

# Business Review

A publication of the American Chamber of Commerce in Moldova

fighting for your business

## Focus on finance and banking

...the massive entrances of capital coming from economic migrants, the direct investments and private external credits have contributed to the nominal appreciation of the exchange rate of the Moldovan Leu...

US Ambassador in  
dialogue with AmCham

Interview with  
Mr. Leonid Talmaci

AmCham celebrates  
2 years of activity

The impact in the financial markets is a global phenomenon that affects all of us.

According to the forecast of the MoET, the rate of inflation in 2009 will represent about 9.5%...

AmCham has focused on further developing the benefits and services, focusing on being proactive, innovative and customer service oriented.

# Business Review

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Interview with Mr. Leonid Talmaci  
Governor of the National Bank of Moldova



Mr. Johan Mathisen  
Resident Representative in Moldova,  
International Monetary Fund (IMF)



Interview with Mr. Dumitru Ursu  
President, Banks Association of Moldova



CORPORATE SOCIAL RESPONSIBILITY



Mihai Bologan - Expert, Economist,  
"National Sentiment" Coordinator

August/September  
2008

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- INTERNATIONAL CONFERENCE:  
"GOVERNMENT AND BUSINESS FOR BETTER SOCIAL RESPONSIBILITY"      OCTOBER 31st 2008
- LUNCHEON WITH U.S. AMBASSADOR      NOVEMBER 2008

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# Dear Members,



John Maxemchuk - President

In 2008, AmCham Moldova completed its second full year of activity, during which AmCham Moldova put in place the foundations of its institutions and future activities.

During 2 years of activity AmCham established the basis of the relations between and among its growing membership. Today, AmCham Moldova has over 60 members with strong representation in a diverse number of sectors, including: banks, legal & financial institutions, financial services, agriculture, processed food & beverages, media and a growing number of local branches of major multinational corporations.

From the very beginning of its activity, AmCham tends to better serve its members. In this attempt, we placed among our top priorities the creation of a range of Committees and Working Groups, which will serve as AmCham policy and advocacy drivers.

We hope, in this way, to promote the interests of our members, offering them the possibility to share their views and ideas on some important common issues, as well as to achieve some common goals. We also believe that activity within Committees will foster cooperation between companies within the same sector, such as Finance, ICT, Agriculture, etc., and across sectors, such as CSR, Tax, Human Resources, etc.

We invite all members to join the existing Committees and welcome any suggestion regarding the establishment of new Committees.

While we are still one of the youngest organizations in Moldova, we are already established as leaders in the business community, helping to raise the standards of business and improve the investment climate for everyone.

From the very first days of AmCham Moldova, our Mission commits us "to work with the Moldovan government and business leaders to foster a more favorable climate in Moldova for foreign trade and investment." We take this commitment seriously and have become very active in promoting policies, practices and legislative reforms aimed at improving the business climate.

Thanks to the efforts of our members and team, AmCham Moldova has built a tremendous amount of momentum during 2 years of activity and look forward to many years of contributions to the business community.

Yours faithfully,

**JOHN MAXEMCHUK**  
President

American Chamber of Commerce in Moldova

## AMCHAM BOARD OF DIRECTORS



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Cristina Harea

# AMCHAM CELEBRATES 2 YEARS OF ACTIVITY

We are proud to announce AmCham's second anniversary in Moldova. During 2 years of activity, AmCham embraced the challenges of the new environment strengthening our Team, Committees and tapping into long standing relationships with key decision makers to work on issues that are of major concern to our membership. In the same vein, AmCham further developed segmented networking events allowing our Membership to tap into the wealth of experience and opportunities that the Members of AmCham bring to the table. AmCham Moldova has focused on further developing our benefits and services, focusing on being proactive, innovative and customer service oriented. The results of our efforts were positively reflected in our 2007 Membership Satisfaction Survey which highlighted an overall sense that our members find value in being part of AmCham and participating actively. The Survey also pointed to a few areas where our team will work towards improving in 2009 and beyond to ensure that AmCham Moldova continues to be the premier business association in Moldova, serving the needs of the leading organizations operating here.

We are proud to say that we have come very far in accomplishing our Vision to be the undisputed voice of the business community, as well as a respected, diplomatic and an indispensable partner of the business community.

AmCham's primary mechanism for developing and implementing advocacy and lobbying related initiatives is through the active AmCham Committees that bring together Members who are ex-

perts on specific issues to develop recommendations for various problems. We would like to thank the Members who have taken an active role in the Committees, thereby providing the information, opinions and advice. Without the Members active involvement, the lobbying and advocacy initiatives of AmCham would not be so successful. There's a strong tendency towards the creation of some new committees in tax and environment domain. We look forward to continuing the positive trend in 2009 and beyond for the benefit of Moldova and our Membership. The AmCham Membership benefits include but are not limited to: effective and proactive Advocacy and Lobbying Activities; access to and involvement in AmCham Committees; value added contacts and business networking; an informative publication; a wide variety of socially oriented events and activities; a money saving Member Discount Program; business missions to the USA, etc.

We would also like to take a moment to thank the 2008 Board of Directors who was instrumental in working with the administrative team and in ensuring the continued success of AmCham. Their hard work and dedication were pivotal in providing the strategic direction of AmCham and we are collectively proud of the results.

We have every reason to believe the coming years of AmCham's activity will be as good as the first two.

*Sincerely,  
AmCham team*

## AmCham

## — member of National Participative Council

In summer of this year, the Moldovan Government launched the idea of creation of the National Participative Council which would facilitate the participation and consultation of the civil society in the process of development, implementation, monitoring, evaluation and updating of the strategic planning papers of the country. At the same time, this Council would perform the functions of those 3 main forums available for consultations of the stakeholders in the country strategic planning process at Government level: Economic Council under the Prime Minister, National Committee for Technical Assistance provided to the Republic of Moldova and Participative Council for the development, monitoring and evaluation of the National Development Strategy. It was assumed that this step will allow generalizing the experience of participating and communicating with the stakeholders by adopting minimal standards of consultation at the level of the Executive and will lay the foundations of an integrated institutional framework of consultation, essential for ministries where policy units have been set up.

Finally, in September 2008, the National Participative Council was officially established. There were almost 42 representatives of the patronage, trade unions, civil society organizations forming networks, alliances, coalitions, unions, umbrella organizations and development partners specialized in specific fields applying for membership in the National Participative Council. Nevertheless, only 33 applicants became the final members of this Council, among which was the American Chamber of Commerce in Moldova.

By the end of the same month, after a long round of discussions, there were elected the Chair of the Council, Arcadie Barbăroșie, the Executive Director of the Institute of Public Policies, and the Vice-chair— Aurelia Bondari, the Executive Director of the National Federation of Farmers "AGROinform". There was also approved the NPC Regulation. According to this Regulation, the National Participative Council is a consultative forum, acting under the Government, whose aim is to facilitate the participation of civil society and the private sector in the process of elaboration, implementation, monitoring, evaluation, and updating of national policies.

The NPC is formed by 33 associations which are elected for 2 years.

We see AmCham membership in the NPC as a very important step in the dialogue with the government as it opens the possibility to have direct contact with the policy makers, facilitating the two-way communication and ensuring the collecting and transmission of the feedback from the private sector and civil society to the Executive.

AmCham is represented at the Council by Mila Dodon, Project Manager.

For any additional information and, in case you have some suggestions regarding the activity of the National Participative Council, do not hesitate to contact the AmCham Office.

**ISEPS FARMA**

ISEPS FARMA is specialized in 3 directions: 1) diabetes, 2) oncology, 3) psychology. Within the framework of these directions, ISEPS FARMA takes an active part in the supporting of state programs and local distribution of medicine and medical equipment. The company is one of the donors of "ProDiab" Moldovan Diabetes Association, and a member of the European Diabetes Association.

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**SUDZUCKER MOLDOVA**

**SÜDZUCKER  
MOLDOVA S.A.**

Moldo-German joint-stock company "Sudzucker Moldova" since 2001 is the owner of four sugar factories from Moldova in Drochia, Falesti, Alexandreni and Donduseni. More than 500 000 tons of beet is

processed annually and more than 70 000 tons of sugar are produced.

The holding group "Sudzucker AG" – the main shareholder of "Sudzucker Moldova" is the leader of the sugar European market, with 150 years of history. Strengthening and development of partner interrelations with agro-economies is one of the most important tasks of "Sudzucker Moldova". Experts of the company provide support of all agriculture cycle: from preparation of ground for crop to harvesting. The main task of "Sudzucker Moldova" is effective development of the entire territory of Moldova that allows guaranteeing uninterrupted and qualitative delivery of the complete range of production made by "Sudzucker Moldova". The company owns two trade marks of sugar: "Zahar Cinci Inimioare" and "Domnita", and aspires to satisfy needs of all consumers, offering various scale of production in various packing.

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**NCH ADVISORS, INC**

NCH ADVISORS INC

NCH Advisors INC Representation in Moldova provides the management of investments in the following fields: finance, real estate, and agribusiness. Key to our investment edge are the quality and stability of our investment team, our unique research, monitoring and execution capabilities on the ground.

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**La Taifas**

You can learn about Moldovan cuisine and national customs at La Taifas restaurant. From time immemorial Moldovans have been famous for their hospitality that is why a visit to La Taifas will leave lasting memories.

You will be impressed with the restaurant's coziness: its interior is a stylized Moldovan peasant's house, in which guests are always welcome.

There are three halls at La Taifas. Those who would like to enjoy everything at once: cuisine, atmosphere of a Moldovan house, and a company of friends – choose the main hall. A stove, in which bread with crisp crust is baked right in front of you, makes this hall especially cozy.

The second hall is designed for banquets in a small company. It is good for experiencing rowdy and merry Moldovan dinner. The third hall has an attractive romantic atmosphere and evening mystique – here you and your partner can find seclusion and have a romantic dinner.

## Caravan



On May 1, 2006 the Uzbek restaurant CARAVAN, a true Oriental oasis, opened its doors in the downtown part of Chisinau. It presented an irresistible temptation for the local gourmets dreaming since a long

time to add an exotic something to the European lifestyle.

Halt your step for a moment at the entrance door: the sophisticated world of Central Asia full of surprises is waiting for you behind it. Every detail in the interior reminds of the Orient: national Central Asian ornaments, clay figurines brought here from the Uzbek holy places, lights, linen and organza curtains. One of the restaurant room walls is adorned with the embroidered Susanu rug made in Samarqand. All the restaurant's tableware with the traditional hand-made golden ornaments was also purchased in that Uzbek city full of mysteries and legends.

CARAVAN resembles a hospitable Uzbek home, where a guest is welcomed heartily, accompanied to the coziest place with lots of rugs and soft cushions, given a tasty meal and ultimately offered tasty special brew tea. Please do not be surprised the waiters are filling your Uzbek teacup - piala - only half-full. According to the Uzbek tradition, the more honorable the guest is, the less tea is pored into his piala at a time. It is the host's privilege to demonstrate special attention and care of his guests, filling their pialas as often as possible.

## Valentin & Valentina



Restaurant Valentin & Valentina is a perfect place for celebrations, business meetings, and romantic dates. We will welcome you as the dearest guests and will make our best to make the atmosphere at the table fit your mood.

Motto of the restaurant that says, "It is not you coming to us, it is us waiting for you", is confirmed with the hi-classed service and the variety of served dishes.

Each visitor is welcomed and served as a VIP, and the conversation is held in any language the client prefers.

## Deja Vu



Bartenders at DejaVu can turn cocktail making into a veritable show. Artistic and smart, the guys are sure to produce a spark in your eyes. Deja Vu bartenders believe that their profession is not only art, it is also a science they

learnt at Planet Z Bartender's School run by the International Bartenders' Association President, Mr. Serghei Kadatsky, Kiev.

They demonstrate the fruit of their training at Deja Vu on a daily basis and at the international bartenders' contests, which they win.

While you are sipping a long drink or savoring a short one, the bartender will entertain you with a small talk, a joke, or a trick. If you don't feel like talking just watch the bartenders deftly juggle the bottles or set on fire another masterpiece of a cocktail.

If you are starving for adventures there is nothing better than to have a couple of extreme cocktails with the bartender's assistance. Have you ever had a cocktail on your knees on a bar, being a mixer, a shaker, and a glass at the same time? This is where adventures just begin at Deja Vu .

## XO Gallery



The entrance to XO Gallery brings to mind the backstage prior to appearance on the stage. Visitors are passing through a small corridor with prevailing black colors and find themselves - no, not on the stage. It

is much better. They arrive at the hall filled with sunshine. You might wonder why they need a dark corridor. It emphasizes the bright colors reigning in the gallery. We can assure you that visitors get rather unexpected and bright feelings. The effect impresses.

## AMCHAM GENERAL SPONSORS 2008



# WELCOME H.E. AMBASSADOR MR. ASIF CHAUDHRY



Ambassador Asif Chaudhry presents his credentials as Ambassador to the Republic of Moldova on September 24, 2008. Ambassador Chaudhry, a career member of the US Senior Foreign Service, served as Deputy Administrator of the Office of Global Analysis at the Foreign Agricultural Service. Prior, he served as Agricultural Minister Counselor at the United States Embassy in Cairo, Assistant to the General Sales Manager (GSM) of the U.S. Foreign Agricultural Service, and was the GSM's principal advisor on USDA Commodity Assistance programs for the former Soviet Union and other Eastern European countries. Earlier, Mr. Chaudhry served as the Agricultural Counselor at the US Embassy in Moscow and as the Agriculture Attache at the US Embassy in Warsaw, Poland.

