



UNGHENI: OPPORTUNITIES FOR INVESTMENT



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 **Local Government and
Public Service Reform Initiative**

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GENERAL INFORMATION: REPUBLIC OF MOLDOVA

The Republic of Moldova has many comparative advantages over the rest of the countries in the region due to its geographic location – specific Eastern and Western traditions, the future status as a country neighboring the EU and extremely favorable conditions for accessing the markets of the EU and CIS countries. By no means coincidental, investors consider the territory of this state to be a “moving plate” and a “bridge” between East and West. The Republic of Moldova has complemented its comparative advantages by entering into a large number of free trade agreements (FTAs) with countries from both the East and the West. Currently, the Republic of Moldova has signed 35 FTAs¹ regarding the endorsement and mutual protection of investments, and the avoidance of double taxation of income and ownership.

Furthermore, the special legal framework for the regulation and endorsement of exports of the Republic of Moldova includes 38 bilateral agreements on commercial

and economic cooperation and 16 FTAs with CIS and the Stability Pact for Southeastern European states².

Since January 1, 2006, the Republic of Moldova has benefited from the new General System of Preferences (GSP+) granted by the European Union (EU Regulation No. 980/2005 dated June 27, 2005 regarding the application of the general system of tariff preferences). Thus, 7200 groups of products obtain free access without the application of customs duties on the EU market, which constitutes nearly 87.77% of the exports of the Republic of Moldova to the EU.

The Republic of Moldova is a member of the World Trade Organization (W.T.O.). The accession protocol of the Republic of Moldova to the Marrakech Agreement regarding the establishment of the W.T.O., signed at Geneva on May 8, 2001, was ratified through the Regulation No. 218-XV from 01.06.2001 for the accession of Moldova to the W.T.O.

SOCIAL AND DEMOGRAPHIC ASPECTS

The total population of the Republic of Moldova on January 1, 2006 was 3,395,600 inhabitants; 1,322,700 (39.0%) out of which live in urban areas and 2,072,900 (61.0%) in rural areas. The birth rate in rural areas traditionally is higher than in urban areas, 11.5% and 9.1% respectively.

Traditionally, the population of Moldova is characterized by a very high education and professional rate. As

of the 2005/2006 academic year 35 higher-education institutions are registered and 114,552 students enrolled. In 2005, 17,400 students graduated from universities, 76.1% out of which were graduates of public and 23.9% of private institutions. ¾ of graduates paid fully their tuition fees. Economics (26.8% of students) and law (20.1%) majors are most popular among students.

Economically active population³, in thousands of inhabitants

	2002	2003	2004	2005
Total population (average per year)	3623	3612	3603	3595
Economically active population	1615	1474	1433	1422
<i>Women in economically active population</i>	820	742	731	733
Population employed	1505	1356	1316	1319
<i>Women in employed population</i>	774	696	685	689

Universities⁴

	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Institutions	28	38	43	47	47	45	40	35
Students, total	65595	72729	77312	79082	86414	95039	104029	114552
<i>Full-time students</i>	46784	50803	54100	54599	59009	63593	68580	74865
<i>Part-time students</i>	18811	21926	23212	24483	27405	31446	35449	39687
Students per 10,000 inhabitants	180	199	212	217	238	262	288	318
Academic staff	4554	4726	5058	5286	5328	5532	5740	5909

¹ FTAs signed with Austria, Albania, Azerbaijan, Belgium, Belarus, Great Britain and Northern Ireland, Bosnia and Herzegovina, Bulgaria, Czech Republic, China, Croatia, Greece, Switzerland, France, Russian Federation, Finland, Georgia, Germany, Israel, Italy, Kuwait, Kyrgyzstan, Latvia, Lithuania, Netherlands, Poland, Romania, Spain, Slovenia, Serbia, Montenegro, United States of America, Tajikistan, Turkey, Ukraine, Hungary, Uzbekistan.

² FTAs signed with Armenia, Albania, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Russian Federation, Georgia, Kazakhstan, Kyrgyzstan, Macedonia, Romania, Serbia, Montenegro, Ukraine and Uzbekistan.

³ As of January 1, 2006, according to the current statistics of the National Bureau of Statistics.

⁴ According to the National Bureau of Statistics.



¹ From Greenwich.

The Republic of Moldova has an advanced scientific and technological potential (in the early '90s, Moldova was on the 6th-7th place in the world for the number of persons employed in the research-development sphere per 10,000 inhabitants). Moreover, several industrial skills are well-preserved (in the early '90s the industrial sphere was prevailing, with medium industrial production funds on a global scale and with a highly qualified staff. Some of the industrial capacities, in particular those of the military industrial complex of the former USSR were globally competitive). Currently, according to the National Bureau of Statistics, 69.6% of all employees operate in the private sector and 25.6% in the public sector, while 83.5% of the public servants are employed in the budget sphere. Additionally, 70% of the total number of employees in the budget sector work in the education sphere.



Portion of population employed by types of economic activities, thousands of inhabitants

	2002	2003	2004	2005
Total,	1505	1356	1316	1319
Agriculture, economy of hunting and forestry; fishing	747	583	533	537
Industry	171	164	162	159
Constructions	46	53	52	52
Wholesale and by retail trade, hotels and restaurants	175	176	179	183
Transports and communications	62	68	73	71
Public administration; education; healthcare and social assistance	243	246	241	239
Other activities	61	66	76	78

Cheap labor force is one of the main factors that influences the parameters of the investment projects and determines the location of the direct foreign investments in a national economy. The labor force in the Republic of Moldova is cheap and well-qualified. This factor determines mostly a relatively high profit rate in some branches, such as: light industry (textiles, leather goods), furniture production,

construction materials, electronics, and several branches of the food products sector. During January-August 2006 the average monthly wage of one employee in the economy of the Republic of Moldova (enterprises employing more than 20 employees) equaled 1,596.8 lei. The average monthly wage in the state-employment sphere was 1,381.8 lei, and in the private sector of economy – 1,712.2 lei.

Average Monthly Salary by types of activities, lei

	2002	2003	2004	2005
Total	691,5	890,8	1103,1	1318,7
Agriculture, economy of hunting and forestry	393,8	498,6	642,6	744,0
Fishing	455,1	585,7	860,2	1043,1
Industry	1001,8	1270,6	1501,9	1764,5
Constructions	838,1	1194,0	1639,1	1972,8
Wholesale and by retail trade	641,7	794,9	1051,0	1228,1
Hotels and restaurants	571,3	827,4	975,0	1150,5
Transports and communications	1054,5	1453,5	1786,3	2142,9
Financial activities	2564,4	2926,4	3254,8	3450,6
Real estate transactions, rents and services delivered to enterprises	889,6	1133,4	1382,0	1671,4
Public administration	989,1	1049,9	1204,6	1363,6
Education	463,3	610,2	710,7	881,8
Healthcare and social assistance	439,1	578,8	844,7	1016,7
Other collective, social and personal services	505,3	671,4	801,9	1010,9

ADMINISTRATIVE-TERRITORIAL DIVISION OF THE REPUBLIC OF MOLDOVA, AS OF JANUARY 1, 2006:

The territory of the Republic of Moldova is administratively organized in administrative-territorial units: raions, cities, and villages. All territorial-administrative units have legal entity, assets, and power to settle and manage, within the law, and in the interest of the local population, an important part of the problems of public interest. All administrative-territorial units combined form the territorial unity of the state. The public authorities of the administrative-territorial units, who are the state representatives empowered with general and special powers form the system of the local

public administration. Their mission is to represent all general interests of the inhabitants of the administrative-territorial units. On January 1, 2006, the territory of the Republic of Moldova was administratively divided as follows: 32 raions, 5 municipalities, 60 cities, 917 villages (communes), 1575 communities within villages, 1 autonomous territorial unit, and the territorial administrative units from the left bank of the river Nistru (with special forms and conditions of autonomy). The status of municipality is ascribed to Chişinău, Bălţi, Bender, Comrat, and Tiraspol cities.

Land capital in thousand hectares¹

	2002	2003	2004	2005
Land – total	3384,3	3384,4	3384,6	3384,6
Agricultural land	1946,7	1951,1	1950,9	1951,8
Private land	309,9	307,8	309,3	308,6
Surplus fund ²	655,8	603,8	578,7	553,8
Land for industry, transports, communications and other special destinations	58,6	59,4	58,7	58,5
Land of the forestry fund destined for nature protection	356,2	388,3	405,8	428,5
Land of the water fund	57,1	74,0	81,2	83,4

On January 1, 2006, the land capital of the country equaled 3,384,600 hectares. The surface of the agricultural land constituted 1,951,800 hectares. The soil is the most important natural resource of Moldova. Chernozems, the main

category of soils, prevail. They cover 72% of the total soil and are considered to be the most fertile soils. The alluvial soils are also very important and cover 10.2% of the total pedologic strata. Other categories of soils are less frequently found.

The land lots of the country can be publicly or privately owned. The state protects equally both types of property. The property relations are regulated by law. The landowners have the following rights:

- to possess the land;
- to own the production and income obtained through its exploitation;
- to make use, as stipulated by law, of minerals, forests, waters and other natural resources found on the land;
- to build, as stipulated by law, houses, buildings for production, buildings with socio-cultural purposes, etc.;
- to give the land to be exploited by renting it out or by any other form;
- to receive, in case of the withdrawal of the land for state or public needs, full compensation of expenses and losses, including the lost interest;
- to bequeath and alienate the terrain in accordance with the law³.

According to the data from the Register of State for enterprises and organizations, as of June 1, 2006, 128,338 enterprises are registered, including: 62,595 individual enterprises, 52,083 limited companies, 5,110 joint-stock companies, 4,323 cooperatives (production cooperatives,

cooperatives for consumption, and entrepreneurship cooperatives), 1,162 state enterprises, 427 municipal companies, 1,501 representative branches, 276 non-commercial organizations, 861 firms, limited partnerships, kolkhozes, associations of rural households, etc.

¹ On a whole nation wide.

² Land allotted for social development of localities and general use (public pasture land, etc.).

³ Article 3 and 27 of the Land Code (Law No. 828-XII dated December 25, 1991).

Fixed capital investments during 2000-2005.

