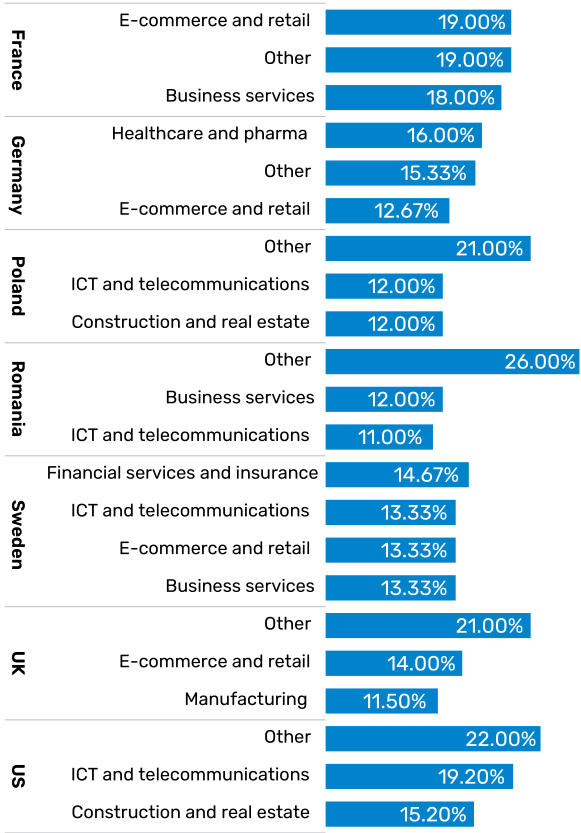


Figure 122 illustrates the three main sectors in which respondents operate in. The data reflects a diverse sectoral composition of surveyed organisations across the seven markets.

For example, in France, respondents from E-commerce and retail and Other sectors tie for the top spot at 19 per cent, followed by Business services at 18 per cent. In Germany, respondents operate in Healthcare and pharma at 16 per cent, followed by Other at 15.33 per cent and E-commerce and retail at 12.67 per cent. Poland's dominant sector among respondents is Other at 21 per cent, followed by ICT and telecommunications and Construction and real estate, both at 12 per cent. Romania's respondents operate in Other at 26 per cent, followed by Business services at 12 per cent and ICT and telecommunications at 11 per cent.

In Sweden, the main sectors in which surveyed companies operate are Financial services and insurance, ICT and telecommunications, E-commerce and retail, and Business services, all at 13.33 per cent to 14.67 per cent. The UK's primary sectors among respondents are Other at 21 per cent, followed by E-commerce and retail at 14 per cent, and Manufacturing at 11.50 per cent. Finally, in the US, most of the surveyed organisations operate in Other (22 per cent), followed by ICT and telecommunications (19.20 per cent), and Construction and real estate (15.20 per cent).

In-depth interviews

Alongside the perception survey, we conducted twenty in-depth interviews with C-level executives at international organisations, foreign direct investment advisers, site selection advisers and global influencers.

These interviews yielded insights into Moldova's potential, its value proposition, and the opportunities it presents. The selection criteria were based on participants' knowledge, experience, and influence in the industry.

For the C-level executives, we ensured a diverse mix of individuals with and without prior experience working with Moldova. This approach aimed to capture a broad range of perspectives to better understand their perception of Moldova and expose them to the country's value proposition (For the full list of interviewees, see References and Acknowledgements on [page 108](#)).

The selection process involved reaching out to potential participants and inviting them to take part in in-depth interviews (IDIs). The IDIs were conducted using a semi-structured format, which allowed for flexibility in exploring relevant topics in depth.

The interviews revolved around a set of general questions, with follow-up questions added based on the responses. These questions focused on key themes such as trends in the IT sector, perceptions of partnering with IT providers to enhance digitization and competitiveness, and the key factors companies consider when selecting partner companies.

Also, we enquired about their knowledge of the Moldovan IT sector, including the challenges and opportunities they perceive. We sought their recommendations on how the government could boost the sector's profile and how companies can create their value proposition.

For the full list of interviewees, see References and Acknowledgements on [page 108](#).