Asif Chaudhry was born and raised in a farming family in Pakistan's small village of Nindowal. He received his bachelor's degree from the University of Punjab, his master's degree from the American University of Beirut and his PhD from Washington State University.

Mr. Chaudhry's language skills include Russian, Urdu, Punjabi, Arabic, and Polish. He is married to his wife of 24 years, Charla Chaudhry, and they have two sons and a daughter.

## PHOTOS FROM THE WELCOME RECEPTION HELD ON SEPTEMBER 24TH, 2008 AT THE AMBASSADOR'S RESIDENCE.





# US Ambassador Asif Chaudhry in dialogue with AmCham

## Your Excellency, when did you arrive in Moldova?

I arrived in Moldova on September 5, 2008. Coming to Moldova is somewhat like a homecoming for me. I have spent most of my Foreign Service career in Eastern Europe and my family and I have many friends in this part of the world. I come from the state of Washington in the northwest of the United States. Like Moldova, Washington is known for its agricultural production of grains, fruits and vegetables. Most importantly, Washington state produces some of the best wines in the United States.

## When were you sworn in as the U.S. Ambassador to Moldova?

I was sworn in as the U.S. Ambassador to Moldova in Washington, DC on July 11, 2008. I presented my credentials to President Voronin on September 24, 2008 together with eight other new ambassadors.

## What can you tell us about the economic crisis going on in the U.S. right now?

In the U.S. tight credit markets overall are making it difficult for citizens to access credit and for businesses to finance day-to-day operations. Europe and Asia are also facing economic and financial challenges. The turmoil in the financial markets is a global phenomenon that affects all of us. It will take a coordinated international effort to find solutions to bring stability and efficiency to the world economy. The world's central banks are acting together to provide additional liquidity for financial institutions. In the U.S. the administration worked with Congress to develop a \$700 billion program, the Emergency Economic Stabilization Act (EESA), for addressing the problem of illiquid assets on the balance sheets of financial institutions. The EESA empowers Treasury to use up to \$700 billion to inject capital into financial institutions, to purchase or insure mortgage assets, and to purchase any other troubled assets that the Treasury and Federal Reserve deem necessary to promote financial market stability. The U.S. has temporarily raised its deposit insurance limits from \$100,000 to \$250,000. We have to restore confidence in our mortgage assets and in many of the financial institutions that hold these assets. When banks cannot finance at reasonable levels and cannot lend, everyone who depends on credit in our economy suffers. Our banks cannot support student loans, car loans, home loans or small business loans in this situation. While most Americans understand that economic cycles occur, what we are experiencing now is extraordinary. Congress took swift and bold action. It is important to act quickly but we also have to get it right. We will have to analyze carefully, be transparent and exercise patience. The federal government has acted quickly and will use all the resources at its disposal to make the financial system stronger, to safeguard depositors and savers, and to help ensure an adequate flow of credit. We will have to be patient because the turmoil will not end quickly.

## What is your opinion on the upcoming presidential elections?

I think we have a very exciting presidential contest this year with two fine candidates. Interestingly, this is the first time we have ever had two sitting senators running for the presidency. It is very exciting to see how much interest and curiosity this race is generating not just in the United States but around the world. I feel that the presidential campaign every four years is an opportunity for Americans to judge their political leaders, to decide the direction of their country and to participate in the political life of their country.

## What is your position on the Transnistria Issue?

We all support a negotiated resolution to the issue of Transnistria within the 5 + 2 framework. We support a settlement that will preserve the integrity of Moldova and its sovereignty. Russia, Ukraine, OSCE, EU, and the United States will have to work together to support a negotiated settlement. We have supported ongoing dialogue in this process and will continue to do so.

## When do you think Moldova will be invited to join the European Union?

Moldova has been working hard to pass legal reforms in various sectors to bring its legal framework closer to internationally recognized standards. I think Moldova has made a great deal of progress but there is still work to do, particularly in the area of implementing reforms. I am honored to be here and support the goals of the U.S. Government in assisting Moldova in many of these sectors. Moldova will have to work closely with the EU to determine how to continue to reform and to work out a road map to European integration.

## You are fluent in several rare languages. How did your interest in foreign languages begin?

As a Foreign Service Officer, fluency in foreign languages while not a requirement to join the Foreign Service is highly valued. I have always felt that knowing foreign languages gives one better access to the culture and history of the host country and can be an important component in building personal relationships with your host country counterparts.

## Do you intend to learn the official state language during your tenure in Moldova?

I intend to make every effort in the time I have available to learn the language while I am here.

Nr. 19 - 2 Septembrie 2008

**Domnului Marian Lupu,  
Președinte al Parlamentului RM**

Copia: Doamnei Violeta Ivanov, Ministru al Ecologiei și Resurselor Naturale RM

Copia: Domnului Octavian Calmîc, Directorul Direcției Generale Politici Comerciale

**SUBIECT: LEGEA NR. 173-XVI DIN 10 IULIE 2008 CU PRIVIRE LA MODIFICAREA SI COMPLETAREA ARTICOLELOR 8 SI 11 ALE LEGII NR. 1540-XIII DIN 25.02.1998 PRIVIND POLUAREA MEDIULUI.**

**Stimate Domnule Lupu,**

Din numele Asociației Patronale „Camera de Comerț Americană din Moldova” (AmCham) vin să vă atest înalt respect.

AmCham este o asociație neguvernamentală, non-profit a business-ului privat care întrunește la momentul actual 57 de membri – companii cu capital local și străin din diverse sectoare ale economiei naționale. AmCham are ca obiectiv major dezvoltarea economică a Republicii Moldova prin intermediul activităților ce contribuie la crearea unui mediu de afaceri avantajos pentru investițiile străine și comerț exterior.

Prin prezenta scrisoare AmCham se adresează la Dvs din numele membrilor săi în legătură cu Legea Nr. 173- XVI din data de 10 iulie 2008.

Astfel, în data de 10 iulie 2008, Parlamentul RM a adoptat Legea nr. 173-XVI cu privire la modificarea și completarea articolelor 8 și 11 ale Legii nr. 1540-XIII din 25.02.1998 privind poluarea mediului („în continuare Legea nr. 173-XVI”).

Legea nr. 173-XVI a fost înaintată în Parlament sub forma a două proiecte de modificare legislativă.

Primul Proiect al Legii pentru modificarea și completarea Legii privind plata pentru poluarea mediului nr. 1540-XIII din 25.02.1998 (art. 11) a fost înaintat de deputatul Valeriu Guma la 23 iunie 2008, fiind înregistrat cu numărul 2085 („Proiectul 2085”).

Al doilea Proiect al Legii pentru modificarea și completarea Legii nr. 1540-XIII din 25.02.1998 privind plata pentru poluarea mediului (art. art. 8 și 11) a fost depus de deputații A. Afonin, V. Ciobanu, S. Sococol, D. Prijmireanu la 24 iunie 2008, și a fost înregistrat cu numărul 2104 („Proiectul 2104”).

Versiunile inițiale ale Proiectelor 2085 și 2104 diferă de versiunea finală a Legii nr. 173-XVI, și anume fiind lărgită considerabil sfera de produse asupra cărora

este aplicată bariera ecologică la import. Astfel, dacă conform Proiectului 2085, plata la import pentru poluarea mediului se dorea a fi instituită asupra produselor din plastic sau tetra-pack a băuturilor nealcoolice, a berii, sucurilor și uleiurilor din floarea soarelui; Proiectul 2104 se referă la toate produsele importate în ambalaj din plastic sau tetra-pack. Versiunea finală, care a fost adoptată și este în vigoare se referă la toate produsele importate în ambalaj din plastic sau tetra-pack, cu excepția produselor lactate.

În acest context, dorim să vă comunicăm că în urma intrării în vigoare a Legii nr. 173-XVI, activitatea economică a agenților economici - membri AmCham a fost considerabil afectată, fapt ce ne-a determinat să analizăm minuțios condițiile elaborării și aprobării legii în cauză.

În urma acestei analize am constatat următoarele :

**1. Fundamentarea Legii nr. 173-XVI și Analiza Impactului**

Conform art. 8 al Legii nr. 1031 din 08.06.2000 cu privire la reglementarea de stat a activității comerciale externe, restricțiile care pot fi stabilite în domeniul activității comerciale externe trebuie să fie pe deplin justificate pe motive ce au condiționat aplicarea lor. De asemenea, la stabilirea restricțiilor în domeniul comerțului extern se va acorda preponderență restricțiilor care cauzează prejudicii minime activității comerciale externe.

Fundamentarea și argumentarea unui act legislativ care reglementează restricții în domeniul comerțului internațional este prevăzută și de articolul 20 al Legii privind actele legislative. Conform acestei Legi, grupul de lucru care înaintează proiectul de lege trebuie să includă în nota informativă, inter alia, analiza impactului de reglementare; să se prezinte o argumentare în baza evaluării costurilor și beneficiilor, a necesității adoptării actului normativ și analiza de impact al acestuia asupra activității de întreprinzător, inclusiv asigurarea respectării drepturilor și intereselor întreprinzătorilor și statului.

Făcând o analiză asupra notelor informative prezentate de grupurile de lucru ale ambelor proiecte, precum și asupra raportului Comisiei sesizată în fond s-a constatat că pentru examinarea în prima și a doua lectură a proiectelor în plenul Parlamentului noile restricții la import au fost argumentate și fundamentate prin următoarele:

- ambalajul de masă plastică și tetra-pack cauzează poluarea mediului în procesul utilizării lor, iar distrugerea sau prelucrarea acestora este dificilă.
- mecanismul care se instituie prin proiect reprezintă

- un mecanism economic aplicat în țările dezvoltate.
- mecanismul care se instituie va reduce la minimum volumul deșeurilor și va mări nivelul de responsabilitate a producătorilor.
- producătorii autohtoni se regăsesc într-o situație discriminatorie față de concurenții săi străini prin modificările recente la anexa 8 a Legii privind plata pentru poluarea mediului, ceea ce contravine principiilor economiei de piață, principiilor general acceptate privind tratamentul egal al agenților economici, fără deosebiri de proveniență;
- mijloacele colectate din plățile pentru importul produselor în masă plastică se vor acumula în Fondul Ecologic Național care ar permite crearea unor sisteme moderne și eficiente de colectare, prelucrare, valorizare a deșeurilor respective, și va avea ca efect o mai bună protecție a mediului înconjurător.

### Concluzie

1. *Nici notele informative, nici raportul Comisiei de resort, precum nici o fracțiune parlamentară sau deputat nu a argumentat sau solicitat argumentarea mărimii plăților pentru poluarea mediului instituit;*
2. *Nu a fost demonstrat impactului asupra cheltuielilor care vor fi suportate de importatorii de produse de ambalaj în comparație cu producătorii autohtoni de produse în ambalaje similare.*
3. *Nu s-a demonstrat cum anume mecanismul nou va reduce volumul deșeurilor și va mări nivelul de responsabilitate a producătorilor.*

### 2. Tratamentul discriminatoriu al importatorilor în raport cu producătorii autohtoni

Plata pentru poluarea mediului este stabilită pentru efectele nocive ale ambalajului din plastic și tetra-pack. Tratamentul egal și nediscriminatoriu al importatorilor ar presupune că cheltuielile suportate de importatorii produselor ambalate în plastic și tetra-pack la achitarea plății pentru poluarea mediului de acest ambalaj, nu trebuie să fie mai mari decât cele suportate de importatorul ambalajului similar, fără produs. Produsul ambalat în plastic sau tetra-pack ar putea fi supus unei plăți mai mari pentru poluarea mediului, doar dacă se va constata că efectele nocive ale acestuia depășesc efectele nocive ale ambalajului fără produs, necesitând astfel cheltuieli mai mari pentru eliminarea unor asemenea efecte.

Tratament inegal și discriminatoriu la import duce în mod inevitabil la cauzarea prejudiciilor participanților la comerțul internațional.

### Concluzie 2:

*Aplicarea taxelor și tratamentului discriminatoriu poate duce la apariția reacțiilor negative din partea altor state cu care Republica Moldova întreține relații comerciale. Fiind membră a organizațiilor internaționale*

*mondiale și regionale în domeniul comerțului, Republica Moldova va fi solicitată să prezinte explicațiile, argumentele și motivele impunerii unor asemenea taxe.*

În această ordine de idei, dorim să vă informăm că aplicarea Legii 173-XVI a stârnit reacții adverse în rândurile investitorilor străini – importatori de produse ambalate în tetra-pack și/sau ambalaje din plastic, ce consideră instituirea noului mecanism drept o măsură discriminatorie față de producătorii autohtoni. Mai mult ca atât, nemulțumirile nu sunt legate de instituirea mecanismului de taxare pentru poluarea mediului la importul produselor ambalate în plastic și tetra-pack, ci de diferența între cheltuielile suportate de importatorii acestor produse față de cele suportate de producătorii interni.

Un alt aspect nu mai puțin important este informarea și pregătirea insuficientă a organelor vamale în calcularea și aplicarea taxelor noi, ceea ce cauzează, în unele cazuri, reținerea mărfurilor în vamă pe perioade îndelungate.

