



GROW IN MOLDOVA

AN INVITATION TO INVEST IN THE CITY OF CIMIȘLIA

2021

Dear Investors,

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

Your business will gain substantial competitive advantages due to the following factors:

- ✓ There is a significant availability of labor force in Cimișlia. According to the most modest estimates, at the beginning of 2021, there were at least 10,000 people of working age, who are not engaged in formal economic activities but are motivated to work. About 6,000 of them are between the ages of 17 and 45 and can be easily trained as low- and medium-skilled industrial employees.
- ✓ Since 2018, on a 20-hectare site, in the city of Cimișlia operates a sub-zone of the Bălți Free Economic Zone, designated to support industrial export-oriented investment projects. The sub-zone is managed by the administration of the Bălți Free Economic Zone, which already has a rich experience of facilitating foreign investments in the Republic of Moldova.
- ✓ From 2020, on a 10 hectares site, in the city of Cimișlia operates a Multifunctional Industrial Platform, which is developed together with the Organization for Small and Medium Enterprises Sector and benefits from government support in the development of the utility infrastructure and investment soft assistance.
- ✓ Since 2011, on an area of 10 hectares, in the city of Cimișlia operates an Industrial Park, which is managed by the municipality and which has already managed to attract certain investments.
- ✓ Wage costs in the Cimișlia district are 25% lower than the average in the Republic of Moldova.

We guarantee that investing in the city of Cimișlia will exceed your most optimistic expectations.

We are waiting for you!

Cimișlia City



The city of Cimișlia is the administrative center of Cimișlia district, located in the southern part of the Republic of Moldova, 68 km away from the capital city of Chisinau.

The city of Cimișlia is the residence of the Southern Development Region of the Republic of Moldova.

From the economic point of view, Cimișlia represents a micro-regional growth pole, polarizing the development of an area of 38 localities with over 50,000 inhabitants, residing in 20-25 minutes of driving time.

Furthermore, more than 125,000 people, including over 70,000 of working age, of which over 44,000 are aged between 17-45 years, live within a radius of 30 km from the city of Cimișlia (excluding circular emigrants)

The distance to Chisinau International Airport is 66 kilometers. The distance to the

nearest railway station is only 12 kilometers (Mihailovca).

The nearest customs post and border crossing point with Romania is at a distance of 85 km away from Cimișlia city.

Giurgiulesti International Port on Danube (with access to the Black Sea) is located at a distance of 160 km from the city.

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

According to several independent evaluations, Cimișlia Mayoralty is one of the most open, transparent and business-friendly local public administrations in the Republic of Moldova.

Land Sites Offer

The offer of land sites for the new industrial investments in the city of Cimişlia includes a 40-hectare greenfield-type industrial zone with three distinctive fragments, compactly located at the outskirts of the city, on the R3 highway.



Free Economic sub-Zone (20 hectares)

- ✓ Established in 2018 by the Parliament of the Republic of Moldova
- ✓ Managed by the Administration of Balti Free Economic Zone

Industrial Park (10 hectares)

- ✓ Established in 2011 by the Decision of the Government of Moldova
- ✓ Managed by the Municipal Enterprise "Servicii Publice Cimişlia"

Multifunctional Industrial Platform (10 hectares)

- ✓ Established in 2020 within the Governmental Programme on developing pilot - Multifunctional Industrial Platforms in Moldova
- ✓ In the process of development in partnership with the Organization for SME Sector Development from the Republic of Moldova (financed from the State Budget)

The development of the entire new greenfield-type industrial area of 40 hectares is in accordance with the provisions of the General Urban Plan, approved by the City Council in 2010.

The 40-hectare greenfield area (divided between Free Economic sub-Zone, Industrial Park and Multifunctional Industrial Platform) is located in close proximity to the connection points to the municipal utility networks for water, sewer, natural gas and electricity.