Below are the general questions asked:

- What are the trends in the IT sector?
- How is partnering with IT providers perceived when enhancing digitisation, competitiveness and productivity?
- And what are the key elements companies are looking for when selecting providers?
- What is their knowledge about the Moldovan IT sector? What challenges and opportunities do they see?
- What should / could the government do to boost the profile of the sector and how can companies create their competitive advantage?

References and Acknowledgements

In this chapter we thank all individuals and organisations that have contributed to this research either in its quantitative or qualitative part.

First, we would like to thank the in-depth interviewees who shared their insights about the Moldovan IT market and the opportunities it offers.

- **Mark Angus**, CEO, Genesis Global Business Services
- **Lynda Arsenault**, International FDI and Outsourcing Adviser
- **Anne Bibb**, Co-Founder & COO, Ethos Support
- **William Carson**, Director of Market Engagement, Ascensos
- **Cristina Ceban**, Talent Acquisition Lead, Endava
- **David Deadman**, Procurement Director, RELX Group
- **Wiktor Doktor**, CEO, ProProgressio
- **Alexandru Gozun**, Head of PwC Moldova Office, Director Business and Public Sector Advisory Services, President, Amcham Moldova
- **Elena Ivanova**, Managing Director, Crunchyroll Moldova
- **Romek Lubaczewski**, Retired Partner, PwC
- **Stephen Loynd**, Founder and Principal, TrendzOwl
- **Loren Moss**, Business Intelligence Adviser
- **Olivier Prado**, Founder and CEO, GPG Call Centre & BPO Solutions; President of the Board of the Business Leaders in Moldova
- **Peter Ryan**, Global BPO Adviser, President and Principal Analyst, Ryan Strategic Advisory
- **Shelli Ryan**, Chief Executive Officer, Founder, Ad Hoc Communication Resources
- **Olga Surugiu**, CEO, Orange Moldova, Vice President, Moldovan Association of ICT Companies

- **Irina Strajescu**, People and Communication Director and HR Director. Moldcell
- **George Teodorescu**, Global Head of Risk and Compliance and Regional Director for Moldova, Mixbook
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- **Joel Walker**, Co-Founder and Chief Operating Officer, The Knowledge Group

We would like to thank all the organisations that supported the research related to the tax incentives and other benefits offered by selected countries in the region

- Bulgarian Association of Software Companies-BASSCOM Bulgaria
- Cluj IT Cluster, Romania
- Employers' Association of the Software and Services Industry, ANIS, Romania
- Estonian Investment Agency, Enterprise Estonia
- HI Tech Park, Belarus
- Invest in Georgia
- Investment and Development Agency of Latvia
- Invest Lithuania
- Ukraine DIIA City
- Ukraine IT Association
- Slovak Investment and Trade Development Agency
- Software Development Association (SoDA), Poland

We would like to thank all the organisations that shared their data and statistics.

All statistics with money indicators are depicted in euros. In case the original data was in Moldovan lei, the average exchange rate provided by the National Bank of Moldova was used. If the original data was in the US dollar, the average exchange rate provided by the European Central Bank was used.

Market potential

Figures “Number of ICT and IT-adjacent enterprises”, “Structure of ICT enterprises by size, 2022”, “Structure of IT-adjacent enterprises by size, 2022”, “Share of turnover of ICT enterprises by size, 2022”, “Share of turnover of IT-adjacent enterprises by size, 2022”, “Turnover of ICT and IT-adjacent enterprises, million euros”, “ICT value added, current prices”, “Share of ICT sector in GDP”, “Physical volume production index of ICT, change to the previous year”, “Average monthly cost per employee in ICT sector and in overall economy, euros” rely on the data from the National Bureau of Statistics of the Republic of Moldova (NBSRM).

Figures “ICT exports, of which IT – adjacent exports, million euros” and “FDI stock in ICT, end of the year” based on the data of the National Bank of Moldova.

Figures “Number of MITP residents at end of year”, “Share of MITP residents with local and foreign capital, 2023”, “Share of MITP residents by size, 2023”, “Sales revenue, cost of sales and gross profit from eligible activities of MITP residents, million euros”, “Sales by eligible activity, local and exports, million euros”, “Sales revenue and gross profit per employee, thousand euros”, “Total investments of MITP residents”, “Cost of sales from eligible activities” are taken from the internal Moldova IT Park statistics.