	2000	2001	2002	2003	2004	2005
Fixed capital investments – total, million lei (current prices)	1759,3	2315,1	2804,2	3621,7	5140,0	7189,1
Construction-mounting works	755,6	1056,8	1102,3	1526,8	2548,1	3406,4
Equipment, tools, stock list	890,4	1181,3	1626,4	1975,9	2394,5	3478,4
Other works and capital expenses	113,4	77,0	75,5	119,0	197,4	304,3
Growth rate of fixed capital investments, in % against previous year	85	111	111	107	108	111,9
GDP quota in fixed capital investments, %	11,0	12,2	12,4	13,1	16,0	19,6

During 2000-2005 the volume of fixed capital investments, in current prices, increased by nearly 4 times. This trend contributed to the growth of the share in GDP (investment

quota) of the fixed capital investments from 11.0% in 2000 up to 19.6% in 2005. This change is a sign of the revitalization of the investment process in the Republic of Moldova.

Main sources of fixed capital investments during 2000-2005

	2000	2001	2002	2003	2004	2005
In current prices, million lei						
Fixed capital investments - total	1759,3	2315,1	2804,2	3621,7	5140	7189,1
Financed by:						
National and local budgets	143,8	197,9	175,6	201,1	442	721,3
Economic agents	992,5	1320,5	2000,0	2541,8	3151,9	4434,2
Population	66,9	91,7	105,3	131,4	125,4	168,4
Foreign investors	445,3	450,2	332,7	535,2	1056,9	1414,0
Other	110,8	254,8	190,6	212,2	363,8	451,2

On July 1, 2006, according to the data of the Registration Chamber of State, 4,907 enterprises with foreign investments were registered within the country. In 2005, 653 enterprises were registered, which is 65% more than in the previous year. In the 1st semester of 2006, 409 enterprises with foreign capital were registered. Direct investments in the social capital (nearly 60%) as well as credits and loans (35%) have registered the highest share

of the total of foreign investments. Entrepreneurs from 42 states invest in the Republic of Moldova. The largest investments come from the European Union, CIS states, USA, Romania, Cyprus and Canada. By states, the main investors in the national economy are the Russian Federation, Spain and USA. The volume of direct investments originating from the enterprises of these 3 states is 40.5% or 290,760 million USD of total investment.

Annual dynamics of foreign direct investments in the national economy during 2000-2005¹

Indicators	2000	2001	2002	2003	2004	2005
FOREIGN DIRECT INVESTMENTS, MILLION USD						
FDI² in national economy - total	159,26	114,9	166,8	102,9	246,7	296,4
Including:						
Subscribed capital	85,47	115	70,7	47,4	128,8	100,2
Banking sector	16,07	11,5	10,4	3,7	8,7	2,2
Other sectors	69,40	103,5	60,3	43,8	120,1	98,0
Reinvested income	11,72	-36,6	22,7	21,2	46,3	72,0
Banking sector		2,0	5,2	6,1	6,6	8,2
Other sectors		-38,6	17,5	15,1	39,7	63,8
Other capital	62,07	36,6	73,4	34,3	64,9	122,6
SECTORIAL STRUCTURE OF FDI, %						
Banking sector	10,1	11,7	9,3	9,5	6,2	3,5
Other sectors	89,9	88,3	90,7	90,5	93,8	96,5

The main companies that ensure the share of capital entries from the Russian Federation, Spain and the USA into the total stock of FDI are:

- **Russian Federation** - "Moldovagaz" (energetic sector), "Green Hills Market" (services and trade);
- **Spain** - "Union Fenosa" (energetic sector), Glass Container Company (industry);
- **USA** - "Mobiasbanca" (banking sector), "Moldova Agroindbank" (banking sector), "Dionysos Mereni" (wine industry), SA "Cricova Acorex" (wine industry), "Fabrica de Produce Lactate din Hîncești (Alba)" (food industry), "Sun Communications" (TV services and communications), "Jolly Allon" (hotel services).

¹ Data from the National Bank of Moldova.

² Foreign Direct Investments.

ADVANTAGES AND OPPORTUNITIES FOR INVESTMENTS

COMPARATIVE ADVANTAGES FOR INVESTMENTS IN THE NATIONAL ECONOMY, INCLUDING IN UNGHENI:

- ☑ Advantageous geographic location of the country;
- ☑ Future status of a country neighboring the EU;
- ☑ Popularity of Moldovan products in the regional markets in development;
- ☑ Existence of the „historical” experience of an intermediary/transit state;
- ☑ Favorable climate conditions for the development of several types of production and services;
- ☑ Bilingual business climate (Romanian and Russian);
- ☑ Macroeconomic stability;
- ☑ Relatively cheap factors of production in comparison with other states in the region;
- ☑ Existence of research-development potential;
- ☑ Well-developed banking system;
- ☑ Existence of commercial preferences offered by the European Union;
- ☑ Existence of FTAs with CIS states;
- ☑ Existence of FTAs with Southeastern European states;
- ☑ Existence of bilateral agreements regarding the promotion and mutual protection of investments.

EXISTING OPPORTUNITIES FOR LOCAL AND FOREIGN INVESTORS:

- ☑ State policy is focused towards European integration;
- ☑ The existing conditions for transforming the country into a regional “hub” between East and West;
- ☑ Current high level of consumption and the perspective of it staying high on the domestic market and on the markets of the main commercial partners;
- ☑ Privatization of public assets through various methods, including public-private partnerships;
- ☑ Capital market in continuous development;
- ☑ Existing stimuli for investors;
- ☑ Existing stimulating regime for the development of the research-development sector;
- ☑ Existing de-capitalized assets with potential for development, including development of the infrastructure;
- ☑ Favorable conditions for the emergence of new financial institutions and instruments;
- ☑ Duty-free access to the EU market, preference-based, offered by the European Commission.

IN THE STRATEGY FOR ATTRACTING INVESTMENTS AND PROMOTING EXPORTS FOR 2006-2015, THE GOVERNMENT ANNOUNCES THAT, TO ENSURE A COHERENT AND EQUILIBRATED POLICY, INCLUDING THROUGH REGIONAL DEVELOPMENT, IT WILL PROMOTE THE FOLLOWING MECHANISMS AND CONDITIONS FOR ATTRACTING INVESTORS:

- ☑ Greenfield: facilitation of the access of investors to assets, including land, through the “Greenfield” principle and exclusion of various impediments in the process of launching new investment activities;
- ☑ Privatization of the public assets, including the implementation of the principles of public-private partnerships: large and efficient use of various methods of privatization of public assets;
- ☑ Fusion and acquisition: it will represent a major component of foreign investments through taking over and reorganizing some enterprises;
- ☑ Facilitation of the regime for non-residents (investors): modification of the legal framework regarding the regime for non-residents (investors) in the Republic of Moldova. Thus it will facilitate new entries of foreign investments and offer new, broader investment opportunities (establishing a special status for non-resident transactions, offering some fiscal and customs benefits, simplifying the procedures for opening visas, working and living permits, etc.);
- ☑ Set up regional headquarters for some organizations and companies in the Republic of Moldova. Offering some free space for facilitating the set up of the headquarters and branches of international organizations and transnational corporations;
- ☑ Duty-free access to the market of the Southeastern European states on the basis of the multilateral free trade agreement CEFTA;
- ☑ Duty-free access to the markets of the CIS states on the basis of the FTAs.



RELEVANT LEGISLATIVE REGULATIONS IN THE REPUBLIC OF MOLDOVA

GENERAL REMARKS

The legislative system of the Republic of Moldova has experienced a promising development throughout the last decade. Moldova got closer to the European states and international organizations standards to which it adhered (such as WTO). A full set of legislative regulations approved by the Parliament of the Republic of Moldova aimed

at improving the investment climate, eliminating the bureaucratic obstacles for entrepreneurship, developing domestic and foreign trade, and offering fiscal, customs and trade guarantees and benefits to foreign and local investors. Below, the most important positive aspects of the Moldovan legislation are outlined.

PROTECTION OF PRIVATE PROPERTY AND INVESTMENTS

The Constitution of the Republic of Moldova stipulates that the property of other states, international organizations, foreign citizens and stateless persons is protected by law. Furthermore, the investments of private and legal persons, including foreigners, are inviolable. Article 46 of the Constitution stipulates the guaranteed

right to private property and state debts. No one can be expropriated unless for a public utility cause, established by law, with fair and preliminary compensation. The assets acquired legally can not be confiscated. The legal character of the acquisition is presumed. The right to inheritance of the private property is guaranteed.

FOREIGN INVESTORS

In the Republic of Moldova, with some exceptions, foreign investors enjoy equal rights as Moldovan citizens. In the Republic of Moldova investments can not be subjected to discrimination on the basis of citizenship, permanent address, residence, registration or location of activity, state of origin of the investor or investment or, of any other

reason. Equal and fair conditions are offered to investors insuring that no discriminatory measures that may obstruct the administration, operation, maintenance, management, procurement, expansion or disposal of investments. Moreover, investors are protected through international agreements on protection and insurance of investments.

EXPROPRIATION AND COMPENSATION

The law on investments stipulates that the public authorities are obliged to respect the rights of investors granted by law. Moreover, investors have the right to seek justice and compensation for alleged violations of such rights. Investments cannot be expropriated or subjected to some measures with similar consequences that deprive, directly

or indirectly, the investor of the title of ownership or control of the investment. Investment cannot be interrupted by force unless the following conditions exist: the interruption is carried out for public use; the interruption does not discriminate and, it proceeds based on fair and preliminary compensation.

NON-DISCRIMINATION OF INVESTMENTS

In the Republic of Moldova, with some exceptions, foreign investors enjoy equal rights as Moldovan citizens. In the Republic of Moldova investments can not be subjected to discrimination on the basis of citizenship, permanent address, residence, and registration or location of activity,

state of origin of the investor or investment or, of any other reason. Equal and fair conditions are offered to investors insuring that no discriminatory measures that may obstruct the administration, operation, maintenance, management, procurement, expansion or disposal of investments.

GUARANTEE OF DAMAGE COMPENSATION

The law on investment in entrepreneurship stipulates that the investor has the right to claim compensation for the damage caused by violation of his rights, according to the law in force. The compensation shall be equal to the real value of the damage caused at the moment of its occurrence. The damage, including the lost profit, suffered by the investor as a consequence of executing an order of a public authority that has violated his rights or, as a consequence of lack of

proper enforcement of the obligations (foreseen by the legislation in force of the Republic of Moldova, including the current law) of the authorities or person responsible, will be compensated by the guilty public authorities. Public authorities can permit, within the limits of their power and in accordance with the legislation in force, additional guarantees for investors, including through the mortgage of goods available for the particular authorities.