SUB-ZONE CIMIȘLIA OF THE FREE ECONOMIC ZONE BĂLȚI

FEZ Residency Eligibility:	Any natural or legal person registered according to the law as a subject of entrepreneurial activity in the Republic of Moldova.	
FEZ Residency Admission:	Based on an application submitted by a potential investor, the FEZ Administration is organizing a dedicated tailor-made tender.	<u>Necessary time:</u> maximum 3 months
	<p>Documents required for submission to the Evaluation Committee:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> The official request addressed by a potential investor to the FEZ Administrator <input checked="" type="checkbox"/> A copy of the certificate of registration as a subject of entrepreneurial activity in the Republic of Moldova, issued by the Public Services Agency. <input checked="" type="checkbox"/> Brief profile of the investor <input checked="" type="checkbox"/> Proof of the tender fee payment (€400) <input checked="" type="checkbox"/> The investment project or business plan for the activity proposed in FEZ 	
FEZ Residence Cost:	<p>Total €2,000 - a single payment for the entire period of activity in the Free Economic sub-Zone, including:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Tender Fee = €400 <input checked="" type="checkbox"/> Registration fee = €600 <input checked="" type="checkbox"/> Fee for business activity permit = €1000 	
Land Lease and Purchase	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> 0.5€ /m² – land lease fee <input checked="" type="checkbox"/> Land purchase – privileged price (after the realization of the investment) in accordance with the provisions of national legislation 	Land purchasing price (based on state norm price) is applicable after the investment finalization
Vacant Sites Availability:	20 hectares: dedicated land plots shall be segmented per specific request of individual investors	
Equipment with engineering infrastructure	<p><u>Road access:</u> 50 meters distance</p> <p><u>Centralized Water Supply:</u> in proximity: Ø110 mm pipeline (utility cost = €1,79/m³)</p>	

	<p><u>Centralized Sewage System</u>: in proximity: 5000 m³/24h (utility cost = €1.08/m³)</p> <p><u>Electricity</u>: in proximity: 2,5 MV line in proximity (utility cost = €0.1/kWh)</p> <p><u>Natural gas</u>: in proximity: 0,125-0,25 Mpa pipeline (utility cost = €0.2/m³)</p>
<p>Local regulation of land use and construction</p>	<p>The FEZ land plot is fully equipped with all necessary urban and land use regulatory documentation (City General Urban Plan), duly approved by the City Council.</p> <p><input checked="" type="checkbox"/> <u>Issuing of land use certificate</u> = maximum 30 calendar days since the submission of the request</p> <p><input checked="" type="checkbox"/> <u>Issuing of building permit</u> = maximum 30 calendar days since the submission of the request</p>
<p>Fiscal and Economic Facilities:</p>	<p><input checked="" type="checkbox"/> Corporate income tax (CIT) rate: 6%</p> <p><input checked="" type="checkbox"/> Exemption from CIT for a period of 3 years, when investing 1 million USD in fix assets of the company and/or in FEZ infrastructure development (for 5 years, when investing 5 million USD)</p> <p><input checked="" type="checkbox"/> VAT for equipment and machinery: 0%</p> <p><input checked="" type="checkbox"/> Customs procedures tax: 0.1% from customs value of goods</p> <p><input checked="" type="checkbox"/> Guarantee and protection from changes in legislation for a general period of up to 10 years, while under certain conditions this period may be extended to 20 years.</p> <p><input checked="" type="checkbox"/> Exemption from excise duties for goods introduced in the free zone from outside the Republic of Moldova, from other free zones, from the rest of the territory of Moldova, originating from this zone and exported outside the territory of the Republic of Moldova.</p> <p><input checked="" type="checkbox"/> Optimization the controls of residents by the state controlling institutions.</p> <p><input checked="" type="checkbox"/> A simplified procedure of work permits issuance for the foreign workers.</p> <p><input checked="" type="checkbox"/> Customs Office available on site, operating 7days/ week (if necessary 24 hours/day)</p>