În lumina celor expuse mai sus, vă rugăm respectuos următoarele:

1. să ne argumentați mărimea taxelor ecologice aplicate;
2. în vederea evitării unor interpretări greșite a legii în cauză, Vă rugăm să considerați posibilitatea definirii explicite a noțiunii de ambalaj, precum și posibilitatea elaborării unei liste exhaustive a categoriilor de produse și ale ambalajelor din plastic ale acestora, asupra cărora se extinde acțiunea Legii nr. 173-XVI.
3. să ne informați asupra direcțiilor de utilizare a mijloacelor acumulate în Fondul Ecologic Național în urma aplicării Legii nr. 173-XVI, și anume care sunt sistemele pe care planificați să le implementați pentru eficientizarea procesului de colectare, prelucrare, valorizare a deșeurilor respective, precum și care sunt pașii întreprinși în această direcție la momentul actual.

Stimați domni, vă mulțumim anticipat pentru înțelegere și rămânem în așteptarea răspunsului Dvs. pe marginea problemei expuse mai sus.

Suntem la dispoziția Dvs. pentru orice întrebări vizând subiectul în cauză și rămânem deschiși pentru o eventuală întâlnire pentru a discuta aspectele evidențiate mai sus.

**Cu profund respect,**

**Președintele AP „Camera de Comerț Americană din Moldova”**

**John Maxemchuk**



PARLAMENTUL REPUBLICII MOLDOVA  
ПАРЛАМЕНТ РЕСПУБЛИКИ МОЛДОВА

Comisia pentru administrația publică,  
ecologie și dezvoltarea teritoriului  
Комиссия по публичному управлению,  
экологии и развитию территорий

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19 09 2008

CAE Nr. 485

**Domnului John MAXEMCHUK, Presedintele AP  
„Camera de Comerț Americană din Moldova”**

Stimate Domnule Maxemchuk,

Comisia pentru administrația publică, ecologie și dezvoltarea teritoriului a Parlamentului Republicii Moldova, în comun cu Direcția Generală Politici Comerciale din cadrul Ministerului Economiei și Comerțului, a examinat adresarea Dumneavoastră, parvenită în Parlamentului RM (nr. 19 din 2 septembrie 2008) referitor la prezentarea explicațiilor pe marginea amendamentelor operate în Legea nr. 540-XIII din 25 februarie 1998 și comunica următoarele.

La începutul lunii iunie 2008 în Parlamentul Republicii Moldova au fost înregistrate două proiecte de Lege cu privire la completarea Legii nr. 540-XIII din 25 februarie 1998, „Privind plata pentru poluarea mediului”, parvenite cu titlul de inițiative legislative de la deputatul în Parlament, Dl. Valeriu Guma și un grup de deputați, membrii Comisiei pentru administrația publică, ecologie și dezvoltarea teritoriului, Dnii Vladimir Ciobanu, Sergiu Sococol, Alim Afonin și Dumitru Prijmireanu. Ultimul a fost elaborat în rezultatul adresărilor parvenite din partea producătorilor autohtoni, inclusiv și de la Presedintele Consiliului Asociației Producătorilor și Importatorilor de ambalaje și mărfuri în ambalaje din Republica Moldova (APIAMA), Dl Tudor Besleaga.

Urmare consultărilor petrecute cu reprezentanții instituțiilor guvernamentale, au fost operate modificările în actul legislativ menționat. Amendamentele efectuate au ca scop de a percepe taxele ecologice la importul ambalajelor care conțin produse.

Acestea se referă la așa produse cum sunt: sucuri, bauturi nealcoolice și carbogazoase, etc. Totodată aprobarea Legii nr. 173-XVI din 10 iulie 2008 a avut ca scop de a egala pe importatorii și producătorii autohtoni, care importă ambalaj în calitate de materie primă utilizată în procesul de producție. De exemplu, SA „Orhei-Vit” a produs în anul 2007 aproximativ 12,5 mil. pachete Tetra-pack, din care doar 4,0 mil. de pachete au fost realizate pe piața locală, pe când importul produselor ambalate în Tetra-pack este de 2,5 ori mai mare.

Mai mult ca atât, la formarea costului produsului finit, producătorii autohtoni suportă cheltuieli esențiale cum sunt: energia electrică, gaze naturale, combustibilul, etc., ceea ce le pune în condiții inegale cu importatorii de produse analogice.

La determinarea mărimii platilor ecologice pentru poluarea mediului, autorii amendamentelor s-au bazat pe evaluarea costului eventualelor pagube de la poluarea mediului urmare prelucrării deșeurilor din plastic. În ce privește perceperea acestor plăți de organele vamale informăm că la momentul actual se elaborează proiectul Hotărârii de Guvern privind mecanismul de percepere a taxelor ecologice.

În ceea ce privește utilizarea mijloacelor acumulate în Fondul Ecologic, administrarea acestuia este reglementată de prevederile Hotărârii Guvernului nr.988 din 21 septembrie 1998 „Despre aprobarea Regulamentului privind fondurile ecologice”.

Totodată, adoptarea de către Parlamentul Republicii Moldova a Legii nr.173-XVI din 10 iulie 2008 este în concordanță cu Programul național de valorificare a deșeurilor de producție și menajere și cu Directiva CE 94/62 din 20 decembrie 1994 și Directiva CE 2004/12 din 11 februarie 2004.

Directivele sus-menționate privind gestiunea ambalajelor și deșeurilor de ambalaje au menirea să reducă la minimum impactul deșeurilor asupra mediului. Potrivit principiului Directivei, și anume „Poluatorul plătește”, toți agenții economici implicați în producerea, utilizarea, importul și distribuția ambalajelor și produselor ambalate, trebuie să fie mai conștienți în măsură, în care un ambalaj devine un deșeu și să accepte responsabilitatea ce le revine privind prelucrarea acestora.

În contextul celor expuse, ținem să comunicăm că propunerile și obiecțiile expuse în demersul Dumneavoastră vor fi luate în considerare la perfectarea mecanismului de implementare a Legii nr. 1540-XIII din 25 februarie 1998.

Cu respect,

Vladimir Ciobanu  
Președintele Comisiei

MINISTERUL  
ECOLOGIEI  
ȘI RESURSELOR NATURALE  
AL REPUBLICII MOLDOVA

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МИНИСТЕРСТВО  
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И ПРИРОДНЫХ РЕСУРСОВ  
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Camera de Comerț Americană în Moldova

Ministerul Ecologiei și Resurselor Naturale a examinat solicitarea Dvs și va comunica următoarele:

În conformitate cu Legea nr. 1540 din 25 februarie 1998 privind plata pentru poluarea mediului cu completările și modificările ulterioare, agenții economici, care își desfășoară activitatea pe teritoriul Republicii Moldova, inclusiv producerea ambalajelor din plastic și tetra-pack, achită, conform normalivelor stabilite, plata pentru poluarea mediului inconjurator.

De asemenea, conform prevederilor aceleiași legi, în anul 2002 a fost introdusă plata pentru importul ambalajelor din plastic și tetra-pack.

Este cunoscut faptul că, o cantitate importantă de deșuri din ambalaje se formează pe teritoriul țării în rezultatul importului producției ambalate în plastic și tetra-pack.

Până la intrarea în vigoare a Legii nr. 173-XVI cu privire la completarea Legii nr. 1540-XVIII din 25 februarie 1998 privind plata pentru poluarea mediului, agenții economici, care importă producție ambalată în plastic și tetra-pack, nu achitău plata pentru poluarea mediului. Această situație a plasat producătorii locali în condiții neechivalente cu importatorii. Deci, producătorii locali suportau cheltuieli mai mari decât importatorii.

Astfel, pentru crearea condițiilor egale pentru producătorii locali și importatorii a fost adoptată Legea nr. 173-XVI cu privire la completarea Legii nr. 1540-XVIII din 25 februarie 1998 privind plata pentru poluarea mediului, prin care a fost introdusă plata pentru ambalajul din plastic și/sau tetra-pack, care conține produse importate (cu excepția produselor lactate).

La baza determinării normativului de plată pentru ambalajele din plastic au fost puse 2 variante de calcul: prima variantă este bazată pe evaluarea costului pagubei de la poluarea mediului în rezultatul neutralizării (arderii) ambalajului din plastic și a doua variantă - pe evaluarea costului prelucrării unui kg de deșuri din plastic. În calcul au fost luate tehnologiile accesi-

bile, performante și nonpoluante de prelucrare a deșurilor menționate.

Calculul a fost prezentat în regim de lucru Comisiei Parlamentare pentru politica economică, buget și finanțe și Comisiei pentru administrația publică, ecologie și dezvoltarea teritoriului.

Menționăm, că plățile (taxele) pentru poluarea mediului de la utilizarea ambalajelor din plastic și celor din tetra-pack sunt practicate în mai multe state dezvoltate, inclusiv și țările din CSI.

În scopul concretizării unor poziții ale Legii nr. 173 cu privire la completarea Legii nr. 1540-XVIII din 25 februarie 1998 privind plata pentru poluarea mediului. Ministerul Ecologiei și Resurselor Naturale de comun cu Serviciul Vamal și Ministerul Economiei și Comerțului vor elabora modificări și completări la Legea menționată, inclusiv va fi elaborat și mecanismul de implementare a prevederilor Legii.

Plata pentru marfurile, în procesul utilizării cărora este poluat mediul inconjurator, se acumulează la contul Fondului Ecologic Național (FEN) și se utilizează pentru finanțarea proiectelor de mediu, inclusiv proiectelor de implementare a tehnologiilor de prelucrare și utilizare a deșurilor, de creare și amenajare a poligoanelor de depozitare a deșurilor.

În anul 2007 și pentru prima jumătate a anului curent din FEN pentru finanțarea unor asemenea proiecte au fost alocate respectiv câte 5,0 mil. lei.

În acest context, menționăm, că Fondul Ecologic Național este deschis pentru colaborare cu toți agenții economici și alte organizații pentru crearea în republică a unui mediu inconjurator mai curat și mai prielnic.

Ministru

Violeta IVANOV

# CORPORATE SOCIAL RESPONSIBILITY

We feel that Corporate Social Responsibility is a very important chapter in any company's activity as well as for the welfare of any country. Companies' noble initiatives deserve to be mentioned and in this respect we have posted some information about their contributions below.

As you are aware, Moldova has been recently ravaged by floods which have displaced many Moldovan people, also destroying the local agriculture and infrastructure.

We especially appreciate the fact that several companies, AmCham Moldova Members, did not remain indifferent regarding the effects of the recent flooding in Moldova and the great need for social assistance for the victims in the regions that were hit hardest. Many have lost their homes and sources of income, and were completely dependent on the generosity of others to help them and their families to recover from this tragedy.

Shortly after the flooding that affected many families in Moldova, the AmCham CSR Committee created a proposal for its members that were eager to help the flood victims. The member companies made their contributions to a bank account that AmCham established for the CSR Committee, specifically for the purpose of pursuing social projects. The AmCham administration and members of the CSR Committee worked directly with the mayors and aid groups in the hardest hit localities to find suitable homes and identify the families that have lost their homes.

AmCham Moldova expresses sincere contentedness for their quick response to assist the flood victims.

## AMERICAN CHAMBER OF COMMERCE IN MOLDOVA RAISES FUNDS FOR FLOOD VICTIMS

CHISINAU, September 23, 2008. The American Chamber of Commerce in Moldova successfully closed the fundraising campaign initiated in August to assist victims of the flooding which affected Moldova this summer. In total, AmCham members contributed almost 200 000 MDL, making it possible to buy a new, big, comfortable house for a family with 4 children from the village of Purcari, in the Stefan-Voda region.

Among the donors can be listed both small Moldovan companies and big international companies such as British American Tobacco, Coca-Cola HBC, Ecovit, Horizon Capital Advisors, Imu-



notehnomed, Moldcell, Red Union Fenosa, Sun Communications, Turcan & Turcan.

"The most important thing is that some big companies have contributed substantial funds to AmCham initiative alongside with its individual very generous contributions. At the same time, it was a great opportunity for some small companies to join their efforts for a common goal. We are glad that due to our initiative a family from Purcari got its warm home", mentioned John Maxemchuk, the President of AmCham.

AMCHAM donated to the Gratii family a roomy, convenient house, provided with necessary utilities (gas, water), all equipped inside (furniture, dishes) and with a big yard, where children can play.



# FOCUS ON BANKING & FINANCE

The word bank comes from the Italian word banco “desk/bench”, used during the Renaissance by Florentine bankers, who used to make their transactions above a desk covered by a green tablecloth. However, there are traces of banking activity even in ancient times.

In fact, the word traces its origins back to the Ancient Roman Empire, where moneylenders would set up their stalls in the middle of enclosed courtyards called macella on a long bench called a bancu, from which the words banco and bank are derived. As a moneychanger, the merchant at the bancu did not so much invest money as merely convert the foreign currency into the only legal tender in Rome—that of the Imperial Mint.

## FINANCE AT A GLANCE:

An entity whose income exceeds its expenditure can lend or invest the excess income. On the other hand, an entity whose income is less than its expenditure can raise capital by borrowing or selling equity claims, decreasing its expenses, or increasing its income. The lender can find a borrower, a financial intermediary such as a bank, or buy notes or bonds in the bond market. The lender receives interest, the borrower pays a higher interest than the lender receives, and the financial intermediary pockets the difference.