TRANSPARENCY IN ISSUING AND IMPLEMENTING THE LEGISLATION REGARDING FOREIGN INVESTMENTS

Legislative and normative acts that can directly or indirectly affect the investments are made public, in accordance with the legislation in force. Public authorities, who intend to issue or have already issued new investment policies, have to organize public consultations before implementing these policies, publish them or make them

public together with explanatory notes in case they are already in the process of implementation. Public authorities are obliged to answer all questions and provide all relevant information relevant to investment regulations in the Republic of Moldova.

OPTIMIZATION OF THE LEGISLATIVE FRAMEWORK FOR ENTREPRENEURSHIP

The list of normative regulations issued by the Government, central authorities of the public administration that regulate the activity of entrepreneurship are included in the Register of the official documents for managing entrepreneurship after finalization of the process of revision and optimization of the normative framework foreseen by the Law No. 424-XV dated 16.12.2004 on revision and optimization of the regulatory framework on entrepreneurship. In the Republic of Moldova, authorizations, permits, and certificates issued by central administrative authorities and their subordinate units for practicing entrepreneurship are included in the classified list of

authorizations, permits and certificates issued by central administrative authorities and their subordinate units to natural and legal persons for practicing entrepreneurship. The title of the authorization, permit or certificate, period of validity, quota for the issuing document as well as the legislative document that establishes the issuance of the document, are indicated in the classified list. The issuance of the authorizations, permits and certificates that are not in the classified list is not allowed. Exceptions make those documents that are expressly foreseen by law. The majority of authorizations, permits and certificates included in the classified list are issued free of charge.

STATE REGISTRATION OF ENTERPRISES

The Civil Code, the Law on state registration of enterprises and organizations, the law regarding the registers, and other legislative documents on the activity of enterprises and organizations provide the regulatory framework for state registration of enterprises and organizations. The procedure of registration is completed by the Registration Chamber of State in cooperation with the institutions involved in this process (Main Fiscal Inspectorate of State, National Bureau of Statistics, National Center of Terminology, and „Registru” state enterprise). This is done through the „single door” principle, 10 centers of registration that activate online throughout the whole territory of the state. The registration of enterprises with foreign capital is com-

pleted through territorial offices. There is no need thus to come to the capital. The taxes for registering an enterprise, branch or agency with foreign capital make up 250 MDL. This tax is valid for local enterprises as well. The territorial offices of the Chamber do not have the right to refuse registration applications or to ask for other documents than those foreseen by law. The period of registration of an enterprise varies from 1 to 10 days. A potential investor can obtain the information regarding the registration procedure for enterprises and the information regarding the enterprises from the Register of State on enterprises and organizations on the web site of the Ministry of Informational Development.

SETTLEMENT OF INVESTMENT DISPUTES

The Law on investments in entrepreneurship stipulates that investment disputes have to be settled through an amicable agreement. In case of being unable to find an amicable solution, the dispute is transferred to a competent judicial court of the Republic of Moldova to be settled. An alternative option is provided if, by joint agreement of the parties involved, it is passed to an arbitral judiciary (ad-hoc arbitration or institutionalized arbitration).

The following regulations are taken into consideration when setting the procedural matters:

- a) Arbitration rules of the United Nations Commission for International Trade Rights (UNCITRAL rights);
- b) Arbitration rules of the International Chamber of Commerce of Paris, approved on January 1, 1988 (ICC rules);
- c) Other principles, norms and rules established by the parties in conflict.

In case the parties have convened for the dispute to be settled by an institutionalized arbitration, the international treaties to which Moldova is part of are taken into consideration, as well as:

- a) The Convention for the recognition and execution of arbitral foreign penalties signed in New York on June 10, 1958;
- b) The European Convention of International Commercial Arbitration signed in Geneva on April 21, 1961.
- c) The arrangement regarding the application of the European Convention of International Commercial Arbitration, signed in Paris on December 17, 1962.

Working disputes between the administration of the enterprise, with foreign capital, and its employees are examined in accordance with the legislation of the Republic of Moldova unless the individual contracts do not foresee other conditions for foreign employees.

FINANCIAL INSTITUTIONS

The financial regulations in the Republic of Moldova are much more advanced in comparison with other states in transition. Thus, they assure a high level of stability, monitoring and security to the commercial banks and operators on the insurance and property market. The legislation is comprised mainly of the Law on financial

institutions, the Law regarding the National Bank of Moldova, the Law regarding the property market, and the Law on insurances. The National Bank of Moldova is a very efficient institution in the implementation of the financial legislation and in monitoring of the commercial banks in regard to respecting the regulatory framework.

RESPECTING THE CONTRACTUAL CLAUSES AND THE SETTLEMENT OF DISPUTES

The freedom of private contracts is now protected by the new Civil Code of the Republic of Moldova No. 1107-XV dated June 6, 2002. The contractual clauses are negotiated and agreed freely. The contract is legalized by the notary. It is not necessary to register it with state authorities. The settlement of commercial disputes can be completed

in courts according to the stipulations of the Code on civil¹ procedures or in the extra-judiciary institutions, in accordance with the provisions of the Law on the court of arbitration². The decisions of the administrative authorities can be revised in court in accordance with the stipulations of the Law on administrative claims³.

INTERNATIONAL TRANSACTIONS

The Civil Code of the Republic of Moldova, the Customs Code and other domestic regulations as well as the international treaties Moldova is part of do not foresee any formal restrictions upon carrying out transactions among local agents and foreign partners. International treaties where Moldova is part of have legal supremacy over

national regulations. Furthermore, the national currency is convertible. The export of capital and profits gained by the foreign investors is guaranteed. Additionally, encashment and maintenance of incomes originating from exports in accounts of exporters is allowed. The sale of currency to the state is not mandatory.

¹ The Law of the Republic of Moldova No 225-XV dated 30/05/2003 „Regarding the Code of Civil Procedure”.

² The Law of the Republic of Moldova No 129 dated 31/05/1994 „Regarding the Court of Arbitration”.

³ The Law of the Republic of Moldova No 793-XIV dated 10/02/2000 „Law on administrative claims”.

EMPLOYMENT LEGISLATION

Republic of Moldova is endowed with relatively well-educated working force. The labor market is gradually being liberalized. In March 2003, the Parliament approved the new Labor Code that simplifies a series of aspects related to the relations between employers and employees. The new Labor Code introduces a simplified mechanism for settling labor disputes. Furthermore, it introduces the individual

labor contract as the fundamental document that manages the particular relations between the employer and the worker. As for the labor security, the national legislation does not contradict the principles accepted internationally in this regard. The new Code ensures a broader flexibility of the process of employment of foreigners in the Republic of Moldova on a non-discriminatory basis.

FISCAL AND CUSTOMS BENEFITS

Fiscal and customs benefits are at investors' disposal in accordance with the fiscal and customs legislation of the Republic of Moldova. In accordance with the fiscal legislation (the Fiscal Code of the Republic of Moldova, article 49/2) investors can benefit from the following fiscal advantages foreseen for investments:

- Enterprises with the social capital that equals 250,000 US Dollars are exempted from income tax collection in amount of 50% for a period of 5 consecutive years. It starts after the presentation of the first declaration on income tax with the registration of the taxable income after the set up or increase in the social capital. The exemption period starts immediately with the fiscal period when a

tax exemption agreement is signed with the fiscal entity, in accordance with the Regulation approved both by the Ministry of Finance and the Ministry of Economy.

- Enterprises with the social capital that equals 2 million US Dollars are exempted from income tax collection in amount of 50% for a period of 3 consecutive years. It starts after the presentation of the first declaration on income tax with the registration of the taxable income after the set up or increase in the social capital. The exemption period starts immediately with the fiscal period when a tax exemption agreement is signed with the fiscal entity, in accordance with the Regulation approved both by the Ministry of Finance and the Ministry of Economy.

FISCAL BENEFITS THAT WILL BE GRANTED STARTING WITH 2007 TO FOSTER PRIVATE INVESTMENTS

Beginning with 2007, the following additional fiscal benefits are planned to be granted to foster private investments, and namely:

- Full exemption from income taxation of interests accrued by individuals, obtained from corporate exchange securities (bonds);
- Exemption from income taxation of interests accrued by legal entities, obtained from corporate exchange securities (bonds) issued for a period that exceeds 3 years and bank deposits stocked for a period that exceeds 3 years.
- Full exemption from income taxation of profits obtained by Microfinance organizations from credits granted for a period longer than 3 years, and an exemption of 50% - for profits obtained from credits with the period of validity from 2 to 3 years;
- Increase in deductible expenditures, from the value basis of fixed means assigned to running and general repair of the fixed means, from 10% established in

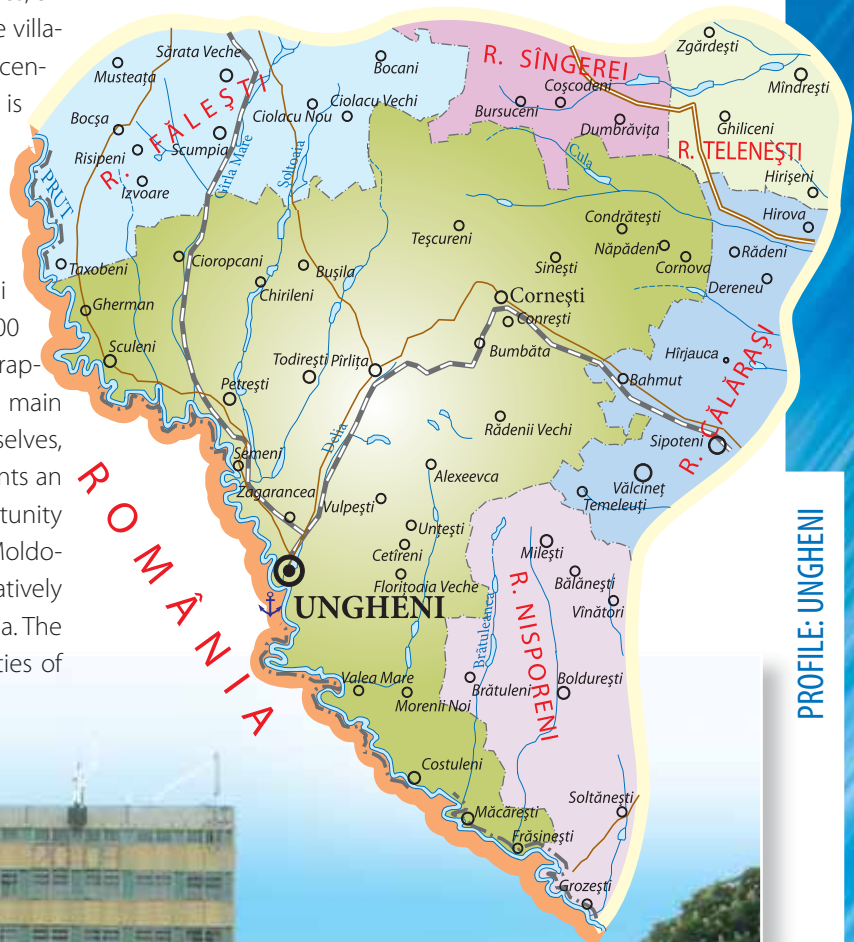
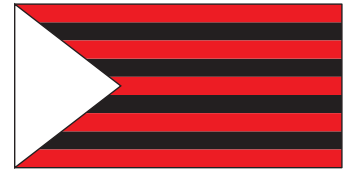
2006 up to 15% - in 2007 with the possibility of another 5% growth in 2009 of these expenses depending on the results obtained in 2007-2008;