MULTIFUNCTIONAL INDUSTRIAL PLATFORM CIMIȘLIA

Site offer	Direct negotiations with the municipal authorities	Necessary time: maximum 6 months
Cost	<input checked="" type="checkbox"/> Land lease – to be negotiated <input checked="" type="checkbox"/> Land purchase – to be negotiated	
Site offer	10 hectares: dedicated land plots shall be segmented per specific request of individual investors	
Engineering equipment	<p><u>Access to centralized Water supply:</u> (Utility cost = €2/m³).</p> <p><u>Access to centralized Sewage supply</u> (Utility cost = €2/m³).</p> <p><u>Access to gas supply:</u> in the process of construction (Utility cost = €0.3/m³).</p> <p><u>Access to electricity:</u> (Utility cost = €0.08/kWh).</p> <p><u>Asphalt road access:</u> 50 meters distance</p> <p><u>Note:</u> The construction of internal utility networks will be realized with the Governmental support within the National Programme on Development of Multifunctional Industrial Platforms.</p>	
Local regulation of land use and construction	<p>The land plot is fully equipped with all necessary urban and land use regulatory documentation (General Urban Plan), duly approved by the City Council.</p> <p><input checked="" type="checkbox"/> <u>Issuing of land use certificate</u> = maximum 30 calendar days since the submission of the request</p> <p><input checked="" type="checkbox"/> <u>Issuing of building permit</u> = maximum 30 calendar days since the submission of the request</p>	
Facilities:	<input checked="" type="checkbox"/> Free consultancy in the process of initiating and carrying out the investment from the Organization for the Development of Small and Medium Enterprises of the Republic of Moldova.	

INDUSTRIAL PARK CIMIȘLIA

Residency Eligibility:	Any natural or legal person registered according to the law as a subject of entrepreneurial activity in the Republic of Moldova.	
Residency Admission:	The administration of the Industrial Park organizes a contest to select the resident based on the application submitted by a potential investor.	Necessary time: maximum 3 months
Land Price:	<input checked="" type="checkbox"/> 0.5€ /m ² – land lease fee <input checked="" type="checkbox"/> 0.65€ /m ² – land purchasing price	
Site offer	10 hectares: dedicated land plots shall be segmented per specific request of individual investors	
Land use and construction regulation:	<p>The land plot is fully equipped with all necessary urban and land use regulatory documentation (General Urban Plan), duly approved by the City Council.</p> <input checked="" type="checkbox"/> <u>Issuing of land use certificate</u> = maximum 30 calendar days since the submission of the request <input checked="" type="checkbox"/> <u>Issuing of building permit</u> = maximum 30 calendar days since the submission of the request	
Facilities:	<p>For the Industrial Parks, the state offers a series of facilities, of interest for the potential investors:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> The national legislation favors the investments from the state (including through the Regional Development Fund) for the development of the technical-municipal infrastructure of the park. <input checked="" type="checkbox"/> The national legislation offers the possibility of a privileged price for investors regarding the cost of renting the land (at the normative price, reduced to the coefficient 0.3). <input checked="" type="checkbox"/> National legislation allows the investor to privatize public property land related to construction at the normative price of land (after the commissioning of industrial constructions, if the investment was at least 3 times higher than the normative price of land). 	

Available Workforce

Despite a continuous migration out-flow characteristic to the Republic of Moldova, there is still a significant reserve of available workforce in Cimișlia district. Based on the most modest estimations (made by the USAID Project "My Community"), in the Cimișlia district there are currently over 10,000 people of working age, motivated to work, but not involved in formal economic activities. About 6,000 of them are between 17 and 45 years old, which could be relatively easily converted into low- and middle-skilled technical workers.