Figures “Expectation for team growth over the next 12 months, average by company size”, “Share of entities which anticipate growing their teams over the next 12 months”, “Expectation for team growth over the next 12 months, average by revenue category”, “Revenue growth expectation for the next 12 months, average by company size”, “Share of entities which expect revenue growth over the next 12 months”, “Revenue growth expectation for the next 12 months, average by revenue category”, “Cost of goods sold/cost of sales growth expectation for the next 12 months, average by size”, “Share of entities which expect the cost of goods sold/cost of sales to increase, by size”, “Cost of goods sold/cost of sales growth expectations for the next 12 months, average by revenue category”, “Own prices growth expectations for the next 12 months, average by size”, “Share of entities which expect their own prices to increase over the next 12 months, by size”, “Own price growth expectations for the next 12 months, average by revenue category”, “Share of entities which expect to see a growth in leverage rate over next 12 months, by size”, “Share of entities which expect to see a growth in leverage rate over next 12 months, by revenue category”, “Main problems, share of answers, all entities”, “Expectation of relocating

to a different country over the next 12-24 months, average by size”, “Share of companies who rate the likelihood of relocating at more than 50 per cent, by size”, “Expectation of relocating to a different country over the next 12-24 months, average by revenue” rely on the results of the Confidence Survey of MITP residents, conducted by Emerging Europe.

Sectors, services and technologies

In this chapter, source of data for figures “Technologies used by companies in the MITP, 2023”, “Fields of activity of companies in the MITP, 2023”, “Types of project of companies in the MITP, 2023” is the internal Moldova IT Park statistics.

Figures “Types of activity of companies in the MITP, 2023”, “Share of number of sectors of individual entrepreneurs”, “Share of number of sectors of SMEs” and “Share of number of sectors of big companies” rely on the results of the Confidence Survey of MITP residents, conducted by Emerging Europe.

Regional positioning

In this chapter, figures “IT Competitiveness Index”, “Output per employee in ICT per month, euros, 2021”, “Value added per employee in ICT per month, euros, 2021” are taken from the Emerging Europe “The Future of IT” 2023 report.

The source of the figure “English proficiency Index, 2023” is “Education First”.

Figure “PISA score, 2022” is based on OECD’s Programme for International Student Assessment (PISA).

Figures “Services export, share of GDP” and “ICT services export, share of GDP” rely on the data of the World Bank.

Figure “Sustainability Index” was taken from the Emerging Europe “Future of Emerging Europe” 2023/2024 report.

Labour market

For this section, figures “Average salary in ICT sector, euros”, “Average monthly earnings in IT-adjacent, euros”, “Number of employees in IT-adjacent sector”, “Share of ICT employees by gender, per cent”, “Share of employees in IT-adjacent by gender, per cent”, “Number of ICT students by education level”, “Number of ICT graduates by education level”, “Share of ICT students of all students by level of education, per cent”, “Share of ICT graduates of all graduates by level of education, per cent”, “Share of employed in ICT in total economy, per cent”, “Yearly average number of employees in ICT and IT-adjacent sectors”, are taken from the NBSRM.

Source of data for figures “Share of MITP employees involved in eligible activities by gender, per cent”, “Structure of MITP residents employees by citizenship”, “Number of MITP resident employees” is MITP internal statistics.

For the figure “Average gross salary, euros”, data are taken from two sources: for ICT and IT-adjacent, data are taken from NBSRM, for “MITP, directly involved in eligible activities” the source of data is MITP internal statistics.

Doing business in IT

In this section, the only figure is “Structure of revenue before and after taxation”, the source is Moldova IT Park regulations.

Methodology

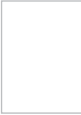
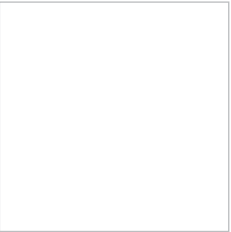
In the Methodology section, all figures from the Confidence survey subsection rely on data, collected by the Emerging Europe Confidence Survey of MITP residents.