- Exemption from income taxation of legal entities that make capital investments or whose social capital equals or is increased up to an amount exceeding 250 thousand, 2 (5, 10, 20, 50) million USD, and reinvest at least 80%, 50%, 25%, 10% and 0% of the total amount of the income tax calculated but not yet transferred to the budget for a period of 3 years, 3 years, 3 years, 4 years and 4 years, respectively, in the development of its own production (works, services) or in public programmes for development of the national economy.
- Reduction of the tax withheld at the source from income obtained as royalty by non-residents at the quota established for all incomes obtained by non-residents and taxed at the source from 15% to 10%;
- Extension of the period of reporting fiscal losses when calculating the income tax from 3 to 5 years.

PROFILE: UNGHENI

ADMINISTRATIVE-TERRITORIAL ORGANIZATION OF UNGHENI

Ungheni is an administrative-territorial unit in the northwestern part of Moldova. Ungheni consists of 74 localities, including 2 cities, one locality as part of the cities, 31 villages (communes), and 71 localities as parts of the villages (communes). Ungheni city is the administrative center of this administrative-territorial unit. Ungheni city is situated in the eastern part of the Republic of Moldova, on the bank of Prut River at 110 km from Chisinau municipality – the capital of the Republic of Moldova, 97 km from Balti municipality and 15 km away from Iasi municipality (Romania). The area of Ungheni city equals 164 sq km. The population equals 43,000 inhabitants. The region has a very convenient geographical location. It is situated at the crossroads of the main transport roads that link the CIS states among themselves, Romania, and the European states. Ungheni represents an economic zone of major importance as to the opportunity costs of the economic and commercial sectors of Moldova as well due to its geographical location, comparatively developed infrastructure and its proximity to Romania. The layout of the infrastructure offers Ungheni possibilities of major economic achievements.



PROFILE: UNGHENI





TRANSPORT AND COMMUNICATIONS

The transport system occupies an important place in the economic development of the Republic of Moldova. The processes occurring in this sector correspond to the economic development of the country. Currently, the transportation sector represents nearly 9% of the GDP and its quota is in constant growth (especially the land transport and the air-conveyance). The geographic economic position offers Ungheni a series of comparative advantages for the future development of the local and national transport system. Their efficient use can represent an additional factor for the re-launch of both local and national economy on the whole.

Ungheni has a well-developed roadway system of national and local importance. The total length of the public roadways in Ungheni equals 373,3 km, including 104,9 km of national paved roadways and 268,7 km of local roadways, 241,8 km out of which are paved.

The railroads are of high importance for the economy of the region. The railway system of the Republic of Moldova

has 2,214 km of railways, 1,163 out of which are exploited, including 13.9 km of railways with the width of 1,435 mm (standard gauge). The coverage of the Republic of Moldova with the railways system of general use equals 2.7 km per 10,000 inhabitants. Its medium density equals approximately 33 km per 1,000 sq km. The segment of services delivered nationwide is fully covered by the single national enterprise Moldovan Railways (IS CFM) and is divided into: transport services for goods and transport services for passengers. The transport services for passengers and the inland transport services of goods are in the exclusivity of IS CFM. The railway transport services of goods are delivered as services of transportation and expedition.

Ungheni city is an important railway junction for the north, central and southern parts of Moldova. By promoting economic relations with the European Union, Ungheni is a potential "gateway" to Western Europe as for increasing the traffic of goods and passengers. Through its strategic importance for Moldova, the border checkpoint (by rail) is a unique direct link with the western part of the continent.

Ungheni railway station is included in the "Implementation of Suw 2000 technology for automatic transfer from the 1520 mm gauge to the 1435 mm European gauge at the Moldovan-Romanian border (Ungheni station)" project as well as in the National Programme for Technical Assistance for 2005-2006. Promoting relations with CEFTA and the desire to integrate into the EU in the long run, the role of this border checkpoint will considerably increase in the following years.

Ungheni river port is one of the four river ports existing currently in the Republic of Moldova. Throughout the last few years Nistru and Prut rivers were properly prepared for navigation through the European Agreement on the main inland waterways of international importance.

BORDER CHECKPOINTS

There are two border checkpoints on the territory of Ungheni region: the border checkpoint for vehicles – Sculeni, and railway checkpoint – Ungheni. Sculeni customs was opened on July 24, 1814. In later years, through the *ukaz* (order/decreed) of the Russian Senate on June 20, 1823, the Ungheni customs district was established in Bassarabia, being composed of its Lipcani, Sculeni, Leova, and Noua Sulita customs. Currently, Sculeni customs is a technically well-equipped unit whose personnel are very well-prepared with regard to the customs system of the Republic of Moldova.

The clearance of goods, means of transportation and passengers is done through eight tracks and two hallways. The ASYCUDA system was implemented in 2000. The ASYCUDA World system is an informational system for the processing of customs transactions and the increase in control capacities of the Border Services.

Ungheni customs was established in 1875 after putting into operation the Chisinau-Ungheni-Iasi railroad. Since the beginning of 2006, Ungheni customs has contributed to the national budget over 250 million lei. Last year, over

half a billion lei have been transferred. 3,447 import customs declarations and 578 export declarations have been filled out. Throughout 2000-2005, 1,432,092 travelers, 102,740 railway freight cars, and 54,130 passenger wagons have passed through Ungheni customs. Currently, nearly 240 economic agents from the region undertake foreign commercial operations through Ungheni customs.



INFRASTRUCTURE SERVICES

Ungheni city is well-connected to natural gas (Calarasi-Ungheni pipeline) and supplies the population with drinking water. The water supply system, sewerage, and electricity fully cover the territory of the city.

Throughout 2005-2009 the construction, modernization and renovation of water supply systems is planned for 20 localities of the region. During the same period, the sewerage pipes will be renovated in 15 villages. In 2006 there is a plan for the construction of the Drochia-Ungheni-Iasi gas pipeline with 95 km in length. Until 2010, the gas pipelines will be built around all localities, by installing as well the SGA (stations for gas adjustment) and supplying with natural gas the social institutions. Meanwhile, networks for natural gas distribution will be built in Ungheni raion with a length of 158.4 km. Fixed telephone system is provided for the whole territory of the municipality by "Moldtelecom" while the cellular system is provided by Voxtell, Moldcell,

and partially by Vodafone Romania, Cosmote Romanian Mobile Telecommunications S.A., Orange Romania S.A.. All systems allow for internet access. "Moldtelecom" is the National Operator for telecommunications in the Republic of Moldova and administers a network of main lines in use of 676,600 lines through 39 branches, situated in the administrative-territorial units of the Republic of Moldova. The telephone density (number of telephones per 100 inhabitants) is 17.5 including the rural localities with 8.6. Currently, postal services represent the single technological system of enterprises and means of transport that ensure the reception, transportation, and distribution of mail throughout the whole territory of the country, to all localities, on all working days. The logistical management of the state enterprise "Moldova Mail" allows for all inhabitants, both from urban and rural zones to benefit from postal services of the same quality with the same tariffs.

BANKING, CREDITING AND INSURANCE SYSTEM

The banking and crediting system in Ungheni city is present through the branches of the main commercial banks and crediting organizations registered on the territory of the republic. After contracting the credit lines with the international financial institutions, the commercial banks from the Republic of Moldova have received in the period of 01.01.2004-30.06.2005 financial resources with the scope to support the small and medium business in amount of 23,2 mln. US Dollars (out of which 19,9 mln USD in 2004), including from BERD – 10,9 mln. USD (2004) and 3,3 mln. USD (semester I, year 2005); International Financing Corporation (IFC)– 9,0 mln USD (year 2004).

Commercial banks and crediting organizations present in Ungheni:

- CB "Moldova – Agroindbank" SA Ungheni branch, Ungheni, MD 3606, 37 Mihai Eminescu str., Tel. +373 236 22590.
- "Banca de Economii" SA branch nr. 46 Ungheni, Ungheni, MD 3606, 33 Națională str., Tel. +373 236 22020, + 373 236 27992.
- CB "Banca Socială" SA Ungheni branch, Ungheni, MD 3606, 33 Națională str., Tel. +373 236 23531.
- BC "Eximbank" SA branch nr. 2 Ungheni, Ungheni, MD 3606, 16 Decebal str., Tel. +373 236 22098, +373 236 22338.
- "FinComBank" SA branch nr. 11 Ungheni, Ungheni, MD 3606, 25 Națională str., Tel. +373 236 23996, +373 236 28012.
- CB "Mobiasbanca" SA branch nr. 8 Ungheni, Ungheni, MD 3606, 26 Barbu Lăutaru str., Tel. + 373 236 23477, + 373 236 22150
- CB "Moldindcombank" SA Ungheni branch, Ungheni, MD 3606, 2A Boico str., Tel. +373 236 27151, +373 236 27527.
- Ungheni – CB "EuroCreditBank" SA, Ungheni, MD 3606, 26/2 Romană str., Tel. +373 236 20656, +373 236 20657.
- CB "Victoriabank" SA branch nr. 10 Ungheni, MD 3606, 26 Națională str., Tel. +373 236 22891, +373 236 23092.
- CB "Energbank" Ungheni branch, Ungheni, MD 3606, 27 Națională str., Tel. +373 236 20664, +373 236 20665.
- ProCredit Ungheni branch, Ungheni, MD 3606, 3/3 Decebal str., Tel. +373 236 20096.
- Microinvest Ungheni branch, Ungheni, MD 3606, 10 Mihai Eminescu str., Tel. + 373 236 27482.