Estimation of the labor force availability in Cimișlia district, at the beginning of 2021

Indicators	Estimations	Comments
Number of working-age people currently living de facto in Cimișlia district (excluding circular emigrants)	>26,000 people	≈ 60% of the total present population
Including: Number of people aged 17-45, living de facto in the agglomeration (without emigrants)	>17,000 people	≈39% of the total present population
Number of people officially employed	≈ 7,000 people	Employees from public and private sector, inclusively formally self-employed
Number of working-age inhabitants living de facto in the district (excluding emigrants) but not participating in any form in formal economic activities	>15,000 people	Including residents currently engaged in informal economic activities (seasonal and occasional), without social and medical guarantees, with an average remuneration of 200-250 MDL / day (€ 10-12)
The existing minimum (estimated) labor reserve pool that de facto lives in the Cimișlia district, which is not yet involved in migration, has adequate work discipline and is motivated to work in a stable job	≈ 10,000 people, inclusively ≈6,000 in age of 17-45	

Furthermore, within a radius of 30 km from the city of Cimișlia, over 125,000 people are residing de facto (excluding emigrants), including over 70,000 of working age, of which about 44,000 aged 17-45.

The labor cost in Cimișlia district is among the lowest in the Republic of Moldova. In 2020, the average monthly salary was 5,500 MDL (€260) or about 75% compared to the national average (7.5 thousand MDL/€360). Moreover, in the private sector, the monthly cost of unskilled and low-skilled labor is about 3,000 MDL (<€150) for full-time positions and about 200-250 MDL/day (€10-12) for seasonal and occasional positions.

Cimișlia district still has a reliable pool of skilled work force with industrial experience, mostly in the following fields:

- ✓ Milk processing
- ✓ Meat processing
- ✓ Wool processing
- ✓ Production of beer and kvass (bread drink)
- ✓ Wine making

- ✓ Textile
- ✓ Furniture production
- ✓ Assembly of machinery and equipment

Availability of industrial skills and experience in Cimișlia district

Industries	Specializations	
	Closed business entities	Functional business entities
Wool processing	✓ The wool processing workshop – <i>in the past more than 50 people were employed, currently does not work</i>	N/A
Light industry (textile and tailoring)	N/A	✓ 3 small tailoring workshops – <i>employ over 50 workers</i>
Assembly of machinery and equipment	N/A	✓ Since 2017, an investor from Switzerland has opened a factory specializing in the assembly of trailers for agriculture, industry and utility services ("Beck Cimișlia") – <i>currently about 35 workers are employed.</i>
Furniture production	N/A	✓ One small furniture workshop ("Rumobi Prestigiu") – <i>employ approximately 30 workers</i>
Production of alcoholic and soft drinks	✓ A small beer and kvas (bread drink) producer (FPC "Cogâlnic") – <i>over 50 employees</i>	
Milk processing	✓ Dairy – <i>in the past more than 50 people were employed, currently does not work</i>	✓ In 2018 a new cheese factory (SRL "GM - Com") was launched in the Industrial Park, in which about 15 workers are employed.
Processing of fruits and vegetables	✓ MoldCoop Cannery - <i>in the past more than 120 people were employed, now it does not work.</i>	✓ "Camedonesc" fruit dryer (approx. 10 employees).
Wine making	✓ Winery - <i>in the past more than 100 workers were employed, now it does not work.</i>	✓ Agrofirma Cimișlia - <i>wine production (about 35 employees).</i>
Meat processing	✓ "Roma" meat factory - <i>in the past more than 200 people were employed, now it does not work.</i>	✓ "Cvadrivita" sausage production mini-section (5 employees).
Cereal processing and bakery	✓ The state-owned bakery - <i>in the past about 50 workers were employed, now it does not work</i>	<ul style="list-style-type: none"> ✓ 2 mills - <i>about 40 employees</i> ✓ 2 bakeries - <i>about 30 employees</i>
Metalworking	N/A	✓ The metal processing section of SRL "Plușor" - <i>about 10 employees</i>
Asphalt production	✓ Asphalt factory, modernized in 2018 - <i>about 150 employees.</i>	

Availability of Agricultural Raw Materials

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

- ✓ Fodder production (possible in combination with animal husbandry complexes)
- ✓ Production of flour and related products (biscuits, pasta, snacks, etc.)
- ✓ Production of ethyl alcohol (from cereals)
- ✓ Production of croutons, dry breakfasts, instant cereal flakes, müsli, etc.
- ✓ Production of sunflower oil.
- ✓ Processing and packaging of medicinal plants, including teas.