A bank aggregates the activities of many borrowers and lenders. A bank accepts deposits from lenders, on which it pays the interest. The bank then lends these deposits to borrowers. Banks allow borrowers and lenders, of different sizes, to coordinate their activity. Banks are thus compensators of money flows in space.

A specific example of corporate finance is the sale of stock by a company to institutional investors like investment banks, who in turn generally sell it to the public. The stock gives whoever owns it part ownership in that company. If you buy one share of XYZ Inc, and they have 100 shares outstanding (held by investors), you are 1/100 owner of that company. Of course, in return for the stock, the company receives cash, which it uses to expand its business in a process called “equity financing”. Equity financing mixed with the sale of bonds (or any other debt financing) is called the company’s capital structure.

Finance is used by individuals (personal finance), by governments (public finance), by businesses (corporate finance), as well

as by a wide variety of organizations including schools and non-profit organizations. In general, the goals of each of the above activities are achieved through the use of appropriate financial instruments, with consideration to their institutional setting.

Finance is one of the most important aspects of business management. Without proper financial planning a new enterprise is unlikely to be successful. Managing money (a liquid asset) is essential to ensure a secure future, both for the individual and an organization.

## BANKING SYSTEM IN THE REPUBLIC OF MOLDOVA

In 1991, in accordance with the legislation, a two-level banking system was formed. Within this system the National Bank of Moldova acts as central bank, but it is not involved in commercial banking. In June and July 1995 the Parliament adopted two Laws on the National Bank of Moldova and on Financial Institutions. These laws provide stipulations meant to strengthen the NBM role in working out and implementing the monetary and foreign exchange policies and to ensure a stable and sustainable financial system. The National Bank is responsible for the authorization, the supervision and the regulation of financial institutions’ activity. These attributions are exercised taking into account the Core Principles of Basel Committee for an efficient banking supervision.

## THE NATIONAL BANK OF MOLDOVA

The National Bank of Moldova is the central bank of the Republic of Moldova and exercises its attributions as a legal, public, autonomous person responsible to the Parliament. The fundamental objective of the National Bank is the maintenance and the ensuring of price stability. The National Bank cooperates with the Government with a view to achieving its objectives and, pursuant to the law, undertakes the necessary measures to implement such collaboration. The National Bank periodically informs the public on the macroeconomic analysis results, the financial market dynamics and statistical information, including on money supply, the balance of payments and the situation within the foreign exchange market. The National Bank is not subject to registration in the State Register of enterprises, or in the State Register of organizations.

## DID YOU KNOW THAT... (ABOUT BANKS)

- There are 1,000,006 banks in the world?
- What is the biggest value bank note? Latvian 500 banknote is worth ~700 euros
- Singapore has 10,000 Dollars bank note in public circulation worth ~ 4700 euros mostly used by bank transactions?
- The biggest bank in Europe is HSBC Holdings?
- In 2006, Bank of America became the biggest bank in the world?
- In July 2007 Industrial&Comercial Bank of China became the biggest bank in the world, outrunning Citibank?
- Among five World’s Biggest Banks three banks are Chinese?

The National Bank is independent in exercising its attributions established by the Law on the National Bank of Moldova and neither requires, nor receives, according to the same law, instructions from public authorities or from any other authority. In order to achieve its attributions, the National Bank has the right to issue decisions, regulations, instructions and orders. The normative acts of the National Bank, which are compulsory for financial institutions and other legal and physical persons are published in the Official Monitor of the Republic of Moldova and come into force either on the date of their publication, or on another date stipulated in the text of the respective normative act, provided that the public is informed accordingly.

## NATIONAL CURRENCY

The monetary unit of the Republic of Moldova is the Moldovan

Leu, which is the only legal tender on the territory of the Republic of Moldova. The National Bank has the exclusive right to put into / withdraw from circulation bank notes and metal coins of Moldovan Lei.

## MONETARY POLICY

The National Bank of Moldova establishes and implements the monetary and foreign exchange policies. In order to achieve its fundamental objective, the National Bank of Moldova uses a wide range of available indirect instruments of monetary and foreign exchange policy, including: SS selling-buying operations and reverse REPO agreements; Lombard facilities, required reserves; NBM base rates, issuance of the National Bank Certificates, deposits acceptance from banks and others.

# American financial crisis

One of the most significant features of financial crisis growth and expansion has been the deepening destabilization of the financial institutions and markets in the U.S. A financial crisis has been unfolding for more than a year.

The two mortgage finance giants that play a crucial role in the U.S. economy – Fanny Mae and Freddie Mac have been taken over by the U.S. Government, as well as American International Group, (AIG) - the giant insurance/financial firm.

In addition, a few independent banks on Wall Street failed to resist financial crisis and in matter of time, Lehman Brothers went bankrupt, while Merrill Lynch was forced into liquidation and then absorbed by Bank of America. Washington Mutual was seized by government regulators in what's being called the biggest bank failure in history. Shortly thereafter, WaMu was acquired by JPMorgan Chase & Co. for \$1.9 billion.

Beyond that, Fanny Mae and Freddie Mac shares went low below their selloff down more than 45% during summer and about 75% for the year, which is crucial since they provide funding sources for banks and other home lenders. Therefore, the high costs of mortgage loans made population unable to pay their debts.

The ups and downs of the stock market have been both euphoric and exasperating in the last several weeks. The Dow Jones Industrial Average has fallen approximately 4,800 points from its all time high of 14,164.53(October, 2007). This led to a loss of 30-40%

of the investment value or even completely bankrupts of investors.

The major U.S. stock indexes- DJIA, NASDAQ, S&P 500 had the lowest rate level in history on Friday, 10 October 2008 - so low that they wiped out several years of growth.

The U.S. crisis had an amplifying international instability. Due to U.S. market gyrations, the Russian stock market sank and shut down for two days. In other parts of the world, concern spread about whether dollar-based loans in global markets would continue on the scale necessary to sustain daily business operations. In response, the central banks of Germany, Japan, England, Canada, and Switzerland pumped some \$185 billion into the financial markets.

And investor worry is mounting in East Asia. China, Japan, and South Korea, for instance, count on the U.S. as a major export market.

All of these events led to a slump for the economy, like recent dramatic reversals in oil prices, unexpected rise in the unemployment rate in the labor market, as well as companies struggling with economic instability.

Further, many of the most recent events have injected tremendous uncertainty into the national outlook, but the U.S. government is taking measures to restore international confidence in the U.S. economy, as well as to alienate the turmoil of the U.S. financial system.

## MAJOR EVENTS IN BANKING HISTORY

- 1602 - First joint-stock company, the Dutch East India Company founded
- 1720 - The South Sea Bubble and John Law's Mississippi Scheme, which caused a European financial crisis and forced many bankers out of business
- 1781 - The Bank of North America was found by the Continental Congress
- 1800 - Rothschild family founds Euro wide banking.
- 1803 - The Louisiana Purchase was the largest land deal in history
- 1929 - Stock market crash
- 1989 - Junk bond scandal and charges against Michael Milken resulted in new legislation for investment banks
- 2001 - Enron bankruptcy, causing new legislation for annual reporting
- 2007 - Sub-prime mortgage crisis
- 2008 - International Financial Crisis



# Interview with Mr. Leonid Talmaci

## Governor of the National Bank of Moldova



**1. Theoretically, the appreciation of the national currency is associated with the economic growth of the country. How would you explain the evolution of the exchange rate of the Leu comparing it to foreign currencies, in contrast to the pretty high rate of inflation and moreover to the reduced power to buy currency?**

In the current year, positive economic evolutions have been registered: the growth of GDP (in January-June 2008 GDP exceeded in real terms by 5.4 (%) the development of the respective period of the last year), the growth of the industrial production, (by 4.7(%) in comparison to the same period in 2007), the slow down of the inflation rate (the level of inflation in August 2008 comparing to December 2007) presented 6 % in relation to 7.3 % (in August 2007 comparing to December 2006), the increase of exports and their geographical diversification.

In the meantime, the massive entrances of capital coming from economic migrants, the direct investments and private external credits have contributed to the nominal appreciation of the exchange rate of the Moldovan Leu in respect of USD, which from the beginning of 2008 to 09/29/2008 appreciated with 8.3, (%) starting with 11.3192 to 10.3757 Moldovan Lei for 1 USD.

The real effective rate of the national currency (REER) which is one of the indicators of competitiveness, which reflects the change in the Leu rate in real terms in relation to the currencies of the main business partners (calculated comparing to December 2000, taking into account the level of inflation rate from the partnering countries and the adjustments in the monthly medium exchange rate) has shown 108.8 % in July 2008. During January-July 2008, the real effective exchange rate of the national currency was evaluated at 4.1 %. Thus, the real effective exchange rate of the national

currency was assessed in proportions much less than the nominal rate, as a result of a significant impact in foreign trade of the business partners of the Republic of Moldova, such as the Russian Federation and Ukraine, which on one hand face the issue of the appreciation of the national currency, and on the other the inflationist pressure.

One should mention that the majority of countries from Central and Eastern Europe have struggled with the appreciation of the national currency, caused by the massive entrance of money coming from economic migrants, direct investments and portfolios, external credits, etc. Looking at the data published in the "IMF International Financial Statistics", at the end of the 2000, the real effective exchange rate of the Slovak Koruna appreciated by 58.1 %, the Hungarian Forint by 42.5 %, the Czech Koruna by 36.8 %, the Polish Zloty by 14.1 %, and the Ukraine Hryvnia by 12.6 % (calculated in comparison to December 2000). At this stage, the Moldovan Leu increased by 4.7 %.

Meanwhile, the appreciation of the national currency plays an important role by reducing the growth process of prices on the imported energy-related resources; therefore it has a positive impact on impeding the inflation growth process.

**2. The budget forwarded to the Government was estimated on an exchange rate of 9.12 Lei/USD. Thus, it's clear that the Ministry of Finance expects a further appreciation of the national currency, though the appreciation is considered to be risky. How would you explain this issue and what is your anticipation of the inflation rate for the next year?**

The exchange rate used to elaborate the State budget is applied as an indicator for budget income and expense operations.

Regarding the inflation rate evolution for 2009, the National Bank of Moldova will continue to develop a monetary policy aimed to decrease the rate of inflation.

Meantime, we inform you that according to the forecast of the Ministry of Economy and Commerce the rate of inflation in 2009 will represent about 9.5 %, but the medium inflation about 10.0 %.

**3. Lately, many discussions have been held on increasing the state required reserves, what is, though, the impact of this increase on banks?**

Being a monetary tool, the required reserves norm is used by the National Bank of Moldova for the sterilization of the structural liquidity excess and it has been orientated towards the readjustment of the inflation trend.

As a result, the annual inflation rate has decreased from the

maximum level of 16.9(%) estimated in May 2008 to 11.7(%) by the end of August.

During the Conference on 25th of September 2008, the Bank's Council of Administration of the National Bank of Moldova decided to diminish by 1.5 % up to 20.5 % the required reserves norm coming from Moldovan Lei and inconvertible currency, as well as convertible currency attracted by banks.

The completed analysis by the National Bank of Moldova presents a decrease of the inflationist pressures, thus it will reduce the growing rhythm of prices in the following period.

From this point of view, the National Bank consider the adoption of some decisions which as a consequence will increase the liquidity aspect in the banking system. Therefore, it will contribute to the extension of credit activity in terms of re-launching the declining discount rate trend.

**4. It is well known that one of the major impediments for the development of the investment climate in the Republic of Moldova is the high price of credit refinancing on the international financial markets which has an influence on the price for credits on the local market. It was estimated that such kind of situation appears because of the high risk of Moldova as a country in contrast to the international agencies. What measures are taken in order to improve the image of the country?**

Looking at the recent report published by Fitch ratings, among the greatest weaknesses the Republic of Moldova is facing right now are the ongoing inflationist pressures and the decline in the current account deficit. Regarding the inflationist pressures we would like to pinpoint that during 2008 the Republic of Moldova has implemented a tough monetary policy using such tools as increasing the basis rate and the norm of the required reserves. These measurements have displayed the expected result, the price growth during the last 12 months (August 2008 vs August 2007) representing 11.7 % compared with 13.5 (August 2007 vs August 2006).

Concerning the chapter which implies the deterioration of the current account deficit we would like to emphasize that it has reached significant proportions, mainly due to the price increase for petroleum and natural gas imported from the Russian Federation. In the meantime, an increase in imports of cars, equipment, etc., by 55.9% can be noticed during January-July, consequently in medium terms it can have a positive impact on economic growth. Presently, the current account deficit is financed mostly from long-term and medium external credits, and from direct investments, which are considered stable flows without a reversible trend.