Additional sources and references

- Association of Business Service Leaders (ABSL) in Moldova
- Association of Electronics Companies in Moldova (ACEM)
- Cable.co.uk
- Cabinet of Ministers of the Republic of Moldova
- Civil Aviation Authority of the Republic of Moldova
- Council and Parliament of the European Union
- Crunchbase
- EU4Digital
- flightconnections.com
- Invest Moldova Agency
- Ministry of Economic Development and Digitalisation of the Republic of Moldova
- Moldovan Association of ICT Companies (ATIC)
- Moldovan National Film Centre
- National Centre for Data Protection
- National Regulatory Agency for Electronic Communications and Information Technology of Republic of Moldova
- Organisation for Entrepreneurship Development of the Republic of Moldova
- Parliament of the Republic of Moldova
- Startup Moldova
- State Agency on Intellectual Property of the Republic of Moldova

Photos and images

BigStock, Canva, Freepik, Mariusz Szachowski, Unsplash



About Emerging Europe

Emerging Europe was founded in 2013 **to play a role in bringing the region together, to promote its unity to the world, and to drive it forward, empowering and connecting people and organisations to prosper.**

Now, while some parts of Western Europe have become lethargic or overtly hostile towards the wider European project, emerging Europe is providing the continent with new impetus and leadership.

Our ongoing work amplifies the fresh energy and leadership being provided by the emerging Europe region. It reflects the eastwards shift in Europe's centre of gravity, and emerging Europe's development as a key global player economically, politically, socially, and culturally.

We envision a region where every individual has the opportunity, means, and freedom to fulfil their potential, enabled by reinvention, sustainability, collaboration, technology, and entrepreneurship.

We deliver real impact for our partners, using our outside-in knowledge of the region, our network of businesses, governments, and experts, our globally-read analytical website, and market intelligence.

The addition of dedicated research, reinvention, and capacity-building teams now allows us to offer the **fully integrated approach** needed to empower people and organisations across the region to thrive.

As Europe's centre of gravity continues to move eastward, Emerging Europe is uniquely positioned to place its partners at the heart of the significant changes and developments taking place in the continent's most dynamic region.

Who we work with

Private and public organisations from or with ties to the emerging Europe region that are dedicated to sustainability and progress.

Why choose us

Our integrated approach saves you time and delivers a bigger impact.

How we drive your progress

THOUGHT LEADERSHIP: We craft compelling content and research to position you as a thought leader in front of a global audience invested and present in emerging Europe.

STRATEGIC INSIGHT: We blend an outside-in view of emerging Europe with local insight. This combination, together with data accuracy and strict research methods, means you can make big decisions with confidence.

NETWORK ACCESS: Our global network opens doors to the connections you need for success. We help you reach future partners, clients, and amplifiers in a meaningful way.

Our market intelligence includes three types of reports – produced independently, for, or in collaboration with clients:

- Bespoke market intelligence reports for clients: We provide customised reports focused on tech, IT, start-ups, and global business services.
- Research reports produced with partners and clients: We collaborate with organisations like Visa, UiPath, the European Institute of Innovation and Technology, and the Ukrainian Start-up Fund to produce publicly available reports on topics like female entrepreneurship, digital transformation, digital health, and start-ups.
- Our own research **reports:** These publicly available reports help our global audience navigate the region and cover topics such as IT, investment promotion, business-friendly cities, sustainability, travel, and food.

We have multiple programmes and communities that focus on innovation, sustainability, and entrepreneurship. These include:

- **The Future of Emerging Europe:** This programme brings together like-minded individuals and organisations to drive sustainable development in the region. It includes the Emerging Europe Awards, which recognise the best of emerging Europe.
- **Tech Emerging Europe Advocates:** We run this community of tech entrepreneurs, leaders, experts, and investors who are passionate about making emerging Europe a global tech hub. It is part of the Global Tech Advocates network.
- **The Digital Future of Emerging Europe:** In collaboration with Microsoft and PwC, we facilitate discussions and exchanges around digital innovation and sustainability.
- **She's Next in partnership with Visa:** This hub and community support and inspire female talent on their entrepreneurial journey.
- **The Global Visibility Programme:** Our membership programme offers compelling editorial content to help organisations enhance their social proof, digital presence, and thought leadership.
- **Support Digital Ukraine:** This initiative aims to raise global awareness of Ukraine's tech ecosystem and reassure international partners.