The production of agri-food raw material in Cimișlia district

#	Items	Average Yearly Production	Nota Bene
1	Corn	≈ 20,000 tons	<ul style="list-style-type: none"> ✓ Cimișlia district provides ≈7% of the national production of fodder plants ✓ Cimișlia district provides ≈5% of the national flour production
2	Grain	≈40-50,000 tons	
3	Sunflower	≈ 25-30,000 tons	
4	Barley	≈5-6,000 tons	
5	Fruits	<2,000 tons	<ul style="list-style-type: none"> ✓ Specialized mostly in trading fresh (not-processed) fruits.
6	Vegetables	≈ 150 tons (mostly cabbage and onion)	
7	Nuts, almonds, hazelnuts	≈ 300 tons	There are opportunities to develop packaging lines.
8	Grapes (for wine)	≈1,500 – 2,000 tons	
9	Meat	≈ 3,500 tons	Predominantly produced by small farms and individual householders

Availability of related Services

The city of Cimișlia has a vocational school, specialized in the following fields:

#	Specializations	Average annual graduates
1	Construction specialists	33
2	Chefs	33
3	Tailor and seamstress	17
4	Tractor drivers and machinists	22
5	Metal processing (welders)	12

In the context of attracting new investors, the vocational school has significant development reserves, including promoting new specializations (on request) through the dual education approach.

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

Provision of passenger transport services in the agglomeration

From/to Cimișlia	Frequency
Coștagalia-Grădiște, Valea Perjei, Munteni-Gura Galbenei, Zloți-Sagaidac, Sagaidac-Satul Nou, Cenac-Dimitrov	1 route per day
Sagaidâc-Grădiște, Javgur-Ialp-Valea Perjei, Ivanovca-Gura Galbenei, Albina-Fetița, Hârtop, Bogdanovca, Mereni-Fetița	2 routes per day
Gura Galbenei, Suric-Mihailovca, Valea Perjei, Satul Nou-Selmet-Mihailovca	3 routes per day
Selemet-Mihailovca	6 routes per day
Batâr-Troițcoie	7 routes per day

Subsidiaries of four largest commercial banks in the Republic of Moldova operate in the city of Cimișlia: CB "Moldova AgroIndbank", CB "MoldInconBank", CB "EnergBank" and CB "FinComBank"

In the city there is a three-star hotel with 10 beds.

Contacts:



MAYORALTY OF CIMIȘLIA CITY

Republic of Moldova, Cimișlia city, #14 - Ștefan cel Mare street

primaria@cimislia.md, +373 241 2-21-87

www.cimislia.md



ADMINISTRATION OF BALTI FREE ECONOMIC ZONE

Republic of Moldova, Bălți Municipality, #4 Industrială street,

administration@zelb.md, +373 231 88881, +373 231 88880

www.zelb.md



INVESTMENT AGENCY OF THE REPUBLIC OF MOLDOVA

Republic of Moldova, Chisinau Municipality, #134 Ștefan cel Mare bd.

office@invest.gov.md, +373 22 27 36 54,

www.invest.gov.md



ORGANIZATION FOR SME SECTOR DEVELOPMENT IN MOLDOVA

Republic of Moldova, Chisinau municipality, #134 - Ștefan cel Mare bd.

info@odimm.md, +373 22 295 742

www.odimm.md

This report is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of Local Public Administration and do not necessarily reflect the views of USAID or the United States Government.