**5. Now that the Republic of Moldova is bordering the EU, which has been the most recently implemented reforms/the best applied practices regarding the financial-banking system from the Republic of Moldova.**

Intending to adjust the legislation in the monetary field to the Standards of the EU legislation, the NBM has elaborated a Law, regarding the monetary regulation, which has been adopted by the Parliament of the Republic of Moldova on the 03/21/2008 in second reading (this specific clause has been published in the Official Monitor, 2008, nr.127-130, under art.496). When developing the article, the Community Law has been taken into consideration, in particular the dispositions from Chapter 4 "Capitals and Payments", Title III "Free movement of people, services and capitals", 3rd part "Community Policy" from the Treaty of Establishing the European Community (the consolidated version published in the Official Journal of the EU C 321E on 29th of December 2006, as well as the directions of the Annex I from the Council Directive on the 24th of June 1988 for applying the article 67 of the Treaty (88/361/CEE) (published in the Official Journal of the European Community L178, 08.07.1988, p.5-1).

Meanwhile, when planning the Law clause, the legislation in the field of monetary regulation of the Member States of the EU (Slovenia, Poland, Czech Republic, Slovak Republic, Romania, Bulgaria) has been consulted, as well as the legislation of other states like Croatia, Macedonia, Serbia, Kazakhstan.

The norms and procedures related to banking are for most parts associated with the International Standards. In the banking sector, the prudence norms, the accounting evidence and auditing, and a big division of the legal infrastructure help to assure the solid positive indicators.

## National Bank says it has sufficient foreign exchange reserves to overcome international financial crisis

The National Bank of Moldova (NBM) has sufficient foreign exchange reserves to overcome the international financial monetary crisis, which echoed even in Moldova. NBM Governor, Leonid Talmaci, stated this during the first sitting of the Legislature in the fall session.

"The evolution of the inflation indicator is growing down, which will allow the population's access to loans. The NBM Board of Directors approved the decision to reduce the basic rate and norm of compulsory reserves by 1.5 points, which demonstrates the bank's trust in the positive evolution of the economic indicators", the NBM governor also announced.

According to Talmaci, over the first eight months 2008, the banking system strengthened, registering an ascending trend. "The total assets of the banking system amounted to 37.7 bn lei, registering an increase by 5.6 bn lei (17.9%) from the beginning of the year. The total capital amounted to 6.3 bn lei, 20% up", Talmaci stressed.

At the same time, according to the same source, the balance account of the loans provided by the banks during January-August 2008 increased by 3.5 bn up to 24.4 bn lei. The loans in MDL increased by 3.1 bn lei (26%), and the ones in foreign exchange, by 415 mln (4.6%), Leonid Talmaci concluded.

# INTERVIEW WITH MR. DUMITRU URSU

## PRESIDENT, BANKS ASSOCIATION OF MOLDOVA



**1. Theoretically, the appreciation of the national currency is associated with the economic growth of a certain country. How do you explain the continuous appreciation of the Moldovan Leu compared to foreign currencies, in contrast to the moderately high inflation rate and inclusively the reduced power to buy currency?**

The economic growth simply defined implies the real growth of gross domestic product (GDP), or the GDP change in percentage estimated in real terms in the period analyzed comparing it to the previous period. Generally, the main factors that influence the economic growth are the production factors: human capital, natural resources and investments. Analyzing the GDP growth in the Republic of Moldova during 2005-2007, we have come to the conclusion that the real growth of GDP was generated by a considerable increase in the net capital formation, mainly in investments, and consumption. An increase in investments and consumption in the Moldovan economy have been supported by the net currency outflow from physical persons and direct investments, from portfolio, as well as from private external credits, that have had a great impact on the appreciation of the national currency, and at the same time on the increase of prices for the consumers.

The tendency for appreciation of the national currency in comparison to the USD in the Republic of Moldova, in the last 2 years has also become characteristic for other countries in the region. Moreover, the appreciation of the national currency in some countries has been even more significant. Thus, if in the first semester of 2008 the Leu exchange rate has grown in comparison to USD by 17.5 %, then the Czech Krona has increased by 52 %, and the Polish zloty by 43 %. The same thing is relevant for the European currency, which appreciated in relationship to the USD by 10.5 % in 2007, and in the first semester of 2008 by 6.6 %, on the basis of an economic growth in the Euro Zone by 2.9 % in 2007, in contrast to 2.2 % registered by the US economy.

In the meantime, based on the statistical data of the National Institute of Statistics, we would like to mention that the inflation rate over 12 months has decreased from 16.9 % in May 2008 to 11.7 % in August, 2008.

**2. Lately, there have been many discussions held on increasing the amount of the state required reserves by the NBM. What has seen the impact of this increase on banks?**

The Real Estate crisis in the US and Occidental Europe, as well as the recent evolutions in the activities of some worldwide investment banks and companies, causing some distortions on the international financial market has brought up the liquidity issue to the members of the Moldovan Bank Association in the national banking sector, along with interest rates in the monetary policy and the required reserves created by banks. According to the latest statistical data registered and reports presented by the National Bank of Moldova, the inflation rate and the main monetary indicators are representative, as far as the impact of the monetary policy instruments regards. Thus, the monetary policy implemented by the National Bank of Moldova, more restraining as a result of increasing the monetary policy rate and the required reserves, had the expected effect concerning the level of prices indicator for consumption, however, the indicators that describe the quality of banking sector activities show an increase in the interest rates for credits, a decrease of lending rhythm, the high continuous maintenance of banking indicators (although in a decrease comparing to the previous period). In order to continuously decrease the inflation, the Administrative Council of the National Bank of Moldova on the 25th of September 2008, made the decision to cut the amount of the required reserves and the basic rate by 1.5 %, this way reducing the interest rate applied for credits.

**3. In your opinion, what are the strengths and weaknesses of the banking system in Moldova?**

In the opinion of the Moldovan Bank Association, the strengths of the local banking system are the financial indicators aiming to develop the banks, mainly the prudence, liquidity, and profitability indicators. Concerning the weaknesses of the local banking system it's up to you to point them out.

**4. What would be necessary in order to improve the banking system in the Republic of Moldova?**

We presume that there is room for further development of the local banking system, such as to continue modernization and diversification bank services and products, extension of the local banking capital onto the foreign markets (formation and diversification of a network of Moldovan commercial banks outside the country), complete application of the international standards of banking regulation and monitoring, as well as the best practices in general banking activity.

**5. Mr. Ursu, in your mind, do the people of Moldova trust the banks?**

They do. A continuous increase in bank deposits is a strong piece of evidence. In 2006, deposits grew by 27.9 % and in 2007 by 43.5 %.

# Mr. Johan Mathisen

## Resident Representative in Moldova, International Monetary Fund (IMF)



The monetary authorities continued to play catch-up in responding to higher inflation until early summer.

While the NBM gradually increased the sterilization interest rate from 13.5 percent in November to 17 percent in March, the real rate was gradually eroded. The reserve requirement was raised, but only marginally. As a result, excess liquidity remained in the banking system and credit growth were strong. Combined with surging food prices due to last year's drought, this increased demand pressures and inflation peaked at 17 percent in May. More positively, the NBM stemmed further inflationary pressures by slowing the build-up of reserves in the first quarter of the year, allowing the currency to appreciate against the dollar, although there was little movement against the euro.

**How to arrest rising inflation and resume disinflation? Reestablishing disinflation:**

**In light of the up-tick in inflation, the NBM moved more aggressively to contain demand pressures.** Specifically:

- **Monetary policy were tightened in the second quarter of 2008.** Given the rising trend in inflation, the NBM raised interest rates on sterilization operations by 2 percentage points to 18.5 percent from May 30 (or to 2½ percent in real terms). Moreover, it has indicated that its main policy rate will remain positive in real terms to achieve single digit inflation.
- **Surplus liquidity has been curtailed, to help improve monetary transmission and moderate credit growth.** For that purpose, on May 23, the NBM raised reserve requirements from 16 to 22 percent to become effective from July. Correspondingly, the nominal reserve money path has been adjusted to reflect this change. Excluding the effect of higher reserve requirement, real reserve money growth is programmed to slow to about 6½ percent compared with 10 percent previously. This implies noticeable monetary tightening, consistent with the disinflation objective.
- **The NBM is strengthening its focus on inflation and moving away from pursuing multiple objectives.** Costs of sterilization and valuation losses due to appreciation should not be a binding constraint, and the NBM has committed not to sacrifice the disinflation objective for exchange rate or other considerations. The exchange rate is evolving broadly in line with fundamentals. The NBM will continue to allow the exchange rate to be determined by the market, and intervene only to avoid excessive fluctuations, although this has been complicated by the recent disturbances on the international financial markets. At the end of September 2008, foreign exchange reserves exceeded USD 1.7 billion, which is equivalent to 3.1 months of prospective imports, and to 1.8 times foreign currency deposits.

### Macroeconomic Outlook

**Growth prospects remain positive, with risks on the upside.** Growth is projected at least 6-7 percent in 2008. Demand is projected to remain strong, even with the tightened policies, on the back of an upsurge in FDI inflows. Robust growth in nonagricultural GDP continues, and agriculture is expected to bounce back from last year's 35 percent drop. Inflation has fallen sharply and might be contained to 10 percent this year as the monetary tightening, helped by a good harvest, are having an impact. Consequently the monetary authorities have started to gradually ease monetary policies, by lowering the interest rates on sterilization operations by to 17 percent, and reserve requirements by 1.5 percent. Inflation is expected to fall further to single digits in early 2009.

Banking System Confidence Index shows the level of entrepreneurs' confidence in the banking system of the Republic of Moldova. The values of this index are as well quantified on a scale from 0 to 200 points, the value of 100 points showing a medium level of confidence.

Level of influence of MDL, EURO and USD on the development of business (NIMDL, NIEURO, NIUSD) proves how the evolution of these three currencies influenced the affairs of economic agents. For 100 points value of an indicator it is considered that there was no influence of currency evolution, for a value less than 100 - a negative influence, and for higher values - a beneficial influence.

### The influence of MDL, USD and EURO on the business

Branch	NIMDL	NIEURO	NIUSD	BSCI
Agriculture	81,7	68,3	75,0	113,3
Trade	85,5	90,8	94,7	102,6
Construction	71,4	78,6	89,3	132,1
Industry	75,9	67,2	87,9	115,5
Services	69,7	66,7	72,7	133,3
Transport and Communications	45,0	60,0	90,0	90,0

Table 8. The Banking System Confidence Index and the indexes of the influence of main currencies on the business in the Republic of Moldova in September 2008

In September a distinct part of the study of enterprises in Moldova was the determination of the influence of the exchange rates' evolution of the U.S. dollar and Euro, as well as that of the national currency, on the enterprises. Generally, a pessimistic situation was recorded, all the exchange rates evolutions having a mainly negative impact on the business enterprises of the Republic of Moldova. Particularly the evolution of euro was perceived as one that has negatively affected business in the last month. If we make a comparison between these currencies, U.S. dollar was perceived as the most stable and favorable foreign currency for companies, with a level of influence of 84.83 points, which means that the influence was negative, but closer to 100 points (neutral level or lack of influence) compared with other currencies. Moldovan leu and the Euro had approximately the same impact on business, with a medium level of influence of 73.59 and 73.31 points respectively. This is explained by higher volatility of the Euro in August and September and the relative stability of the dollar exchange rate. At the same time the appreciation of MDL was perceived as a negative signal for the business. Practically no influence of the dollar was registered in trade, where NIUSD constituted 94.7 points, but in the services branch the U.S. dollar had a negative impact, NIUSD = 72.7 points. This happens due to the decreases in the price of services calculated in U.S. dollars. The same situation has been recorded for the euro currency, only the traders gaining from its depreciation, while agriculture, industry, services and transport branches registered significant losses. Agriculture and trade were the least affected by the developments of the Moldovan MDL, because farmers do not export a large amount of production, so that most operations have been conducted in lei, and traders are more concerned with the evolution of foreign currencies.

### The Confidence in the Banking System of the Republic of Moldova

Economic agents' confidence in the banking system was calculated for the first time in the research conducted by IDIS Viitorul. According to the results obtained in September, companies have a

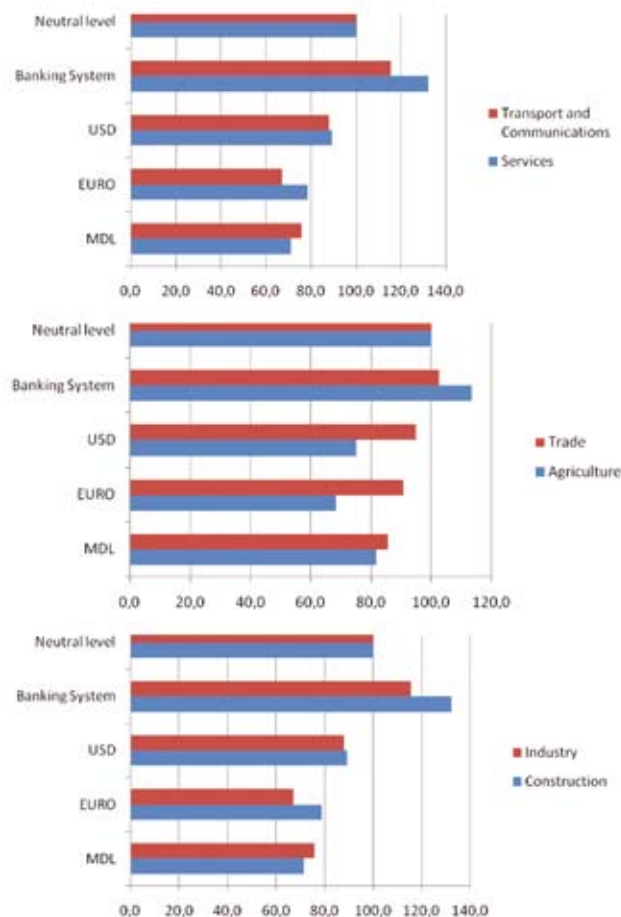
# Mihai Bologan

Expert, Economist, "National Sentiment" Coordinator

relatively high confidence in the banking system, Banking System Confidence Index accounting for 115 points for the whole economy. This denotes a level of confidence slightly above average, the fact that is confirmed by the rate of appeal to credits, which is more than 50% for the economy. Generally, the banking system is not perceived by enterprises as safe or very safe, the most tending to consider it relatively safe.