LOCAL ECONOMY

The economy of Ungheni is mainly comprised of the industry of processing agricultural products, light industry, services sector and the agricultural sector. In 2005, the volume of the industrial production produced by the big industrial enterprises from Ungheni made up 277,0 million lei. The main products produced by the industrial units of the region are the carpets, food products (including, sausages, canned fruit and vegetables, fruit and vegetable juices, pastry, alcoholic beverages) ceramics, dyes, lacquers and related products for vehicles and industrial necessities, plastic items, and furniture.



PARTNERSHIP AGREEMENTS

- Agreements signed with Iasi (Romania) and Ungheni (Republic of Moldova) district councils on 15.03.2001.
- Partnership agreement signed between Gomel region (Belarus) and Ungheni (Republic of Moldova) on 03.03.2000.
- The protocol on transborder partnership of "Siret-Prut-Nistru" Euro region signed on 18.09.2002 which includes the districts of Iasi, Vaslui, and Neamt from Romania and, respectively, Chisinau, Ungheni and Lapusna from the Republic of Moldova.
- The Ungheni City Council has signed partnership agreements with the local public administration of the following cities: Konin (Poland), Reghin (Romania), Winston Salem (USA), and Dmitrovsc (Russian Federation).

INDUSTRY

In the food production industry the main enterprises that operate in Ungheni are: "Ungheni Vin" (collecting, processing grapes, wine making), "Natur Bravo" (cans and juice producer; tinned food factory), "Fabrica de pâine-Ungheni", "Cereale Prut" (collecting, processing cereals, sunflower seeds), "Agrosfera BM" (collecting, processing cereals, sunflower seeds), "Plumb Com" (collecting, processing fruit, vegetables, juice production), "Andra LH". In light and manufacturing industry the following enterprises activate: "Covoare Ungheni" enterprise producing carpets, "Pro Style" that manufactures clothes, having 200 employees, while the turnover equals 4 million lei. There are also 2 enterprises that manufacture

construction materials: "Javelin" and "BNV." In ceramics, there is "Ceramica-Ungheni". In 2005, the legal persons that perform investment activities, including the enterprises for construction, have made investments, in current prices, in volume of 45,127,100 lei and construction-assembling works in the amount of 23,088,100 lei. The volume of sales by retail attained by the commercial units from Ungheni traditionally is one the highest in the republic. In 2005, the local commercial units have carried out sales in the total amount of 227,649,000 lei, including the state owned enterprises – 9,191,800 lei, private – 214,472,800 lei, mixed (participation of foreign capital) and foreign – 3,984,400 lei.



AGRICULTURE

Agriculture is the most important branch of the economy of the region. The climate conditions and the soil fertility are favorable for growing grain and vegetables, tobacco, potatoes, as well as fruit and grapes. The crops per hectare obtained for grain and vegetables, sunflower and sugar-beet traditionally are higher than the country average. The local agricultural producers are specialized in growing grapes, fruit, vegetables, tobacco, grain and technical plants (sugar-beet, sunflower).



CULTURE

The cultural activity in Ungheni city focuses on the Museum of History and Ethnography that has approximately 4,000 exhibits divided in several periods, including the Paleolithic era.

The most important cultural events include:

- The National festival of Winter Customs that takes place annually at the end of December where folk groups from all over the country participate;
- The Ungheni Sculpture Camp that takes place twice a year in the period of August-September where the most well-known sculptors from and outside the country participate;
- The third major event of national importance is the

National Fair of Ceramics that takes place annually on August 20th and is based on the regional pottery traditions. Ceramists from around the country participate in it.

Artistic groups in the area include:

- The Ensemble of Folk Songs and Dances "Struguras";
- The Ensemble of Popular Dance "Muguras".

The Ensemble of Folk Songs and Dances "Struguras" began its activity in 1946. It goes on tours in Ukraine, Bulgaria, Greece, Belarus, Armenia, Baltic States, Romania, China, Egypt, Iraq, Germany, as part of its activity, where it has earned honorable mentions and merit diplomas. It was awarded the gold medal at the Folk Union Festival (in the USSR), 1st edition.

DEMOGRAPHIC ASPECTS

The permanent population of Ungheni, registered at the October 5-12, 2004 census, equals 110,545 inhabitants, including 35,311 inhabitants in urban areas and 75,234 in rural areas. The total number of the population censused also includes the 11,534 inhabitants who are temporarily absent, left for abroad. Each third inhabitant of the region lives in Ungheni city.

The two villages, Sculeni and Pirlita, have a population of over 5 thousand inhabitants. The lowest number of inhabitants is registered in Magurele, Napadeni and Tescureni villages. Throughout 1989-2004, the number of population has decreased by 6,819 people. The demographic decline equals the annual average rate of 0.4%. The urban population has decreased in this period by the annual average rate of 0.9%, and the rural population –by 0.14%.



STRUCTURE OF THE POPULATION

The youngsters aged 15 years and less represent 23.9% of the total population of the region. The population apt for work constitutes 61.8% of the total population of Ungheni. The number of people over the working age limit equals 14.2%. Median age of the population of the region is 34.3 years (women 35.9 years, men 32.7 years). The national structure of the

population of Ungheni, registered at 2004 census, shows that Moldovans the majority of the population constitute 88.5% of the total. There are as well Ukrainians 7%, Russians 2.5%, Gagauzian 0.1%, Bulgarians 0.1% and other ethnic groups 0.4%. Moldovans and Gagauzians prevail in rural areas, as for Russians, Bulgarians and Ukrainians - in urban localities.

LEVEL OF EDUCATION AND DEGREE OF LITERACY OF THE POPULATION

The results of the census in 2004 reflect the essential transformations in the structure of the level of education and degree of literacy of the population of the region aged over 15 years. The number of people with higher education and secondary education represent nearly 83.3% out of the total population aged over 15 years. People having a primary education degree represent 12.4% and those with no education at all equals 2.6%. For the first time,

women have registered performances in higher and secondary education overrunning men with the same level of education by 5.0%. The cleavage between people from rural and urban areas still holds. In the urban areas, individuals with higher and secondary education represent 62.1% of the total population aged 15 years and older. In rural areas this education level was obtained only by 38.2% (with 23.9% less people).

RELIGION

The 2004 census was the first one to reveal information regarding the distribution of population according to religion. Out of the total number of the population of the region, 97.0% have declared themselves orthodox. Other

religions that have been mentioned: Baptists – 0.9%, Adventists – 0.2%, Pentecostals – 0.1%, Evangelists – 0.04%, other – 0.5%. People declaring themselves atheists equal 24,000 or 0.2% of the total.

MIGRATION

In Ungheni, the number of people leaving for abroad for work or studies has increased in the period of transition to a market economy. Thus, on October 5, 2004, census day, 11,354 people with permanent address in Ungheni were declared to be absent by other family members of the household as being abroad for different periods of time. The number of people that left for abroad, 4,714 or 40.9% were not home for more than 1 year. Individuals aged 20-29 years prevailed the most in this category, second being

those aged between 30-39 years (23.6%). From the total number of the people censused, 10.4% were temporarily out of the country. The majority of the people temporarily absent left abroad for work or in search of a job – 91.8%, for studies – 5.1%, other – 3.1%. Male migrants represent 62% of the total thus overcoming the women. 72.9% of those who left were declared to be in Russia, 14.8% in Italy, 3.7% in Romania, 1.5% in Portugal, 1.6% in Ukraine, and 0.3% in Turkey.



FREE ECONOMIC ZONE "UNGHENI-BUSINESS"

LEGAL FRAMEWORK OF THE ZONE

The Free Economic Zone (FEZ) "Ungheni Business" is the center of dynamic transfers in the process of economic, commercial and, mostly, production relations. FEZ is primarily a production related zone focusing on manufacturing and production rather than on commercial activities.

The Free Economic Zone "Ungheni-Business" administers the territory where local and foreign investors can engage in entrepreneurial activities using the zone's fiscal and customs services.

FREE ECONOMIC ZONE "UNGHENI-BUSINESS"

Contact information:

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zel@freezone-ungheni.md

Administrative Director
FEZ Ungheni-Business
Sergiu Scutaru

ACTIVITIES

- Attracting local and foreign investments;
- Stimulating exports;
- Supporting private initiatives, offering assistance in developing small and medium businesses;
- Creating new jobs;
- Ensuring the operability of the zone regimes (customs and border checkpoint) as well as obtaining benefits and guarantees foreseen by the legislation in force;
- Establishing, maintaining and developing relationships with foreign partners;
- Promoting the image of FEZ "Ungheni-Business".

NORMATIVE ACTS REGULATING FEZ "UNGHENI-BUSINESS" ACTIVITY

- Law of the Republic of Moldova regarding the free economic zones No. 440-XV dated with 27.07.2001.
- Law of the Republic of Moldova regarding the free economic zone "Ungheni-Business" No. 1295-XV dated with 25.07.2002.
- Decision of the Government of the Republic of Moldova concerning the approval of the Regulation of the Free Economic Zone "Ungheni-Business" Nr.1378 dated with 28.10.2002.
- Regulation regarding the Free Economic Zone "Ungheni-Business".
- Regulation regarding the development of the selection process of the residents of the Free

Economic Zone "Ungheni-Business".

- Regulation of the selection committee of the Free Economic Zone "Ungheni-Business".
- Regulation regarding the registration process of the residents of the Free Economic Zone "Ungheni-Business".
- Regulation regarding the issuance of authorizations for developing activities in the area of the Free Economic Zone "Ungheni-Business".
- Regulation regarding the border-crossing of the Free Economic Zone "Ungheni-Business".
- Regulation regarding the Council of the Free Economic Zone "Ungheni-Business".

BUSINESS INFRASTRUCTURE

An important element in the activity of any economic agent is also the possibility to use the existent infrastructure within the Free Economic Zone "Ungheni-Business". The following infrastructure available for economic activity includes:

- Railroad of both gauge standards;
- Water pipelines and sewerage;

- Natural gas;
- Highways linking Chişinău – Bălţi – Iaşi cities;
- Telecommunications;
- Electric energy;
- Cranes for loading/unloading;
- Terrains available for construction works of new enterprises;
- Production space.

