

## Introduction

Moldova is a landlocked country in Eastern Europe, located between Romania and Ukraine. The government system is a republic; the chief of state is the president, and the head of government is the prime minister. Moldova has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning and government regulation. Moldova is a member of the Central European Free Trade Agreement (CEFTA).



**Location:** Eastern Europe

**Capital City:** Chisinau (Kishinev) (+2 GMT)

**Chief of State:** President Maia Sandu

**Head of Govt.:** Prime Minister Dorin Recean

**Currency:** Moldovan leu (MDL)

**Major Languages:** <p>Moldovan/Romanian 80.2% (official) (56.7% identify their mother tongue as Moldovan, which is virtually the same as Romanian; 23.5% identify Romanian as their mother tongue), Russian 9.7%, Gagauz 4.2% (a Turkish language), Ukrainian 3.9%, Bulgarian 1.5%, Romani 0.3%, other 0.2% (2014 est.); note - data represent mother tongue</p>

**Primary Religions:** <p>Orthodox 90.1%, other Christian 2.6%, other 0.1%, agnostic&nbsp;(2014 est.)</p>

**Calling Code:** 373

**Voltage:** 220-240

## Key Websites

Main Government Page: [moldova.md](http://moldova.md)

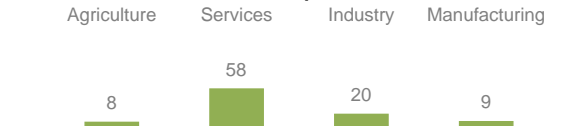
Export Promotion Agency: [miepo.md](http://miepo.md)

Investment Promotion Agency: [miepo.md](http://miepo.md)

## Key Economic Facts

|  |                           |
|--|---------------------------|
| Income Level (by per capita GNI):                                    | Lower Middle Income       |
| Level of Development:  | In Transition             |
| GDP, PPP (current international \$):                                 | \$39.50 billion (2022)    |
| GDP growth (annual %):   | -5.95% (2022)             |
| GDP per capita, PPP (current international \$):                      | \$15,238.15 (2022)        |
| External debt stocks, total (DOD, current US\$):                     | \$9,287,979,962.30 (2021) |
| Manufacturing, value added (% of GDP):                               | 9.00% (2022)              |
| Current account balance (BoP, current US\$):                         | -\$2.28 billion (2022)    |
| Inflation, consumer prices (annual %):                               | 28.74% (2022)             |
| Labor force, total:  | 871,749 (2022)            |
| Unemployment, total (% of total labor force) (modeled ILO estimate): | 2.28% (2022)              |
| Imports of goods and services (current US\$):                        | \$10.10 billion (2022)    |
| Exports of goods and services (current US\$):                        | \$5.90 billion (2022)     |

## GDP Composition %



*\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

## Rankings

| Index   | Rank      |
|---|-----------|
| Corruption Perceptions Index                    | 104 / 178 |
| Global Competitiveness Index                    | 86 / 141  |
| Global Enabling Trade Index                     | 79 / 136  |
| Index of Economic Freedom                       | 95 / 176  |
| International Logistics Performance Index (LPI) | 116 / 160 |
| Inward FDI Potential Index                      | 78 / 139  |
| KOF Index of Globalization                      | 74 / 185  |
| Networked Readiness Index (NRI)                 | 71 / 139  |
| Open Budget Index                               | 21 / 114  |

## Risk Assessment (Provided by Coface)

**Country rating: C** - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

**Business Climate rating: B** - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

### Strengths

- Agricultural production (wine, fruit, vegetables, sunflower, wheat)
- Promising information and communication technology (ICT) industry (over 10% of GDP, and 80% of the output of Moldovan IT companies is exported)
- Association and free trade agreements with the EU (since 2014, extended to Transnistria in 2016), and free trade with EFTA (2023)
- EU candidate status since 2022
- International financial support linked to the implementation of reforms
- Relatively low labour costs
- Accompanied flexibility of currency

### Weaknesses

- Poorest country in Europe, high emigration, with 1 million emigrants for 3.4 million inhabitants)
- Dependence on the agricultural sector (27% of employment and 14.3% of GDP in 2023) and the food industry (1/4 of industry), vulnerability to meteorological events.
- Dependence on remittances from expatriates (4.7% of GDP in 2023) and income from cross-border workers (5% of GDP)
- Large informal sector, low productivity, low workforce participation rate (45% in 2023, 41% for women)
- Low manufacturing capacity leading to high import dependency
- Low level of credit (22% of GDP in 2023)
- Corruption, weak governance, oligarchic system and

clientelism

- A secessionist sentiment in Transnistria, and tensions between supporters of closer ties with the European Union and those with Russia

## **U.S. Embassy**

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