The largest confidence in the banking system is exhibited by the services branch with the BSCI = 133.3 points, although the services branch resorts less frequently to credits. After the services, in constructions follow in the confidence top with the BSCI = 132.1 points, and their greater confidence in the banking system is very important as they often apply for long-term credits of a high amount.

With the exception of transport and communications, other industries have a medium level of confidence in the banking system, because of the large number of small and medium-sized enterprises that have problems in accessing loans at advantageous interest rates. Transport and Communications have a lower confidence level than the average because these companies are negatively affected by the evolutions of major currencies and are skeptical to the possibilities offered by the banking system.



Graph 9-11. Indexes BSCI, NIUSD, NIEURO and NIMDL by the branches of economy (Trade, Agriculture, Industry, Construction, Transport and Communications and Services) compared to the neutral level of the indexes. September 2008.

# INTERVIEW WITH

## CATALINA STAN, PRESIDENT & CEO, BDR ASSOCIATES

**BDR Associates**  
A Hill & Knowlton Associate

**1. Since your company is one of the newest in AmCham Moldova and relatively new to Moldova, there are many who don't know anything about what your company does. Could you please tell us a little bit about BDR Associates and its products and services?**

Yes, it is true, we are among the new members of AmCham Moldova; however, please allow me to say that we are not new to Moldova. Back in 1996 we developed the first communication campaign in Moldova on post-privatization issues. We have resumed our operations here in 2000 with a series of communication trainings for spokespersons of the Government of Moldova, and in 2002, we officially opened a representative office in Chisinau offering professional Public Relations and Public Affairs services to various clients from the private or state sectors.

**2. Over the past five or so years we have seen the amount of Moldovans working abroad increase very rapidly. In your opinion, what can the private sector do to attract the high quality and well trained employees that often leave the country for the European Union or elsewhere?**

This is a problem that many countries in this geographical area deal with. Romania too has this "brain exodus" problem. There is a need to develop specialized programs such as the public – private partnerships, which, supported through appropriate communication campaigns, would be able to promote the increasing number of job offers in Moldova and communicate the right messages to bring Moldovan professionals home and get them involved in the efforts for the country's development. A first step would be the internship programs like the one developed in Romania, as a preliminary phase in which students or graduates can work for companies for a limited period of time, convincing themselves that they can have a future in Moldova too. We have the experience of such a program, which is now close to its end in Romania – "Start Internship", for which private companies, state authorities, embassies and chambers of commerce, like AmCham Romania collaborated for a mutual purpose.

**3. Business is a tough business to be in right now and in Moldova there exist many unique obstacles to doing business. Could you please tell us about some of the challenges that you have faced while doing business in Moldova and how you were able to overcome them?**

Moldova is a challenge since it offers you the opportunity to contribute to and get involved in its growth and development. From this point of view, there are quite challenging times in Moldova.

We have not met real obstacles so far in the development of our projects. The only problem we could mention here would be the lack of young professionals who, for the moment, are not ready to be responsible and committed in terms of their relationship with the employer. This is one issue which needs to be seriously taken into consideration, together with developing true criteria to be observed by the young professionals to develop a professional career and be successful.

**4. At AmCham, we are in constant pursuit of improving the business climate, thus making it easier to do business in Moldova for domestic and foreign companies. We know that we have much work to do in this area and we would like to ask how you see the business climate in Moldova in the next five years.**

We think that the business climate in Moldova will be increasingly friendlier as long as the business community accepts to understand the local culture and values, whereas the Moldovan community will embrace the Western spirit of doing business, assimilate standards and follow the rules.

### Note:

BDR Associates Communication Group is a leading public relations and strategic communication agency in Romania incorporated in 1995. BDR Associates is the first Romanian agency in the field of communication and public relations extending activity in the Republic of Moldova starting 2002. In 2003, BDR Associates Communication Group officially became a Hill & Knowlton associate following the last 5 years when BDR used to hold the position of a Hill & Knowlton reference agency in Romania.

Ever since its establishment, BDR has put every effort into applying appropriate skills to translate clients' objectives into messages and has accumulated sound expertise in designing communication strategies to position companies and products on the market, build up and promote corporate image, train and consolidate communication and public relations capacities within governmental institutions and private companies.

The agency's portfolio includes major clients among multinational and Romanian companies, international bodies and governmental institutions, both in Romania and in the Republic of Moldova. The agency's company profile exhibits a wide range of PR and strategic communication services such as the creation of communication strategies and implementation of research-based communication campaigns aiming at increasing public awareness, informing and educating multiple target audiences, development of corporate communication strategies, media campaigns and media relations, specialized trainings in communication, crisis situations management, professional media monitoring and analysis, special events management.

## Natural Calamities

On September 25, the Parliament has adopted amendments to the article 24 of the Law on putting into force of 1st and 2nd titles of the Fiscal Code. The aim of the amendment is to provide support to the citizens who had suffered damages of their property during the natural calamities in June and August 2008.

Under the new reading of the law, the taxpayers who donate their property or provide free of charge repairs of the property of those who had suffered from the floods in June-August 2008, with the authorization of the Commission for the elimination of the consequences of floods in the summer of 2008, are exempted from the application of articles 36, 90 (3), 90' (3') b) and 902 of the Fiscal Code. The amendments also provide that the income earned by individuals as compensation for the damages produced by the recent floods are not taxable and are not included in the gross income.

Also on September 25, the Legislature voted in favor of the amendment to the article 4 of the Law on the State Charges, providing that contracts concluded between individuals and legal persons with the purpose of compensating damages produced by natural calamities should be exempted from the state charge for notarization.

## International cooperation

On September 26, the Parliament ratified the Agreement between the Government of the Republic of Moldova and the Government of the Federal Republic of Germany on the 2006 Financial Collaboration (signed in Chisinau on April 23).

Under this Agreement Moldova, or other beneficiaries selected by the two governments, will benefit from financing worth 2.3 million euros from the Reconstruction Credit Institute (Kreditanstalt für Wiederaufbau, KfW). The main purpose of the financing is to improve service provision in the financial sector and prepare specialists for the "Suceava-Balti-Dnepropetrovsk Energy Transport Line" project.

800,000 euros will be provided for the development of ProCredit Moldova SA, on advice and training. 1.5 million euros will be used to create a Study and Specialists Fund in the energy sector. These projects will be replaced by others as the govern-

ments of the two states will decide. The financing conditions and ways of using the money will be stipulated in the lending contracts signed by KfW and the beneficiaries. The Government of Moldova will exempt KfW from taxes and other payments levied in accordance with the national legislation.

"Suceava-Balti-Dnepropetrovsk Energy Transport Line" project will connect Moldova to the European UCTE network and will essentially improve the power supply.

Also on September 26, the Parliament has ratified the Moldova-Slovakia Agreement on Mutual Promotion and Protection of Investments, which establishes the basic legal principles for the development of economic cooperation between the two states and the creation of advantageous conditions for the investments made by individuals and companies from Moldova and Slovakia.

According to the provisions of the agreement, the contracting parties oblige themselves to guarantee on its territory the management, utilization, possession and distribution of investments made by nationals of the other contracting party, as well as refrain from any discriminatory or unjustified actions.

Under the articles 2 and 3 of the Agreement, the contracting parties will implement the following actions:

- each party will promote and admit investments operated on its territory by the investors of the other party;
- all the investments allowed under the legislation of the contracting party on its territory, will benefit from full protection and security, at least similar to that provided to its own investors, or the investors of a third state (whichever of the two is more favorable).

The Agreement will entry into force at the date of the last written diplomatic notification, by which a contracting party is notifying the other party that it has fulfilled all the legal procedures provided in its internal legislation for the entry in force of the document.

## Social Aid.

On September 29, the Law on social aid, has been enacted, being signed by the President. The law regulates the legal framework and guaranteeing the right of disadvantaged families to decent living standards and equal possibilities by granting them social aid.

The law aims at ensuring a minimally

guaranteed monthly income for poor families by providing them with social assistance established in agreement with the global monthly income of the each family and their need for social assistance. The level of the guaranteed minimum is to be established annually in the State Budget Law. It will be computed on the basis of economic indexes as the minimum salary, the minimum pension. The social assistance the family will get will represent the difference between the guaranteed monthly minimum income and the actual monthly income of a family. Disadvantaged families in which all adult members correspond to one of the following criteria: reached the retirement age, have disability degrees, are registered unemployed, nurse a child smaller than 3, nurse a 1st degree disability member of the family, nurse a disabled child or a person older than 75, study full-time and are younger than 23, will be provided social aid. The family will not have the right to social assistance should a member own worthy estate (measured accordingly to some indicators approved by Government).

Families having at least one disabled will benefit of this type of aid starting from 1 October 2008, for families nursing small children – starting from 1 January 2009, while the other beneficiaries will get the aid starting from 1 July 2009. The assistance will be established for a period not longer than 2 years, and will be reviewed once in six months.

## Public private partnership

On September 2, the Law on Public-Private Partnership has been enacted. Its main purpose is to enhance the attracting of private investment for implementing projects of public interest, growth in the efficiency and quality of services, public works and other activities as well as to ensure the efficient utilization of the public property. The law establishes the mechanism of initiating and implementing the public-private partnership, its basic principles as well as the rights and obligations of the public partner and the private partner. The concept of the public-private partnership expresses a mechanism of cooperation between a public authority and the private sector, including nongovernmental organizations, associations of businessmen or companies with the purpose of implementing a project that would generate benefits for the labor market or the local development. The activities which can be carried out under the public-private partnership may include both profit oriented and non-profit projects. Among the factors which create the necessity

of the public-private partnership, the authors name the bad quality of services, inefficient tariff policies, used up fixed assets and corruption.

The Ministry of Economy and Trade will work out and present the normative documents needed to implement the law on the implementation of the public-private partnership by the end of this year.

There will be drafted a number of regulations and a textbook on how these partnerships should work, on the division of risks between business and the state and the rights and obligations of the sides

Commenting on the new law, the Deputy Minister of Economy, asserted that given the lack of money for investing in costly projects (renovation of roads or medical clinics for instance) Moldova chose the public-private partnerships as a solution, as other European countries did in the 70s-80s of the last century.

"The law on the public-private partnership offers great possibilities of stimulating regional development, of liquidating the discrepancies in the development level of the municipalities and other settlements of the country. We think that at the start of the next year, when the first partnerships will be launched, many of them will include representatives of the private sector of Moldova. Some of the projects on drinking water supply and sewer services begin to take shape," Iurie Munteanu said.

## Intellectual Property

On September 19, the Government submitted to the Parliament the Draft Law on the Amendment of the Civil Procedure Code. The proposed paragraph no. 3 of art. 127 stipulates that before the start of the court procedures, any person who suffered from the infringement of their intellectual property rights can solicit the court to apply temporary measures for securing the evidence, as confidential information, on the condition that the solicitor should provide a equivalent guarantee, in order to ensure the compensation of damages caused to the defendant in case that no violation is ascertained.

The purpose of the amendments is to adjust the procedural legislation to a range of recently adopted laws in the domain of intellectual property. The law also complies with the Directives of the European Parliament in the domain of intellectual property rights protection.

All of the above mentioned laws contain separate chapters on the guarantee and protection of rights, measures for securing evidence, enforcement measures etc. Therefore, the special laws regulate procedural norms on the protection of rights on intellectual property.

At the moment, the Civil Procedure Code regulates measures for securing evidence only after the start of the proceedings in the court. As an exception, in cases of civil litigations, securing of evidence can be operated before the start of the proceedings by notaries or officials of diplomatic missions.

The new version of article 128 stipulates that the request for securing evidence should be submitted to the court the territorial competence of which covers the place where the evidence is located.

The authors of the Bill argue that this kind of regulations are common for most of the EU countries (for example - in the Intellectual Property Code of France). The legal ground of these regulations is provided by the Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights

## National Budget

On September 1, Ministry of Finance has submitted the draft of the budget law for 2009 to the Government. The bill provides for higher salaries for budget-paid employees, allowances for youth and resources for implementing social programs. The budget for the next year was built on a 6.0% growth of the Gross Domestic Product to 70.5 billion lei, an average inflation rate of 10%, a 19% rise in exports and a 24% increase in imports and an exchange rate of 9.12 lei for a dollar. The draft budget law for 2009 does not envision structural reforms, the public money being planned for use on current necessities. The personnel expenditure will rise by 45.98% compared with 2008, up to 3.971,6 billion lei. The state budget spending at all the divisions will increase by 21.0%. The largest part of the public spending will be used in the social sphere and to solve social problems (19.71 billion lei or 28% of the GDP). The expenses for police and national security in 2009 will rise by 40.6% on 2008, for science and innovation - by 29.8%, for social assistance and insurance - by 30.9%, for servicing the state debt - by 34.3%, for education - by 22.4%, for healthcare - by 22.7%, for culture, arts and sport - by 3.5%. At the same time, the Government will al-

locate less money for national defense, transport and road management, environment protection and economy. The budget for 2009 will be by only 3.7% larger than the budget for this year. The rise will be mainly due to the resources collected by the local public authorities. Capital investment is estimated to rise just 3.7% from the 2008 budget, mainly due to local authorities.