Ungheni city is supplied with electricity from the sole energy system of the Republic of Moldova. The overall capacity of the electric stations is 57.8 KWT. The needs of technical water are fully covered by the Prut river and the personal artesian wells. The potential for exploiting new artesian wells exists as well. The territory of the Free Economic Zone is located near the receptacle of technical water from the artesian wells. All points of water collection are sanitary organized. The residents of the Free Economic Zone "Ungheni-Business" have free access to railroads, local, national and international roads, thus providing an advantage for minimizing carrying fees.

Means of Land Transportation

BY Road. The nearby destinations of the most important road systems passing near and through Ungheni are Chisinau, Balti (Moldova) and Iasi (Romania). The road system also provides access to all localities in the Republic of Moldova.

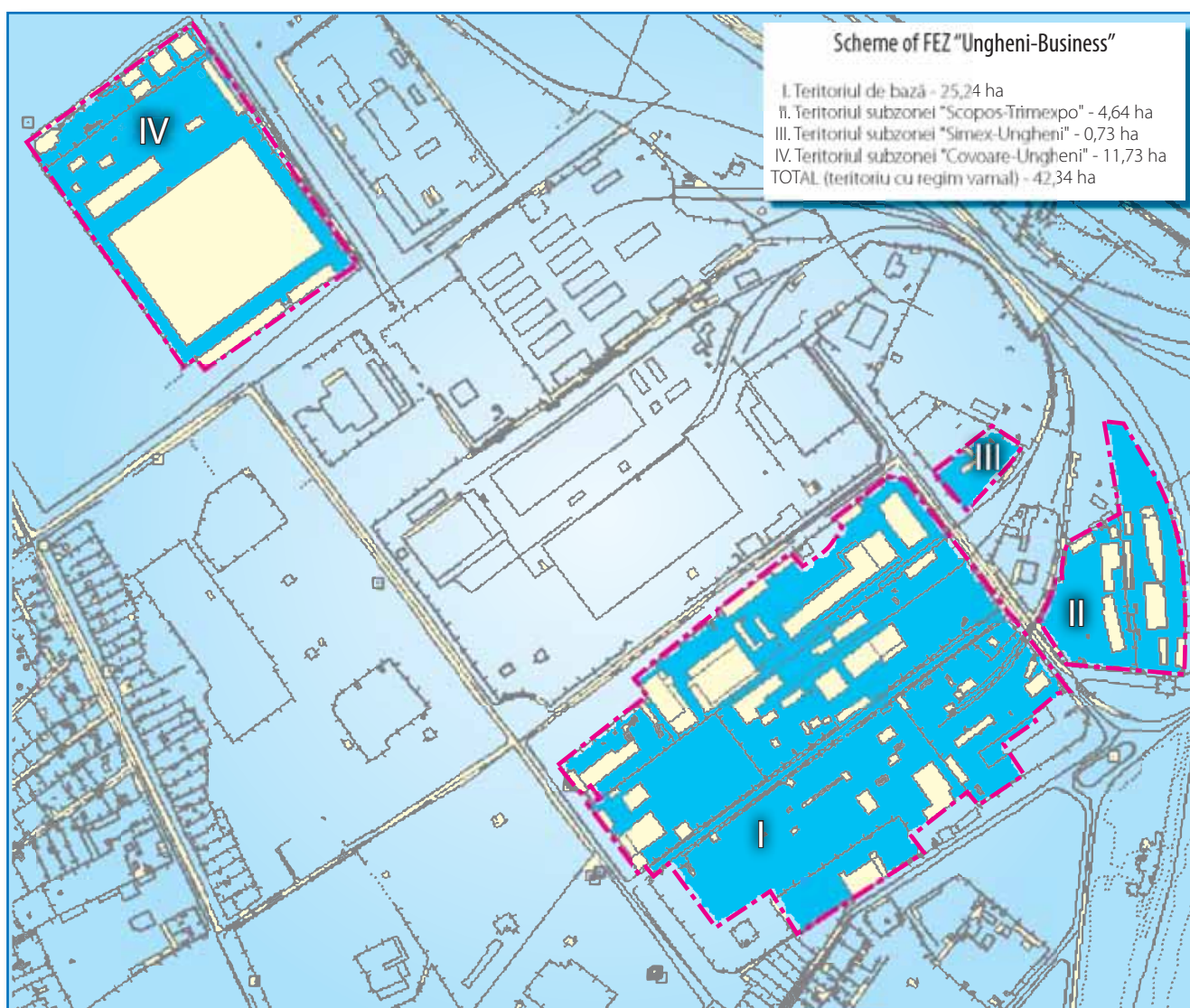
BY Rail. Rail Transport is one of the most significant assets of the area. One of the few transition stations in Europe is located in the City of Ungheni, allowing for the transition of the Russian Gauge track to the European Gauge track. This makes Ungheni a valuable location for transport of production goods both east to Russia as well as to Western Europe.

INVESTMENT OPPORTUNITIES IN FEZ "UNGHENI-BUSINESS"

Currently FEZ „Ungheni-Business” provides all the resources necessary to allow a business to establish or to expand existing facilities. In addition to the fiscal, economic and geographic benefits of the zone, the FEZ provides

services which include:

- Production space;
- Office space;
- Space available for erecting new buildings.





MANDATORY CONDITIONS FOR FEZ RESIDENTS TO FOLLOW

Any private or legal person registered under the law is eligible for consideration for FEZ residency. Selection of residents is performed by the Administration of the zone. It is contest-based, taking into account the volume and type of investments planned, the necessity to create production and non-production infrastructure, maintaining the direction of the free zone towards the manufacturing of industrial production for export, terrain and arable land, guarantee of working places, water, energy resources and other criteria.

The conditions for selecting residents, as well as the selection criteria for contests are established by the Executive Manager, through mutual agreement with the Ministry of Economics. After the selection process has ended, a contract is signed covering the entire activity to be performed in the zone.

Industrial production is the main type of activity. The residents may develop activities based on the authorization granted in the contract. The authorization for operating in the free zone does not exempt the resident from the obligation of obtaining other licenses (authorizations) as well stipulated by the law. Residents are obliged to declare the commodities only at the customs service that supervises the proper activity of the free zone. The resident must present

The following types of activities can be performed in the free zone:

- ◆ Industrial production of the export goods, with exception of the ethylic alcohol (distillate ethylic alcohol, ethylic alcohol with concentration over 80% vol., ethylic alcohol with a concentration up to 80% vol., technical alcohol, methylated spirit, and other derivatives of the ethylic alcohol), and of the alcoholic products;
- ◆ Filtering, packing, marking and other similar operations for the goods transiting the customs territory of the Republic of Moldova;
- ◆ Other auxiliary types of activities such as communal services, depositing, constructions, and public diet, etc., necessary for the development of the activities mentioned above.

book-keeping and statistics as evidence of his activity, as established, by law. This is carried out by systematically reporting to the Administration the results of activities undertaken in the free zone. The structure and the terms of presenting the reports are established by the Administration.

EXISTING TYPES OF BENEFITS FOR FEZ RESIDENTS

- Exemption from excise payment and customs duties for imports.
- 0% VAT for all goods and services imported in FEZ.
- Benefits for tax income payment – 7.5%.
- State guarantees for 10 years in case the conditions for performing activities get worse.
- Possibility to use the existing infrastructure.
- Operability in finalizing import-export procedures.
- Transfer of capital and profit.
- Cheap and qualified labor force.
- Residents who have invested in goods and assets of their enterprises and/or in the development of the infrastructure of the free zone a capital of at least 5 million US Dollars are exempted from income tax collection on the export of goods (services) originating from the free zone to places other than the customs area of the Republic of Moldova for a period of 5 years, starting immediately with the trimester following the trimester when the particular investment volume has been obtained.
- Residents who have invested in goods and assets of their enterprises and/or in the development of the infrastructure of the free zone a capital of at least 1 million US Dollars are exempted from income tax collection on the export of goods (services) originating from the free zone to places other than the customs area of the Republic of Moldova for a period of 3 years, starting immediately with the trimester following the trimester when the particular investment volume has been obtained.
- Goods (services) delivery within the free zone and among the residents of other free zones of the Republic of Moldova, are not subjected to excise tax and pay 0% VAT.
- Concentration of all services necessary for the development of the economic activities of the residents in the Administrative Building of FEZ: Chamber of Commerce and Industry; Customs; State Guard; Bank; Insurance; Fito-sanitary service; Veterinary service; Legal counseling; Bureau of translations.

PROFILE OF SEVERAL ENTERPRISES THAT OPERATE IN THE FREE ECONOMIC ZONE „UNGHENI-BUSINESS”



“Covoare-Unghehi” Company

“Covoare-Unghehi” company is a resident of the Free Economic Zone since July 23, 2004. The main type of activity of the company is the production of double plush Jacquard carpets (Persian rugs). These are typically exported to the EU and CIS states (10% of total production is distributed on the market of the Republic of Moldova and 90% is exported to Japan, USA, Poland, Italy, Romania, Russia, Ukraine, etc.).

The Presidency and the Cabinet of Ministers of Ukraine, the Embassy of Kazakhstan in Kiev, the National Opera and Ballet Theatre of Ukraine as well as the Presidency of the King of Qatar are among the clients of the enterprise.

The enterprise has a capacity of production of nearly 2.5 million sq meters of sewing items. “Covoare - Unghehi” company traditionally takes part in the most important world carpets fair Domotex-Hanover, Germany. It is included in the list of the first 50 enterprises in the world that produces carpets. The Quality Management System is implemented at the enterprise. It corresponds to the international standard ISO 9001:2000. The production of the company was



awarded the silver medal and the Diploma of Excellency at the International Fair of Goods TIBCO-2002 that took place in Bucharest. At this 19th edition, the enterprise presented a new carpet collection from pure wool that was highly appreciated by the visitors, in particular for its originality. The number of employees at "Covoare-Ungheni" equals 472 workers. The turnout equals 111,300,000 lei per year.

*Contact phone number:
(236)-26351, (236-23170)
Andrușca V.*



"Moldabela" Company

The limited company "Moldabela" is a resident of the Free Zone since July 23, 2004. The main type of activity of this mixed enterprise is the production of double plush Jacquard carpets. The company produces annually nearly 3 million sq meters of carpets of the highest quality. Nearly 80% of the carpets produced by "Moldabela" are being exported.



The areal of exports is very large and includes a series of states from CIS, the EU, and Central Eastern Europe. The number of employees of the enterprise equals 371 workers. The turnout is 282,940,000 lei per year.

Contact phone number: (236)-23170, (236-23168), Babenco P.