The state budget revenues will come to 17.2 billion lei, an increase of 13.6% compared with 2008. The spending will be 18.0 billion lei, a 21% rise year on year. Consequently, the state budget deficit will be 784.3 million lei. About 75% of the state budget revenues will be obtained from indirect taxes, especially VAT (64.35%), mainly VAT on imported goods. The Government anticipates that the imports will again exceed exports in 2009. The balance-of-trade deficit will be 4.45 billion US dollars. Expectedly, imports will total 6.5 billion US and exceed exports 3.1 times.

Experts assert that the budget has an electoral character as 68.2% of the national public budget expenditure will go to the social sphere.

## Safeguarding Measures

On August 28 the Government has submitted to the parliament a range of amendments to the Law on the application of a safeguarding measure no.289, dated 20 December 2008. Under the proposed draft safeguard measures will be applied at the import of pastry to the republic of Moldova. The authors of the bill note that even though the marketing of this category of products has increased by 25%, in the period of 2005-2007 the local industry has lost 3 percentage points of the market share, covering only 63.8 % in 2007. In these conditions, under the provisions of art. XIX of GATT and art. 2 of the Safeguarding Agreement, the government is authorized to apply safeguard measures to the imported goods, if they cause damage or can eventually cause damage to the national industry which produces similar goods. Thus, given the increasing import of pastry in the mentioned period (6.5% growth in 2006 compared to 2005 and 12.3% growth in 2007 compared to 2006), and given the eventuality of a potential damage to local producers, this bill proposes the application of safeguarding measures, which would allow the establishment of a advantageous competitive environment.

Prepared by: Andrei Lutenco



## Assets of banking system increased by over 16% in seven months

The total assets of the Moldovan banking system increased by 16.2% in January-July 2008 and by the end of July amounted to 37.2 bn lei (equivalent of 3.85 bn USD). Compared with the similar period of the previous year, the bank assets registered an advance of some 33.31%.

According to the data of the National Bank of Moldova, in seven months of this year the credit balance account in the banking system registered an advance of 15.22% compared with 31 December 2007 and reached 23.91 bn lei. At the same time, against the similar period of the previous year, the advance constituted over 40%.

Although during this year, the loans provided to the economy registered an upward trend, the increase below the level registered over the same period last year, when the bank loans balance account increased by over 23%.

Experts explain this situation by the reduction of the loan attractiveness after the banks had increased the interest rates to loans. After the National Bank increased the refinancing rate and the level of compulsory reserves of the banks, the latter increased the interests thus determining a reduction in the demand, experts say.

In January-July 2008, the banks continued to increase their total statutory capital even if they had to retain finances for supplementing the compulsory reserves. Thus, according to the NBM data in seven months the total statutory capital increased by about 18.5%, and compared with the same period of the last year, the advance constituted over 45%.

According to the central bank, at the end of July 2008, the share of foreign investments in the capital of the local banks amounted to 73.12% of the total and increased by 1.24 percentage points against the end of 2007 and by 8 percentage points against the end of the same period of the last year.

As of 31 July 2008, there were 16 commercial banks in Moldova, by one more against the same period of the previous year, and a representation of a foreign bank.

## Norway likely to join Common Visa Issuing Centre in Chisinau

The agreement to facilitate the visa regime for Moldovan citizens and the adherence of Norway to the Common Visa Issuing Centre in Chisinau are likely to be officialized in the nearest future. The issues have been discussed within the meeting between the Moldovan vice-minister of Foreign Affairs and European Integration and Norwegian Secretary of State for Foreign Affairs Raymond Johansen in Oslo (Norway).

According to the Ministry of Foreign Affairs and European Integration (MFAEI), within the meeting the officials also discussed the relations between Moldova and Norway, especially the political, trade, economic, social and humanitarian cooperation and the cooperation within the international organizations.

They have also discussed issues dealing with security, bilateral juridical relations and convened upon the re-actualisation of the drafts of the priority agreements which are being negotiated. The officials have also examined the possibility of extending the current juridical framework.

Within the official visit, the Moldovan vice-minister also met the Director General for Consular Affairs of the Norwegian Ministry of Foreign Affairs where the officials concluded the common position

on the draft of the Agreement on the facilitation of visa issuing between Moldova and Norway.

## Prime Minister Zinaida Greceanii met with Graeme Justice, Head of IMF European Department

On Thursday, September 11, Premier Zinaida Greceanii had a meeting with Graeme Justice, Head of the IMF European Department, who is heading an IMF mission to Chisinau.

The IMF mission, which is not an evaluation one, is to examine the draft budget law for 2009 and to monitor the actions set out in the IMF Programme with the Moldovan Government. The fifth IMF mission for the evaluation of the implementation of the government program is to arrive in Chisinau this November.

During the meeting with Prime Minister Greceanii, Graeme Justice expressed his conviction that the policies promoted by the Government at present are fruitful and that the national economy registers certain encouraging developments, the Government press service informs.

According to the IMF official, the central bank successfully reduces the pressure on the national currency, the budgetary performances are good, and inflation is going down, not only due to foodstuffs price reduction. "It is a significant achievement of the Government, considering the inflation pressures and the energy price raises", the head of the IMF mission appreciated.

In reply, Premier Zinaida Greceanii assured the official of good conditions for the activity of the current IMF mission to Chisinau. In particular, the Moldovan premier informed that the draft budget law for 2009 is undergoing its final phase of development and that the document would be forwarded for examination and adoption to the Parliament before the beginning of October 2008. "It is important for the future budget to be founded, and the actions of the state bodies to be efficient at maximum", Zinaida Greceanii said.

## World Bank presented annual report on business environment regulation

The World Bank launched Doing Business 2009 report on the business environment regulation in 181 countries of the world during June 2007 – June 2008.

The report shows that the business regulatory reforms reached record figures in 2008, while East Europe and Central Asia are leading in the world regions for the fifth year in turn. During June 2007 – June 2008, 23 out of 25 countries in this region implemented 62 reforms that facilitate doing business.

According to World Bank Deputy Director, Michael Klein, the report encourages positive rules, which in turn offer a better foundation for a healthy business environment. "Economies need efficient rules that are easily implemented and accessible for those who are to follow them. Otherwise, business are caught in the middle of unregulated informal economy, where they have little access to financing, and where the workers do not enjoy labor protection rights", the official stated.

According to the World Bank analysis, Azerbaijan is leading in the top in terms of implementation of business regulatory reforms, advancing 97 positions in a year. WB experts said that this country implemented reforms in seven areas of the ones scrutinized in the report, namely launching a business quicker, execution of contracts and registration of property, reduction of burdens related to taxation and employment restrictions, consolidation of investor protection and loan contracting.

For the third year in a row, Singapore ranked first with the most advanced indicators in terms of doing business. New Zealand is in the second position, followed by the USA. East European and Central Asian countries in the top are Georgia (15), Estonia (22), Lithuania (28), Latvia (29).

## Foreign exchange reserves increased by over 31% in eight months

In January-August 2008 the official reserve assets of Moldova increased by 31.3% (441.94 mln USD) up to a new historical maximum of 1 bn 775.62 mln USD at the end of August.

The advance in eight months of this year is the most significant one for a similar period since the establishment of the state foreign exchange reserves and is almost twice more than the increase registered for the same period of time last year, when the foreign exchange reserves increased by 22.6 mln USD or 29%.

During August 2008, the foreign exchange reserves of the NBM increased by over 75 mln USD, representing a rather significant monthly growth, but which is still lower than the one registered in the previous month, when they increased by 79 mln USD only in one week.

According to the data of the National Bank of Moldova, as of 29 August 2008, the state foreign exchange reserves were composed of securities in the amount of 417.34 mln USD and liquidity and fixed placements of over 1 bn 312.77 mln USD.

Experts say that the spectacular increase of the foreign exchange reserves since the beginning of this year produced as a result of the foreign exchange procurements by the NBM, strong fluctuation of the USD exchange rate against other currencies, effective transactions reflected in the balance of payments, but also as a result of the decision taken by the IMF Board of Directors to transfer on the NBM's accounts the ordinary disbursement in the amount of 18.6 mln USD.

According to the provisions of the Memorandum for Economic and Financial Policies of the Government and the NBM for 2008, coordinated with the IMF, by the end of this year the official reserve assets of Moldova were to increase up to 1.7 bn USD. The developments over the past months turned upside down this item in the memorandum, and analysts do not exclude that by the end of this year the official reserve assets may go up to 2 bn USD.

## Government approved draft Budget Law for 2009

The draft State Budget Law for 2009, approved by the Government in its meeting on Wednesday, September 25, sets out revenues of 17 bn 734.9 mln lei, expenditures of 18 bn 278.8 mln lei, and a budget deficit of 573.8 mln lei (1%).

Mariana Durllesteanu, Minister of Finance, specified for the press that the state budget revenues foreseen for the coming year are by 21% bigger than this year, while expenditures increased by 23%. The minister of Finance also said that initially, in a number of working versions, the budget deficit was set out at 783.4 mln lei, or 1.3%, but following discussions with IMF experts, it was reduced by over 200 mln lei and the difference between revenues and expenditures will be covered with money from privatization and external support.

Mariana Durllesteanu also informed that the draft budget law for the next year was developed based on 6% GDP growth, a cumulative inflation rate of 9.5% and an average annual exchange rate of MDL of up to 12 MDL/USD. The document has a prominent social character, as the social component weighs most.

Finally, Durllesteanu said that the draft would be remitted to the Parliament for examination by 1 October 2008.

We remind that the state budget for 2008 was approved by the Parliament on 23 November 2007. The final version provided for revenues of 14 bn 658 mln lei, expenditures of 14 bn 881.7 mln lei and a deficit of 223.7 mln lei.

During this year the budget was amended in order to reduce inflation pressure. Thus, on July 3 the Parliament accepted to reduce from 223.7 mln lei down to 99.7 mln lei the budget deficit. As a result the budget revenues were supplemented with 340.6 mln lei, and expenditures with 216.6 mln lei, while the budget deficit was reduced by 124 mln lei.

## Gradual inflation reduction determined by policies promoted by authorities, says BNM governor

The reduction of inflation's growth pace during June and July, and change of the annual trend were determined by the stricter monetary and budgetary-fiscal policy of the central bank and Moldovan Government as well as by the application of some common measures, stated NBM Governor, Leonid Talmaci, at the Thursday sitting of the Parliament.

According to Talmaci, the evolution of the inflation indicator over the past months and the gradual inflation reduction within the planned limits demonstrate the correctness of the policies promoted by Moldovan authorities. "The monetary and foreign exchange policy for 2008 approved by the National Bank of Moldova was oriented towards ensuring and maintaining price stability, and for that purpose it was planned for the inflation not to exceed 10% by the end of the year".

According to the cited source, during January-August 2008, the price consumption index increased in two phases by 6%. By the end of May, it increased rapidly by 7.4% against the beginning of the year, and by 16.9% against May 2007.

Leonid Talmaci explained that the price raise during this period is a result of the secondary consequences of unfavorable climate conditions in 2007 as well as service tariff raise due to energy price raise worldwide.

"The 2% inflation in June-July and the moderate prices of inflation indicators of only 0.7% in August 2008, determined reduction of inflation down to 6% from the beginning of the year and the annual inflation reduced down to 11.7%", the NBM governor concluded.

## Mariana Durllesteanu: Moldova not to be affected by global economic crisis

Moldova does not risk to be touched by the economic crisis that affected a number of developed countries in the world, stated Minister of Finance, Mariana Durllesteanu, for the press.

According to the official, the Moldovan banking system is rather stable and will not be affected by the external crisis. Durllesteanu specified that the macroeconomic stability ensured in cooperation with the National Bank contributed to tempering the inflation level that reached to 6.6% in the first 9 months of the year.

She characterized as unfounded the stir among the population caused by the economic developments in the USA and other developed countries. At the same time, Mariana Durllesteanu noted that a risk fund is to be established in Moldova to help preventing or removing crises of the national economy.

Source: BasaPress

# Falling for the President

## Sean Golden, Fulbright Graduate Fellow

On November 4th, many Americans will go to the polls to select a new President and Vice President of the United States of America. Who will it be? First we'll take a look at the Vice-Presidential additions and then glance at the Fluid market indicators like Intrade, Iowa Electronics Markets, and BetFair that reflect continuously updated information (like the daily polls we're inundated with) that revise models and projections. Last, we'll take an in-depth look at the candidates' economic proposals.

### Vetting the VP

Presidential candidate Barack Obama was the first to announce his running mate – Senator Joseph Biden of Delaware. Shortly thereafter, John McCain revealed a slightly unexpected choice in Alaska Governor Sarah Palin. Mr. Biden has served for five terms in the US Senate and is running for election as both the Vice President of Barack Obama and for a sixth senatorial term in Delaware. Senator Biden ran against Barack Obama during the Democratic primaries earlier this year. Mrs. Palin is the first female governor from Alaska and previously served as the mayor of Wasilla, Alaska and worked as a sportscaster.

### Betting on the President

In 1992, the Iowa Electronic Markets project at the University of Iowa Tippie College of Business, received regulatory exemption from the Markets and Trading Commission and began trading futures contracts in politics and other events. The market allows traders to purchase future contracts (up to \$500) for an event, like the outcome of the Presidential election. The market is operated as a research project to examine how accurate and efficient markets (the wisdom of the crowd) are in predicting outcomes compared to aggregating individual preferences. A trader could buy a contract for a Democratic victory for \$.52 (as of this writing). If a Democrat wins the presidency, the contract may be redeemed for \$1 and a profit of \$.48. However, if a Republican wins the election, the contract would be worth \$0. Traders may also buy Republican contracts with the same mechanics. Since the early 1990's, two other major prediction markets – Intrade and BetFair – began trading on contracts ranging from Presidents (Obama – 57%, McCain – 43%) to Wall Street bailouts before September 30th (Yes – 91.5%) recessions (15%) to air strikes on Iran (20%) to gas prices being greater than \$4 by the end of September (5.1%). These sites may be a good outlet for a recent surplus of Wall Street talent.

### Surveying Economists

For the first time, Scott Adams (of Dilbert fame), organized and funded a survey of professional economists from a sample of the American Economic Association. Of the over 500 economists responded, they composed the following:

- 48% Democrats
- 17% Republicans
- 27% Independents
- 8% Other

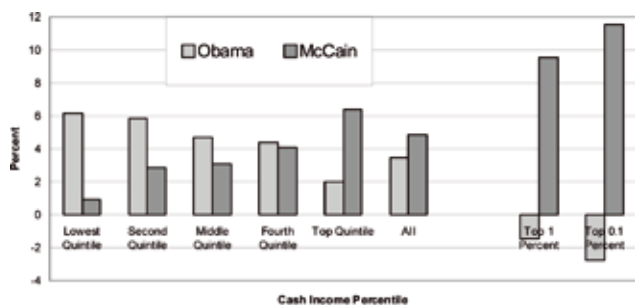
Overall, the surveyed economists supported Obama 59 – 31 percent. Here is how the economists broke down on the most important issues (as indicated by the respondents):<sup>1</sup>

Rank	Issues	Obama	McCain	N. Diff.
1	Education	59%	14%	27%
2	Health care	65%	20%	15%
3	International trade	26%	51%	23%
4	Energy	61%	22%	17%
5	Encouraging technology/innovation	43%	23%	34%
6	Wars and homeland security	58%	30%	11%
7	Mortgage/housing crisis	41%	18%	41%
8	Social Security	40%	24%	35%
9	Environmental policy	72%	9%	19%
10	Reducing the deficit	37%	29%	33%
11	Immigration	33%	29%	38%
12	Increasing taxes on wealthy	79%	14%	7%
13	Reducing waste in government	16%	38%	46%

Why survey economists? Largely ridiculed as a flummoxing and fickle empirical group, they showed no biases for president based on income and tax policy (favoring the rich or poor), but rather indicate preferences based on the observed effects on efficacy and equity. Scott Adams notes that economists may provide general advice on the economy, but expects them to be wrong some of the time.

### Tax Proposals

While campaign promises are not binding, they're all voters have to make a decision. The non-partisan Tax Policy Center (TPC) analyzes the tax policies of both Barack Obama and John McCain (as of early September 2008). The candidates prefer to compare their plans to the "baseline" or the current US tax law. Based on projections of the TPC, Obama's plan will increase the national debt by \$3.5 trillion and McCain's plan would increase the debt by \$5 trillion by 2018. Neither plan makes much reference to curtailing spending, while the McCain plan touts tax cuts without matching cuts in government outlays and Obama's plan would slightly increase government revenue. The graph below shows the projected effect of each plan on average after tax income, based on the wealth of the tax payer:<sup>2</sup>



Notes: All provisions are assumed to be fully phased in. Obama proposal does not include payroll surtax.

<sup>1</sup>Retrieved from: <http://gregmankiw.blogspot.com/2008/09/poll-of-aea.html> on September 25th, 2008.

<sup>2</sup>Retrieved from: <http://www.taxpolicycenter.org/publications/url.cfm?ID=411750> on September 25th, 2008.

# SEPTEMBER NETWORKING EVENT



AmCham recently organized a networking event, on Tuesday, September 30th at “La Popasul Dacilor” restaurant. The event was dedicated to the inauguration of the Member Discount Program.

This program brings AmCham members together and allows them to take advantage of special product and service offers. All participating companies were given the chance to promote their products and services at the event and raise public awareness for their respective businesses.

At the event, every AmCham member received a Member Discount Card, thus gaining access to the many valuable discounts that are available through this program. Those who have not yet received their Member Discount Card will be receiving them shortly.



The quantity and variety of the discounts are growing steadily. We encourage you to visit our website frequently to check the updated list of participating companies and their offers. The main goal of the Member Discount Program is to provide savings on a wide variety of high quality goods and services for the benefit of all AmCham members.

For ALL companies that are not yet participating in this program (member or non-member): we want you to know that it is not too late to get a piece of the action! Please contact us to express your interest and we will help you get started.

Many thanks to all those who participated in this event!

# MEMBER DISCOUNT PROGRAM

Company name:	Discount offer:	Contact details:
AVON	25% discount on all products	T. 200 325/ 270 030
BDR ASSOCIATES	<ul style="list-style-type: none"> <li>Free Daily Press Monitoring (1 month)                             <ul style="list-style-type: none"> <li>- daily news headlines from the economic, social, political fields in Moldova</li> </ul> </li> <li>Professional TV, radio and press monitoring service package                             <ul style="list-style-type: none"> <li>- central TV &amp; radio channels, central and regional press</li> <li>- professional monitoring analysis and report (English/Russian/Romanian)</li> <li>- media alerts on key words</li> <li>- preferential fee for the first 3 months</li> </ul> </li> </ul>	Svetlana Japalau T. 214 156
CARAVAN RESTAURANT	<ul style="list-style-type: none"> <li>5% off everything on the menu</li> <li>Preferential rates on hosting of different events</li> </ul>	Elena Semeachin T. 069968052
CORPORATE OFFICE SOLUTIONS	<ul style="list-style-type: none"> <li>5 % off all types of furniture Steelcase in Moldova</li> </ul>	Oxana Jantoan T. 069668728 T. 242 602
DELOITTE AND TOUCHE	<ul style="list-style-type: none"> <li>Preferential rates on Audit, Enterprise Risk, Tax, and Consulting services</li> </ul>	Andrei Suruceanu T. 270 310
FORS COMPUTER	<ul style="list-style-type: none"> <li>20 % discount on all IT services</li> <li>Preferential rates on products</li> </ul>	T. 234 748
FOTO RAPID	<ul style="list-style-type: none"> <li>Up to 20% for foto printing – digital and optic foto printing, size from 10X15 cm up to 20X60cm, processing and restore photos.</li> <li>Up to 10% discount for photo accessories – digital and optic cameras, photographic equipment, films, batteries, albums, frames, memory cards, USB, flash memory.</li> </ul>	T. 430 892

Company name:	Discount offer:	Contact details:
GLOBNET	<ul style="list-style-type: none"> <li>5% discount on corporate Internet services including free web hosting</li> </ul>	T. 860 071/ 860 072
GRUPUL PROIECTELOR INTELIGENTE MOLDOVA	<ul style="list-style-type: none"> <li>15% discount on Merchandising Services                             <ul style="list-style-type: none"> <li>- Elaboration and production of a range of merchandising products which would match the company's style requirements.</li> <li>- o Elaboration of a model location for the client, as well as the integration of clients' style products which would result in maximum visibility</li> </ul> </li> <li>15% discount on Research Services                             <ul style="list-style-type: none"> <li>- Elaboration of research plan directed by client, service or product. Collection, processing, and analysis of data.</li> <li>- Elaboration of recommendations and development strategies.</li> </ul> </li> </ul>	Ala Hirbu T. 068252525
LA TAI FAS RESTAURANT	<ul style="list-style-type: none"> <li>5% off everything on the menu</li> <li>Preferential rates on hosting of different events</li> </ul>	Elena Semeachin T. 069968052
LION-GRI	<ul style="list-style-type: none"> <li>Possibility of purchasing Lion-Gri collection sparkling wines and Golden Lion and Silver Lion wines at the producer's price.</li> <li>The ordered products will be delivered through Chisinau free of charge.</li> </ul>	T. 414 080
MOLDCELL	<ul style="list-style-type: none"> <li>free of charge connection to Moldcell</li> <li>CUG - closed user group - 10 MDL /line/month (possibility that all company employees can talk unlimited among them for 10 lei monthly fee /line) (the price incl. VAT)</li> </ul>	T. 079800096 022206022
NOKIA	<ul style="list-style-type: none"> <li>5 to 10 % off all NOKIA phones and accessories.</li> </ul>	Iurie Grecu 6V Creanga St., T. 838595 T. 79521222 <a href="mailto:i.grecu@nippon-teh.com">mailto:i.grecu@nippon-teh.com</a>
ORHEI-VIT	<ul style="list-style-type: none"> <li>5% discount off all products available at the company's store located at the following address: str. Mesager 16, Chisinau, Moldova. Prices at this shop are 10-30% less than at a retail shops in the town.</li> <li>Delivery within Chisinau is free if order exceeds 1000 MDL.</li> </ul>	T. 592 931/ 592 934
PURCARI	<ul style="list-style-type: none"> <li>Possibility of purchasing wine products and souvenirs at the producer's price.</li> <li>The ordered products will be delivered anywhere within Chisinau free of charge.</li> </ul>	Dumitru Jitcu T. 069775566
RILVAN	<ul style="list-style-type: none"> <li>25% off of our ALL INCLUSIVE Moving Services (from our moving division)</li> <li>½ day of a free tour of the city/country (from our relocation division)</li> </ul>	Mihai Dercaci T. 260 596
ROMPETROL	<ul style="list-style-type: none"> <li>Free of charge ROMPETROL CARD which offers the possibility to get discount on fuel in dependence of the acquired quantity.</li> </ul>	Lisa Alexandru T. 233 959
SUPRATEN	<ul style="list-style-type: none"> <li>20 % off the listed products.</li> </ul>	Nicon Bunu T.069058069
VALENTIN&VALENTINA RESTAURANT	<ul style="list-style-type: none"> <li>5% off everything on the menu</li> <li>Preferential rates on hosting of different events</li> </ul>	Elena Semeachin T. 069968052
XO GALLERY RESTAURANT	<ul style="list-style-type: none"> <li>5% off everything on the menu</li> <li>Preferential rates on hosting of different events</li> </ul>	Elena Semeachin T. 069968052

# September 11th 2001

## A memorial to never forget



**The eleventh day of September,  
A day we'll always remember.  
Many families and lives were shattered,  
The world stopped turning and nothing else mattered.**

On September 11th, 2001, beginning at about 8:45 in the morning, a series of terrorist attacks destroyed the twin towers of the World Trade Center and severely damaged the Pentagon. Four U.S. planes hijacked by terrorists crashed into the World Trade Center, the Pentagon and a field in Pennsylvania killing nearly 3,000 people in a matter of hours. The disaster was so great that in New York just two days later, there were only guesses about how many thousands of people perished when the WTC towers collapsed. Behind the staggering number of deaths are the individuals, each of whom left behind family, friends and co-workers who feel the national tragedy on a personal level.

Early in the morning on September 11, 2001, nineteen hijackers took control of four commercial airliners en route to San Francisco and Los Angeles from Boston, Newark, and Washington, D.C. (Washington Dulles International Airport). At 8:46 a.m., American Airlines Flight 11 was flown into the World Trade Center's North Tower, followed by United Airlines Flight 175 which hit the South Tower at 9:03 a.m. Another group of hijackers flew American Airlines Flight 77 into the Pentagon at 9:37 a.m. A fourth flight, United Airlines Flight 93, whose ultimate target was either the United States Capitol or White House, crashed near Shanksville, Pennsylvania at 10:03 a.m.

Three buildings in the World Trade Center Complex collapsed due to structural failure on the day of the attack. The south tower (2 WTC) fell at approximately 9:59 a.m., after burning for 56 minutes in a fire caused by the impact of United Airlines Flight 175. The north tower (1 WTC) collapsed at 10:28 a.m., after burning for approximately 102 minutes. When the north tower collapsed, debris heavily damaged the nearby 7 World Trade Center (7 WTC) building. Its structural integrity was further compromised by fires, and the building collapsed later in the day at 5:20 p.m.

**One can't help but kneel and pray  
For those we lost that day.  
With those people gone in our mind,  
Serenity we shall find.**

**Who knew that beautiful day  
Would end up in such a disastrous way?**

Don't aim for success if you want it; just do what you love and believe in, and it will come naturally.

~David Frost

# Business Review

fighting for your business

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All AmCham members are provided the opportunity to promote their company, its actual business activity, and contact information. Thus, we offer you the possibility to increase your company's visibility within the AmCham network and to highlight your activities by placing your advertising in our magazine.

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