"Aqualex" Company

The limited company "Aqualex" is a resident of the Free Zone since September 20, 2004. The enterprise is specialized in the production and commercialization of non-alcoholic beverages. The turnout of the company constitutes nearly 3,980,000 lei per year, and the number of employees – 12 workers. The products of the enterprise are exported mainly to Russia. The countries of investment are Moldova, and Russia.

Contact phone number: (236)-25476,
Minov Ruslan

„LESTRIS" Company

The limited company "Lestris" is a resident of the Free Zone since December 15, 2004. The enterprise is specialized in the industrial manufacturing of dyes, lacquers, and adjacent products for vehicles and industrial needs. The turnout of the company constitutes nearly 1,084,000 lei per year, and the number of employees equals 8 workers. The products of the enterprise are exported mainly to Russia and Poland. The countries of investment are Moldova and Poland.

Contact phone number: (236)-20696,
Şaidov V.



„RAFFO&C" Company

The limited company „RAFFO&C" is a resident of the Free Economic Zone since July 6, 2005. The enterprise is specialized in the production and processing of marble and the production of mosaics. The turnout of the company constitutes nearly 2,150,000 lei per year, and the number of employees equals 14 workers. The products of the enterprise are exported mainly to Italy. The country of investment is Moldova.

Contact phone number:
(236)-20768,
Raffo G.



„SIMEX-UNGHENI” Company

The limited company „Simex Unghe-
ni” is a resident of the Free Zone since July
6, 2005. The enterprise is specialized in the
manufacturing and commercialization of
furniture. The turnout of the company
constitutes 9,956,000 lei per year and the
number of employees equals 68 workers.
The products of the enterprise are export-
ed mainly to Russia, Ukraine, Romania and
Moldova. The countries of investment are
Moldova and Romania.

Contact phone number: (236)-25689,
Chirinciuc I.



„TAGROS-LUX” Company

The limited company „Tagros-Lux” is a
resident of the Free Zone since March 13,
2005. The enterprise is specialized in the
manufacture and commercialization of
plastic items. The turnout of the company
constitutes 22,000,000 lei per year and
the number of employees equals 15
workers. The products of the enterprise
are exported mainly to Romania. The
country of investment is Moldova.

Contact phone number: (236)-3504,
Cogut O.



„Furnimol” Company

The limited company „Furnimol”
is a resident of the Free Zone since
November 24, 2005. The enterprise is
specialized in the manufacture and
commercialization of furniture from
massive wood. The turnout of the
company constitutes 8,750,000 lei per
year and the number of employees
equals 45 workers. The products of
the enterprise are exported mainly to
Romania and Moldova. The countries of
investment are Moldova and Romania.

Contact phone number: (236) - 94401,
Bulgaru Andrei



NON-GOVERNMENTAL CONSULTING ORGANIZATIONS FOR LOCAL ENTREPRENEURS

CHAMBER OF COMMERCE AND INDUSTRY, UNGHENI BRANCH – OFFICIAL REPRESENTATIVE OF BUSINESSMEN FROM UNGHENI, CALARASI AND NISPORENI REGIONS

The Law concerning the Chamber of Commerce and Industry (CCI) No. 393-XIV dated 13.05.1999 confirms the status of the Chamber as a „non-governmental, autonomous and independent organization” which represents the general interests of the entrepreneurs from the Republic of Moldova. The Chamber is a „legal body of public law thus benefiting from the support of the state”. CCI, Ungheni branch offers the following services:

Economic foreign services

- Promoting export;
- Searching for potential partners, setting up mixed companies to promote cooperation;
- Launching and developing relations with foreign businesses;
- Organizing economic business visits for the local entrepreneurs abroad.

Information services

- Providing business counseling, as such:
 - Information from the Internet, regarding demand and supply of goods and services on the external market;
 - Information regarding international trade as well as global and European markets;

- Information regarding excise taxes, tariffs, customs tariffs, statistical and economic indicators;
- Contact information of foreign firms and enterprises;
- Global prices, approximate prices for raw materials, goods, commodities, equipment;
- Information about foreign Chambers of Commerce;
- Information services using informational databases– legislative acts of the Republic of Moldova and other countries.

Structure of Ungheni branch of the CCI

Ungheni. Director: Serghei Cladco, tel. (236) 26311.

- Department „Economic foreign and domestic relations, logistics, and informational technologies”, Chief of Department: Budeanu Dorin, tel. (236) 28560.
- Department „Public relations, mass media and personnel training”, Chief of Department: Veronica Țăruș, tel. (236) 28560.
- Department: “Expertise, certificates of origin and customs declarations”, Chief of Department: Alexandra Carnovschi, tel. (236) 23334.
- Book-keeping, Financial Officer: Valentina Rata, tel. (236) 24165.

Representative in Călărași: Chief of Department - Ciobanu Tatiana, tel. (244) 21691.

Representative in Nisporeni: Chief of Department - Maximov Natalia, tel. (264) 25954.



Marketing services

- Organizing and holding business meetings and sessions for the members of CCI;
- Organizing presentations on the activity of local and foreign firms aiming at enlarging the commodity market;
- Giving out commercial and business information;
- Looking for business partners;
- Looking for foreign investors;
- Distributing information about the activities and proposals of Moldovan firms through foreign CCI's;
- Offering information to foreign firms regarding producers in the Republic of Moldova as well as about their produced and exported goods;
- Creating the database for commercial demand and supply.

Services related to contracting documentation for foreign commercial transactions

- Issuing and legalizing certificates of origin for goods, customs declaration, filling out additional documents for CARNET TIR, INVOICE, and CMR goods;
- Translating contracts, education documents, advertisement, business letters, faxes, documents and standards, instructions and technical documentation for importing equipment.

Training and Consultancy

- Training the staff in the atmosphere of modern technologies of entrepreneurship;
- Organizing seminars, specialized trainings for experts in various domains;
- Foreign Language courses;
- Consulting economic agents on tax issues.

Expertise services

- Confirming the production process of goods confirming the owner of the goods;
- Determining the country of origin of the goods;
- Assessing the quantity, technical conditions of goods;
- Evaluating the value of goods and property;
- Analyzing and evaluating the assets (including agricultural land), means of transportation and the condition of equipment (including cases of inheritance, donation, sale and purchase, depositing and accidents);
- International Arbitration of the CCI of the Republic of Moldova delivers services of arbitration, conciliation, procedural consulting, international cooperation and settles disputes resulting from any type of commercial transactions regarding the supply of goods or services, exchange of commodities or services, etc.



Exhibitions and Fairs

- Organizing and holding permanent exhibitions of the goods produced in Ungheni;
- Supporting local enterprises in participating in international exhibitions;
- Providing information about the terms of participation and location of the international exhibitions and fairs held;
- Organizing and holding seminars and symposiums with participation of Moldovan and foreign enterprises.

Projects implemented by CCI, Ungheni branch

- "Developing the business tourism" project - implemented by ADR Iași (Romania) in partnership with CSB Ungheni and Ungheni branch of CCI, completed in December 2005.
- Partner in implementing the TACIS CBC Ungheni project. This has included a feasibility study of the economic situation in Ungheni, which represented the starting point of the implementation of another project component, the Promotion of exports from Moldova to Romania, and attracting Romanian

investments into the region. During this period 3 significant economic visits have taken place with exhibition purposes, with participation of business members of CCI from the region in Iași, Cluj-Napoca and Timișoara. Due to these activities several export transactions have been contracted with Romania in the amount of 5.18 million EURO.

- The Bureau for technical cooperation of Germany has launched the „Support for Ungheni – border region between the Republic of Moldova and Romania” project regarding trans-border cooperation. In cooperation with the Council of Ungheni its goal is to stimulate the economic cross border relations, promote exports, organize economic visits, set up Moldovan-Romanian mixed enterprises in Ungheni, and attract investments in the region.
- „Prut Conference” project, implemented by the Chamber of Commerce and Industry from Iași, Romania in partnership with CCI Ungheni branch, that aims at improving the business climate on both banks of the Prut river and will finalize by publishing various informative materials, leaflets, booklets reflecting proposals and consulting on how to improve the business climate.

THE CENTER FOR PRIVATE INITIATIVES

The Center of Private Initiatives is a non-profit organization set up to facilitate the promotion and support of private initiatives in business development, entering domestic and foreign markets, developing programmes and projects for cross-border cooperation in the economic sector. The Center offers a rich spectrum of services, including:

- Initiating transactions with different development alternatives;
- Registering mixed enterprises (with foreign capital);
- Registering enterprises with various organizational-legal status;
- Offering support for registration of the Trade Mark;
- Offering support in the elaboration of a bar Code;
- Drafting the business plan;
- Offering practical advice in drafting contracts and documents
- Business information and recommendations;
- Managing the commercialization of the agricultural production through the Agricultural Stock Market „AGRAVISTA”;
- Consulting services and providing technological, economic and marketing information;
- Economic Analysis and Brokerage services.

Local, national and international partners of the Center for Private Initiatives:

- Non-governmental organizations – Alliance of Active NGOs for Sustainable Development, Pro Local Agenda 21 Ungheni, Regional Center for sustainable development Europe – Visage, Center for Business Support, Association of agricultural producers, ACSA,

Center for Private Initiatives

Registration date: December 14, 1998

Contact person, position: Botnari Valeriu, Executive Director

Legal address: 7 Națională str., of. 507, Ungheni city, 3600, Republic of Moldova

Contact address: 7 Națională str., of. 507, Ungheni city, 3600, Republic of Moldova

Telephone: (+373 236) 27415, (+373 236) 23455, GSM 079569545

E-mail: cip@mtc-un.md

Info-Business, Ungheni House of Entrepreneurship, Chamber of Commerce and Industry.

- Local Public Authorities – Mayorality of Ungheni city, Council of Ungheni region, local Councils and mayoralties of Cornești, Cetireni, Rădenii-Vechi, Alexeevca, Condrătești, Hîrcești, Costuleni, Pîrlița, Florițoaia-Veche, Cornova, Chirileni, Sculeni, Valea Mare villages and communes.
- Small and medium enterprises from Ungheni region - SRL Danova-Prim, SRL Uniferax – group, GȚ Veaceslav Granciu, GȚ Cațer Serghei, SRL CansimAgro, SRL Izvorul Mariei, SRL Progagroter, SRL Rentier Agro, SRL Fortina Labis, SRL Timplarul, SA Autoprezent, SPL PlumbCom, SA Agroservice, SRL Cumaxcom, SRL Sparflach.
- National partners - FNA AGROinform, Organizations from the Coalition for Rural Economic Development (44 organizations), IDIS Viitorul, Contact Center, CAMIB ONG, Microinvest, MEPO.
- International partners – Association of Businessmen Iași 2003.



Projects implemented by the Center for Private Initiatives:

- Eurasia Project – Informing, documenting and training rural entrepreneurs by delivering consulting services (1998 -1999);
- FN AGROinform Project – Consolidating regional centers in one single network (2000-2001);
- USAID Project – Education in agriculture (2002-2003);
- ICCO Netherlands Project – Integrating efforts for developing rural communities (2002-2006);
- NOVIB Netherlands Project – Alliance for supporting the agricultural market ASPA I (2003-2005);
- DCR Sweden Project – Developing rural communities through education (2005-2006);
- NOVIB Netherlands Project – Alliance for supporting the agricultural market ASPA II (2006-2008);
- FN AGROinform Moldova Project – developing active citizenship in Ungheni 2006.

REGIONAL CENTER FOR SUSTAINABLE DEVELOPMENT

The Regional Center for Sustainable Development (RCSD) is a non-governmental organization that supports the efforts of local public authorities in the process of local and regional sustainable development. It facilitates the process of implementation of Ungheni Local Agenda 21. RCSD is a support and a multifunctional practice school with well-prepared material and human resources that contributes to the local socio-economic development. The Center is a supplier of information and a facilitator in the formation and development of the capacities of the main local and regional actors (local public authorities, NGOs, IMMs, IP, community groups) in the area of drafting, implementing and participatory monitoring of the strategies for Sustainable Development (SD). Since 2001, when it was created, the Center implements activities with a very large spectrum of training, assistance and consulting, expertise, documentation and information for developing the competencies of local actors in the process of local and regional sustainable development. RCSD supports and encourages the development of small and medium business at local, regional and cross-border levels through various projects and programmes targeting businessmen, local public authorities, and other non-governmental organizations that offer services for economic and commercial development.

The Center contributes to finding domestic and foreign resources for economic development. It offers assistance and consulting for envisaging, writing and implementing projects for the economic development of the Ungheni

National Center for Sustainable Development

President: Luminița Ciobanu.

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Tel/fax: (+373 236) 25309

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city and region. It implements projects for the economic development at a local, regional and cross-border level. RCSD encourages communities at the local, regional and cross-border level to get actively involved in the process of economic development. It consults and assists communities in Ungheni, Calarasi and Nisporeni, as well as from other regions of the country, networks them to get involved and participate in planning the economic development and in settling community problems.

The Center organizes and holds activities for spreading awareness among citizens about the major economic problems of the city and the region (campaigns, caravans, forums, fairs, conferences, seminars, workshops, trainings, roundtables, etc.). RCSD develops networks of communications capable of ensuring the fast and efficient exchange of information among local actors that have common ideas in supporting development and stirring the small and medium business at local, regional and trans-border levels. Databases including all partners (Local Public Administration, NGOs, IMMs) are created at local and regional levels.

The Center offers a large spectrum of services in various areas of socio-economic and environmental development, including:

- Drafting and implementing strategies for local and regional sustainable development;
- Offering consulting and trainings for small and medium businesses;
- Facilitating development of local, regional, national and cross border partnerships;
- Consulting and training in how to get involved in the decision-making process;
- Assisting local public authorities in updating, implementing, monitoring and evaluating strategies for local and regional sustainable development;
- Facilitating the social dialogue and communicating efficiently at the community level;
- Assisting local public authorities, NGOs, private businesses in mobilizing resources and collecting funds for sustainable development;
- Consulting in project and programmes implementation regarding socio-economic and environmental sustainable development;
- Providing assistance and consultancy for the efficient functioning of the mechanism for implementation of the local Plan of Actions.

Projects implemented by the Regional Center for Sustainable Development

- InWent – GTZ cooperation project “Promoting transborder cooperation between Iasi district (Romania) and Ungheni region (Moldova) – promoting local and regional economy. Partners: Iasi District Council and the Council of Ungheni Region”;
- GTZ Moldova, “Partnerships for Sustainable Development of the crossborder Entrepreneurial Cooperation Ungheni Republic of Moldova – Iași Romania – Case Study, problems, dysfunctionalities, communication

barriers and crossborder entrepreneurial cooperation. Partner: Association of Businessmen Iași 2003, city Council and Ungheni Mayoralty.

- RCSD developed viable partnerships and cooperation in various areas among local actors in the process of sustainable development at local, regional and cross-border levels. Partnership and cooperation agreements are signed with local, regional and international NGOs. Contacts are maintained and established with new partners. The Center participates actively in implementing programmes and projects of regional and local sustainable economic development. RCSD participates as co-partner in projects of assistance and consultancy. In the process of implementation it collaborates with several national and international partnering organizations from and outside of Moldova. The Center has established regional and international partnerships with associates, IMMs, foundations, NGOs from Iasi, Romania, Spain, and Poland..



ASSOCIATION OF AGRICULTURAL PRODUCERS „UNCALNIS”

The Association of Agricultural Producers “UNCALNIS” is a non-governmental, non-profit and non-political organization. It was established on February 1, 2001 with the assistance of PAFP, by seven agricultural enterprises from Ungheni, Călărași and Nisporeni regions. It aims at coordinating activities and establishing favorable conditions for the implementation of the programmes for production, protecting the technological, scientific, social and legal interests of the agricultural producers.

AAP “Uncalnis” has the following objectives:

- Lobbying the interests of the agricultural producers at all levels of the Legislative and the executive;
- Legal support of the landowners and the protection of their rights;
- Providing information and training in the following areas: marketing and sales, technological, economic

Association of the Agricultural Producers „Uncalnis”

Central Office Administration: Iurie Vrabie – President.
Address: MD 3600, Ungheni city, 26 Barbu Lautaru str.
Contact telephone: (236) 28233, (236) 26034
E-mail: uncalnis@uap.md.
Branches in: Nisporeni, Călărași, Balaurești.

and financial and book-keeping, legal, business planning, etc. For an efficient activity of the agricultural enterprises and private farmers;

- Attracting investments, grants and credits preferential for the association and its members;
- Stirring the development process of social activities in rural communities.

Currently, the Association has over 150 member-agricultural enterprises and is represented in nearly 70 mayoralities in the region. Within the "Uncalnis" Association a Business Center has been opened. It aims at thorough going judicial, economic and technological studies of the managers and experts of private agricultural enterprises, as well as accumulation of practical knowledge in the judicial, arbitration, technological, management, marketing, finances, book-keeping, commercial relations sector. It helps its members to adjust their activities, create a viable business climate and a healthy judicial system.

The association is equipped with the necessary technology (6 computers, 2 printers, 2 faxes, Xerox, projectors, telephones, and internet connection), space for trainings, and equipped offices. AAP members can offer consultations and services in all domains of activity. They know also how to launch a profitable economic business. The association has 2 branches opened in Calarasi and Nisporeni regions that are also equipped with the necessary technology (computers, printers, fax, Xerox) and well-prepared specialists.

AAP „Uncalnis“ has increased the number of its members from 47 in 2002 to 150 currently, who work on 26,700 hectares, and over 2000 associated members – enterprises, farmers, etc. 15 cooperative societies have been set up and consolidated.

292 economic disputes have been settled through arbitration. 121 seminars and 34 roundtables have been organized, 2624 consultations in different domains have been given.

Together with two local partners (SRL „VIA – Agro“, SRL „Rentier-Agro“) in 2003 AAP „Uncalnis“ has set up an affiliated enterprise - SRL „Agrounserv“ equipped with two "SAMPO" and SC-5 „NIVA" combines, 2 MTY-82 tractors and other equipment necessary for the entire technological cycle that delivers mechanized services to the agricultural producers from Ungheni and Calarasi regions.



Projects implemented by AAP „Uncalnis“

- **2001-2005** - „Programme for Assistance to Private Farmers“ Project (PAPF) financed by USAID and SOROS Moldova Foundation in the sector of development and consolidation of the Association of Agricultural Producers;
- **2003-2005** – the project for setting up and consolidating 15 Agricultural Cooperative Entrepreneur Societies was implemented through PAPF project;
- **2003-2004** – as co-partners in “Informational System for Wholesale Agricultural Market” Project financed by the European Union through “Ungheni Crossborder Development” TACIS Programme. Three “Virtual Days” have been organized and held in partnership between service suppliers and agricultural producers. 5 seminars on producing ecological goods, 3 case studies upon agricultural households in the area of ecological production were as well held;
- **2004-2006** – “Hot Line” Project financed by USAID “Bizpro Moldova” Project. It offers free of charge information about the legislation of small business and normative acts, about the process of starting business, and how to manage a small business;
- **2005-2006** – co-partners in “Project for Developing the Agricultural Business” implemented by CNFA and financed by USAID. It consists in organizing technological seminars in high-value commodity production based on modern technologies, assistance for beneficiaries – agricultural households helped to write grant proposals;
- **2002-2006** – partners in the Project for Increasing Food Production 2 KR. It was financed by the Government of Japan. The project offers assistance to agricultural producers in fulfilling the documents of participation to facilitate the procurement of the agricultural equipment by paying in rates.



ADRESSES

Public decentralized services delivered locally by the Council of Ungheni

- **Governmental Office of Ungheni**
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- **Department of Agriculture and Food Production**
(+236) 2-21-09, Ion Filimon
- **Department of Education, Youth and Sport**
(+236) 2-27-48, Victor Dereș
- **Department of Finances**
(+236) 2-23-64, Victoria Beneș
- **Economic Unit**
(+236) 2-30-54, Adela Gorun
- **Chief of the Raionnal Hospital**
(+236) 2-21-94, Victor Uncuță
- **Chief-Architect of the Raion**
(+236) 2-21-52, Dumitru Bilici
- **Public Administration Unit**
(+236) 2-20-54, Rodica Manole
- **Constructions, Communal Household and Roadways Unit**
(+236) 2-21-69, Lilian Frunze
- **Cultural Unit**
(+236) 2-26-48, Timofei Blanaru
- **Social Assistance and Family Protection Unit**
(+236) 2-25-48, Aurelia Varvariuc
- **Land Relations and Cadastre**
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- **Archive**
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- **Fiscal Inspectorate for Ungheni**
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- **Department for Carrying out Judicial Decisions**
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- **State Inspectorate for Pharmaceuticals**
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